

Government of the People's Republic of Bangladesh
Ministry of Planning
Implementation Monitoring and Evaluation Division (IMED)
Central Procurement Technical Unit (CPTU)

ASSETS DISPOSAL POLICY

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DRAFT ASSETS DISPOSAL POLICY

Table of Contents

Acronyms.....	3
PREAMBLE	4
1. General Provisions	6
2. Purpose	6
3. Application and Scope.....	6
4. Definitions	7
5. Identification of the Asset Disposal Needs	9
6. Roles and Responsibilities and Authority to Dispose.....	10
7. Initiation of a Disposal Process	11
8. Disposal Options and Market Value of Assets	12
9. Advertisement of Invitation Notice.....	16
10. Submission of Tenders	17
11. Tender opening and evaluation process.....	19
12. Contract award.....	20
13. Revenue from Sale	21
14. Complaints and Appeals.....	21
15. Lost or Stolen Assets	22
16. Maintenance of Asset Disposal Files	22
17. Performance Review of Asset Disposal Process.....	23
18. ANNEXES	24



২৫



DRAFT ASSETS DISPOSAL POLICY

Acronyms

AsDP	Assets Disposal Policy
CPTU	Central Procurement Technical Unit
DoFP	Delegation of Financial Power
DSC	Disposal Survey Committee
DEC	Disposal Evaluation Committee
GFR	General Financial Rules
GoB	Government of Bangladesh
HODE	Head of the Disposal Entity
IMED	Implementation Monitoring and Evaluation Division
IPSAS	International Public Sector Accounting Standards
DE	Disposing Entity
PPA	Public Procurement Act
PPR	Public Procurement Rules
SDD	Standard Disposal Document



৯৮



DRAFT ASSETS DISPOSAL POLICY

PREAMBLE

A robust public procurement system has been established, including The Public Procurement Act 2006, secondary legislation such as the Public Procurement Rules 2008 (with amendments) and associated standard bidding documents, e-GP Guideline 2011 (currently it is being amended), and Delegation of Financial Power (DOFP). A nodal agency, the Central Procurement Technical Unit (CPTU), under the Implementation Monitoring and Evaluation Division (IMED) of the Ministry of Planning, has been established. An extensive capacity development program has been institutionalized and has trained over 44,000 trainees covering main stakeholders, procuring entities, tenderers, policymakers, specialized departments. That included comprehensive training on the e-GP system for the key stakeholders like procuring entities, administrators, bankers and tenderers.

Bangladesh has continued efforts for over a decade to bring a systemic change to its public procurement system. Following the Country Procurement Assessment Report 2002 (CPAR 2002) recommendations, the Government of Bangladesh (GoB) implemented two procurement reform projects with technical and financial support from the World Bank and is currently implementing the third reform project. The size of Bangladesh's annual budget (FY2021) was about US\$ 67 billion, of which public procurement allocation accounted for about US\$ 25 billion. The procurement to Budget ratio is 37%.

The Government of Bangladesh spends on goods, services and works to assist in the effective delivery of services to the citizenry. A significant proportion of this expenditure is made on goods, many of which need to be disposed of when they become surplus to requirements, or arrive at the end of its lifecycle, or have reached beyond economic repair, or be considered no longer fit for purpose. The expectation is therefore that public entities dispose of these goods in a manner that is efficient, consistent, equitable and seek to achieve value for money in accordance with the relevant principles of the Public Procurement Act as well as the Public Procurement Rules.

In order to achieve this goal and provide the best possible outcome to the people of Bangladesh, this Asset Disposal Policy has been developed by the CPTU, IMED to guide public entities acting in the capacity of Disposal Entities (DE) in order to ensure the following:

- achieve the best available net return when disposing of assets through sale/auction;
- appropriately handle goods that require special considerations in their disposal;
- ensure that all disposal dealings are undertaken in a fair, transparent and accountable manner; and
- maximize the benefits derived from previous procurements or acquisitions through a life cycle approach to assets.

Assets can be declared for disposal by Disposal Survey Committee if:

- a) The disposal is required under particular government policy;
- b) They are not fit for purpose as they have reached the end of their useful life;
- c) They are unserviceable, obsolete or surplus for the DE;
- d) They have a limited shelf life, they occupy the storage space, exist in surplus quantities and not being needed during the remaining period of their useful life;



DRAFT ASSETS DISPOSAL POLICY

- e) They have reached their optimum selling time to maximize the returns; and
- f) They are found to contain hazardous material and they are no longer complying with occupational health and safety standards.

This Policy is designed to assist the Disposing Entities (DE) to dispose of their assets complying with the above definitions in an efficient, consistent, equitable and accountable manner. The Policy provides practical information on how to manage the disposal process and select the most appropriate disposal option. CPTU issues, in conjunction with this Policy, a set of templates and standard disposal documents (SDD) for the benefit and use of DEs. Until other legal texts are promulgated, this Policy and subsequent SDDs, templates and guidance issued by CPTU shall be adopted by all public entities.



DRAFT ASSETS DISPOSAL POLICY

1. General Provisions

- 1.1. CPTU, IMED, Ministry of Planning has developed this Policy for disposal of surplus/redundant assets by all Public Disposing Entities of the Government of the People's Republic of Bangladesh.
- 1.2. Disposal of assets shall be conducted in compliance with this Policy and by adhering to strict procedures set forth in this Policy.
- 1.3. All Disposing Entities should ensure that an appropriate level of discipline for asset disposal, and compliance with any legal or policy requirements, is applied across the entity.
- 1.4. Assets must be disposed of in a sustainable manner focusing on environmental compliance with all relevant laws, rules, regulations, policies, etc.
- 1.5. All disposal activities shall be conducted in a manner which promotes accountability, fairness, competition, proportionality and transparency.
- 1.6. The value for money to the Disposing Entity should be a major consideration when disposing of assets.
- 1.7. Operational guidelines and standard documents & forms for disposal processes are integral part of this Policy and will be available on the CPTU website.

2. Purpose

- 2.1. The purpose of this Policy is to establish and define standards, methods and/or restrictions for the disposal of the public assets in a legal, accountable and costs-effective manner.
- 2.2. This Policy aims to achieve the best possible outcome and value for money for the public entities by gaining the highest available net return when selling and to ensure the transparency of action.

3. Application and Scope

- 3.1. This Policy applies to all Public Disposing Entities.
- 3.2. This Policy shall be used for the purposes of disposal of any Public Disposing Entities' and other public entities' surplus, redundant, or obsolete assets obtained as a result of the expenditure of public funds in the procurement of Goods, Works and Services, or those assets sourced otherwise.



DRAFT ASSETS DISPOSAL POLICY

- 3.3. This Policy does not apply to disposal and/or transfer of lands owned by the Government of Bangladesh.
- 3.4. This Policy does not apply to the disposal of intellectual property, records, information, financial assets, or seized or confiscated property.
- 3.5. The Policy is framed by the general principles set out in PPA 2006 and PRR 2008.

4. Definitions

- 4.1. **"Act"** means The Public Procurement Act, 2006 (Act No. 24 of 2006).
- 4.2. **"Advertisement"** means an advertisement published in newspapers, websites or any other mass media for the purposes of wide publicity.
- 4.3. **"Appropriate Authority"** is a competent public entity that has the legally delegated or invested authority, capacity, or power to perform a designated function.
- 4.4. **"Asset"** is considered anything tangible and capable of being possessed or controlled for the purpose of producing value that is considered to have a positive economic value. These assets are considered economic resources that may be in physical form (such as inventory, equipment, buildings, other public structures, etc.) or any material asset owned by any person, institution, organization or business.
- 4.5. **"Asset Register"** is a list of assets owned and maintained by the Disposing Entity; the list contains details about each asset to track their value and physical location.
- 4.6. **"Book Value"** of an asset is the asset's cost minus the asset's accumulated depreciation.
- 4.7. **"Competent Authority"** means the Government or any other authority to which the relevant powers may be delegated by the Government as per the DoFP.
- 4.8. **"CPTU"** means the Central Procurement Technical Unit, established by the government in the Implementation Monitoring and Evaluation Division of the Ministry of Planning, for carrying out the purposes of the PPA and PPR.
- 4.9. **"Delegation of Financial Powers"** means the instructions with regard to the delegation of financial authority, issued by the Government from time to time, relating to the conduct of Public Procurement or sub-delegation of financial powers under such delegation.

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DRAFT ASSETS DISPOSAL POLICY

- 4.10. "Depreciated Value"** is the amount of the asset allocated systematically over its useful life due to depreciation.
- 4.11. "Disposal"** means the removal of public assets, by any means, including sale, auction, or any other combination as outlined in this Policy.
- 4.12. "Disposing Entity" (DE)-** means any government, local government, or semi-government entity, any statutory body established under any law, and any company registered under the Companies Act (Act No. 18 of 1994) having administrative and financial powers to undertake disposal of assets as defined in this Policy.
- 4.13. "Disposal Survey Committee"** is the assigned committee within the public procurement approving authority that has the responsibility to control the asset disposal process.
- 4.14. "Economic Life"** is the span of time that an asset is expected to continue to be useful, or the length of the time the asset can be used before repairing it becomes more expensive than replacing it or becomes economically unsound.
- 4.15. "Disposal Evaluation Committee"** means an Evaluation Committee constituted as per the provisions of this Policy and relevant legislation.
- 4.16. "Hazardous Materials"** mean substance or material that if released or misused may cause risk to health, safety, property or the environment.
- 4.17. "Head of the Disposing Entity"** means the Secretary of a Ministry or a Division; the Head of a Government Department or Directorate; or the Chief Executive, by whatever designation called, of a local Government agency, an autonomous or semi-autonomous body or a corporation, or a corporate body established under the Companies Act.
- 4.18. "Market Value"** means the value of an asset in the market place regardless of its purchase price or salvage value.
- 4.19. "Obsolete assets"** are assets in working order but cannot be put into use effectively being outdated due to change in technology or design; or considered no longer fit for purpose.
- 4.20. "Public funds"** mean any funds allocated to a Procuring Entity under Government budget, or loan, grants and credits placed at the disposal of a Procuring Entity through the Government by the development partners or foreign states or organizations.
- 4.21. "Reserve price"** means the minimum estimated expected sale price of the asset.



DRAFT ASSETS DISPOSAL POLICY

- 4.22. **“Record”** refers to a memorandum, any official correspondence, plan, map, drawing, diagram, pictorial or graphic work, photograph, film, sound recording, videotape, and any other documentary material, regardless of physical form or characteristic, and any copy thereof.
- 4.23. **“Salvage Value”** means the estimated book value of an asset after depreciation.
- 4.24. **“Seized property”** is any property seized pursuant to any warrant of any rule of law in connection with any designated offence.
- 4.25. **“Sustainable development”** is Development that meets the needs of the present without compromising the ability of future generations to meet their own needs.
- 4.26. **“Surplus assets”** are assets which are in working order but are not required for use in a particular unit or division of the DE and are laying in stores for more than five years.
- 4.27. **“Survey Committee”** is a Committee consisting of at least 3 members and approved by HODE with responsibilities as specified under articles 5.2 and 6.4 of this Policy.
- 4.28. **“Unserviceable assets”** are assets which are not in working order, outlived their economic life, or are beyond economic repair.
- 4.29. **“User Department”** means any department, division, branch or section of the DE, including any project unit working under the authority of the DE, which initiates the disposal requirement and is the user of the assets.

5. Identification of the Asset Disposal Needs

- 5.1. As and when required, the Disposing Entities shall survey all government assets to determine whether any of the items have become surplus or obsolete and shall be deemed as surplus or obsolete unless there is any good reason to treat them otherwise.
- 5.2. When conducting the survey to identify assets for disposal, a Disposal Survey Committee shall:
- Check all assets and record and re-value them in the Asset Register;
 - Assess and determine whether such assets have a high market value and may be proposed for sale;
 - Register assets in the Asset Disposal Register if identified as surplus, or of no economic value, or beyond economic repair, or have reached the end-of-life, or be considered no longer fit for purpose; and
 - Provide a justification for declaring an asset as fit for disposal.



DRAFT ASSETS DISPOSAL POLICY

6. Roles and Responsibilities and Authority to Dispose

- 6.1.** The Central Procurement Technical Unit (CPTU) shall provide technical advice and guidance upon the request of DEs or other public entities in case of any complexity which may arise during implementation of this Policy.
- 6.2.** Heads of Disposal Entities are responsible for ensuring that:
- a) A framework is in place that reflects an integrated approach to risk management in the disposal of the DE assets;
 - b) Accountability and decision-making regimes are set out in a manner consistent with organizational resources and capacity;
 - c) Assets are disposed of in an environmentally responsible manner consistent with the principles of sustainable development;
 - d) The disposal of assets is concluded as effectively as possible, and in a manner that guarantees the best net value for the DE;
 - e) The risk of loss of, or damage to assets is minimized; and
 - f) The disposal of assets is carried out in compliance with this Policy and other existing legislations of the country.
- 6.2.1. The HODE or an officer authorized by HODE approves the composition of Disposal Survey Committee (DSC) consisting of at least 3 members and approves its recommendations for disposal of assets as per the Asset Disposal Register.
- 6.2.2. The HODE or an officer authorized by HODE approves the composition of Disposal Evaluation Committee (DEC) as described in Paragraph 11.2 of this Policy and its recommendations for award.
- 6.2.3. The HODE should be aware of the followings:
- a) They are accountable for all decisions they take in the disposal process;
 - b) They should take into consideration the costs of undertaking disposal activities;
 - c) All decisions should be properly documented and proper accounting and audit procedures should be observed; and
 - d) Special consideration should be given to items of potentially hazardous and pollutant are likely to have an impact on the environment.
- 6.3.** The Auction Committee is responsible for the asset disposal process when the auction disposal method is selected. The HODE shall approve the composition of the auction committee composed of a minimum of three competent members.
- 6.4.** In addition to the provisions of article 5.2, the Disposal Survey Committee is responsible to:



DRAFT ASSETS DISPOSAL POLICY

- a) Conduct a survey in order to identify asset disposal needs of the DE;
- b) Carry out a physical inspection of the asset(s);
- c) Assess costs and benefits of different disposal options;
- d) Recommend the best disposal option and complete the Asset Disposal Register; and
- e) Handle such other responsibilities entrusted to it by the HODE.

6.5. The Procurement personnel in the DE shall be responsible for:

- a) Handling the Disposal of Assets' process in alignment with the procedures outlined in this Policy and other relevant legislation;
- b) Maintain auditable records of the relevant files including costing analyses that were used to justify disposal decisions; and
- c) Supervising the successful implementation of the disposal process.

6.6. The Finance Department of the DE shall ensure that proceeds from the disposal of goods, works and services by sale are dealt with in line with government regulatory requirements.

7. Initiation of a Disposal Process

7.1. The Head of the User Department shall initiate the disposal proposal by requesting in writing to the procurement department or the department responsible for asset disposal to give an assessment of the condition of the asset(s) for disposal.

7.2. The Procurement department or the department responsible for Asset Disposal shall initiate the process of the proposed disposal by sending the request to the HODE for approval of the list of items and send the approved list to the Disposal Survey Committee.

The Disposal Survey Committee shall a) inspect the asset(s); b) determine their serviceability condition or otherwise; c) determine the market value of the asset(s); d) propose the method of disposal; and e) fulfill such other tasks required under articles 5.2 and 6.4 of this Policy.

7.3. The Procurement or the responsible department for asset disposal shall conduct the disposal process after obtaining approval of HODE or an officer authorized by HODE. The responsible department for disposal shall use appropriate documents & forms and follow procedures for asset disposals to obtain the best price.



DRAFT ASSETS DISPOSAL POLICY

8. Disposal Options and Market Value of Assets

8.1. Disposal Options

After the asset is classified for disposal, the procurement or responsible department of the DE shall take into consideration the following factors before deciding on the disposal option:

- a) The option of transferring the asset to another Disposal Entity;
- b) The quantity and volume of the asset to be disposed;
- c) The Market Value of the asset;
- d) Depreciated Value using the guidance issued by CPTU;
- e) Salvage Value;
- f) Economic Life;
- g) The trade-in value of the asset;
- h) The location of the asset;
- i) The assessment of the potential interested bidders and their locations;
- j) Potential restrictions imposed by the existing laws;
- k) National security or public interest issues;
- l) Health and safety issues;
- m) Environmental and sustainability aspects; and
- n) The cost and benefits provided by each option.

The Selection of the preferred option requires the disposal to be carefully planned, allowing each option to be properly evaluated. Based on the considerations of article 8.2, the DE shall select one of the following disposal options:

- Sale by Public Tendering;
- Sale by Public Auction;
- Transfer to another Disposal Entity;
- Disposal by Destruction of Assets;
- Disposal involving Trade-In; or
- Direct Negotiations.
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8.2. Determining the Market Value of Assets

8.1.1 Valuation is an important step for an efficient and effective disposal process as it provides DEs with a starting reference for determining the disposal option before commencement of the disposal process. The basis for evaluation shall always be the market value taking into consideration that assets should be sold 'as is, where is' without warranties. The Tenderer will bear full responsibility for inspection and verifying the current state of the asset(s) before submitting the tender.

8.1.2 Before commencement of any disposal process, the DE shall initiate asset valuation to determine the market value and realistic reserve price of the asset(s) to be disposed of. The reserve price shall be recorded in advance of the date of disposal.



DRAFT ASSETS DISPOSAL POLICY

- 8.1.3 If assets are of values that warrant the below and where there is no in-house capacity for valuation, the DEs shall engage qualified agents to provide expert valuation of the assets to ensure that DE's expectations from sale are realistic.
- 8.1.4 The calculation of depreciation shall be done in alignment with IPSAS 17 which stipulates that depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating. Depreciation shall be calculated on a straight-line basis over the useful life of the assets using Straight Line Depreciation Method or on another basis suitable for the asset under consideration. The estimation of the useful life of the asset is a matter of judgement based on the experience of the DE with similar assets and it is supported by calculation in relation to the calculation formulas and Guidance in annex to this Policy.

Example: Calculation of asset depreciation using Straight Line Method

The Disposing Entity purchases a Color Printer for a total cost of 3,000 USD. It is estimated that the printer has a useful life of 5 years; at the end of which, its salvage value will be 600 USD. The Disposal Entity adapts straight-line depreciation method.

The depreciable amount is USD 3,000 less USD 600 = USD 2,400

As the depreciable amount is allocated systematically over the useful life of the asset, an equal cost is taken to surplus or deficit each year. This can be calculated as follows:

Annual depreciation charge = Depreciable amount/Useful life

Annual depreciation charge= USD 2,400/5 years = USD 480 per year

The carrying amount of an asset each year decreases by USD 480

- 8.1.5 The prospective Tenderers are advised to inspect asset(s) in liaison with the Disposal Entity before they prepare and submit their Tenders. Tenders are based on "as is, where is" basis and the conditions of the assets are not warranted by the DE. The Tenderers will bear full responsibility for inspection and verifying the current state of the asset(s) and thus assess the market value of the items to be disposed, which will facilitate them to quote a price.

8.3. Sale by Public Tendering

- 8.3.1. A Disposing Entity may use Sale by Public Tendering method in any of the following cases: a) for high value and un-common assets; b) for disposal of assets located in remote areas; c) for assets that have geographically dispersed potential market; or d) for assets with end-use or export restrictions attached to the sale.

- 8.3.2. The DE should adhere to basic principles such as transparency, competition, fairness, equal treatment and elimination of discretion.



DRAFT ASSETS DISPOSAL POLICY

8.3.3. The DE should prepare the tender document for disposal following the Standard Disposal Document (SDD) issued by CPTU and shall include the information about the disposal procedure, bid opening, evaluation of bids, contract award and general conditions of contract and all other requirements and forms.

8.3.4. The detailed procedure on public tendering is elaborated in the SDD.

8.4. Sale by Public Auction

8.4.1. A Disposing Entity can use this disposal method where a) the analyses revealed that there is a large number of potential tenderers; b) there are no conditions or export restrictions of the end-user for asset sale; c) there is a possibility of achieving higher selling value; d) the DE needs to complete the process within a short period; or e) the assets subject to disposal are of lower market value.

8.4.2. When using auction as the disposal method, the basic principles to be followed are similar to those applicable through the public tendering method to ensure transparency, fairness, equal treatment, competition, and elimination of discretion.

8.4.3. Disposal of assets through this option can be conducted directly by Disposal Entities or by appointing a licensed professional auctioneer to conduct public auction on its behalf. When selecting an auctioneer, Disposal Entities shall follow the suitable procurement method for consultancy services.

8.4.4. The auction plan shall be prepared and given wide publicity in the same manner as it is done in case of advertised tender. Auction plans shall include information about timeframe for sale by auction, the condition and location of the assets to be auctioned, terms and conditions of the sale, reserve price, end-user restrictions if any; etc. The SDD for auctions issued by CPTU shall be adopted.

8.5. Transfer to another Disposal Entity

8.5.1. This option may be used when an asset may have no use for one DE but be of value to and of further use by another DE.

8.5.2. Transfer of assets from one entity to another entity may be at no cost (other than admin or transaction cost) to either entity or may entail a fee, which may be negotiated between the two entities.

8.5.3. Disposal Entities are encouraged to consider this disposal method if the opportunity arises.

8.6. Disposal by destruction of assets

Before destruction, the assets to be disposed of shall be classified into a) hazardous/toxic or b) non-hazardous/non-toxic.



DRAFT ASSETS DISPOSAL POLICY

Hazardous assets are materials or items with dangerous properties which, if not properly controlled, present a potential hazard to human health and safety, to infrastructure, to environment, and/or to their means of transport.

Classification of classes of dangerous assets/goods shall be done in alignment with the government relevant regulations and international practices of management of dangerous goods such as the UN Model Regulations on the Transport of Dangerous Goods (UN, 2019, ST/SG/AC.10/1/Rev.21 (Vol. I)).

Disposal shall be made in adherence with existing government rules and regulations for the specific asset/waste management including hazardous waste management. The disposal process shall ensure environmentally-sound management at all stages such as storage, transportation, and destruction/recycling and appropriate consideration for working conditions including health and safety aspects of those involved.

An example of applicability of this method could be: when the government undertakes destruction of excess, obsolete computers held by the Government of Bangladesh that they have declared outdated and beyond repair and use. The destruction should follow the International Standard for Environmental Management ISO 14001:2015. Electronic waste poses a major environmental challenge that needs urgent addressing given the massive increase in the use of electronic products in this digital era.

Destruction of assets as a disposal method may be used if:

- a) The asset is considered scrap and has no value and as such cannot be transferred to any other Disposal Entity;
 - b) The assets pose risk for national security or public interest, health and safety;
 - c) destruction is required on the grounds of legal or human rights issues or environmental considerations;
 - d) The asset may be essentially dangerous, or may become dangerous through external factors; or
 - e) The asset may affect people or the environment (for example pharmaceuticals, chemicals, hazardous items; etc.).
 - f) The asset has no market value
- 8.6.1. The destruction of assets should be carried out by qualified specialists as per article 8.6.2 below and in the presence of a committee appointed by the HODE. The Committee shall document properly the destruction of assets and issue a Certificate of having destroyed the assets and the means employed to do so. The Committee may document the process on image/video for record.
- 8.6.2. To carry out the destruction, the DE shall identify an appropriately competent authority or a qualified/licensed provider. When selecting such provider, Disposal Entities shall follow the suitable procurement method.
- 8.6.3. The Disposal Entities shall follow their internal procedure for destruction of eligible assets, if any.



DRAFT ASSETS DISPOSAL POLICY

8.7. Disposal involving Trade-in

- 8.7.1. This disposal method can be used if the procurement staff of the DE determines that the trade-in of surplus items to balance the purchase price of new assets is feasible and provides an economic and efficient way of upgrading equipment.
- 8.7.2. The DE should not use this method if it prevents the fair competition and it reduces the value for money in procurement processes or when factors other than price should be taken into consideration for the disposal of assets.
- 8.7.3. If this method is chosen by the DE, the provision of disposal should be integral part of the procurement process and procurement rules and regulations should be observed.

8.8. Direct negotiation

- 8.8.1. The DE may use the direct negotiation method to dispose/sell the asset if, a) the market is limited and the DE has identified the single buyer willing to pay the reserve price; or b) the asset shall be sold to a specific company, group or individual due to national security, public interest, legal, human rights or environmental considerations.
- 8.8.2. The HODE shall decide on the direct negotiation method based on thorough and valid justification provided by the Disposal Survey Committee with support of relevant staff of the DE.

9. Advertisement of Invitation Notice

- 9.1. A Disposing Entity shall be the authority to directly advertise all its asset disposal invitations.
- 9.2. The Disposing Entities shall advertise their asset disposal opportunities which have been included into their Asset Disposal Register.
- 9.3. Invitations shall be advertised in at least one Bangla language national newspaper and one English language national newspaper, both of which shall have a wide daily circulation within Bangladesh. The Disposing Entity shall, prior to advertise, carefully apply sound judgement in choosing national newspapers which are commonly known and ubiquitously accepted having wide daily circulation. Where more than one (1) edition of the newspaper is published on the date of publication of the advertisement, the Disposing Entity shall ensure that the advertisement will be published in each copy of every such edition. If cost of the advertisement is a factor for wider publication, the DE may consider reducing the size of the advertisement and advertise in a higher number of newspapers to ensure wider distribution and transparency.



DRAFT ASSETS DISPOSAL POLICY

- 9.4. It is strongly recommended that such invitations are also advertised on the DE's own website along with the website of the concern Ministry and CPTU.
- 9.5. A DE shall, where disposal opportunities are open to foreign bidders, also cause the invitation to be published in an English language newspaper of wide international circulation and also in the foreign trade missions in Bangladesh and Bangladeshi trade missions abroad, as the DE deems appropriate.
- 9.6. All invitations shall also be advertised in the Disposing Entity's website, if any; Subsequent changes or amendments to any invitation shall also be re-advertised preferably in the same newspapers and websites where it was originally published.
- 9.7. At any time before the deadline for submission of offers, DE may, for any reason, whether on its own initiative or following a request for clarification by a supplier, modify the content of the notice advertised.
- 9.8. Disposing Entity reserves the right to cancel a disposal process at any time during the tendering process, evaluation process and prior to contract award.

10. Submission of Tenders

- 10.1. Instructions for submission and acceptance of tenders, withdrawal of tenders and tender closing shall be clearly stated in the Disposal Documents.
- 10.2. The tenderers shall prepare tenders as per the instructions in the Disposal Documents.
 - 10.2.1. Tenderers shall submit only one Tender, either individually or as a member of a Joint Venture or Consortium. Tenders shall be delivered by hand or mail, including courier services to the location designated in the Invitation for Tender/ Disposal Document. Tenders shall be properly marked by Tenderers in order not to be confused with other types of correspondence, and the Tenderer is solely and entirely responsible for pre-disclosure of Tender information if the envelope(s) are not properly sealed and marked.
 - 10.2.2. When a Tenderer submits a Tender directly to the officer assigned by the Disposing Entity, or when a Tender is sent through either courier service or by post, that officer shall issue an acknowledgement of receipt stating the date and time.
 - 10.2.3. All Tenders received shall be kept in a secure and safe place with the Disposing Entity as their custodian. Locked Tender boxes or cabinets may be used or when the Tenders are in large volumes or in envelopes that are large or thick, they may be directly received by an assigned officer of the Disposing Entity.



DRAFT ASSETS DISPOSAL POLICY

- 10.3.** The DE shall set a time limit for the receipt of tenders, or for the conduct of the public auction, which shall be of a duration that is sufficient to give all potential tenderers to inspect the asset, and prepare and submit tenders with the aim of delivering the best net result for the Disposing Entity.
- 10.4.** When the *public auction* is used as disposal option, the time period between the publication of the notification of a public auction and the date of the auction shall be minimum *ten (10)* calendar days.
- 10.5.** When the *Sale by public tendering* is used as disposal option, the time period between the publication of the public invitation notice and the date of the receipt of the tenders shall be minimum *fourteen (14)* calendar days.
- 10.6.** When the *trade-in* used as disposal option, the time-limits shall be as per the relevant procurement procedure within which the trade-in is contemplated.
- 10.7.** Asset Disposal Documents should be ready for issue to interested tenderers by the time of the appearance of the advertisement. The DE may, at any time before the deadline for submission of tenders, for any reason, whether on its own initiative or following a request by a tenderer, modify the content of the Disposal Documents.
- 10.8.** Tenderers must be requested to keep their tenders valid for a specified number of days (typically a period of 30 to 60 days, but could be reduced or extended if deemed necessary by the DE).
- 10.9.** Tenderers shall furnish as part of its Tender, a Tender Deposit in the amount and currency specified in SDD or a Solemn Declaration committing the Tenderer to its Tender for the period of its validity.
- 10.10.** Unsuccessful Tenderers' deposit will be discharged or returned as promptly as possible, while the successful Tenderer's deposit will be returned after the execution of the payment.
- 10.11.** The Tenderer will bear full responsibility for inspection and verifying the current state of the asset(s) in liaison with the DE before submitting the tender. The findings should be reflected in their Technical Tender; particularly in the "Methodology of implementation of the Asset Disposal" part.
- 10.12.** Tenderers may modify, substitute or withdraw their Tenders after submission; provided that a written notice duly signed by an authorized signatory is received by the DE prior to the deadline for submission.



DRAFT ASSETS DISPOSAL POLICY

11. Tender Opening and Evaluation Process

- 11.1. Instructions for tender opening and tender evaluation shall be clearly stated in the Disposal Documents. Tender Opening will occur immediately upon the deadline for submission of tenders and will be held publicly.
- 11.2. Tenders shall be opened and evaluated by the Disposal Evaluation Committee. The DEC shall be composed of three to five members including the representative of the User Department, a representative of the Finance department and a representative of the Procurement department. Considering the technical aspects of the item/s under disposal, external technical expert member(s) may be included in the DEC. The HODE shall nominate the Disposal Evaluation Committee and approve its recommendations.
- 11.3. The DEC shall evaluate and compare tenders that are responsive to the requirements of the Disposal Documents in order to identify the successful tenderer based on the criteria set in the Disposal Documents.
- 11.4. Tenderers shall provide evidences of their eligibility, proof of compliance with the necessary legal, technical and financial requirements and their capability and, adequacy of resources to carry out the disposal contract effectively.
- 11.5. In addition to meeting the eligibility criteria, the Tenderer must meet the minimum qualification criteria, experience criteria and financial criteria as elaborated in the Disposal Document.
- 11.6. Post qualification of the highest evaluated Tenderer will be carried out by the DE to verify whether it possesses the qualifications and capacities to execute the contract. Such verification will cover verification of documentary evidences; along with on-spot verification of the facilities used by the Tenderer, if so specified in the Disposal document.
- 11.7. All line items of the Price Schedule of the Disposal Document should be quoted by the Tenderers. Items for which no unit/total prices have been quoted shall be deemed covered by the amounts of other rates/prices in the Tender; and it shall not be a reason to change the Tender price.
- 11.8. In the situation where two or more tenderers quote the same highest price, the Disposing Entity shall organize re-tendering. In such case, only the tenderers who submitted the highest identically priced tenders will be eligible to submit revised tenders. The revised tenders shall be submitted in sealed envelopes and shall contain the revised prices only, while all other aspects of the tenders shall remain unchanged. The revised prices shall be higher than the originally submitted price.

11.7.1 Where evaluation is based on price only and it is reasonable to conduct and conclude the evaluation immediately in the presence of the tenderers at the



DRAFT ASSETS DISPOSAL POLICY

public tender opening, a Disposing Entity may conduct the re-tendering procedure immediately.

11.7.2 The tender opening procedure for the revised tendering process shall be the same as that for the original tender.

11.7.3 Evaluation shall be conducted in the same manner as the original evaluation, except that the price contained in the revised tender shall replace the original price.

11.7.4 Where identical highest priced tenders are received again during a retendering process, the DEC shall draw the name of the successful tenderer from among those with a tie using a blind draw in presence of the concerned tenderers.

11.9. If the best/highest evaluated tender is less than the reserve price, the Disposing Entity may decide to:

- a) Initiate further asset valuation from different independent sources;
- b) Negotiate the offered price;
- c) Organize re-tendering process; or
- d) Use different disposal option with an aim to obtain a higher and acceptable price.

11.10. The DEC shall prepare an evaluation report with recommendation for award and submit to the HODE for final approval.

12. Contract award

12.1. The contract award shall be based on the contract award criteria set forth in the asset disposal document and invitation notice.

12.2. In principle, the contract award shall be based on price; i.e. the Contract shall be awarded to the tenderer who offered the highest price. However, in some situations, the asset Disposal Document may adopt evaluation based on price and other criteria clearly set in the Document. In such case, contract award will be made to the 'best evaluated tender' using such criteria.

12.3. Other factors to be considered before the contract award include the followings:

- a) Potential restrictions imposed by existing laws (e.g. export restriction for end user);
- b) Eligibility in terms of nationality;
- c) The impact on the environment;
- d) Conditions which are attributed to a sale;
- e) Potential risks associated with health and safety, legal or human rights issues, national security or public interest;
- f) The need to retain an asset within Bangladesh or within a specific region; or
- g) Any other condition or restriction specified in the Disposal document.



DRAFT ASSETS DISPOSAL POLICY

- 12.4. A contract award, apart from the award of a contract under public auction, which shall be declared by an announcement of the successful tenderer at the time of tendering, shall be published on the Disposing Entity's notice board and its website and the CPTU website.
- 12.5. As a result of the disposal process undertaken, the Asset Register for disposed item(s) shall be amended accordingly by the DE.
- 12.6. Asset(s) shall not be handed over to a successful tenderer prior to confirmation of payment completed by the tenderer, along with the payment of any Liquidated Damages and settlement of any dues or liabilities that may have accrued under the contract.

13. Revenue from Sale

- 13.1. In general, all the proceeds from the sale of assets shall be deposited to the Government Treasury.
- 13.2. The Accounts Department of the DE shall be notified of the sale with full details of the assets tendered, the name of the successful tenderer and the economic code the money shall be paid into.
- 13.3. The price to be quoted in the Form of Tender will be deemed to be inclusive of Value Added Tax (VAT).

14. Complaints and Appeals

- 14.1. Any person (whether natural or legal) may submit a complaint concerning any asset disposal process. The procedure for lodging complaints in respect to the asset disposal process shall be as follows:
 - a) A Person shall submit his or her complaint in writing within seven (7) calendar days of becoming aware of the circumstances giving rise to the complaint or within seven (7) days from the time he/she should have become aware.
 - b) In the first instance, the Person shall submit his or her complaint in writing to the HODE.
 - c) The HODE may refer the complaint to the concerned officer or committee to review the subject matter of the complaint and recommend whether to reject the complaint or to take any corrective action and the underlying justifications.
 - d) The HODE shall, within five (5) working days of receipt of the complaint, issue a written decision to the Person, stating either the reasons for the



DRAFT ASSETS DISPOSAL POLICY

rejection of the complaint or advising what corrective actions have been or will be taken, such as, issue of an addendum amending unacceptable provisions in the Disposal Documents.

- e) If the Person is not satisfied with the decision of the HODE or does not receive such a decision, he/she shall submit an appeal to the Secretary of the concerned Ministry or Division within five (5) working days thereof.
- f) The Secretary of the concerned Ministry or Division shall, within five (5) working days of receipt of the appeal, consider the subject matter of the appeal and decide whether to reject the same or to make any corrective actions and shall issue a written decision to the Person stating either the reasons for the rejection of the appeal or advising on the corrective action that has been taken, copying the decision to the Disposal Entity. Such decision is final and may only be appealed in the competent court in Bangladesh.
- g) Disposing Entities and other levels of administrative authorities shall maintain a Complaint & Appeal Register in which brief information of all complaints, appeals and decisions shall be recorded.

15. Lost or Stolen Assets

- 15.1.** Any lost or stolen asset must be reported immediately to the HODE through the competent authority. The HODE will ensure that the incident is handled professionally and investigation is conducted by the competent authority.
- 15.2.** If considered appropriate, HODE will ensure that these matters are reported to the law enforcing agencies, i.e. police.
- 15.3.** In the case of lost or stolen assets, the Asset Register must be updated accordingly in accordance with the GFR.

16. Maintenance of Asset Disposal Files

- 16.1.** The Disposing Entity must develop and maintain a standard filing system, as well as a numbering system to enable tracking of files and retaining all asset disposal files in a good order. In addition to information documenting the disposal process, the file must include all information required to successfully administer the contract award and execution process.
- 16.2.** In line with the principles of transparency and accountability, and in order to facilitate audits of DE operations, every step in the disposal process shall be documented and kept on file (hard copy or electronic) for a minimum period of five (5) years.



DRAFT ASSETS DISPOSAL POLICY

- 16.3.** The files and records of all disposal activities shall be made available to any competent authority or person for carrying out audit procedures.

17. Performance Review of Asset Disposal Process

- 17.1.** In order to ensure that a disposal process is undertaken in an efficient, consistent and equitable manner; it is important that the Disposing Entities conduct performance evaluation on the process and outcome of each disposal. This evaluation shall be undertaken at a level that is proportionate to the value and complexity of the disposal activity.
- 17.2.** The evaluation shall be carried out to measure performance against government disposal strategic goals in seeking continuous operational improvements.



18. ANNEXES

Annex I: The asset disposal process flowcharts including timeframe

Annex II: Model for Calculation of Depreciation with Guidance (To be added)

Annex III: Standard Disposal Document (To be added)



ANNEX I

THE ASSET DISPOSAL PROCESS FLOWCHART

	<u>ACTION</u>	<u>NOTE</u>	<u>TIMFRAME</u>
1	DECISION TO DISPOSE OF ASSET	Recommendation of DSC	2 days
	↓		
2	DETERMINE THE MARKET VALUE OF ASSET	✓ Establish reserve price ✓ Conduct valuation	3-5 days
	↓		
3	IDENTIFY DISPOSAL OPTION	Refer to Section 8 of AsDP	2 days
	↓		
4	EVALUATE DISPOSAL OPTION	Conduct cost and benefit analyses of each option	2 days
	↓		
5	SELECT APPROPRIATE DISPOSAL OPTION	Obtain approval from competent authority	1 day
	↓		
6	PREPARE ASSET FOR DISPOSAL	Assets should be cleared of material unfit for disposal	1-3 days
	↓		
7	CONDUCT DISPOSAL OF ASSET	Follow the procedure outlined in AsDP	10-14 days
	↓		
8	DEPOSIT REVENUE FROM DISPOSAL	As per GFR and other relevant rules	1 day
	↓		
9	DOCUMENTATION		0.5 day
	↓		
10	PERFORMANCE REVIEW OF ASSET DISPOSAL PROCESS	Evaluate performance against government disposal goals	n/a

