

PROCUREMENT & SALES POLICY

**BANGLADESH SUBMARINE CABLE COMPANY LIMITED
(BSCCL)
37/E Eskaton Garden, Telejogajog Bhaban (6th Floor), Dhaka**

INTRODUCTION

Bangladesh Submarine Cable Company Limited (henceforward referred to as "BSCCL") is a public limited company duly incorporated under the Companies Act, 1994 and owned by the Government of Bangladesh.

BSCCL provides services in the Telecommunications sector in the national and international arena, in general, and connectivity & bandwidth through Submarine Cable, in particular.

Since BSCCL is a company formed under the Companies Act, 1994 and it will use its own fund for different procurement proceedings, it has become imperative that a procurement policy and a set of rules for BSCCL be formed. In this context, a Procurement Policy for BSCCL (henceforward referred to as "PPB") has been formulated and approved by the Board of Directors of BSCCL (here referred to as "BOD").

BSCCL provides connectivity and Bandwidth to Domestic and International companies and generates revenue. Therefore, it should also follow some rules and regulations regarding sales. Hence, Sales Policy for BSCCL (henceforward referred to as "SPB") has been formulated and approved by the Board of Directors of BSCCL.

Chapter 1

1.1.0 BACKGROUND

This part of the study is absolutely focused on the issues related to the procurement/sales policy and manual for BSCCL.

It is obvious that sales generate revenue to an organization and procurement process work as backbone. It requires lot of skills, expertise and experiences to ensure effective use of policy and guideline in order to bring optimum benefit for the organization.

Considering the various aspects like nature and type of organization, nature of business, product, market & market competition, existing Govt. rules & regulations etc., a comprehensive policy has been formulated for BSCCL.

1.2.0 SCOPE OF THE POLICIES:

BSCCL is a public limited company owned by the government. As per the Memorandum & Articles of Association of BSCCL, Government of Bangladesh has vested 100% financial and administrative authority to the Board of Directors of BSCCL but at the core, in some cases, it has ties to some government rules and regulations. Under such circumstances, a customized procurement and sales policy has been developed which consists of following basic issues:

- All the employees, advisors and experts appointed by BSCCL who will deal with purchase and sales specifically involved with funds and revenue must be guided by this policy to make the process most transparent.
- The Procurement Policy needs to be related to the broader guidelines of PPR 2008.
- Both the Policies must have sufficient flexibility to fulfill the requirement of BSCCL as an efficient submarine cable telecom operator in the competitive scenario.
- Both the Policies must have flexibility to handle future procurement/sales of the organization, as it is not possible to develop and adapt such policy every year.

1.3.0 OBJECTIVES:

The Procurement and Sales Policies are developed to attain the following objectives:

- To encourage purposeful procurement/sales using freedom of choice.
- To avoid bias and discrimination.
- To promote optimum use of resources, to minimize cost and wastage.
- To maximize revenue in sales.
- To save time and money in procurement.
- To reduce paper work, avoid unnecessary complications, and use automation.
- To make the processes transparent, efficient and effective.

1.4.0 AMENDMENT TO THE POLICY:

The procedure for amendment of the Procurement Policy is as follows:

1.4.1 The Board of Directors or a committee approved by the same shall have the authority to modify this document in part or whole of it.

1.4.2 The BOD may authorize the Managing Director on the following issues:

1. To redefine the procurement/sales parameters and/or variables, where required.
2. To summarize the decision-making and analysis process to save time without violating the objectives and code of ethics.

1.5.0 AUTOMATION OF PROCUREMENT PROCESS:

The management shall take necessary steps for automation of the procurement and sales process in such a way that minimal manual inputs are required but it will be transparent in all respect.

**CODE
OF
ETHICS**

Chapter 2

CODE OF ETHICS

The Code of Ethics applies to all the employees of BSCCL, who are engaged in purchase or sale and payments, including those involved in advisory and decision making capacities.

Purpose

- To maintain an unimpeachable standard of integrity in all their business relationships both inside and outside the organization in which they are employed.
- To foster the highest possible standards of professional competence amongst those for whom they are responsible.
- To optimize the use of resources for which they are responsible in order to provide maximum benefit to their employing organization.

Principles of the Code of Ethics

The guiding principles of the Code of Ethics can be summarized under five headings:

1. Declaration of Interest
2. Confidentiality and accuracy of information
3. Legality
4. Competition
5. Gifts and Hospitality

2.3.1 Declaration of Interest

Any personal interest that may impinge or might reasonably be deemed by others to impinge on a member of staffs' impartiality in any matter relevant to his or her duties should be declared.

Where a conflict of interest arises for an employee, he/she must desist from dealing with the contract giving rise to that situation, and may not attempt in any way to influence BSCCL's decision on the matter.

2.3.2 Confidentiality and accuracy of information

Every employee shall all times during the term of his/her employment and thereafter keep confidential and will not, without the prior written consent of BSCCL use or disclosure to any third party any information of a confidential nature (including pertaining to BSCCL's practices) which may become known to the employee in the course of providing his/her services. Information received in the course of duty should be true and fair and never be used for personal gain or designed or mislead.

2.3.3 Legality

In order to ensure that BSCCL complies with its business dealings with the laws of the land, employees are required to:

- Fulfill all regulatory and supervisory obligations imposed on BSCCL
- Co-operate with relevant regulatory and supervisory bodies
- Avoid false, inaccurate or misleading entries in records
- Ensure that all relevant legislation is upheld
- Encourage effective and fair competition at all times
- Comply with all tendering procedures and with prescribed levels of authority for sanctioning any relevant expenditure
- Avoid engaging in any illegal or criminal activities.

2.3.4 Competition

While bearing in mind the advantages to the employing organization of staff maintaining a continuing relationship with a supplier or buyer, any arrangement which might in the long term prevent the effective operation of fair competition, should be avoided.

2.3.5 Illegal gratification

It is customary for many suppliers and buyers to offer gratifications such as gifts, hospitality or entertainment to named employees with whom they have contact as a result of business dealings.

2.3.6 Code of Ethics for gratification

Employees may accept gifts from suppliers/buyers or contractors who have worked for BSCCL, provided:

- The gift is unsolicited
- The gift is one of very small intrinsic value (e.g. diary, calendar, etc.)
- The gift is disclosed to that employee's immediate superior

In all other cases, the gift should be returned to the sender, with a note advising that acceptance would be contrary to BSCCL policy. Details of returned gifts must be notified at once to the recipient's superior. If such return is not possible due to various direct or indirect social or business impacts on BSCCL, the relevant gift must be submitted to BSCCL (i.e. to the office of MD) with a written record.

Modest hospitality may be accepted, provided:

- The frequency and scale of hospitality is not more than BSCCL might be expected to give in return.
- The number of BSCCL staff availing of the hospitality is kept to a minimum.
- Unless officially allowed by the authority, invitations do not include the provision of travel or overnight accommodation and availing of the hospitality does not identify BSCCL in a public way with any particular supplier or buyer.

When it is not easy to decide between what is not acceptable in terms of gifts or hospitality the offer should be declined or advice sought from the employee's superior.

PPB 1.1.0 and SPB 1.1.0

Breaches of the Code of Ethics will be regarded as a breach of discipline and will be dealt as "misconduct" in accordance with the Service Rules of BSCCL (The service rule is general rules and policies that are applicable for all employees).

**PROCUREMENT
DECISION**

Chapter 3

3.0.0 PROCUREMENT POLICY:

The Procurement Policy and evaluation process is completely based on a number of parameters, variables and sub-variables in order to ensure that there will be neither any subjective decision nor any internal or external pressure to influence the procurement process.

PPB 2.0.0 TYPES OF PROCUREMENT

All procurement of BSCCL must be classified under any of the following two types of procurement:

PPB 2.0.1 Any procurement of single item or service under the policy will be termed as Single Item Procurement.

PPB 2.0.2 Any procurement for multiple/various items and/or services or in any combination under the policy will be termed as Bundle Procurement.

PPB 2.1.0 NATURE OF PROCUREMENT

All procurement of BSCCL, after classification under Types of Procurement, must be identified under nature of procurement as follows:

PPB 2.1.1 Any procurement irrespective of SIP or BP, must be identified as whether it is **Proprietary Nature (Pro)** or **Non-proprietary Nature (NPro)**.

PPB 2.1.2 Definition of Proprietary Nature:

Any item or service with following nature from BSCCL's point of view:

- Highly technical and related to capital equipment.
- Copyright and/or patent protected item or service.
- Spare parts and/or accessories for equipment having limited number of manufacturers or only one manufacturer or limited or only one distributor/importer.
- Not easily available in the open market
- Specialized services of technical, consultancy or any other specialty nature as continuation of previous proprietary work with BSCCL.

PPB 2.2.0 PROCUREMENT DECISION VARIABLES

Six sets of variables have been used as follows:

1. Purpose of Procurement
2. Amount involved in Single Procurement
3. Procurement Frequency of same item/service
4. Procurement Urgency to receive item/service
5. Procurement Source
6. Procurement Method

PPB 2.3.0 PURPOSE OF PROCUREMENT

Procurement of any item or service for BSCCL must be classified in any of the 6 types of the following purposes based on the intended use of product/service. No procurement under the classification of others or Miscellaneous or any other terms will be allowed. The different types of purposes are as follows:

TABLE-1

SL	PURPOSE OF PROCUREMENT
1	PETTY CASH
2	REPAIR & MAINTENANCE
3	HARDWARE, SOFTWARE, LOGISTIC EQUIPMENT
4	SERVICE INCLUDING RENT/LEASE
5	CAPITAL EQUIPMENT
6	FIXED ASSET –FURNITURE, VEHICLE, PROPERTY

3.1.0 Definition of Different Types of PP:

PPB 2.3.1 PETTY CASH:

Petty Cash is commonly known as the fund available in most of the offices to meet day to day various miscellaneous running expenses or to meet any urgent requirement within pre-defined amount related to office, logistic, repair & maintenance or entertainment expenses. Any procurement under such head of accounts (head of accounts as per the chart of accounts of the organization) will be classified as Petty Cash.

However, Petty Cash will not be considered as regular procurement by the procurement department. Petty Cash will be the only direct procurement option for different departments to fulfill day-to-day requirement. Therefore Petty Cash will be separated from PP and Procurement department will not use PC for any regular procurement.

PPB 2.3.2 REPAIR & MAINTENANCE:

Any item or service for the purpose of repair & maintenance of any kind as per definition mentioned in the chart of account of BSCCL will be considered under this classification.

PPB 2.3.3 HARDWARE, SOFTWARE, LOGISTIC EQUIPMENT:

Any item directly related to the telecommunication technology and/or any hardware, software or equipment working directly to the operations as well as the network of BSCCL.

PPB 2.3.4 SERVICE:

All types of services whether technical or non-technical including rent, lease, commission, royalty etc. except services under following classifications of Purpose of Procurement:

- Petty Cash
- Repair and Maintenance
- Capital Equipment

PPB2.3.5 CAPITAL EQUIPMENT:

Definition of capital equipment will be as per the definition mentioned in the chart of accounts of BSCCL. Any services like installation, training, operation for limited period etc. included as package deal with CE will be considered as part of capital equipment.

PPB 2.3.6 FIXED ASSET – (FURNITURE, VEHICLE, PROPERTY):

Fixed asset means all assets mentioned in the chart of accounts of BSCCL except the following:

- HARDWARE, SOFTWARE, LOGISTIC EQUIPMENT
- Capital Equipment

PPB 2.4.0 AMOUNT INVOLVED IN SINGLE PROCUREMENT:

Amount Involved in Single Procurement is a variable, which will help to determine the estimated amount required for procurement. It will help BSCCL to use the matrix enclosed in Chapter -6 to make proper decision for procurement.

TABLE-2

SL		AMOUNT IN SINGLE PROCUREMENT (BDT)
1	A1	UPTO 10,000
2	A2	ABOVE 10,000, UPTO 50,000
3	A3	ABOVE 50,000 UPTO 100,000
4	A4	ABOVE 100,000 UPTO 200,000
5	A5	ABOVE 200,000 UPTO 400,000
6	A6	ABOVE 400,000 UPTO 800,000
7	A7	ABOVE 800,000 UPTO 1,500,000
8	A8	ABOVE 1,500,000 UPTO 2500,000
9	A9	ABOVE 2,500,000 UPTO 5,000,000
10	A10	ABOVE 5,000,000

PPB 2.5.0 PROCUREMENT FREQUENCY:

Procurement Frequency is a variable, which will help to determine the exact method of procurement under given condition. It will help BSCCL to use the matrix enclosed in Chapter 6 to make proper decision for procurement.

TABLE-3

SL		PROCUREMENT FREQUENCY
1	F1	ONCE IN A WEEK
2	F2	ONCE IN MONTH
3	F3	ONCE IN A QUARTER
4	F4	ONCE IN A 6 MONTHS
5	F5	ONCE IN A YEAR

PPB 2.6.0 PROCUREMENT URGENCY TO RECEIVE PRODUCT/SERVICE:

Procurement Urgency is a variable, which will help to determine the urgency of procurement under given condition and subsequently, required procurement method. It will help BSCCL to use the matrix enclosed in Chapter -6 to make proper decision for procurement.

TABLE-4

SL		PROCUREMENT DEADLINE TO RECEIVE PRODUCT/SERVICE
1	P1	WITHIN 7 DAYS
2	P2	WITHIN 15 DAYS
3	P3	WITHIN 30 DAYS
4	P4	WITHIN 60 DAYS
5	P5	WITHIN 90 DAYS
6	P6	ABOVE 90 DAYS

PPB 2.7.0 PROCUREMENT SOURCE:

Procurement Source must be either "LOCAL" in which procurement must be made by using local currency i.e. Bangladesh Taka (BDT); or "FOREIGN" that is procurement must be done by using any acceptable foreign hard currency (other than BDT).

Procuring authority will decide procurement source depending on the following conditions:

Conditions to select procurement source:

TABLE-5

CONDITIONS	LOCAL	FOREIGN
Currency	Taka (BDT)	Any foreign currency
Origin	In Bangladesh	In a foreign country
Procurement Urgency	Any	>P3
Amount in Single Purchase	Any	A4 & Above
Procurement Frequency	Any	>F2
Estimated cost	Within \pm 15% of import cost	Less than 15% of local cost
Availability	Locally Available	Locally always not available
Local Office/representative of foreign main supplier	Not mandatory	Mandatory
After sales service for foreign	Must be locally	Must be locally

Products	Available	available or arrangeable from abroad
Replacement Warranty for foreign Products	Must be locally Available	Must have Local arrangement

The above conditions, except for the currency of purchase shall not be binding as a definition but shall be used for helping the decision of purchase.

PPB 2.8.0 PROCURMENT METHOD:

Procurement method describes the detail procedure to make the procurement. Success of any procurement mostly depends on the procurement method.

TABLE-6

SL	PROCUREMENT METHOD
1	PROCUREMENT FROM OPEN MARKET
2	SPOT QUOTATION METHOD
3	DIRECT QUOTATION METHOD
4	LIMITED TENDER
5	RESTRICTED TENDER
6	NATIONAL TENDER
7	INTERNATIONAL TENDER
8	FRAMEWORK CONTRACT

3.4.0 DEFINITION OF DIFFERENT CHOICES OF PM:

PPB 2.8.1 PROCUREMENT FROM OPEN MARKET:

Procurement from Open Market permits BSCCL to procure goods or services from retailer or whole seller or from the open market up to Taka 10,000. . Within the given parameter of different variables, Procurement from Open Market is permissible and allowable for BSCCL.

PPB 2.8.2 SPOT QUOTATION METHOD:

Spot Quotation Method is a method of procurement that gives flexibility to procure goods or services on urgent basis by inviting quotations on the spot, but within the given parameter of various variables. Procurement based on single quotation is allowable under SQM.

PPB 2.8.3 DIRECT QUOTATION METHOD:

Procurement of goods/services under Direct Quotation Method must follow the following conditions:

- No minimum notice period.
- A minimum of 5 (Five) numbers of Request for Quotation has to be issued and receipt of such Requests for Quotation by concerned parties is a must with proper documentary evidence.
- Last date or time for submission of offer/proposal must be fixed.
- Opening of received bids should be opened in presence of bidders' representative(s).
- Bids shall be opened within working hours and within one working day after closing of the bid submission.

- List of name & address of participants and total bid price must be published through official notice board/web site within next working day from the last date & time of submission.
- Publication of Request for Quotation in public media is not mandatory. No price for bid document.
- The minimum number of received offer/proposal should be three (3).
- No bid bond is required.
- Performance guarantee is preferred but not mandatory. Performance Guarantee should not be more than 5% of the quoted offer or 5% of the Amount Involved in Single Procurement as fixed value.
- Direct Quotation Method must be within the given parameters of different variables.

PPB 2.8.4 LIMITED TENDER:

Procurement of goods/services under Limited Tender must follow the following conditions:

- Minimum notice period should not be less than 10 (ten) working days.
- Invitation for offer must be posted on the official notice board of BSCCL that must have easy access for public.
- Invitation for offer must be posted in official website of BSCCL accessible for public through Internet.
- A minimum of 5 (five) numbers of Request for Quotation has to be issued and receipt of such Requests for Quotation by concerned parties is a must with proper documentary evidence.
- Publication of Requests for Quotation in public media is not mandatory.
- Fixed place, date and time for opening of offer/proposal is mandatory.
- Last date or time for submission of offer/proposal must be fixed.
- There must be a sealed tender box for submission of offer/proposal.
- List of name & address of participants, including total bid prices must be published through official notice board/web site within 48 hours from the last date & time of submission.
- Price for bid document must not exceed TK. 100/=
- The minimum number of received offer/proposal is one (1).
- Bid bond is preferred. Bid bond should not be more than 1% of the quoted value or 1 % of ASP as fixed value in the form of pay order or bank draft.
- Performance guarantee (PG) is mandatory. PG should not be more than 5% of the quoted offer or 5% of ASP as fixed value in the form of pay order or bank draft or bank Guarantee with a validity of not more than 90 days.
- LT must be within the given parameters of different variables.

Validity of Bank guarantee for PO should not be more than 90 days as it will increase the cost of submission of offer or proposal which will ultimately increase the cost of procurement

PPB 2.8.5 RESTRICTED TENDER:

Procurement of goods/services under Restricted Tender must follow the following criteria:

- Restricted Tender is applicable for procurement of Proprietary Nature .
- Restricted Tender is applicable for procurement where there are only a few vendors with national or international reputation.
- Invitation for offer must be posted on the official notice board of BSCCL that must have easy access for public.
- No minimum notice period is required.
- Fixed date and time for opening of offer/proposal is mandatory.
- Last date or time for submission of offer/proposal must be fixed.
- Required numbers of Request for Quotation has to be issued directly by BSCCL and receipt of such Request for Quotation by concerned parties is a must with documentary evidence.
- List of name & address of participants including total bid prices must be published through official notice board/web site within 24 hours from the last date & time of submission.
- The minimum number of received offer is one (1).
- Restricted Tender must be within the given parameters of different variables. Bid bond required.
- Performance Guarantee should be there to confirm supplier's seriousness. PG should not be more than 5% of the quoted offer or 5% of ASP as fixed value in the form of pay order or bank draft or bank guarantee with a validity of not more than 90 days.

PPB 2.8.6 NATIONAL TENDER:

Procurement of goods or services under National Tender must follow the following procedures:

Invitation for offer must be published in the daily newspaper Selection of daily newspaper must be as follows:

TABLE-7

National Daily News Papers

Language	No.	Category
English	1	A -C/I-3
English	1	Any
Bengali	1	A -C/I-3
Bengali	1	Any

- Invitation for offer must be posted in official web site of BSCCL accessible to the public through internet.
- Invitation for offer must be posted in official notice board of BSCCL that must have easy access for public.
- Minimum notice period must not be less than 20 working days from the date of publication of tender in the daily newspaper.

- The last and the 2nd last date of submission must be working days. The procuring authority must ensure that vendors get two consecutive working days including the last date of submission for preparation and submission of proposal/offer.
- The place, time & date of closing & opening of tender must be mentioned very clearly.
- There must be a properly marked and sealed tender box to drop proposals/offers and that box must be available to the vendors at least from 3 (three) working days before the closing date for submission of the offer/proposal.
- Detail Specification, Quantity and delivery schedule must be clearly mentioned in the notice.
- There is no upper limit of Amount Involved in Single Procurement.
- National Tender must be open to all genuine business people irrespective of manufacturing facilities, stock level, experience, authorization, agency/ dealership etc. No such restriction can be incorporated in the tender document.
- The minimum required number of received offers/proposals shall follow the following criteria:

TABLE-8

Number of submitted offers acceptable if	Amount Involved in Single Procurement	Procurement Frequency
No of offers = 1	With in A 4	Above F 3
No of offers = 2	With in A 6	Above F 2
No of offers = 3 & more	Any	Any

- Bid bond @ maximum 1 % and Performance Guarantee (@ maximum 5% of the quoted value in terms of Pay Order and/ or Bank Guarantee with a validity of not more than 90 days.
- The minimum and maximum limits of price of bid document should be 0.01% and 0.05% respectively of the estimated value of the purchase.

PPB 2.8.7 INTERNATIONAL TENDER:

Procurement of any product or services under International Tender must be from foreign country and the currency must be foreign currency. The other conditions for IT are as follows:

- Invitation for offer must be published in the daily news paper Selection of daily news paper must be as follows:

TABLE-9
National Daily News Papers

Language	No.	Catagory
English	1	A -C/1-3
English	1	Any
Bangla	1	A-C/1-3
Bangla	1	Any

- Invitation for offer must be published in the official web site of BSCCL Bangladesh with full details.
- Minimum notice period (i.e., the time period between starting date for selling of tender document and the last date of submission of the bids) must be as follows:

TABLE -10

Procurement Value	Type of Procurement (TP)	
	Single Item (SIP)	Bundle Procurement (BP)
Up to 5,000,000	21 Days	25 Days
Above 5,000,000	23 Days	35 Days

- Detail specification, Quantity and delivery schedule must be clearly mentioned in the notice.
- It must be International tender and currency for procurement must be Foreign. There is no upper limit of Amount Involved in Single Procurement.
- Since procurement method International Tender is designed to procure goods or services of specialized or highly technical nature, it must have a number of pre-requisite conditions like manufacturing facilities, stock level, specialized experience, authorization, agency/dealership, references etc.

The minimum required number of received offers/proposals shall follow the following criteria:

TABLE-11

Number of submitted offers acceptable if	Amount Involved in Single Procurement	Procurement Frequency
No of offers = 1	With in A 4	Above F 3
No of offers = 2	With in A 6	Above F 2
No of offers = 3 & more	Any	Any

- There must be certain conditions like experience, manufacturing facilities, financial abilities, manufacturer's authorization, technical specialization etc. Conditions must be specified clearly.
- All technical features may be added and if such criterions are added they must be considered during evaluation of offer.

- Bid bond (@ minimum 1% and maximum 2%) and Performance Guarantee (@ minimum 5% of the quoted value) in terms of Pay Order and/ or Bank Guarantee (to be decided case by case) should be there to confirm supplier's seriousness.
- The minimum and maximum limits of price of tender document should be 0.01% and 0.05% respectively of the estimated value of the purchase.

PPB2.8.8 FRAMEWORK CONTRACT:

A Framework Contract is the Contract between BSCCL and one or more suppliers to repeatedly provide a range of goods and services at specified prices during a definite period of time.

There can be two ways to consider a Framework Contract as a procurement method:

- Conversion Method: To convert a running/previous non-Framework Contract tender to Framework Contract as per attributes of Table –12
- Regular Method: To invite a new tender for FC

**TABLE -12
Conditions to adapt conversion method for FC**

	LIMIT	CONDITIONS
Amount Involved in Single Procurement	≤ A6	Two conditions applied: (i) Limit of Amount except for Capital Equipment under Purpose of Procurement (ii) Present Amount Involved in Single Procurement must not exceed 30% of previous Amount.
Procurement Method	Tender only	Limited Tender, Restricted Tender, National Tender & International Tender
Price Term	≤ Previous price	Present price must be either equal or lower than the previous price.

B. Conditions to adopt Regular Method for Framework Contract are as follows:

1. Framework Contract is an extended method of procurement of the following:
 - Limited Tender
 - Restricted Tender
 - National Tender
 - International Tender

2. Procurement department must initially identify the appropriate Procurement Method by using matrix.
3. Once appropriate Procurement Method is identified, all conditions for that particular Procurement Method are to be applied.
4. For using Framework Contract as a suitable Procurement Method, following additional conditions are to be applied along with the conditions applicable for the identified Procurement Method:
 - The intention of BSCCL for signing of Framework Contract has to be mentioned clearly in the bid documents and vendors must ensure; written consent to comply with the conditions for the Framework Contract.
 - Purchaser must mention clearly the intended time period of Framework Contract.
 - Capital Equipment under Purpose of Procurement, validity of Framework Contract for more than 365 days is not allowed.
 - For Capital Equipment under Purpose of Procurement, there is no preset time limit; however, the intended validity must be specified.
 - The total quantity of goods or the total magnitude of services applicable under the said procurement must be mentioned clearly in the bid document.
 - The minimum quantity or the minimum magnitude of services for each individual supply order must be mentioned clearly in the bid document.

PPB 2.10.1 Purpose of Procurement against type of procurement:

For Single Item Procurement, PPB 2.3.0 will be applicable. However, Bundle Procurement is allowable for following Purpose of Procurement only:

**TABLE-13
Allowable Purpose of Procurement for Bundle Procurement**

Details
Repair & Maintenance & Logistic Equipment
Hardware, Software & Logistic Equipment
Capital Equipment
Fixed Asset

PPB 2.10.2 Procurement Method against type of procurement:

For Single Item Procurement, PPB 2.8.0 will be applicable. However, following Procurement Methods are applicable for BP:

TABLE -14

Allowable Procurement Methods for Bundle Procurement

Details
Direct Quotation Method
Restricted Tender
National Tender
International Tender
Framework Contract

PPB 2.10.3 Other Variables against type of procurement:

TABLE-15

Other Variables a procurement

Variables	Single Item Procurement	Bundle Procurement
Amount Involved in Single Procurement	Total Quantity X Unit price	$(N1 \times P1) + (N2 \times P2) + (Nn \times Pn)^*$
Procurement Frequency	Single item or service	Items and or services as package
Procurement Urgency	As required	As required
Procurement Source	As per PPB 2.7.0	As per PPB 2.7.0 package

*N = Quantity of Item/Service P = Unit price

n = items/ services

Sales Policy

Chapter 10

10.0.0 Sales Policy:

For Sales Policy different parameters, variables and sub-variables are mostly defined and based on those, Sales policy also has been designed for BSCCL. Sales may be two types.

- Domestic sales
- International Sales

SPB 2.0.0 Rules and regulation of domestic sales is decided by Bangladesh Telecommunication Regulatory Commission (BTRC) and BSCCL will follow those rules and regulation. The policy will focus on International sales mainly.

SPB 2.0.1 Managing Director of BSCCL has the full authority from Board of Directors to participate any tender invited by any organization which is practicable for the company.

SPB 2.0.2 Any sales of single service under SPB will be termed as Single Item Sales.

SPB 2.0.3 Any sales for multiple/various services or in any combination under the Policy will be termed as Bundle Sales.

SPB 2.1.0 Purpose of Sales

Purpose of Sales will be sales of service (connectivity & bandwidth through Submarine Cable).

SPB 2.2.0 Limit of Bandwidth

There will be no limit of Bandwidth to be sold.

SPB 2.3.0 Sales Method

As the policy focuses on International sales, Sales Method will be as follows:

- International Tender
- Framework Contract

SPB 2.3.1 INTERNATIONAL TENDER:

Sales of any services under International Tender may be from foreign or domestic country and the currency must be foreign currency. The other conditions for IT are as follows:

- Invitation for offer must be published in the daily news paper Selection of daily news paper must be as follows:

TABLE-42

National Daily News Papers

Language	No.	Category
English	1	A -C/1-3
English	1	Any
Bangali	1	A-C/1-3
Bangali	1	Any

- Invitation for offer must be published in the official web site of BSCCL Bangladesh with full details.
- Minimum notice period (i.e., the time period between starting date for selling of tender document and the last date of submission of the bids) must be as follows:

TABLE –49

Value	Time
Up to 5,000,000	21 Days
Above 5,000,000	23 Days

- Detail specification must be clearly mentioned in the notice.
- The minimum required number of received offers/proposals shall be three(Board of Directors may reduce the number in special case)
- There must be certain conditions like experience, financial abilities, technical specialization etc. Conditions must be specified clearly.
- All technical features may be added and if such criterions are added they must be considered during evaluation of offer.

SPB 2.3.2 FRAMEWORK CONTRACT:

A Framework Contract is the Contract between BSCCL and one or more buyers to repeatedly provide a range of goods and services at specified prices during a definite period of time.

There can be two ways to consider a Framework as a Sales method:

- **Conversion Method:** To convert a running/previous tender to Framework Contract as per following conditions:
 1. Present price must be either equal or higher than the previous price
 2. There must be at least 5 (five) submitted offers against the tender, intended to convert to Framework Contract (Board of Directors may reduce the number in special case)

- **Regular Method:** To invite a new International tender for FC adapting the following conditions:
 1. The intention of BSCCL for signing of Framework Contract has to be mentioned clearly in the bid documents and buyers must ensure written consent to comply with the conditions for the Framework Contract.
 2. Buyer must mention clearly the intended time period of Framework Contract
 3. The total magnitude of services applicable under the said sales must be mentioned clearly in the bid document.

SPB 2.4.0 SALES SPECIFICATION:

Like Procurement SPB suggests that specification for any Sales will always be divided into following two categories:

- a. Commercial Specification
- b. Technical specification.

SPB 2.5.0 COMMERCIAL SPECIFICATION

Commercial specification includes buyer' details as well as all related and relevant information required for procurement with supporting documents. Commercial specifications will be sub-classified as follows:

**TABLE -43
Commercial Specification**

Commercial Specification	DETAILS
C 1	Buyers' Basic Data
C 2	Buyers' Business Profile
C 3	Buyers' Financial Information
C 4	Price Terms
C 5	Payment Terms

SPB 2.5.1 Buyers' Basic Data

BSCCL should maintain a database for buyers and include the following information in that database:

1. Name of the organization
2. Type of the organization
3. Registered address of the organization
4. Present address of the organization
5. Telephone/Fax/E-mail
6. Full name of the owner/MD/CEO
7. Personal address of owner/MD/CEO.
8. Telephone/mobile number of owner/MD/CEO
9. Full name of the person to be contacted
10. Designation of the person to be contacted
11. Trade License of the organization including number & date
12. Income Tax return certificate

SPB 2.5.2 Buyers' Business Profile

The Policy suggests that following information should be included in Buyers' Business Profile of all vendors:

1. Date of establishment of present business
2. Nature of business mentioned in trade license
3. Annual turn over of present business
4. Total Business experience in the related field
5. List of other business concerns under the same ownership and/or where the MD/CEO is involved as partner /Director/Shareholder.
6. List of other business concerns those are no more in operation but were under the same ownership and/or where the MD/CEO was involved as partner/Director/shareholder.

Specification Committee will have the authority to seek more information if needed. Specification Committee will also have the authority to include all the above mentioned points or some of the points in SBP as per the requirement of procurement.

SPB 2.5.3 Buyers' Financial Information

Buyers' Financial Information at the time of commercial specification preparation:

1. Initial declared capital (paid-up capital) at the year of establishment.
2. List of bankers with branch name.
3. Account statement for the last six months (all banks).
4. Credit facilities with different banks.
5. Business turn over for the last 3 (three) years

SPB 2.5.4 PRICE TERMS

The Policy indicates that all commercial specification must clearly mention the detail price terms required for the procurement. Price terms will include the following relevant issues related to the offered price:

1. Total net price
2. Buyers' duty & taxes
3. Cost for after sales service
4. Cost for training
5. Currency of offered price.

SPB 2.5.5 PAYMENT TERMS

The Policy provides provision of defining the payment terms in to any combination of one or many of the following:

1. Down Payment
2. Advance Payment
3. Part Payment
4. Payment by submission of certificate(s)
5. Deferred Payment
6. Installment Payment
7. Payment by submission of bank guarantee

SPB 2.5.6 OTHER TERMS

The Polidy offers flexibility to specification committee to add or incorporate any other terms but required for the benefit of BSCCL without creating any inconvenience to vendors and also without creating any discrimination.

SPB 2.5.7 POINTS & OPTIONS FOR COMMERCIAL SPECIFICATION

The options and point system for Commercial Specification should be as follows:

TABLE- 44

Commercial Specification	Options	+VE Pts	Max. Pts. Per criterion
C 1	M	10	1
C 2	O	10	1
C 3	M	10	1
C 4	M/O	10	1
C 5	M/O	10	1
CS	Total	50	

SPB 2.6.0 TECHNICAL SPECIFICATION

Technical specification may cover the following general head of features.

SPB 2.6.1 Buyers' Work Experience - will consider how long is buyers' with the business, buyers technical work history, buyers completed projects etc.

SPB 2.6.2 Buyers Technical Proposal -will consider proposed network diagram, technology used, equipment proposed etc.

SPB 2.6.3 POINTS FOR TECHNICAL SPECIFICATION

The point system for Technical Specification may be as follows:

TABLE - 45

TS	Total +ve Point	Max. point per criterion
Buyers' Work Experience	50	5
Buyers Technical Proposal	50	5
Total points	100	

10.1.0 EVALUATION

Proper evaluation will ensure the followings objectives of sales:

- Maximum possible price as well as revenue for the service
- Find out appropriate buyer
- Fair treatment to all bidders.
- Experience, skills and ability of the bidder(s) / organization(s).

SPB 2.7.0 ELEMENTS OF EVALUATION

Sales evaluation will be made based on Commercial Specification, Technical Specification and offered price as follows:

TABLE - 46

Commercial Specification	DETAILS
C 1	Buyers' Basic Data
C 2	Buyers' Business Profile
C 3	Buyers' Financial Information
C 4	Price Terms
C 5	Payment Terms

TABLE - 47

Options of Elements of Evaluation

Specification		
Commercial Specification	Buyers' Business Profile	M
	Buyers' Financial Information	O
	Buyers' Basic Data	M
	Price Term	M/O
	Payment Term	M/O
Technical Specification	BWE	M
	BTP	M/O
OFFERED PRICE		M

SPB 2.8.0 WEIGHT ON DIFFERENT ELEMENTS OF EVALUATION

For putting emphasis on price the Policy provides the following guide line to determine the required weight of on effective points of price against effective points of Commercial & Technical Specification as follows:

Table- 48

SPECIFICATION	Weight on effective points		
Price	95%	90%	85%
Commercial Specification	2%	5%	7%
Technical Specification	3%	5%	8%

SPB 2.9.0 EVALUATION DEADLINE:

Evaluation committee should complete the evaluation process and finalize the decision within 21 days.

10.2.0 APPROVAL:

After completion of evaluation, whole sets of documents must be returned to the Sales department in order to prepare a complete Sales proposal and submit to the approving authority for final approval. The Sales proposal must contain the following information:

- a) TS & Its elements
- b) CS & Its elements
- c) EE & Its proper use
- d) Selection of vendor

SPB 2.10.0 Approving Authority as well as Specification and Evaluation Committee

A committee with following three members will approve the sales proposal.

1. A representative assigned by Board to audit & business evaluation as chairman of the committee.
2. A representative from Sales department as committee secretary.
3. A representative from the F&A as member
4. One relevant expert from other organization as member

SPB 2.10.1 Approval authority of Contract Award

Once the Sales proposal approved by the approving authority, the Sales department will award of the contract as per the approved proposal.

SPB 2.11.0 BILLING & PAYMENT COLLECTION:

Based on Price Term and Payment Term Accounts department will generate bills complete the billing and payment collection process.