

DP- 35

GOVERNMENT OF THE PEOPLES REPUBLIC OF BANGLADESH
 MINISTRY OF DEFENCE
 DEFENCE DIVISION
 OLD HIGH COURT BUILDING, DHAKA

No. 13/47/D-14/79/31/1(3)

Dated 9/2/85

From : **Md. Shahjahan Mia,**
 Sr. Scale Section Officer

To : **Director General of Defence Purchase**
 New Airport Road, Tajgoen, Dhaka.

Subject: **Amendment of Para 38(a) of DP-35 (Revised 1960).**

Sir,

I am directed to say that the Government have been pleased to amend para 38(a) of DP-35 (Revised 1960) as follows:-

- After para 38(a)(i), existing contract shall be deleted and the following inserted:-
- (ii) The agent's commission and assembly/ allowance charges etc. will be paid to the agent concerned by FC(DP) Dhaka in Bangladesh currency on receipt of stores by consignees duly supported by consignee receipt vouchers.
 - (iii) While submitting the personal to FC(DP) for financial advice of purchase of goods from abroad by Directorate General Defence Purchase, the Insurance Premium to be paid to the Sadharan Bima Corporation will be included on the basis of the rates of premium fixed up on C&F value of stores.
 - (iv) As soon as contract is executed, the Directorate General Defence Purchase will send a copy of the contract/ purchase order to Sadharan Bima Corporation along with 3 copies of contingent bill (DP-35) form, The Sadharan Bima Corporation shall return the said form to Directorate General Defence Purchase dully filled in and signed for payment purposes. Having examined these bills the Directorate General Defence Purchase will send them to FC(DP) on top priority basis and in turn the FC(DP) shall arrange payment of the premium bills to the Sadharan Bima Corporation within 48 hours of the receiving of the same. On receipt of premium cheque the Sadharan Bima Corporation will forward a provisional cover note to Directorate General Defence Purchase, consignee's unit and clearing unit, a receipt of premium will also be given by Sadharan Bima Corporation to FC(DP) and Directorate General Defence Purchase. After receiving the shipping invoice from the suppliers, Sadharan Bima Corporation will issue insurance policy superseding cover note. All insurance premium to be paid in Bangladesh currency and all claims with the Sadharan Bima Corporation shall be settled in Bangladesh currency.
 - (v) In case the shipment of stores of a particular contract has not been effected, Sadharan Bima Corporation will be under obligation to refund the premium to FC(DP) under intimation to Directorate General Defence Purchase. FC(DP) is fully empowered to receive such payments after discharging relevant documents.
2. This issues with the approval of Ministry of Finance.

(Yours Sincerely)
 (Md. Shahjahan Mia)
 Sr. Scale Section Officer
 Phone: 259010

Dated 9/2/85

No. 13/47/D-14/79/

Copy forwarded for information and necessary action to:

1. Ministry of Finance, Bangladesh Secretariat, Dhaka.
2. Ministry of Commerce, Bangladesh Secretariat, Dhaka.
3. Controller General Defence Finance, Segun Bagicha, Dhaka.

(Md. Shahjahan Mia)
 Sr. Scale Section Officer
 Phone: 259010

সেবার কোর্সে যান জাভা হাকিম ডায়াল
কম্পিউটার সফটওয়্যার ডেভেলপার
হাবিটার ও মাস্টার ক্যাডিট অফিসার
পলিটিক্যাল, সোসায়ালিটি, গার্স ১

GOVERNMENT OF THE PEOPLES REPUBLIC OF BANGLADESH
MINISTRY OF DEFENCE
DIRECTOR GENERAL OF DEFENCE PURCHASE
NEW AIRPORT ROAD, TAJGOEN, DHAKA.

General Conditions Governing Contracts.

1. Definition, etc. :

In these condition, unless there is anything repugnant in the subject or context :-

- (a) The "Government" shall mean the Central Government of Bangladesh, Ministry of Defence;
- (b) The "Purchaser" shall mean the President of Bangladesh and shall include his successor in office or assignees;
- (c) The "Secretary, Ministry of Defence" shall include Joint Secretary, Ministry of Defence;
- (d) The "Director" shall mean the Director General and the Defence Purchase, I, II & III and shall include other competent Purchase Officers in the Directorate General Defence Purchase or Chief Controller Defence Services Stores Division, London or Attaché (Defence Procurement), Embassy of Bangladesh in USA, Washington authorised to enter into contracts on behalf of the Government;
- (e) The "Competent Purchase Officer" shall mean the President and include his successors in office or assignees or an officer of the Director General Defence Purchase who has been vested with certain financial purchase powers and is authorised to approve and sign contracts for the supply of Defence stores on behalf of the President of Bangladesh;
- (f) The "Inspector" shall mean the "Inspecting authority" and "Inspecting Officer" of an inspection organisation of the Defense Services or the "Representative" of a Civilian Inspection agency nominated by the "Purchaser" and specified in the contract for the purpose of carrying out acceptance inspection of the stores contracted for, within or outside the country. The term shall be taken to include the representatives(s) of the 'Inspector' duly authorised by the letter specifically for the purpose of discharging inspection duties involved;
- (g) The "supplier" shall mean the person, firm or company with whom the order for the supply of stores is placed and shall include the supplier's successors approved by the purchaser, representatives, heirs, executors and administrators;
- (h) The "Contract" shall mean the agreement entered into between the parties that is, the "Purchaser" and the "Supplier", DGDP contract form "DP-519", particulars defined hereinafter duly signed by the said parties in token of having accepted the terms and conditions laid down hereinafter in those general and special conditions that may be added to a given contract, for the supply of Defence Stores specified there in the term shall not be taken to include the preliminaries such as invitation to Tender, Instructions to Tenders, Tenders and connected correspondence which

will be deemed to have become inoperative as soon as the relevant contract has been signed by both the parties as described above;

- (i) The "material" shall mean anything used in the manufacture of the stores;
- (j) The "Particulars" shall mean the following namely:
 - (i) Specifications;
 - (ii) Drawings;
 - (iii) "Sealed Pattern" denoting a pattern sealed and signed by the inspector;
 - (iv) "Certified or Sealed Sample" denoting a true sample of the 'sealed pattern' of the store on a contract which is sealed by the DITD Chief Inspector concerned or an Inspector of Naval/ Air/ HQ, etc, to guide manufacture and inspection of stores on a given contract;
 - (v) 'Trade Pattern' denoting a standard of the B.S.S or other standardizing authority or a general standard of industry and obtainable in the open market;
 - (vi) 'Proprietary make' denoting the product of a specified individual firm; and
 - (vii) Any other details governing the construction, manufacture and/ or supply as existing for the contract;
- (k) The "Stores" shall mean the goods the supplier undertakes to supply under the contract;
- (l) The "Test" shall mean the test or tests prescribed in the specifications or considered necessary by the inspector;
- (m) The "Delivery" shall mean delivery, by the dates specified in the contract, of stores which are found acceptable by the inspector but shall exclude submission of stores not conforming to the specifications or the required standards or which are not to be delivered by the dates;
- (n) The "Premises" shall mean the place or places named in the contract and shall include the place or places as may be approved by the Purchaser at which any work under the contract has to be carried out;
- (o) Words "Importing Persons" shall include any company or association or body in individual whether incorporated or not;
- (p) Words "Importing" the singular only shall also include the plural and vice versa where the context requires.
- (q) "Writing" shall include any manuscript, typewritten or printed statement, under or over signature or seal, as the case may be.

2. Laws Governing the Contract:

- (a) The contract shall be governed by the laws of Bangladesh.
- (b) The marking of all stores supplied shall comply with the requirements of the law relating to Merchandise Marks.

3. Variations:

Except for changes involving amendments relating to "Delivery Period" and 'distribution of stores to various consignees' which can be issued by the Director at his discretion, the contract shall otherwise not be varied or modified without the mutual agreement in writing which will be signed by both the parties to the contract.

4. Parties to the Contract:

The parties to the contract will be the supplier and the purchaser as named therein.

5. Authority of Person Signing documents:

The person signing the contract or any other document forming part of the contract, on behalf of the supplier, shall be deemed to warrant that he has authority to bind the supplier to the terms and conditions of the contract signed and if, on enquiry, it is recovered that the person so signing had no authority to sign the 'Purchaser' may, without prejudice to other civil and criminal remedies, cancel the contract at the supplier risk and hold the signatory and or the supplier liable for all costs and damages the involved by re-purchasing the stores.

6. Notice on behalf of Purchaser:

Notices on behalf of the Purchaser, in connection with the contract may be given by the competent purchase officers.

7. Contract with rates subject to confirmation:

When prices are quoted in the contract as being subject to confirmation by the makers the supplier or shall before effecting delivery, obtain the required confirmation and communicate the same to the purchaser for his acceptance. If supplies are made before such confirmation and acceptance, except with the express consent of the Purchaser, the supplier shall be paid at the price mentioned in the contract.

8. Recovery:

Whenever any sum of money is recoverable from the supplier under a given contract the purchaser shall be entitled to deduct the amount involved from the bills of the suppliers, whether due in respect of the contract under when the paid amount is recoverable or in respect of any other contract payment again which may be outstanding then or subsequently, through the paying authority of the purchaser. the purchaser shall also be entitled to recover such amounts by appropriation in full or in part as may be necessary, the security deposited by the supplier.

Should the recovery in the manner described above be insufficient to cover the full amount recoverable, the supplier shall pay to the Purchaser when and, the remaining or full amount due, as the are may be.

9. Import Permit:

The Purchaser will not, except to the extent as specifically provided for in the contract, be under any obligating whatsoever to render assistance in the procurement of raw materials by either arranging for the issue of an import permit/ license or release permit for the import and or release (out of Government controlled stock) of materials or stores necessary for the performance of the contract by the supplier, subject the provision as of clause 10, the competent purchase officer may be cover, issue an import license for the import for the import of materials or shares of such value as he may decide on his being satisfied as to:

- (a) the non-availability of materials or stores locally;
- (b) the prevailing market prices of materials or stores; and
- (c) the quantity and type of materials or stores required for the contract as assessed by the Chief Inspector Concerned;

Any assurance or assistance given or attempted to be given to the supplier in regard to these but not covered by the terms of the contract shall not to construed as a representation that the Purchaser in willing to write off his rights under this or any other terms of the contract.

10. Raw Materials:

Where any raw materials for the execution of the contract are procured with the assistance of Government either by issue/ release from government controlled stocks or purchase under arrangements made or permits or licenses issued by the Governments, the supplier shall hold the said materials as trustee for government and use such materials economically and solely for the purpose of the contract again which they are issued or obtained and will not dispose then off without the permission of the Director and return in their original conditions condition, if so required by the Director, all the surplus materials that may be left with him after the completion of the contract or at its termination for any reason whatsoever, on his being paid such price as the Secretary, Ministry of Defence (Whose design shall be final and binding on the parties) may fix with due regard to the condition of the material. The freight charges for the return of the materials according to the directions of the Director shall be borne by the supplier, in the event of the contract being cancelled for any default on his part.

In the event of a breach of the aforesaid conditions, the supplier shall in addition to rendering himself open to action for contravention of terms of the licenses or the permits and or for criminal breach of trust, be liable to account for and refund to Government all moneys, advantages or profits resulting or which in the usual course would have resulted to him by reason of such breach.

11. Pre-Inspection Check of Stores by the Supplier:

Before tendering the stores for inspection by the inspector, the supplier shall ensure by 100% check of stores to be tendered that all sub-standard stores are eliminated from the tendered consignment and that the stores offered for inspection are strictly in accordance with the particulars and specifications governing supply. Suppliers failure to comply with the requirement of this clause will make the entire consignment liable to rejection.



12. **Inspection and Allied Matters:**

(a) General

- (i) All stores supplied shall be of the best quality and workmanship and comply with the particulars and specifications given in the contract and shall in all respects be to the satisfaction of the inspector.
- (ii) In particular and without prejudice to the foregoing conditions and in addition there to when tenders are called for in accordance with "Particulars", the Suppliers tender to supply in accordance with such particulars shall be deemed to be an admission on his part that he has fully acquainted himself with the details there of and no claim on his part which may arise on account of non-examination or insufficient examination of the "Particulars" will in any circumstances be considered.
- (iii) If a specification and or drawing exists then the sealed pattern or certified sample thereof will govern supply only to the extent of workmanship and finish. If neither a specification nor a drawing exists then the sealed pattern or certified sample thereof will govern supply in all respects.
- (iv) When neither specification, drawing nor pattern is available to govern supply, the supply must be of quality, materials, pattern and workmanship which the purchaser has agreed, will be acceptable and the supplier has undertaken to supply, and when under these circumstances a supplier's sample has been approved by the inspector, the stores supplied must be equal in all respects to such sample.

b. **Checking and Testing facilities :**

- i) The supplier shall afford the Inspector at the supplier's expense all reasonable accommodation and facilities for satisfying himself that the stores are being, or have been manufactured in accordance with the particulars specified in the contract and for this purpose the Inspector shall have full and free access, at any time during the currency of the contract, to the supplier's works and may, not within tending any term of the contract, require the supplier to make arrangements for the stores, of any part or any thing there of to be tested/ inspected at his premises or at any other place.
- ii) The supplier shall pay all costs connected with such tests and provide, without extra charge, all materials, tools, labour and assistance, etc of every kind which the Inspector may consider necessary for these tests.
- iii) The supplier shall also provide and deliver free of charge, at such place as the Inspector may direct, such materials as he may require for tests. Cost of any laboratory tests, etc. Considered necessary by the Inspector shall be borne by the supplier.
- iv) The Inspector shall have the right to put all stores of materials forming part of a store, or any part there of to such tests as he may think proper for the purpose of ascertaining whether the same are in accordance with the particulars and to cut out or off, and / or destroy a portion from each delivery for such purposes without prejudice to any conditions of the contract.
- v) **Bond Room :-** To facilitate inspection of indigenous stores at firm's premises the supplier will provide to the Inspector a suitable 'Bond Room' or 'Lock Up' storage accommodation and other allied facilities meeting Inspector's requirements.

(c. Payment of stores expended in tests from bulk suppliers:

- i) If the tests prove satisfactory and the consignment is accepted, the quantity of the stores or materials expended in tests will be paid for by the purchaser.
- ii) If the stores or materials fail in tests and the consignment is rejected, the quantity expended in test will be treated as not having been delivered.)

(d. Advance Samples :

- i) If so required, the supplier shall dispatch an advance sample to the inspector so as to reach him by the dates specified by the purchaser. The sample must be of an acceptable quality and fully representative of the bulk supply. If the sample is not approved, the contract shall be liable to immediate cancellation in which case, the stores may be purchased elsewhere at the supplier's risk and expense. The advance sample shall be for general guidance only and will not be taken as replacing specifications or sealed seamless which are the particulars governing supply and the supplier shall remain responsible for the quality of bulk supply being in accordance with the particulars quoted in the contract in accordance with the particulars quoted in the contract irrespective with the approval or otherwise of the advance sample by the Inspector.

Submission of advice samples will under no circumstances be dependent on issue / receipt of import licenses or import of raw materials or any materials or any or any material assistance.

- ii) Samples shall be supplied free of charge and freight pre-paid and without any obligation on the purchaser.)

c. Inspector's Powers.

- i) Inspector is the authority on all matters pertaining to inspection. Inspector's verdict regarding rejection, acceptance, and / or deviation of stores tendered involving price reduction as confirmed by the Director, is final and will not be subject to arbitration.

However if the supplier desires to appeal against the decision of the Inspector desires to the rejection of any work considered to be not in accordance with the terms of contract, he may appeal to the Secretary Ministry do Defence, within 14 days after the Inspector's decision is intimated; and if the appeal is so preferred, the decision of the Secretary, Ministry of Defence shall be final and conclusive.

- ii) The Inspector may reject the whole consignment ten deride for inspection if after inspection of such portion there of as may be laid down in the particular governing supply, he is satisfied that the consignment is unsatisfactory.

- iii) The Inculcator may continue inspection of stores at fired risk even after expiry of delivery date subject to the conditions as laid down in clause 16---sub clause (e).

(f. Penalties for Rejections :

In the event of any article failing to satisfy the check inspection and tests, or which shall not be in accordance with the description or the particulars or designs, or be of unsuitable quality of materials, the Inspector shall have the right to reject the same. The purchaser will then be at livery to :)



(i) Allow the supplier to or submit uterine in replacement of these rejected within a time specified by the purchaser the supplier bearing the cost of freight on such replacement without being entitled to any extra payment, or

ii) Buy the quantity of the stores rejected or others of a similar nature elsewhere at the risk and cost of the supplier without affecting the supplier is liability as regards supply of any further consignments due under the contract, or

iii) Terminate the contract and recover from the supplier the loss the purchaser thus incurs by purchasing close where. The extent of this loss will be determined by the Director whose decision will be final and will not be questioned by the supplier.)

g. Marking of Rejections :

If considered desirable by the Inspector, rejected stores will be marked with a small rejection mark, so that they may be easily identified if re-submitted, and the supplier shall not be entitled to claim anything on that account.

h. Period for Inspection of stores :

The Inspector will arrange to inspect the stores, when tendered either at Inspection depot or at supplier's premises, within a reasonable period and in accordance with the Inspection time schedule as laid down by Director of Inspection and Technical Development for Inspectors for this purpose.

The results of the inspection of stores will be notified to the supplier and purchaser soon after the inspection is over.

i. Removal of Rejections :

Any stores submitted for inspection at Inspection Depot and rejected by the Inspector must be removed by the supplier within fourteen days from the date of receipt of intimation of rejection; provided that in the case of dangerous infected or perishable store, the Inspector (whose decision shall be final in this matter) shall notify the supplier to remove such stores within 72 hours of receipt of intimation of rejection and it shall be the duty of the supplier to remove them accordingly. Such rejected stores shall lie at the supplier's risk from the time of such rejection and if not removed within the aforementioned time, the Inspector shall have the right either return the rejection stores at the supplier's risk by such mode of transport as the Inspector may select, or to dispose it off or segregate such stores as he thinks fit, at the supplier's risk and on his account and to retain such portion of the proceeds as may be necessary to cover any loss or expenses incurred in connection with the said deal.

(j. Inspection Certificate :

On completion of inspection, the supplier will be furnished by the inspector with necessary copies of inspection certificates or receipt vouchers duly completed within 10 days of inspection having been carried out, to be attached to the supplier's bill for payment and in support thereof.)

13. Return of Specifications :

On completion of the contract specifications and or drawings and or certified samples belonging to the purchaser or the Inspector or any other Government Department shall be returned to him in good condition. The supplier shall be liable to pay liquidated damages to be assessed by the Director for all losses there to or damage there to from whatever cause happening while in the possession or control of the supplier his employees workmen or agents.

14. Quotation of Rates by Suppliers :

The price quoted by the supplier shall not in any case the controlled price, if any fixed by Government or the reasonable price which it is permissible for him to charge a private purchase for the same class and description of goods under the provisions of any existing law. If the price quoted exceeds the controlled price or the price permissible under any existing law the supplier will specifically mention this fact in his tender along with reasons for quoting such higher price. The Director at his discretion will, in such cases, exercise the controlled price or the price permissible under any existing law. This discretion will be exercised without prejudice to any other action that may be taken against the suppliers.

15. Clause regarding "Warranty as to Quality and Quantity":

The supplier warrants that all materials and workmanship will be of the highest grade and consistent with the established and the general accepted standard for stores of the type ordered, and in full conformity with the specifications and drawings. The supplier further agrees to protect the purchaser and save him from any loss, damage or expense whatever including lawyer's fees that the purchaser may incur as a result of failure of the stores to be as warranted, and this warranty shall remain effective after inspection of, payment for, and acceptance of goods as to the FOB/ CIF/ FOR/ C & F point of manufacture and material which may prove defective within twelve months after its arrival at ultimate destination in Pakistan. Payment of the full / part price on proof of dispatch shall not absolve the supplier of his responsibility under the contract to supply stores of the requisite description and in one quantity required and the supplier shall promptly settle any claim made by the purchaser on that account.

16. Non-Delivery of Stores within scheduled Delivery period :

a) The 'Time' for and the date of delivery of the stores as stipulated in the contract shall be taken as the essence of the contract. All deliveries must be completed within the dates specified in the contract, should the supplier fail to deliver the stores or any consignment thereof within the stipulated period or any extensions thereof, the purchaser shall be entitled at his option to either :

- i) Cancel the contract, and/or
- ii) To purchase elsewhere stores not delivered at the risk and expense of the supplier and without notice to him,
- iii) To recover liquidated damages when the Government (Competent purchase officers on behalf of the Government) is satisfied that the failure to supply the stores within the scheduled delivery period has been for reasons within the control of the suppliers, and or if the Government has suffered loss for reasons of belated delivery.

These liquidated damages if imposed, will be recovered at the rate of 2% but not more than 1% of the value of unspoiled quantity of item (s) per month for the period exceeding the original delivery period, subject to the provision that the total liquidated damages thus leviable will not exceed 10% of the total contract value.

Note : Decisions under this clause shall NOT be subject to arbitration.

(a) "Grace Period" Delay in the supply of stores up to ³⁰ 21 days will be regarded "Grace period" available to the supplier and the delivery date will be considered to have been automatically extended up to that Limit without issuance of any formal amendment and payment of any liquidated damages. For delays beyond ³⁰ 21 days formal amendment to the delivery period will be calculated from the original delivery date given in the contract.

(Amended vide DGDGP S.I. No. 43 of 17-12-1960)

" This Instruction will also be applicable to all the past contracts awaiting settlements".
(Amended vide-DGDP S.I. No. 55 dated 25-2-1961)

b) In the event of action being taken under (i) or (ii) above, the supplier shall be liable for any loss which the purchaser may sustain on that account but shall not be entitled to any gain on repurchases made against default.

(c) Extension of Delivery period : As soon as it is apparent that the dates of delivery cannot be adhered to, the supplier shall send an application for extension of delivery period to the purchaser. If failure to deliver within scheduled time as aforesaid shall have arisen from any cause which the Director may admit as a reasonable ground for the extension of type, he may allow such additional time as he considers to be justified without imposing liquidated damages. If the delay is considered by the Director due to reasons within the supplier's control, the extension may be granted with liquidated damages as described in sub clause (a) (iii) above.

(d) In the event of the cancellation of the contract under the provisions of this clause the supplier shall as directed by the Director, declare the unused raw materials imported against import license or release partite. Issued for the purposes of the contract for further disposal orders by the Director (See clause 10 preceding).

e) Inspection after expiry Delivery period. Unless informed and directed to the contrary during the currency of the contract the inspection officer will continue inspection of stores at firm's risk even after expiry of delivery date, only in these cases where production is going on and the quality of stores is up to the standard and acceptable. Such acceptance will not prejudice the purchaser's right to cancel the contract or to extend the delivery date with or without liquidated damages.

N.B: The above sub-clause applies equally to contracts in respect of procurement.

17. Shipment :

The sellers shall ship the consignment to the country of destination on any foreign vessel provided the said vessel shall not be Bangladeshi or shall not call at a Bangladeshi port before delivering the stores at Naryangonj port or dispatch by train/ road to Benapole. Part shipment is allowed.

18. Freight :

In the case of F.O.B contracts :

i) The stores will be dispatched by the supplier on a Military credit Note, where applicable, to be obtained from the officer specified in the schedule and or the contract giving the approximate gross weight and the number of a packages to be booked. The supplier's application for the Military credit note on his behalf.

ii) The stores shall be booked by full wagon where full wagon loads have to be dispatched unless otherwise stated. All stores shall be dispatched by a goods train by the most economical route, unless otherwise required. Failure to comply with any of the above conditions will under the supplier liable to the payment of the whole of any avoidable expenditure incurred.

In the cases of contract specifying "Free Delivery at Destination" consignments must be booked "freight prepaid" at the supplier's expense.

19. Discrepancies Responsibility for Acceptance of :

Irrespective of the fact whether the supplier are local, FOR, CIF/C & F & FOB etc. the responsibility for acceptance of discrepancies shall be regulated as under :

consignment in accordance with these instructions will render the store liable to rejection.

23. **Documents:**

(a) In respect of FOB/ FAS Port Contractors :

The contract requires documentation at four distinct stages, the supplier shall comply to these requirements of the Purchaser to speed up the shipping/ clearance of and payment for the stores.

(i) Packing stage :- The supplier shall prepare the Packing Notes given in Clause 20 above and place one in each package.

(ii) Inspection Stage :- After the stores are inspected and accepted by the Inspector, the supplier will forward the original copy of the Inspection Note/ Certificate along with the following documents to the Chief Controller, DSSD or attaché (Defence Procurement):-

(1) One copy of supplier's commercial invoice.

(2) Nine copies of Form 18/ Supplier's invoice obtained from the said officers.

(iii) Shipment stage:- On receipt of the documents mentioned in clause 23(a)(ii) above, CC DSSD/ Attaché (Defence Procurement) will issue despatch instructions to the supplier. After the stores have been shipped three Negotiable copies of the bill of lading and one copy each of other shipping documents will be handed over to the supplier for use with his claim.

(iv) Payment Stage:- The supplier will prepare his claim on the appropriate form to be obtained from CC DSSD/ Attaché (Defence Procurement). The following documents must accompany the supplier's claim:-

(1) 3 copies of Negotiable Bill of Lading.

(2) Invoices (Seven Copies).

(3) Inspection Note/ Certificate.

(4) Mate's receipt or other evidence of due delivery and amounts claimed.

(5) Supplier's Letter of Warranty and Bank's Guarantee (if applicable).

(b) Regarding C&F/CIF Contracts:

(i) The supplier shall deliver to the Embarkation Commandant, Dhaka, the necessary non-negotiable shipping documents well in advance of the arrival of the consignments which will be not less than 7 clear days before the arrival of the vessel at Dhaka to enable the latter to clear the consignments from customs without any undue delay failing which the supplier shall be liable for making good any loss/ demurrage etc.

(ii) Whenever permitted by the Purchaser, the stores shall be insured subject to the following conditions namely:

(a) insurance shall be effective from the supplier's warehouse to consignee warehouse but will not cover war risk.

(b) stores will be insured with a Bangladeshi insurance company.

(c) premium will be payable in Bangladeshi currency at actually.

(iii) The following documents will be submitted in addition to those given at Para No.23(a)(iv) :-

(a) a signed copy of the marine insurance policy in case of CIF and

(b) The actual freight/ postal charges receipt in case of these C&F/ CIF contracts where these charges are stipulated to be paid at actually.

(c) In case of FOR Contracts:

(i) In case of indigenous contracts: The supplier shall be responsible for submitting to the inspector & a challan showing the stores or consigned thereof ready in all respects for inspection by the inspector.

(ii) In case stores are to be inspected at firms premises: After completion of inspection, acceptance of the stores and issuance of inspection notes by the inspector. The supplier shall pack the stores in accordance with clause 21 and

In respect of stores which are delivered to Inspection Depots for inspection and after inspection are take over by them, the responsibility for discrepancies, both in quantity, quality and standard of packing will rest with the inspection Depot concerned.

In respect of stores which are inspected at the firm's premises, but the packing and detach is done by the firm itself even though under the general supervision of the inspector the responsibility will be divided as under:

Inspector will be responsible for quality of stores, packing material and correct packing.

ii) The firm will responsible for quantity of stores, correct sealing and numbering of packages and their subsequent despatch. In case the stress after inspection are packed. Exclusively by the firm (NOT under the supervision of the inspector), then the firm will also be responsible for packing material and correct packing.

Note :- Though in case of (a) and (b) above, the responsibility for quality of stores rests with the inspector, but the suppliers will not be absolved of his overall responsibility of supplier stores according to correct specifications and quality. The supplier will thus share the responsibility ether the inspector.

c) In case of stores which are inspected by a private civilian inspection agency, the responsibility for quantity and correct packing and dispatch etc. will still rest with the supplier though the civilian inspection agency will not be absolved of their responsibility in the matter but will share the responsibility with the supplier.

20. **Insolvency and the Breach of Contracts :**

Should the supplier be adjudged insolvent or have a receiving order made against him or make or enter into any arrangement or composition with the creditors, or suspend payment (or being a company be wound up, either compulsorily or voluntarily), or comma any breach of this contract not here in specially provided for the purchaser shall have power to declare the contract at an end in which case the supplier shall be liable to pay the purchaser for any extra expense he is there by put to, but shall not be entitled to any gain on repurchase.

21. **Packing :**

The supplier shall be responsible for proper packing of the stores in accordance with the relevant paper particulars, or as required by the purchaser/ Inspector in standard export packing worthy of transportation by sea/air/ rail/ road so as to ensure their being free from loss or damage due to faulty packing on arrival at the ultimate destination packing of stores will be done at the expense of the supplier. All packing cases containers and other packing material shall become the property of the purchaser on receipt. A packing note showing the following details will be placed in each package:

- i) Part No./ Cat No./ of stores.
- ii) Full nomenclature.
- iii) Quantity in that particular package.
- iv) Contract number.
- v) Date of Packing.

Except where the stores have been accepted against the supplier's Letter of warranty/Guarantee, all packing will subject to approval by the inspecting authority whose decision regarding the appropriate aces of the packing will be final.

22. **Markings :**

a) In respect of packages/containers shall be done by and at the expense of the supplier in accordance with the instructions given by the purchaser . Failure to make

any other instructions as stipulated in the contract and thereafter arrange to despatch them to the consignee on Military Credit Note's to be obtained from the inspector concerned.

- (iii) If the stores are being accepted on supplier's warranty without pre-accepted inspection, the supplier will then arrange to pack and despatch the stores as per terms and conditions of the contract and stores will be insured if specifically stated so in the contract.
- (iv) In case stores will be delivered (Loose or Loose packed as stipulated in the contract) by the suppliers on their own expense and under their own arrangements at an inspection Depot. Stores accepted will be packed and despatched by the Inspection Depot to the consignee and an inspection Note/ Certificate issued to the supplier.
- (v) Bills of payment will be submitted to the accounting authorities duly supported by the following documents:
 - (a) Inspection Notes/ Certificate in case the stores are supplied to be inspected by an inspector.
 - (b) Supplier's letter of warranty in case stores are being supplied on former is guarantee.
 - (c) A Photostat copy of Paid way receipt under which the stores were despatched to the consignee. This will not be applicable in case the stores are delivered and taken over by an inspection depot for subsequent despatch.
 - (d) Consignee's receipt vouchers (Inspection Note duly received by the inspection depot in case stores are delivered to the inspection depot).

24. Handling Charges:

All handling charges up to the point of delivery to the consignee's or inspection depot as laid down in the contract shall be at the expense of the supplier, unless otherwise stated in the contract.

25. Publications and Catalogues:

All publication's catalogues and technical manuals will be supplier free of cost by the supplier at the request of the purchaser. These will be in the English Language.

26. Licences:

It shall be the responsibility of the supplier to obtain from the Government concerned all permits and export licences, e.t.c. required to enable each consignment to be shipped immediately upon receipt of the shipping instructions from the purchaser or any officer appointed on his behalf.

27. Subletting:

The supplier will be entirely responsible for the execution of the contract in all respects according to the terms of the contract. The supplier shall sublet, transfer or assign the contract or any part thereof without prior written permission of the Director. In the event of the supplier contravening this condition, the Director shall be at liberty to cancel the contract and place it elsewhere at the risk and expense of the supplier.

28. Security Deposit:

(a) On the signing of the contract the supplier shall, at the option of the Director and within the period specified by him, deposit with him a security deposit not exceeding ten percent of the value of the contract and not less than a minimum of Rupees twenty five as he shall specify. The Security shall begin the either of the following forms to the satisfaction of the Director.

- (i) Demand Draft on the Bangladesh Bank.
- (ii) Treasury Receipt; or

consignment in accordance with these instructions will render the store liable for rejection.

23. **Documents:**

(a) In respect of FOB/ FAS Port Contractors :

The contract requires documentation at four distinct stages, the supplier shall comply to these requirements of the Purchaser to speed up the shipping/ clearance of and payment for the stores:

(i) Packing stage :- The supplier shall prepare the Packing Notes given in Clause 20 above and place one in each package.

(ii) Inspection Stage :- After the stores are inspected and accepted by the Inspector the supplier will forward the original copy of the Inspection Note/ Certificate along with the following documents to the Chief Controller, DSSD or Attaché (Defence Procurement):-

(1) One copy of supplier's commercial invoice.

(2) Nine copies of Form 18/ Supplier's invoice obtained from the said officers.

(iii) Shipment stage:- On receipt of the documents mentioned in clause 23(a)(ii) above, CC DSSD/ Attaché (Defence Procurement) will issue despatch instructions to the supplier. After the stores have been shipped three Negotiable copies of the bill of lading and one copy each of other shipping documents will be handed over to the supplier for use with his claim.

(iv) Payment Stage:- The supplier will prepare his claim on the appropriate form to be obtained from CC DSSD/ Attaché (Defence Procurement). The following documents must accompany the supplier's claim:-

(1) 3 copies of Negotiable Bill of Lading.

(2) Invoices (Seven Copies).

(3) Inspection Note/ Certificate.

(4) Mate's receipt or other evidence of due delivery and amounts claimed.

(5) Supplier's Letter of Warranty and Bank's Guarantee (if applicable).

(b) Regarding C&F/CIF Contracts:

(i) The supplier shall deliver to the Embarkation Commandant, Dhaka, the necessary non-negotiable shipping documents well in advance of the arrival of the consignments which will be not less than 7 clear days before the arrival of the vessel at Dhaka to enable the latter to clear the consignments from customs without any undue delay failing which the supplier shall be liable for making good any loss/ demurrage etc.

(ii) Whenever permitted by the Purchaser, the stores shall be insured subject to the following conditions namely:

(a) insurance shall be effective from the supplier's warehouse to consignee's warehouse but will not cover war risk.

(b) stores will be insured with a Bangladeshi insurance company.

(c) premium will be payable in Bangladeshi currency at actual.

(iii) The following documents will be submitted in addition to those given at Para No.23(a)(iv) :-

(a) a signed copy of the marine insurance policy in case of CIF and

(b) The actual freight/ postal charges receipt in case of these C&F/ CIF contracts where these charges are stipulated to be paid at actual.

(c) In case of FOB Contracts:

(i) In case of indigenous contracts: The supplier shall be responsible for submitting to the inspector & a challan showing the stores or consigned thereof ready in all respects for inspection by the inspector.

(ii) In case stores are to be inspected at firms premises: After completion of inspection, acceptance of the stores and issuance of inspection notes by the inspector. The supplier shall pack the stores in accordance with clause 21 and

the actual process of manufacture that is completed and ready for delivery within thirty days after receipt by the supplier of such notice.

- (b) In the case of reminder of the undelivered materials, the Purchaser may effect either:-
- (i) to have any part thereof completed and take the delivery thereof at contract price, or,
 - (ii) to cancel the residue and pay to the supplier for the materials articles or components in the actual process of manufacture at the price to be determined by the purchaser in which case materials in the process of manufacture shall be delivered by the supplier.

No payment shall, however, be made for any materials not yet in the actual process of manufacture on the date notice of cancellation is received.

33. **Book Examination:**

The supplier shall required, product or cause or cause to produced for examination by a Government officer authorised in that behalf any cost or other account book, account voucher, receipt, letter, memorandum, paper or writing or any copy of on extract from any such documents and also furnish information and return verified in such manner as may be required in any way relation to the execution of this contract or relevant for verifying or ascertaining the cost of execution of this contract (the decision of such government officer on the question of relevancy of any documents information or return being final and binding on the parties.)

The obligation imposed by this clause is without prejudice the obligations of the supplier under may statute, rules or order binding on the supplier.

34. **Correspondence:**

The supplier shall not correspond with or approach any other authority/ person or persons directly or indirectly, whether members of the Government or otherwise, except DGBP and other competent purchase officers regarding any matter arising from or concerned with this contract. If any appeal is to be made, it will be done through the competent purchase officer.

The above does not apply to matter of inspection and receipt of stores by the inspector/ consignee in which case the supplier may enter into correspondence with the appropriate authorities direct, but no change from the inspection clause given in this contract is allowed without the permission of the competent purchase officer. In case of non-observance of this clause by the supplier, to terminate this contract.

35. **Force Majeure :**

Force Majeure shall mean any event, act/ or other circumstances, not being any event, act or circumstances, under the control of the purchaser or of the supplier non availability of raw material of for the manufacture of stores, or a export permit for the export of the contracted stores from the country of its origin shall not constitute force majeure.

36. **Frustration:**

If by reason of Force Majeure any consignment shall not be delivered by the due date, then the delivery period may be extended appropriately for the purpose provided the said consignment shall be ready within four calendar months of the stipulated delivery date. If, the said consignment shall not be ready after the lapse of four calendar months as aforementioned then the purchaser may cancel the contract the supplier of the cancellation in writhing. This, havy or will not apply to consignments already accepted and delivered according to the terms of this contract. The supplier will not be entitled to any compensation whatsoever a result of this cancellation.

37. **Furnishing of Information by the Supplier:**

Any information required in connection with the contract will be furnished by the supplier within 21 days of the receipt of the letter calling for such information. If the supplier fails to furnish the requisite information, the purchaser may cancel the contract at the risk and expense of the supplier.

38. **Terms of Payment:**

Though the payment of accepted stores will be effected exactly accordingly to the specific terms and conditions as laid down in each contract under the heading "Terms of Payment" not generally speaking the payments will be regulated as under though of course these may be slightly varied by the competent purchase officer, concerned according to the circumstances and the nature of each contract:-

(a) In case of FOB/ FAS/ C&F/ CIF Contracts:

- (i) The net FOB/ FAS etc., value of the accepted stores plus the ocean freight at actual (in case of C&F/ CIF contracts only will be paid to the suppliers principal by the accounts officer working with DSSD/ A(DP) on proof of delivery of stores in the ship supported by relevant shipping documents, production of relevant inspection note, and submission of insurance documents and bank guarantee if applicable.
- (ii) The insurance premium, agents commission and assembly/ clearance charge ect., as and when applicable, will be paid to the insurance copy, and the agent concerned by the CMA, Dhaka in Bangladesh currency in receipt of stores by consignees duly supported by consignee's receipt vouchers.

(b) In case of Indigenous Contracts:

- (i) If the stores are delivered to the Inspection Depot for inspection and subsequent despatch to the consignees. 90 percent value of the accepted stores or consignments thereof will be paid on production of inspection on Note Certificate duly received by the Inspection Depot. The remaining 10 percent will be paid duly supported by consignees received voucher after receipt of stores by the consignees.
- (ii) On the other hand, if the stores are to be inspected at firms premises and despatched by the firm by rail, only 50 percent to 80 percent of the value of accepted stores may be paid on production of the following documents:

(a) Inspection Note.

- (b) A Photostat copy of the Railway Receipt under which stores were despatched to the consignee, provided the facilities for taking Photostat copy are available in that city/ town. Where these facilities on NOTE exist then the Railway Receipt should be shown to the Inspector who carried out inspection of the stores, who should issue a certificate to the following effect:

"I have seen the original Railway Receipt No. Dated in respect of stores consigned to and certify that Railway Receipt Number and Date given in the Bill is correct."

or

A duplicate copy of the Railway Receipt marked "CMA Copy Only" if the Railway Authorities agree to the issuing of one.

- (c) A complete list of the stores despatched under the relevant Railway Receipt. The remaining 50 percent to 20 percent of the value of accepted stores, as the case may be, will be claimed and paid on receipt of stores by the consignees duly supported by the consignee's received vouchers.

- (iii) In case stores are to be delivered direct to the consignee under supplier's as the case may be, will be claimed and paid on receipt of stores by the consignees duly supported by the consignee's received certificates.

39. **Arbitration:**

All matters of dispute or difference except regarding rejection of stores in the inspector under clause 12(e) and (f) and or cancellation of the contract by the purchaser under clause, 16, arising out of this agreement between the parties hereto, the settlement of which is not otherwise specially provided for in this agreement, shall be referred to the decision shall be final binding on the parties. Work under the contract shall if reasonably possible, continue during the proceedings before the said secretary and no payment to or payable by the Director shall be withheld on account of such proceedings unless they are the subject of the dispute.

The value of arbitration shall be the place from which the contract is issued or such other place as the purchaser at this discretion may determine.

DGDP no 1557/40/DGDP/Coord
Government of Pakistan
Ministry of Defence,
Karachi, the 25th Jan 1961

To

The Director General of Defence Purchase

Subject: PROCEDURE FOR PURCHASE AND DISPOSAL OF STORES BY THE DIRECTORATE GENERAL OF DEFENCE PURCHASE AND FINANCIAL POWER OF THE OFFICERS OF THE DIRECTORATE GENERAL.

Sir,

I am directed to convey the sanction of the president of the adoption of the following procedure by and delegation of the financial power to the Director General Defence Purchase and other officers of the Directorate General for effecting purchase and disposal of stores on behalf of the Defence Service including BOF (Non-working stores only in case of BOF Board)

2. All indents, on receipt in the admn & Coord Wing, will be passed on to the Director concerned after keeping a record in the indent register. There after one of the following method will be adopt for procurement: - *procedure for obtaining the should be followed as far as practicable. Tenders to be obtained:-*

(a) By open tender:
All demands the indents of which are not marked "secret" or which are valued at or above Tk. 1 lac should, if this and other factors permit, be procured through open tender If, however, it is proposed not to advertise due to urgent of other reasons, which will be recorded the order or ----. Directors of the Defence purchase or those of Director-- of Defence purchase depending upon within whose financial powers the indent falls, will be taken. Under open tender system, invitation to tender should be issued to all financial registered with Directorate General Defence purchase for subject stores.

N B. In view of peculiar nature of food requirements, demands for those will not be advertised.

(b) By Limited tender:

The limited tender system will be adopted in case of all demands:-

(i) Which are marked "Secret"

(ii) The estimated value of which is less than Tk. 2 lac or

(iii) In case of demands of higher value, where it has been decided by the competent purchase authority not to inviting tender by advertisement (open tender).

Where the value of an indent exceeds Tk. 2 lac invitation to tender should normally be issued to as many likely suppliers as possible who are on the approved list. For demands, the estimated value of which is less than Tk. 2 lac, invitation to tender will be issued to at least 10 firms, unless the number of registered firms for the subject store is less in which case tender will be invited from firms on the approved list.

(c) Single Tender:-

This system will be adopted only when the competent purchase officer is satisfied that not more than one firm is in a position to quote and that where deviation for such stores should normally be stamped as "Standardized" or proprietor.

(d) Repeat Order:

Repeat order may be placed in terms of a previous order in the case of small value (1,00,000/00) and in case where such a course is considered expedient provided the previous order is a recent one and the competent purchase officer is satisfied that the price has not decreased since the last order was placed.

(e) Purchase by Negotiations:-

Purchase by negotiation will be made only in exceptional case when the stores are urgently required and the time available does not permit resort to any other mode of purchase. Director's approval will be essential.

N.B. No invitation to tender will be issued to a firm not Registered (Provisionally) or otherwise except in case of Proprietary stores where Director's orders will be

3. Registration of firms will be made by the Director General consultation with the DGFI. Registration fee will be Tk. 10.00 at the Cards of the Registrar firms will be maintained in 'Adm & Coord under broad categories of stores e.g. Textile, General stores, Vehicle machineries Arms and ammunition, signal Eqpt etc. A separate register will be kept of firms 'black listed or removed from the list of approved firms or placed on Embargo list indicating the reasons of blacklisting/removal/placing on Embargo list. Registration fee is NOT refundable.

4. Financial powers:

The financial powers of the Director General Defence Purchase and other officers of the Directorate General under the various method of procurement will be as detailed in Annexure 'A' to this letter cases falling beyond the financial powers of Director General Defence purchase will require the approval of the Secretary, Ministry of Defence with the concurrence of FA (Defence), AFA Military Finance.

5. The following procedure will be followed in the procurement of stores and drawing up the contracts: -

(a) Price variation clause:

(i) Contracts with a price variation clause (PVC) should be avoided as far as possible.

(ii) If such a clause is unavoidable, variations in the contract price would be admissible only in so far as concerned and that too subject to 20% minimum variation. Finance Division, Ministry of Defence will be consultant in all such cases, except in case of Proprietary items on since single tender.

(iii) In the case of 'proprietary' stores where the standard price variation clause is not accepted by the suppliers, the competent purchase officer may relax on, merits, with the

approval of the Finance Division, the above price variation terms if this is found to be absolutely necessary and un-avoidable.

N.B. The provisions of Para 5 (a) above will not apply to purchase made on Government-to-Government basis.

(b) Increase in rates of contracts.

Except for calculation or typographical errors, the rates of the contracts not having/PVC clauses will not be increases subsequently. But when such an increase is considered desirable in the interest of expeditions supply of stores and is necessitated by the circumstances beyond the control of the supplier, the case will be referred to the next senior purchase officer for a decision. Concurrence of DFA/FA of Military Finance Division will be essential in case the contract had been placed with their financial concurrence.

(c) Acceptance of a higher quotation on the plea. of the sores being of a quality higher than requisite specifications.

The lowest quotation on the basis of requisite specifications should be accepted and in no case higher quotations merely on the basis of a higher quality than the original requisite specifications will be accepted. The criterial should be to accept the lowest offer amongst technically acceptable quotations.

(d) Proprietary Items.

No item will be treated as "Proprietary stores" unless it has been "Standardised" by teh indentors in consultation with their financial advisers and its indent has been marked as such.

(e) Increase in quantity or variation of specifications after issuance I/T or orders are placed.

Variation in specifications and quantity after the issuance of invitations to tender should not normally be made except when such variations are minor, unavoidable and essential and serious nature, resort to re-tender be made.

After placing a contract NO variation in the specifications affecting the rates should be made. Variation in quantity can however be made.

(f) Reference to the Indentor in case the quoted price exceeds the Indent value by more than 30%.

In the quoted price (proposed to be accepted) in respect of an indent estimated (based on last purchase rate) to cost TK. 2 lacs and above exceeds the indent value by more than 30% the matter should be referred to the indentor for the confirmation to finalise the contract on that quoted value basis. The indentor may cancel the demand or decrease the quantity.

The above will not apply to indents, prices of which are not based on last purchase rate.

(g) Claiming of cash discount.

If the accepted quotation forming subject of a contract contains any cash discount for prompt payment, it should be clearly indicated in the contract with the stipulation that the paying Authorities should ensure payment within 15/21 days (as the case may be) from the date a claim complete in all respect is received. The responsibility for payment in time will lie with the paying Authorities.

6. Discretions to cross - mandate an indent.

The competent Purchase Officer will have discretion to cross mandate an indent (or extracted items) at any state before finalizing a contract to DSSD London or ADP

Washington, as the case may be if he considers that course to be the appropriate and proper in the interest of obtaining stores expeditiously and economically.

7. Delivery period.

The delivery period may be extended by the competent purchase officer either before or after the expiry of the stipulated date as under: -

(a) In case where the contract was finalized without the concurrence of the Finance Division.

The competent Purchase Officer may extend the delivery dates with or without imposing liquidated damage, without reference to Finance Division provided he is satisfied that the delay in the delivery was not due to the fault of the supplier. If the competent purchase officer proposes to grant second of subsequent extensions of delivery period without imposing liquidated damages, the case will be referred to the next senior competent officer for his orders.

(b) In case where the contract was placed with the concurrence of the Finance Division.

The following procedure will be adopted: -

(i) In case where, in the opinion of the competent Purchase Officer, the delay is due to the fault of suppliers, or if the Government has incurred any extra expenditure, and as such liquidated damages are intended to be imposed, the delivery date with liquidated damages under the terms of the contract may be extended by the competent purchase officer without reference to the Finance Division.

(ii) Where in the opinion of the competent Purchase Officer the delay in the delivery of stores is not due to the fault of the supplier and thus liquidated damages are not proposed to be imposed, the delivery period may be extended by the competent purchase officer without reference to Finance Division. For extension of reference to Finance Division. For extension of delivery period beyond three months, with the concurrence of the Finance Division will be obtained.

(c) Grace Period.

Delay in the supply of stores up to 21 days will be regarded as "Grace period" available to the supplier and the delivery date will be considered to have been automatically extended upto that limit without issuance of any formal amendment. For delay beyond 21 days formal amendment to the delivery period will be required.

Note: 1 N.B. For purpose of imposing liquidated damages, if and when imposed grace period will be inclusive i.e. liquidated damages will be calculated from the original delivery date and not from the expiry of the grace period.

Note:- 2 The extension to the delivery period in respect of those DGDG contracts (Dacca Org) which, having been placed on supplies ex-UK, Continent, USA and Canada are to be processed by DSSD London or A(DP) Washington and are to be paid for by their Accounts Officers will be based on the provisions of para 7 above be regulate and granted as under :-

(a) In case of contract on firms in UK and Continent.

CC DSSD London (in case of contracts signed by Directors and above) and Controller Army/Navy/Air Force Branch (in case of contracts signed by Deputy Directors and below) to be the competent purchase Officer in respect of contract require in

Washington, as the case may if he considers that course to be the appropriate and proper in the interest of obtaining stores expeditiously and economically.

7. Delivery period.

The delivery period may be extended by the competent purchase either before or after the expiry of the stipulated date as under: -

(a) In case where the contract was finalized without the concurrence of the Finance Division.

The competent Purchase Officer may extend the delivery dates with or without imposing liquidated damage, without reference to Finance Division provided he is satisfied that the delay in the delivery was not due to the fault of the supplier. If the competent purchase officer proposes to grant second of subsequent extensions of delivery period without imposing liquidated damages, the case will be referred to the next senior competent officer for his orders.

(b) In case where the contract was placed with the concurrence of the Finance Division.

The following procedure will be adopted: -

(i) In case where, in the opinion of the competent Purchase Officer, the delay is due to the fault of suppliers, or if he Government has incurred any extra expenditure, and as such liquidated damaged are intended to be imposed, the delivery date with liquated damages under the terms of the contract may be extended by the competent purchase Officer without reference to the Finance Division.

(ii) Where in the opinion of the competent Purchase Officer the delay in the delivery of stores is not due to the fault of he supplier and thus liquidated damages are not proposed to be imposed, the delivery period may be extended by the competent purchase officer without reference to Finance Division. For extension of reference to Finance Division. For extension of delivery period beyond three months, with the concurrence of the Finance Division will be obtained.

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(a) In case of contract on firms in UK and Continent.

CC DSSD London (in case of contracts signed by Directors and above) and Controller Army/Navy/Air Force Branch (in case of contracts signed by Deputy Directors and below) to be the competent purchase Officer in respect of contract require in

extension upto six months period. But they obtain approval of the Financial Advisor to Bahic

(i) The contract has been concluded with the concurrent of the Finance authorities, and

(ii) the extension is intended to be granted without liquidated damage for a period exceeding two most cases requiring extension beyond six months period/will be referred to the DGDI Dacca for necessary action.

(b) In case of contracts on firm in USA and Canada.

The competent purchase officer in these cases will be A(DP) Washington who will regulate extension on the lines as for (a) above.

(c) Cases requiring extension for over six months period to be recommed with effect from the original stipulated delivery date will be referred to the DGDP and dealt will by the competent purchase officer in Bangladesh. This months period will cover the maximum period upto which the power of extension has been delegated to CC, DSSD/Controllers of Branches or A(DP) Washington irrespective of the number of extension granted by them.

8. Sanction of the Secretary Ministry of Defence, with the conouence of the finance division, will be obtained for marking and engrave payment to the contractor, or for payment of compensation exceeds of the value of the cancelled contract of items thereof. The approved of DGDP with the concurrence of the Finance Division, will be require in those cases in which the composition charges does not exceed the value of he cancelled contract.

9. Excess & Short' Deliveries on Contracts.

Competent purchase Officer in Directorate General Defence Purchase, accept 'Excess & Short' deliveries of stores on contracts competent and spare parts, structural steel forrus and non-forrous metals, cables and wires on reels, ropes, nuts/bolts/screws/washers, timber (plywood & hardboard), drugs and medicines, etc. without reference to Indentors provided the following condition are fulfilled:-

- a) The 'excess' deliveries are considered advantageous.
- b) The price in case of 'excess' quantity should be the same as that of the current contract.
- c) Value of 'excess'/quantity should not exceed either 5% of the value of the contract.
- d) The short deliveries will be limited to 5% of the value of the contract.

A contificate to the effect, that funds are available form within the sanctioned allotment to meet the extra expenditure, will be recorded by the purchase Officer accepting the "excess" deliveries before submission of the bill to the accounts authorities.

N.B. It will not be necessary to issue a formal amendment to the contract in such casse.

NOTE NO. 1. The above procedure will not apply to the following cases:-

(i) Air Force Stores.

Convered by a special contract and those aircraft spares which are required to carry out any repair programe.

(ii) Naval Stores.

Electronics, spare parts of W/T and Radar equipments, spares for machinery demands against operational requirement.

N.B. 2 Where the cost of excess quantity is more than that mentioned in para 9(c) above the matter will be referred to the indenter for his approval and formal amendment will be issued in the normal manner.

10. Waiving off liquidated damages and writing off the risk purchase amount.

Cases of waiving of imposed liquidated damages and writing off the risk purchase amounts which are beyond the powers delegated to DGDP in Annexure 'A' to this letter will be submitted to the Secretary Ministry of Defence for approval with the concurrence of the Finance Division.

11. Security Deposit

All contracts should normally be placed with dealers on the approved list and security deposit may be demanded, up to 5% of the value of contract. The minimum should not be less than Tk. 300/- (three hundred).

11. A. Earnest Money

Normally No earnest money (in way of Treasury payment order Bank Draft etc.) should be taken at the time of obtaining quotation except at the discretion of competent Purchase Officer in case of :-

- (a) important stores of urgent nature valuing Tk. 3 lacs or over.
- (b) Food demands.
The earnest money should not exceed 5% of the indent value.

12. Powers to re-instate a contract.

The competent Purchase Officer (the one who had approved the contract originally) can, at his discretion, re-instate a cancelled contract at its merits if he considers that it would be in the inter of expeditions supply of stores. Concurrence of the Finance Division will be obtained in cases where the contract had been finalised with their approval.

13. Cash Purchase

In order to effect cash purchases on the spot for reasons of expeditions supply of indents of smaller value, a cash purchase section has been established in Directorate General Defence Purchase at Dacca. Its financial power and procurement procedure will be sanctioned per Annexure-'B' attached. The cash purchase section will be exclusively under a Deputy Director instead of Director of Defence Purchase. This Deputy Director will also be responsible for disposal/auction of supply.

14. To expedite procurement of stores of small value and to reduce load work of DGDP, the latter is authorised to delegate to indention powers to Purchase locally stores valuing up to Tk. 20000.00 (taka twenty thousand only) per item of normal indents (replenishment of stock). The local purchase powers delegated to the indentors will be

exercised in such cases in accordance with the procedure approved by their Financial Advisors. This permission will, however, not apply to store of the following categories :-

- (a) Those involving foreign exchange expenditure.
- (b) Those covered by a Rate Running Contract of DGDP.
- (c) Those not likely to be available in Bangladesh.

As such, indents valuing up to Tk. 20000.00 should normally not be forwarded to the Director General Defence Purchase, except as provided for above.

15. Disposal of Stores.

The Directorate General Defence Purchase will be responsible for the disposal of Defence Stores - surplus, serviceable and repair whether current obsolete/ obsolescent etc) as per instructions and procedure in Annexure 'C' (Attached).

16. Issue of permits regarding Imports and Exports.

DGDP may issue Import and or Export permits for importing/exporting Goods, pertaining to defence requirements, for the purpose of trials and tests etc, without financial obligations, in Bangladesh by the competent Armed Forces authorities.

17. Issue of Import Licences.

The Director General, the Directors and the Deputy Directors the Directorate General Defence Purchase will be permitted to issue import licences for the requisite raw materials etc. in respect of contracts concluded by them. For contracts concluded by Secretary, Ministry of Defence DGDP is authorised to issue import licences on behalf of the Secretary/ *২০১৬ সালে সংশ্লিষ্ট ক্ষেত্রে বর্তমান নিয়ম অনুযায়ী*

18. Advance payment and letter of credit.

No advance payment (except in case of Government to Government contracts) and letter of credit will be authorised without the concurrence of the Finance Division, even though the contract may have been approved without reference to the Finance Division.

19. Absence of the Director General Defence Purchase of Leave duty abroad.

The personal powers of the Director General Defence Purchase may be exercised by the senior most Directors, Defence Purchase when the former is away on leave, other than casual leave or on outside Bangladesh. The powers of a Director/ Deputy Director of Purchase may be exercised by the senior Deputy Director/ Assistant Director of that Directorate, if the Director/deputy Director is on leave, other than casual leave, or duty outside Bangladesh.

20. Procurement of Food and POL

For procurement of food and POL the rules and procedure as laid down in this letter will equally apply except :-

- a) Earnest Money at a maximum rate of 5% may be called detail instructions for recovery of such earnest money will be incorporated in the Tender inquiry Form.
- b) Contracts for procurement of peculiar items e.g. Vane, Toa, pack rations etc. may be concluded on cost plus profit basis in consultation with Financial authorised.

21. Delegation of powers.

The Directorate General Defence Purchase will be ex-office a Joint Secretary of the Ministry of Defence and Secretary Ministry Defense may authorise DGDP to sign contracts approved by him.

22. This cancels the following letters of this Ministry as extended from time to time, on the subject of procurement and of stores and the allied financial control matters.

ANNEXURE 'A'
TO GOVERNMENT OF THE PEOPLES REPUBLIC OF BANGLADESH
MINISTRY OF DEFENCE LETTER NO. 13/26/D-14/76/23 DATED 17TH JULY 1978
FINANCIAL POWERS OF THE OFFICERS OF DIRECTORATE GENERAL OF
DEFENCE PURCHASE

Method of Procurement	DGDP Brig/ Equivalent	DDP Col/ Equivalent	Dy. DDP Lt. Col/ Equivalent	ADDP Major/ Equivalent
With the approval of the Finance Division				
(a) In case of open/ limited Tender	Tk. 25 Lac	Tk. 10 Lac	Tk. 3 Lac	Tk. 1 Lac
(b) In case of single tender/ repeat order/ negotiation	Tk. 15 Lac	Tk. 5 Lac	Tk. 1 Lac	Tk. 25,000/-
Without approval of the Finance Division				
(a)(i) In case of open tender subject to the conditions that the lowest technically acceptable does not exceed the previous purchase rate by more than 15%	Tk. 4 Lac	Tk. 1,50,000/-	Tk. 1 Lac	Tk. 50,000/-
(ii) In case of limited tender subject to the conditions that the lowest technically acceptable and the rate accepted does not exceed the previous purchase rate by more than 10%	Tk. 4 Lac	Tk. 1,50,000/-	Tk. 1 Lac	Tk. 50,000/-
(b) In case of open limited tender when the last purchase rate is not known subject to the condition that the lowest technically acceptable tender is accepted.	Tk. 4 Lac	Tk. 1 Lac	Tk. 20,000/-	Nil
(c) In case of single tender/ repeat order/ negotiation including such case where only one officer is received which will assume the character of single tender.	Tk. 1 Lac	Tk. 30,000/-	Tk. 10,000/-	Nil

NOTES:

1. Contracts falling within the power of the Director General & Directors under the provision of Para 2 above, may be signed by a Director or a Deputy Director as under provided the Director General or a Director within whose financial competence the contract falls has given his approval of the contract in writing:-

Director	Contract up to the value	Tk. 4 Lac.
Deputy Director	Contract up to the value	Tk. 2 Lac.

2. The rejection of a quotation on the basis of it being not technically acceptable must always be supported by the appropriate technical officer's report. If the purchase officer feels that the rejection of a particular offer by the technical officer on the technical grounds is prima-facio not correct, the should before finalizing the case, refer that matter to the Ministry of Defense through the Director General for the acceptance of the technical report or otherwise.

3.

Waiving of liquidated damages imposed and writing off risk purchase amounts without reference to Ministry of Defense/ Finance Division.	DGDP Brig/ Equivalent	DDP Col/ Equivalent	Dy. DDP Lt. Col/ Equivalent	ADDP Major/ Equivalent
	Tk. 10,000/-	Tk. 5,000	Nil	Nil

Subject to the condition that: -

The authority for waiving liquidated damage and writing off risk purchase amount will be the next senior purchase officer i.e. not the one who had imposed these damages or cancelled the contract in the first instance.

ANNEXURE 'B' TO GOVERNMENT OF PAKISTAN, MINISTRY OF DEFENCE
LETTER NO. 1557/40/DGDP/Coord, DATED 25TH JANUARY 1961
CASH PURCHASE SECTION
PURCHASE AND PAYMENT PROCEDURE

LIMITS OF CASH PURCHASE

1. Cash purchase section will deal with:

- All indents the value of which does not exceed TK. 5,000.00 the limit will apply to indent value as given by the indenter.
- Item/ Items for which no offer has been received in response to open/ limited item provided the value of the item/ items, so extracted does not exceed TK. 5,000.00.

2. These provisions are further subject to the conditions that only those indents/ items would be passed on to the Cash Purchase Section:-

- Which are likely to be available in the market,
- Which do not require import,
- For which a report out order cannot be placed,
- Which cannot be bulked with other items/ indents in hand.

3. Indents/ Items of higher value will not be split up to bring them within the purview of the cash purchase section except as provision above.

PURCHASE PROCEDURE

4. The normal system of the calling for tenders will be despond with. The Assistant Director Defense Purchase, in charge of Cash Purchase Section (Cash Purchase Officer) and or this representative, may tying the market and the dealers to locate the required stores. On stores having been located, purchase action will be taken as follows:-

a. 9 copies of purchase of order on the proforma as per Appendix 'A' will be prepared and sanction of the competent purchase officer will be obtained (see Para 5 below). Indents/ Items pertaining to different services/ branches of services will not be missed in on purchase order.

b. On the authority of the above-referred sanction a cheque of for the requisite amount will be issued by the Permanent Advance Holder (see Para 6 below). One cheque will be issued for the purchase order. The permanent advance holder will endorsed copy no 3 of the purchase order with the No. And date of the cheque issued. Copy No. 2 of the purchase order will be received by him as an advance requisition until copy No. 3 being receipt of the cheque by the supplier/ dealer is received good.

c. The cheque will be handed over to the supplier/ dealer once and his receipt obtained on copy no. 3 of the purchase order bearing the No. and date of the cheque issued.

d. The stores will be collected and handed over by the cash purchase section to the local depts. (to be called as transit depts.) of the service/ branch concerned, which will be responsible for packing and onward dispatch to the consignee, as indicated in the purchase order, COD, Dhaka will act as transit depots for their respective service for stores meant for CAO, AO(K) will issue the M.C. Notes, but the suppliers will dispatch them direct to CAO, Dhaka.

Copy No. 6 will be sent to the indenter, Copies No. 7, 8 & 9 will be handed over to the "Transit Dept" along with the stores. The Dept will dispatch copy No. 7 along with the stores to the consignee. ret in copy No. 8 for own record and return copy No. 9 to DGDP's rep as receipted copy.

5. The cash purchase officer will always endeavor to reduce the prices by negotiation whenever he considers the prices quoted by the dealers to be unreasonable. It, after negotiation, a reasonable price based on the current trend in the market cannot be obtained it will be for the competent purchase officer to decide whether or not the stores be purchase under the cash purchase system.

In case he decided not to make the cash purchase of the stores he will return the indent to the Basic Purchase Section for Normal Procurement action with the certificate that the stores the question are not available at reasonable prices.

PAYMENT PROCEDURES

6. The CMA Dacca will place at the disposal of the DGDP a permanent advance of Tk. 50,000.00 only. The DGDP will designate an officer not below the rank of a Major as permanent advance holder for operating the said account. All payment from the permanent advance will make by existing rules and regulations. The advance will be recouped as and when necessary through a contingent Bill, duly supported by copy NO. 3 of the purchase orders, for which disbursements have been made. Copies No 4 & 5 will accompany copy No. 3 of the purchase order. On receipt of copies No. 3, 4 & 5, the

advance holder will compare these copies with copy No. 2 & forward them to the CMA along with the contingent bill. The CMA will keep copy No. 3 for audit purposes and forward copy No. 4 to the LAO of the 'Transit Depot'. Concerned and copy No. 5 to the Audit/ Auditing the accounts of the permanent advance holder.

MAINTENANCE OF DOCUMENTS

7. Cash Purchase Section will maintain indent control register in which all indents on receipts will be controlled & progressed. This Register will show all the details of the purchase and delivery of stores to the 'Transit Depots' will maintain a register on the proforma given in Appendix 'B' in which they will on the receipt and dispatch details of the stores to the ultimate consignees.

FINANCIAL POWERS

8. The following officers will exercise financial powers for cash purchase as given against each:-

- a) Dy. Director Defence Purchase: 5000.00 per purchase
- b) Asst. Director Defence Purchase: 1000.00 per purchase

These powers are personal and will be delegated to sub-ordinate officer.

9. The cash purchase officer will as far as possible see that the stores purchase by him are in accordance with the specification given by the indenter and he will certify to that effect in the purchase order. The stores will not be subject to any further inspection. Section in lieu may be purchase by cash purchase officer inspection. Stores that the stores so procured will serve the purpose and are as much according to the specification as possible.

If the Indenter does not require stores to be purchase in lieu But would be clearly stated on the Indent No. IN-LIE will be accepted. He may consent the inspector/ Indenter Stores Depot concerned in doubtful case and obtained sample to guide procurement.

DESCREPNCISS

10. No discrepancy on account of stores being sub standard/of specifications will be raised by the consigners/Transit Depots the store are found to be completely different to those entered in purchase orders. Stores supplied 'In-Lieu' will be accepted by all concerned.

11. Discrepancies on account of deficiencies, breakages, change or condition of stores while in transit between the Transit Depots and consignees will be settled amongst themselves and DGDP will not be addressed on the subject at any stage.

SUBSIDIARY INSTRUCTION

12. The DGDP may also issue any subsidiary instructions considered necessary regarding the Cash purchase system with the concurrence of the Finance Division.

'ANNEXURE 'C' TO MINISTRY OF DEFENCE (DGDP)

LETTER NO. 1557/40/DGDP/Coord, DATED 25.1.61

Subject: POWERS OF DIRECTOR GENERAL DEFENCE SERVICES STORES AND TO ALLIED MATTERS.

The Director General Defence Purchase and his officers will be competent to disposal of the surplus serviceable/repairable stores (whether current redundant obsolete, or obsolescent etc.), of Defence Services other than BOFs in accordance with the procedure and rules laid down in the succeeding paras, except as provided for below :-

- (a) Surplus serviceable/repairable stores (whether current, redundant, obsolete or obsolescent) the book value of which does not exceed Tk. 1,00,000 per item, which will be disposed under stock holding arrangements.
- (b) Cast iron and recyclable iron will, which surplus before ported to the DGDP for disposal only if not to whom it will be offered in the first instance.
- (c) Serviceable/repairable packing material and stores of the Station supply Depots, which cannot be utilized according to the instructions contained in Appendix I of ASC Regulations 1941 up to the value of Tk. 50,000.00 which will be disposed of under arrangements of OCS supply Depots.

Note to Para I

1. The above limits refer to the book value of the stores under disposal.
2. The provision of rules 85 of Financial Regulations, part I will be treated as modified to the extent.
3. The above delegation of authority does not apply to the disposal of Arms, Ammunition and Explosives which will continue to be offered to Directorate General Defence Purchase for disposal public disposal is decided upon.
2. In case where the disposal of particular stores to the public has been placed under certain restrictions by the component controlling authorities, the disposal of such stores will be governed by the provisions of such control measures. Any relaxation there of will Not be permissible without the approval of the competent controlling authority.
3. Wherever consultation with Finance Division (Ministry of Defence) is prescribed under these orders, powers delegated to the Director General and his officers shall be exercised with the concurrence of the Finance Division.
4. Surplus Serviceable/repairable stores will ordinarily be disposed of either:-
 - a. By transfer to the other Defence Services or Priority Govt. Indentors i.e. Departments of Central/Provincial Government.
 - b. By sale through one or other of the normally accepted such as advertised Tenders, Limited Tenders, private Negotiations or public auction.
5. Powers of the disposal officers of the Directorate General Defence Purchase will, for each item reported for disposal, be as follows:

a. Director General

Full powers

b. Director	up to	Tk. 6,00,000.00
c. Dy Director	"	Tk. 1,00,000.00
d. Assistant Director	"	Tk. 50,000.00

Note: The powers will be subject to the provisions of Para 6, 7 and 8 of this letter and refer to the book value of surplus stores under disposal.

6. Finance Division will be consulted in all cases of disposal with regard to the Method of disposal to be adopted (except when the disposal is by public auction) and for fixing the Reserve price, where applicable i.e. in respect of surplus vehicles (A, B & C types), plants, air craft, ships launches, bridging equipment, machineries etc., reported as serviceable/repairable (whether current redundant, obsolete for obsolescent etc.) by the stock holder.

7. When the concurrence of Finance Division has been obtained as to the method of disposal and the reserve has been fixed (Where applicable) in consultation with the Division, their concurrence will not be required for subsequent stages disposal except under the for circumstances.

a. When the case is one of sale to the public by either limited tender, private treaty or negotiation method in which case the Finance Division will be associated at all stages of negotiation.

b. If it is proposed to accept a bid other than the highest bid in the disposal by advertised tender method.

c. If the highest bid received in a public auction is less to the extent of over 25% of the reserve price and it is proposed to accept it rather than re-auction the store.

d. Disposal of refraction produced from when grains and balls in CHM and MGDs will be arranged by the Director Defence Purchase-III by means of regular contract and not by auction. His financial power in this respect will be limited to Tk. 1 lac without reference to Finance; Cases beyond that limit will be referred to Finance for the concurrence. In the absence of a regular contract the monthly accumulation of refraction may be disposed of by auction under arrangements of O.C. Military Grain Depot/Controlled Flour Mills up to a maximum Value of Tk. 5,000.00.

8. RESERVED PRICE

a. The financial limit concerning the disposal or refraction will be determined based on the quotations received from the purchasers.

b. No reserve price will be fixed. The stockholders will ... the book value (Where known) or Estimated Disposal Price (EDP) of important stores such as vehicles (A, B & C type) plants, aircraft, ships, launches, bridging equipment, machineries etc. In case of other items No EDP or book value will be given of the stockholders.

c. The stock holders will indicate the Book value (Where known) or estimated disposal price (EDP) of important stores such as vehicles (A, B & C) plants, aircraft, ships, launches, bridging equipment, machineries, etc, Director General Defence Purchase will fix the Reserve Price for these stores, in consultation with DFA (DP), irrespective of the method of Disposal. For other stores No reserve Price will be fixed, but appropriate disposal price may be decided by the competent disposal officer as per finⁿ mentioned in Para 5 above, irrespective.