

## CHAPTER-11

### DISPOSAL OF STORES, EQUIPMENT, etc. DECLARED AS SURPLUS, UNSERVICEABLE, OBSOLETE

#### 11.1

##### **Introduction**

Disposal action as given in below paragraphs will be taken by the Store after approval of competent authority. Timely disposal of the items is essential to relieve the floor area occupied by these items, avoid further deterioration, and generate the revenue for the Government.

- i. On Approval of Store Survey Committee (SSC) recommendation by the Competent Authority declaring as Surplus, unserviceable, obsolete Scrap, etc. tendering action shall be initiated by the Store Unit.
- ii. Reserve price is fixed by SSC for the items declared as surplus, unserviceable, obsolete, and condemned vehicles and kept confidential in a sealed cover. For items declared as scrap, no reserve price is required to be fixed.
- iii. Stores Unit shall prepare a detailed plan of action for disposal and seek the approval of Director, DPS or ex-officio Director for inviting tender in prescribed tender form.
- iv. Offers received are tabulated and comparative statement of tenders (CST) is placed before the SSC for their evaluation and recommendation.
- v. Based on the recommendation of SSC, a proposal to accept the qualified highest bidder will be submitted.
- vi. On approval from the competent authority, bid acceptance letter and sale order are prepared in the prescribed forms (DPS/SP/46a and DPS/SP/46b ) duly pre-audited by Finance.
- vii. Bid acceptance letter is issued to the successful bidder for submission of security deposit. If the successful bidder failed to submit security deposit after reminder and final notice, the EMD shall be forfeited with the approval of Director, DPS/Ex-Officio Director.
- viii. Sale Order is issued after receipt of security deposit. Sale value is submitted by successful bidder in the manner given in the contract.
- ix. On realization of sale value to Government account sale action shall be initiated by issue of material. While physically handing over the material to the vendor, the representative of Stores and Security shall be present.
- x. In case of condemned motor vehicles, physical handing over to the vendor shall be done only after the ownership has been deleted/ changed in the RTO records.

- xi. On satisfactory completion of the contract, the sale account shall be prepared and submitted to Accounts by Assistant Stores Officer in form DPS/SP/47 for releasing the balance amount to the buyer.

11.2 **Classification of items/material for disposal**

It is necessary to classify disposal material into homogeneous and marketable categories such as machineries, electronic equipment, computers, machine tools, metallic moulds and gauges, FRP moulds/components, etc. to attract maximum bids and generate optimum revenue.

11.3 **Disposal of General Scrap:**

General saleable scrap is that accumulated as workshop arising - turning, boring, cut pieces, packing material, empty barrels, empty cable drums, plastic containers, scrap wood, plastic and rubber goods including tyres and tubes, used oil, etc.

These scrap materials are received /collected by Stores Unit for disposal action. Wherever necessary, the scrap will be monitored and cleared by Radiation Safety Section/Health Physics Authority before receiving at Stores for disposal action.

Stores Unit shall arrange segregation of scraps into tenderable groups such as heavy melting, light melting, electrical, electronic, rubber, plastic, brass, copper, aluminium, etc. Cost of the scrap material is estimated for the purpose of identifying the tendering mode and fixing Earnest Money Deposit (EMD) based on previous sale data, market survey, and condition of the scrap, etc. Thereafter tendering action is initiated after taking approval from competent authority. As regards fixation of reserve price and comparability of offer, earlier disposal rate, condition of the scrap, market trend, etc., may be considered.

Environmental sensitive items : Some of the unserviceable items or scrap are environmental sensitive and may damage the environment if not properly disposed off. There are statutory guidelines for disposal of these items. Examples are e-waste, used oils, batteries, plastic goods, etc.

- 11.4 In case of sale of hazardous, e-waste, used oil, old lead acid batteries involving inter-state movement of goods, the buyer shall submit an NOC from the concerned State Pollution Control Board with whom the buyer registered, to the seller before taking delivery, failing which the buyer will be responsible for the consequences and the seller shall take further decision as may be deemed fit.

11.5 **Disposal action by Store**

**Tendering Action**

Tenders in prescribed form are invited under e-tender mode, unless authorized otherwise. Forward auction (e-auction) is also an effective mode for implementation, if feasible, either directly or through authorized auctioneers.

11.5.1 **Guidelines for Tendering**

Tenders beyond a specified estimated cost shall be processed under public tender mode on e-tender system, unless authorized otherwise. Stores Unit will prepare Tender document giving the details and specifications of each group of

stores recommended for disposal. Tender process shall be as per prevailing directives. In case public tender process is adopted, brief tender notice shall be published in news papers or as per extant directives and intimation letters shall be issued to prospective bidders who may be interested to bid in response to advertisement in newspapers/website or intimation letter. Bidders shall be allowed to download tender document free of cost under e-tender mode. Manual tender document if processed on public tender mode may be issued to prospective bidders against payment of tender document fee fixed by Director, DPS.

11.5.2 If limited tender process where estimated cost is up to a specified value or manual tender is to be adopted for any specific reason, approval of competent authority, giving justification thereof, shall be taken. Tender notice will be issued to not less than five prospective bidders.

11.5.3 Receipt of Tenders: A date and time shall be fixed for downloading/issuing NIT and submission of filled tenders. These tenders will be opened on the opening date and time mentioned in the tender document in the presence of desiring vendors if processed under conventional tendering mode. It will be ensured that:

- a) The tenders received before the due date and time of opening is considered for further processing. Late/delayed tenders shall not be considered.
- b) The tenders not submitted on the tender documents issued by the Units, shall be rejected.
- c) The tendering parties shall deposit Earnest Money either by way of a bank draft from a nationalised bank, drawn in favour of the Pay and Accounts Officer of the Unit or as mentioned in the Notice Inviting Tender (NIT) before the scheduled due date and time along with the tender. No interest will be payable on the earnest money so deposited.
- d) The earnest money deposit of unsuccessful bidder(s) is refunded/ returned soon after opening of the tender and preparation of comparative statement.
- e) The earnest money deposit of the successful bidder(s) is adjusted with performance security to be paid by the contractor on receipt of the contract.
- f) The tenders received without earnest money deposit shall not be considered.

11.5.4 **Terms and Conditions**

11.5.4.1 Tendering Conditions and General Conditions of Sale (GCS) shall mandatorily be the part of tender document. These terms and conditions will be made available along with the bidding document to all prospective bidders collecting/downloading the tender document. Special Conditions of Sale (SCS) governing the contract shall be formulated in consultation with finance/legal authorities and approved from Director, DPS for uniform adoption by all Stores Units. Deviation, if any, for specific Unit shall be approved by Director, DPS. Hence the same is not made part of this manual.

11.5.4.2 A declaration by the bidder having read and understood the GCS shall be attached as annexure with the bidding document. This declaration duly signed

by the bidder shall be submitted along with the EMD failing which the bid shall be treated as unresponsive and rejected.

11.5.4.2 Special conditions, if any, eligibility criteria and/or pre-qualification criteria, if any, shall be indicated in SCS and be made part of the bidding document. A declaration by the bidder having read and understood the SCS shall be attached as annexure with the bidding document. This declaration duly signed by the bidder shall be submitted along with proof of eligibility criteria and the EMD failing which the bid shall be treated as unresponsive and rejected. In case of sale of environmentally hazardous items, e-waste, used oil, old lead acid batteries, plastic items, etc., the bidder shall submit valid Central/State Pollution Control Board's certificate along with the EMD failing which the bid shall be rejected.

11.5.4.3 Restrictions and requirements imposed by the seller shall be abided by the bidders.

11.5.5 The tenderer quoting the highest price will be accepted except in rare cases where there are valid reasons for rejecting such an offer which will be recorded subject to approval of Director, DPS/ex-officio Director.

## 11.6 **Tender Documents**

11.6.1 While inviting tenders for sale of disposable stores, the following important points shall be complied with:

- a) The tender notice will be issued in newspapers, if mode is Public Tender.
- b) The tender notice will give brief but clear particulars of the materials to be sold, quantities and probable delivery period. A definite time and date will be prescribed for receipt of tenders and their opening.
- c) Tender forms containing general conditions of sale and special conditions of sale will be carefully drawn up and allowed to intending tenderers to download free of cost under e-tender mode or at a nominal price (non-refundable) under manual mode as fixed by ~~Unit~~ Director, DPS. If conventional tendering is adopted, tender forms shall be duly numbered and kept in safe custody with the Assistant Stores Officer /Stores Officer/Pay and Accounts Officer of the local unit for issue against payment.
- d) Under manual tendering the Assistant Stores Officer /Stores Officer will indicate the date of sale of the tender with his full signatures in the box on the top right side of the first page of the tender documents as given below in the case of conventional tenders: -
  - i. Serial No.....
  - ii. Cost.....
  - iii. Date of Sale.....
  - iv. Signature of Officer.....

## 11.7 **Processing of Tenders**

The procedure for processing of tenders is outlined below:

#### 11.7.1

##### **For Conventional Tenders:**

- a) Sale of tender forms will cease at specified time and date as published in the tender notices.
- b) All tenders whether received by post or delivered by hand shall be put into the tender box which will be opened and cleared at specified time (as published in the tender notice) on the due date as per clause 20.5.5 of this manual.
- c) Tender or modification to tenders received after the clearance from the tender box will not be accepted.
- d) Tenders will be numbered serially on opening. All pages of the tenders will be initialled and dated by the officers present indicating the serial number as numerator and total number of tenders received as denominator e.g. in case there are total number of eight tenders received and marking on the tender opened first will be 1/8, second tender opened will be marked as 2/8, and so on.
- e) If tenderer omits to fill in any details, a cross in red ink will be put in the blank space. Any alteration in the tenders will be initialled legibly by the officers present. In the event of any doubt about the price quoted, the same will not be considered and the fact will be noted on the tender.
- f) Late tenders even if posted before the due date of opening, will not be opened/ considered.
- g) Unsigned tender or tender having scanned signature shall not be considered.
- h) Unsolicited offers shall not be considered.

#### 11.7.2

##### **For e-tenders:**

- a) Downloading of tender will cease at specified time and date as published in the tender notice.
- b) All valid tenders received online within the specified date and time shall be opened at the specified date and time of opening.
- c) Participating valid tenderers can view all the opened tenders after the opening process is complete.

#### 11.8

##### **Disposal Decisions**

##### 11.8.1

The disposal/sale decisions will be made in favour of the highest tenderer subject to the realization of estimated price/Reserve Price (RP) within the permitted variation range or as decided by the Store Survey Committee or competent authority.

##### 11.8.2

If the retendered bids from the selected tenderers are also less than the RP fixed Committee may consider recommending the acceptable highest bid.

- 11.9           **Comparative Statement of bids**
- 11.9.1        A comparative Statement of all valid offers is prepared immediately after opening of the bids, status of each bid is marked as H1, H2, so on and recommendations for H1 bidder sent to Finance for concurrence and further approval of Director DPS/ Ex Officio Director for approval.
- 11.9.2        In the event of more than one valid H1 offer received, revised higher offer shall be obtained from the H1 bidders by giving a due date and time.
- 11.9.3        Negotiation must be discouraged. However, if the price offered by the highest bidder is not acceptable, negotiation may be held only with that bidder, with the approval of Director, DPS. In case such negotiation does not provide the desired result, the reasonable or acceptable price may be counter offered to the next highest responsive bidder(s).
- 11.10         **Bid Acceptance Letter and Sale Order**
- 11.10.1       Bid acceptance letter and Sale Order are prepared in form DPS/SP/46a and DPS/SP/46b respectively in favour of the H1 bidder approved and sent to Pre-Audit section for certification.
- 11.10.2       After the bid acceptance letter and sale order are certified in pre-audit, the bid acceptance letter is issued, if EMD is insufficient for security deposit. After receipt of balance security deposit, the sale order is issued.
- 11.10.3       If EMD is sufficient to cover security deposit, income tax and sale value, the same may be shown in the sale order
- 11.11         **Security Deposit**
- 11.11.1       Security Deposit at the prescribed rate shall be fixed to ensure satisfactory performance of the sale order
- 11.11.2       EMD of successful bidders shall be converted towards security deposit irrespective of items/group for which EMD was submitted. Balance of SD if any shall be obtained.
- 11.11.3       If the contractor on whom the sale order is placed fails to perform the contract in full or part, the SD shall be forfeited after giving due notices with the approval of competent authority.
- 11.11.4       The SD shall be refunded to the contractor on satisfactory execution of the contract.
- 11.12         **Sale Value**
- 11.12.1       The items/stores awarded for sale shall be physically handed over to the contractor only after obtaining sale value plus income tax as per the terms and conditions of the contract/sale order.
- 11.12.2       GST is payable by the buyer on Reverse Charge Mechanism.

11.13           **Physical handing over of Stores**

11.13.1       Physical handing over of surplus/unserviceable/obsolete items, condemned vehicles and scrap shall be witnessed by authorized personnel of Store and Security.

11.14           **Sale Account**

Stores Unit shall maintain a sale account in form DPS/SP/47 and release disposal sale account.