

Memo No-DESCO/HQ/ADMIN-A(3)/OO-3/2016/547

তারিখঃ ফাল্গুন ২৭, ১৪২২ বঙ্গাব্দ
March 10, 2016

অফিস আদেশ

সংশ্লিষ্ট সকলের অবগতির জন্য জানানো যাচ্ছে যে, বিগত ০৮/০২/২০১৬ ইং তারিখে অনুষ্ঠিত ডেসকো বোর্ডের ৩১২তম সভায় ডেসকোর “Policy Guidelines for Condemnation/Auction of Obsolete and Unusable Materials of DESCO” এর আধুনিকায়নের লক্ষ্যে গঠিত কমিটি কর্তৃক দাখিলকৃত সংশোধিত পূর্ণাঙ্গ Policy Guidelines অনুমোদনের জন্য উপস্থাপন করা হলে নিম্নবর্ণিত সিদ্ধান্তসমূহ গৃহীত হয়ঃ

“৭.১ প্রয়োজনীয় সংশোধনী সাপেক্ষে সংশোধিত “Policy Guidelines for Condemnation/Auction of Obsolete and Unusable Materials of DESCO” সংযুক্তি-১ পাতাঃ ০৭ থেকে ২১ এ প্রদর্শিত নীতিমালা এতদ্বারা অনুমোদন করা হলো। এটি অবিলম্বে কার্যকর করা হবে।”

উক্তরূপে সংশোধিত নীতিমালাটি অবিলম্বে কার্যকর হবে।

কর্তৃপক্ষের অনুমোদনক্রমে,

(এ.এইচ.এম. নুরুল ইদ্রীস)
মহাব্যবস্থাপক (প্রশাসন)

সংযুক্তিঃ বর্ণনামতে।

অনুলিপিঃ সদয় অবগতির জন্য (জ্যেষ্ঠতার ভিত্তিতে নয়)।

- ১। নির্বাহী পরিচালক (এইচ.আর/সংগ্রহ/অর্থ ও হিসাব/অপারেশন/ইঞ্জিনিয়ারিং)।
- ২। প্রধান প্রকৌশলী (ডিএন্ডপি/পিএন্ডডি/নেটওয়ার্ক অপারেশন/এস এন্ড ডি অপারেশন)/মহাব্যবস্থাপক (সংগ্রহ)।
- ৩। তত্ত্বাবধায়ক প্রকৌশলী (পিএন্ডডি/এমপি এন্ড এস/পিআই এন্ড টি/ডিএন্ডএমপি/আইসিটি/এইচআরএম/সাবস্টেশন এন্ড নেটওয়ার্ক/এস এন্ড ডি অপারেশন (উত্তরা/গুলশান/মিরপুর জোন)/প্রকল্প পরিচালক (গ্রীড/বিতরণ)/কোম্পানি সচিব/উপ-মহাব্যবস্থাপক (প্রশাসন/হিসাব/ইন্টারনাল অডিট)।
- ৪। নির্বাহী প্রকৌশলী, বি ও বি বিভাগ (পল্লবী/কাফরুল/মনিপুর/আগারগাঁও/রূপনগর/শাহআলী/গুলশান/জোয়ার সাহারা/বারিধারা/বাড্ডা/উত্তরা (পূর্ব)/উত্তরা (পশ্চিম)/টঙ্গী (পূর্ব)/টঙ্গী (পশ্চিম)/উত্তরখান/দক্ষিণখান)/মনিটরিং সেল/সেন্ট্রাল স্টোর/গ্রীড এন্ড প্রটেকশন/মিটার প্ল্যান্ট/এমভিএসএসএমসি/টেন্টিং এন্ড রিপেয়ারিং/সাব-স্টোর।
- ৫। স্টাফ অফিসার টু ব্যবস্থাপনা পরিচালক।
- ৬। অফিস কপি।

Revised Policy Guide-Lines
for
Condemnation/Auction of Obsolete
and
Unusable Materials of DESCO

Approved in 312th Board Meeting on 08/02/2016

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Abbreviations Used

- **BPDB: Bangladesh Power Development Board**
- **DPDC: Dhaka Power Distribution Company Ltd.**
- **DGT: Department of Government Transport**
- **BRTA: Bangladesh Road Transport Authority**
- **PWD: Public Works Department**

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Dhaka Electric Supply Company Ltd. (DESCO)

House # 22/B, Faruk Sarani, Nikunja-2, Dhaka-1229, Bangladesh

Subject: Revised Policy Guide-Lines for Condemnation/Auction of Obsolete and Unusable Materials of DESCO.

1. Objective:

Obsolete or condemned material (unusable) if staked in the stores creates space crisis and unnecessarily increases the volume of works in the store management. The objectives of the policy are to determine unfitness of materials for DESCO and to dispose the materials declared obsolete/unusable from the stores on regular intervals in a systematic manner.

2. Policy:

- a) Identification of the materials/equipments for the purpose of condemnation shall be carried out twice in a year preferably in the months of **February & August**.
- b) **Executive Engineer / Manager (Central Store)** shall primarily identify and prepare a list of materials/equipments to be declared unusable/obsolete of all DESCO store (Central store/Sub Store /Local store of S & D Divisions).
- c) There will be a committee to physically inspect the primarily identified materials and to carry out test (if necessary) to determine the unsuitability/improperness of materials/equipments. This Committee will be named as Condemnation Committee.
- d) The Condemnation Committee will prepare report with specific recommendation for disposal of materials/equipment mentioning clearly the way of disposal such as sale or destruction.
- e) Reports having list of materials/equipment declared as unusable/obsolete by the condemnation Committee with its recommendation shall be placed through line Executive Director to the appropriate authority for approval.
- f) There shall be a separate Committee for removal by destruction or sale of the materials from the store as per condemnation list approved by the competent authority. This Committee will be named as Disposal Committee.
- g) Upon such disposal separate write-off proposal for write-off of financial loss shall be placed by the respective division before appropriate Management for approval of the net loss of DESCO due to materials so disposed.

- h) Formation of the Condemnation and Disposal committee for different category are given in **Annexure-I & Annexure-II** of this guideline. Managing Director, DESCO shall reconstitute the committees from time to time if deemed necessary. If needed Managing Director may approve to co-opt any Officer/Staff from DESCO and also may approve to co-opt any particular person as expert (local/foreign) experienced on materials, for inclusion in the committee for his opinion regarding materials on the recommendation of the Convener of the Condemnation/Disposal Committee if deemed necessary.

3. Condemnation Procedure:

- a) Any material on being unusable/obsolete for DESCO works, the **Executive Engineer / Manager (Central Store)** will place the list of condemned materials in the attached format in **Annexure-III**. The proposal put forward by the **Executive Engineer / Manager of the (Central Store)** will be sent to the convener of the Condemnation Committee through proper channel (Superintending Engineer/ Chief Engineer/Concerned Executive Director).
- b) The members of the Condemnation Committee shall physically inspect the materials in the store.
- i) **Any material which has never been used, if proposed for condemnation:** the condemnation Committee prior to its recommendation for condemnation shall specifically state the reasons for non-utilization and destruction. The Committee shall also state whether any amount has been realized by fixing the responsibility for damage of materials and also whether there needs a Departmental proceedings for damage of materials/equipments.
- ii) **Materials which will be proposed for condemnation being damaged/unusable due to use:** the condemnation committee will recommend for approval of condemnation of those materials by investigating the reasons.
- c) Condemnation Committee shall fix the probable sale price of those unserviceable/unusable/obsolete/damaged materials/equipments which the committee proposes for condemnation and recommends for approval. Sale price of the materials shall be consistent with the current market price according to existing condition of the materials. Current Market price will be ascertained time to time from local markets or central places where the materials are regularly transacted. The list of materials/equipments is to be prepared by following the enclosed format in **Annexure-IV**.
- d) Condemnation Committee will submit their opinion and recommendation based on their observations to the concerned **Chief Engineer/Executive Director**. He will place it before the appropriate authority for approval.

4. **Threshold Level for approval of Condemnation Proposal:**

পাতা ১২/২১
The authority at different level for approval of Condemnation proposals according to the book value of the materials to be condemned shall be delegated as under:

Sl No.	Threshold	Approving Authority
1	Up to Tk.2,00,000/-(Taka Two Lac)	Chief Engineer / General Manager
2	Above Tk.2,00,000/-(Taka Two Lac) Up to Tk.5,00,000/-(Taka Five Lac)	Executive Director (Engineering / Operation / Procurement / Finance & Accounts / Administration)
3	Above Tk.5,00,000/-(Taka Five Lac) Up to Tk.50,00,000/-(Taka fifty Lac)	Managing Director
4	Above Tk.50,00,000/-(Taka fifty lac)	DESCO Board

5. **Disposal Procedure:**

Disposal Committee shall take following action for disposal of the materials from any store/premises according to the approved condemnation Proposal.

- All materials shall be sold through open auction (whether the probable sale price prevails or not), if such sales are not risky for environmental pollution or safety reasons.
- In case of sale through auction, price fixed by Condemnation Committee will be primarily taken as the lowest price.
 - If this price is less than Tk.1, 00,000/- (One lac), quotations in sealed envelope shall be collected from the interested parties by the disposal committee. The highest quoted bid is to get the offer of the sale.
 - In case of the price above Tk.1,00,000/- (One lac) and up to Tk.5,00,000/-(Five Lac) quotations in sealed envelope shall be collected by serving notice in notice boards of DESCO offices and shall be sold at the highest price.
 - If the price is more than Tk.5, 00,000/- (Five Lac) tender is to be invited through advertisement through minimum two national dailies.

In cases of 5b (ii) & 5b (iii), Earnest Money @25% on the quoted price in the form of Bank Draft/Pay Order in favour of DESCO shall be taken along with the quotations/tender documents. If accepted, the bidder shall deposit the rest of the amount (i.e. 75%) and remove the materials as per terms and conditions of work order. Earnest money shall be forfeited if the materials are not removed fulfilling the terms and conditions of the work order.

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- c) If the sum of the total quoted price is equal or higher than the total estimated price set by the condemnation committee, then the auction shall be made after getting approval from the approving authority as specified in Section-4. For any deviation, the auction shall be made after getting approval from the Managing Director or DESCO Board as per financial delegation.
- d) During disposal if the total quantity of unusable/obsolete materials found less than the quantity set by the condemnation committee, the disposal committee will submit a report to the Managing Director after completion of disposal.
- e) VAT and all applicable taxes will be paid by the purchaser of the condemned materials as per Govt. approved rate.
- f) Materials/Equipments unfit for sale due to environment pollution or safety reason shall be buried in the ground or burnt so that environment is not polluted or safety is not hampered. Care should be taken to ensure that the materials are not back to the stores or goes under custody of any person. If needed, the Convener of the Disposal Committee may take advice from the expert regarding destruction procedures.

6. Determination of Book Value/Sale Price of Materials to be condemned:

- a) Book Value for unused material/equipment will be the present value of such item as per books of accounts.
- b) For used material book value will be the depreciated value of the item to be condemned. Depreciation will be calculated from the present value of such new item. Rate of depreciation will be as per existing rate of DESCO.
- c) Condemnation Committee will asses and fix the market value of those materials which are not regular store item and for which no documented price are available.

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7. Adjustment of Stores Accounts for ^{পাতা ১৪/২১}Disposed Materials/Equipments:

- a) Issue voucher and gate pass shall be prepared at the time of removal of all the materials declared condemned and included in the store register. For materials not included in the store register, only gate pass shall be issued for removal from the stores.
- b) Separate proposal for write off the financial loss due to removal of condemned materials/equipments from the store will have to be placed before the appropriate authority.
 - i) Materials which have become unusable due to normal uses, the financial loss will be the present book value of the materials minus price received during the disposal.
 - ii) For materials which have become unusable without being ever used or being obsolete, the financial loss for such materials will be the book value minus price received through disposal and the amount received as compensation of any.
- c) Steps shall be taken to sell or destroy the material as soon as it is declared condemned. Issue voucher shall be prepared for these materials at the time of removal of the same from the store for sale or destruction.
- d) For those materials which are to be destroyed, issue voucher containing detail description/quantity of the materials and stamped with the seal **"DESTROYABLE"**, shall be sent to the Finance & Accounts Directorate.
- e) For saleable materials, Store Tickets containing detail description, quantity and selling price of those materials and stamped with the seal **'SALEABLE'**, shall be sent to the Finance & Accounts Directorate during removal of the materials from the stores.
But, in both the cases (7d & 7e), 'write-off' proposal shall have to be submitted before the appropriate authority through proper channel.
- f) Book value will be provided by the Finance & Accounts Division of DESCO when required by the convener of the Condemnation Committee.

g) Approval Authority of 'write-off' proposal will be delegated as under:

Sl No.	Threshold	Approving Authority
01	Up to Tk. 5,00,000/- (Five Lac)	Managing Director, Executive Director Engineering, Executive Director Operation, Executive Director Procurement, Executive Director Finance & Accounts and Executive Director Administration
02	Above Tk.5,00,000/-(Five Lac)	DESCO Board

৪. Categories of Material (for Condemnation & Auction):

Most materials are categorized as following:

Category	Description
I	Equipment like Energy Meters, Circuit Breakers, Isolators, Switchgear, Ring Main Units (RMU), Drop Out Fuse (DOF), Lightning Arrestors (LA), MCCBs, , Machineries etc.
II	Transformer, Cable and Conductor.
III	Pole, hardware and any other system materials not mentioned in Category I & II.
IV	Vehicle, Packaging Material, Furniture, fixture, office equipment, and any other office stationary materials etc.
V	Meter Seals.
VI	Construction Materials (Civil)

৯. Interval of Recommendation for Condemnation:

Usually Executive Engineer / Manager (Central Store) shall place condemnation proposal twice in every year in each category to avoid overlapping preferably in February & August. If there is no condemnation proposal from store/premises in any year, this shall also be intimated to the concerned **Superintending Engineer/Chief Engineer/ Executive Director**. Under special circumstances, more than two condemnation proposals may be placed by showing suitable reasons.

Tanzir
08.02.16

Engr. Md. Tanzir Rahman
Sub-Divisional Engineer
M P & S Division and
Member of the Committee

Manhaj
08.02.16

Mr. Md. Manhaj Uddin
Manager
Internal Audit and
Member of the Committee

Mainuddin
08.02.16

Engr. Md. Mainuddin Khan
Executive Engineer
Grid Protection Division and
Member of the Committee

Zakir
08/02/16

Engr. Md. Zakir Hossain
Superintending Engineer (MP&S),
Chief Engineer (Procurement) Addl. Charge
and
Convener of the Committee

Formation of condemnation committees:

There will be 4 (four) condemnation committee for different materials/equipments. Each committee shall consist of 6 (six) members. Among 6 (six) members 2 (two) members must be external and rank of the external members will be Executive Engineer or above. The formation of committee will be as follows:

- a) **Condemnation Committee-I** (For Equipment like Energy Meters, Circuit Breakers, Isolators, Switchgear, Ring Main Units (RMU), Drop Out Fuse (DOF), Lightning Arrestors (LA), MCCBs, Machineries etc.). The formation of the committee will be as follows:

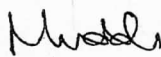
1.	Superintending Engineer	-	Convener
2.	Executive Engineer	-	Member
3.	Sub-Divisional Engineer	-	Member Secretary
4.	Assistant Engineer	-	Member
5.	2 (two) external members	-	Member

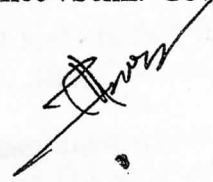
- One of two external members must be from distribution utility i.e BPDB/DPDC etc. and another from any other Govt. office/Semi. Govt. office/Autonomous office/ State Owned Company.

- b) **Condemnation Committee-II** (For Transformer, Cable and Conductor). The formation of the Committee will be as follows:

1.	Superintending Engineer	-	Convener
2.	Executive Engineer	-	Member
3.	Sub-Divisional Engineer	-	Member Secretary
4.	Assistant Engineer	-	Member
5.	2 (two) external members	-	Member

- One of two external members must be from electricity distribution utility i.e BPDB/DPDC etc. and another from any other Govt. office /Semi. Govt. office /Autonomous office / State Owned Company.



c) **Condemnation Committee-III** (For Pole, hardware and any other system materials not mentioned in Category I & II). The formation of the Committee will be as follows:

1.	Superintending Engineer	-	Convener
2.	Executive Engineer	-	Member
3.	Sub-Divisional Engineer	-	Member Secretary
4.	Assistant Engineer	-	Member
6.	2 (two) external members	-	Member

- One of two external members must be from electricity distribution utility i.e BPDB/DPDC etc. and another from any other Govt. office /Semi. Govt. office /Autonomous office / State Owned Company.

d) **Condemnation Committee-IV** (For Vehicles, Furniture, fixture, office equipment, Packaging Materials and any other office stationary materials etc.). The formation of the Committee will be as follows:

1.	Superintending Engineer/Deputy General Manager	-	Convener
2.	Executive Engineer/Manager	-	Member
3.	Sub Divisional Engineer/Deputy Manager	-	Member Secretary
4.	Assistant Engineer/ Assistant Manager	-	Member
5.	2 (two) external members	-	Member

- External members from any Govt. office/ Semi. Govt. office/ Autonomous office/ State Owned Company. For condemnation of vehicles one of two external members must be from BRTA or DGT.

e) **Condemnation Committee-V** (For Civil Works). The formation of the Committee will be as follows:

1.	Superintending Engineer/Deputy General Manager	-	Convener
2.	Executive Engineer	-	Member
3.	Sub Divisional Engineer	-	Member Secretary
4.	Assistant Engineer/ Assistant Manage	-	Member
6.	2 (two) external members	-	Member

- One of two external members must be from PWD and another from any other Govt. office /Semi. Govt. office /Autonomous office / State Owned Company.
- After approval of condemnation proposal, dismantling/disposal of any civil construction will be performed by the Development Division of DESCO after taking approval from concerned authority.

Formation of disposal/auction committees:

There will be 4 (four) Disposal Committee. The formation of the Committee will be as follows:

- a) **Disposal Committee-I** (For Equipment like Energy Meters, Circuit Breakers, Isolators, Switchgear, Ring Main Units (RMU), Drop Out Fuse (DOF), Lightning Arrestors (LA), MCCBs, Machineries, Cable & Conductor, Transformer etc.). The formation of the Committee will be as follows:

1. Superintending Engineer/Deputy General Manager	-	Convener
2. Executive Engineer/ Manager	-	Member
3. Sub Divisional Engineer / Deputy Manager	-	Member Secretary
4. Assistant Engineer/Assistant Manager	-	Member
5. 2 (two) external members	-	Member

- One of two external members must be from electricity distribution utility i.e BPDB/DPDC etc. and another from any other Govt. office/ Semi. Govt. office /Autonomous office /State Owned Company.
- Rank of the external members will be Executive Engineer or above.

- b) **Disposal Committee-II** (For Vehicle, Pole, Hardware and any other system material/equipment not mentioned in Group-a). The formation of the Committee will be as follows:

1. Superintending Engineer/Deputy General Manager	-	Convener
2. Executive Engineer/ Manager	-	Member
3. Sub-Divisional Engineer/Deputy Manager	-	Member Secretary
4. Assistant Engineer/Assistant Manager	-	Member
5. 2 (two) external members	-	Member

- External members from any Govt. office/ Semi. Govt. office/ Autonomous office/ State Owned Company. For disposal of vehicles one of two external members must be from BRTA or DGT.
- Rank of external members will be Executive Engineer or above.

- d) **Disposal Committee-III** (For Meter Seals). The formation of the Committee will be as follows:

1. Sub-Divisional Engineer/ Deputy Manager (Commercial Operation) from concerned S & D Division.	-	Convener
2. Assistant Engineer (System Operation) from concerned S & D Division	-	Member Secretary
3. Assistant Manager/Assistant Engineer from other Division/Department.	-	Member

- i) Inventory of the disposable Seals shall be prepared in Excel Spread Sheet. Concerned S & D division will send soft & hard copy of the inventory to all other S & D divisions for information.
- ii) The seals will be disposed by Disposal Committee-III by taking necessary approval of the concerned authority.

- e) **Disposal Committee-IV** (For Packaging Materials (wood/steel), furniture, fixture, office equipment and any other office stationary materials etc.). The formation of the Committee will be as follows:

1. Executive Engineer/ Manager	-	Convener
2. Sub-Divisional Engineer /Deputy Manager	-	Member Secretary
3. Assistant Engineer/ Assistant Manager	-	Member

- i) Disposable Packing woods/Steel drums will be estimated by weighing them. The market rates of such items will be collected and a min. estimate will be prepared.
- ii) Auction of Packing Materials will be made by following the same procedure as that of obsolete or condemned Materials.

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Dhaka Electric Supply Company Ltd. (DESCO)**List of obsolete / Condemned Materials**

Name of Store:

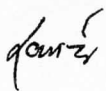

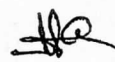
Date:

Sl No	Item Code	Description of Material	Unit	Qty.	Book Value/ Assessed Value Taka	Useable/Unusable

Sub-Assistant Engineer/ JAM
(Central Store)

SDE / DM (for Central Store)/
AE/AM (for Central-Store)

Executive Engineer/ Manager
(Central Store)


Sale Price of obsolete / Condemned Materials

Date:

Sl No	Item Code	Description of Material	Unit	Qty.	Book Value/ Assessed Value	Probable Sale Price Taka

Jan 30

Alcohol

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