

POWER GRID COMPANY OF BANGLADESH LTD.
QUALITY MANUAL
REVISION HISTORY

REVISION DETAILS					
SL. No.	Referred Section	Revision No.	Change Details	Date of Amendment	Approval
01	QP-PRO-01	02	Sl. 1.1.1-Instead of A list items, A list of Major items has been included.	21/01/2015	
			Sl.1.1.2-Instead of approved suppliers; by open tender included.		
			Sl.1.1.7-Intead of enlisted eligible included.		
			Sl.1.2.1-the word approved has been eliminated.		
			Sl.1.2.2-the word approved has been eliminated.		
			Sl.1.2.3-the word approved has been eliminated.		
			Sl.1.2.5-Intead of all the, major has been included. From the last line the word approved has been eliminated.		
			Sl.1.2.7-List of approved suppliers has been eliminated and for major supplies has been added.		
			Sl.1.2.9-the word approved has been eliminated.		
			Sl.2.1.2- Instead of approved suppliers, by open tender included.		
			Sl.2.1.7-instead of only enlisted; all the eligible has been included.		
			Sl.2.2.1-the word Approval eliminated and list included. The word major included.		
			Sl.2.2.2- the word approved has been eliminated		
			Sl.2.2.4-major and foreign included in the first line. Last line has been eliminated.		
			Sl.2.2.6- the words list of approved suppliers has been eliminated.		
			Sl.2.2.8-the word approved has been eliminated.		
			** In different clauses the terms DGM,GM,DT,DF eliminated and SE,CE,ED(P&D),EDF has been inserted.		

Reviewed by (MR)

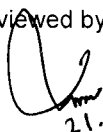
Approved by (MD)

QUALITY MANAGEMENT SYSTEM	POWER GRID COMPANY OF BANGLADESH LTD.					QUALITY PROCEDURES			
	TITLE: PROCEDURE FOR PROCUREMENT								
Document No:	QP-PRO-1	Revision No.:	02	Effective Date:	21 /01/15	Page:	1	of	10

1. Scope: All major purchase of POWER GRID COMPANY OF BANGLADESH LTD.
2. Purpose: a) To ensure that purchased product conforms to the specified requirements.
b) To ensure that purchase orders clearly define the product ordered.

Sl No.	Activity (including Check Points)	Ref. Doc.	Responsibility	Freq. / Time	Output
	Purchase process is pursued by, both Procurement Division at Head Office for Central Purchase and by Local Office for their limited and emergency purchase.				
1.0	Central Purchase				
1.1	<u>Planning of Purchase:</u> All local purchases will follow the following.				
1.1.1	A list of major items purchased from Local sources and also a list of imported items are maintained.	QD-PRO-01, article 29	SEPROC	Always	QF-PRO-03, 04
1.1.2	Major components/parts are purchased by open tender.		SEPROC	Always	
1.1.3	For proprietary items, the concerned suppliers are contacted for further processing of procurement.		SEPROC / DGM/SE of concerned field offices	Always	
1.1.4	Planning of procurement from head office is done in consistent with annual budget and plan.	QD-PRO-01, article 1, 2	SEPROC	Annually	Purchase Plan
1.1.5	All concerns will submit their annual requirements		Head of concerned offices	By 15th November	
1.1.6	Procurement division will make summary of these		SEPROC	By 30th November	
1.1.7	The procurement office will process the tender floating through the Company Secretariat following Procurement Guideline. Only eligible suppliers can participate in the tender.	QD-PRO-01, article 3	SEPROC	By 15 th December	
1.1.8	The tenders will be accepted and analysed as per conditions of tender documents	QD-PRO-01, article 5	Tender Committee	Within 30 th December to 15 th January	
1.1.9	The order for the items will be issued		SEPROC	By 21 st January	
1.1.10	Items will be received from the supplier		SEPROC	By 30 th January	
1.1.11	Concerns offices will be notified to lift their items		Head of concerned offices	By 15 th February	
1.1.12	The items will lifted by the concerned offices		Head of concerned offices	By 30 th February	
1.2	<u>Purchasing process control:</u>				
1.2.1	<u>List of Suppliers</u> A list of suppliers/contractors is maintained for the major local items and consumables.	QD-PRO-01, article 29	SEPROC	Always	QF-PRO-05
1.2.2	A list of suppliers/contractors are also maintained for imported component parts		SEPROC	Always	QF-PRO-06

Reviewed by CE(P&D) :


21.1.2015

Approved by ED(P&D):



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Document No:	QP-PRO-1	Revision No.:	02	Effective Date:	21/01/15	Page:	2	of	10

SI No.	Activity (including Check Points)	Ref. Doc.	Responsibility	Freq. / Time	Output
1.2.3	Suppliers are included into the Supplier List when they qualify PGCB conditions.		SEPROC	Always	QF-PRO-04, 05
1.2.4	Qualifying conditions include: - Evaluation for new suppliers/ contractors - Past Performance - Performance of the Trial Order test of samples	QD-PRO-01, article 30	SEPROC	Always	QF-PRO-06, 07, 08
1.2.5	<u>Suppliers Performance Records</u> Suppliers' performance is recorded for major supplies. Depending on this record, Suppliers are either dropped or they are continued for the future. These suppliers-tracking formats are checked to update suppliers list for future.		SEPROC	Always	QF-PRO-08
1.2.6	In the Suppliers' Performance Records Delivery schedule and Quality of the Items supplied are recorded to follow up the performance for every order.		SEPROC	Always	QF-PRO-08
1.2.7	Supplier's evaluation and performance records are maintained for major suppliers.	QD-PRO-01, article 35	SEPROC	Always	QF-PRO-02, 03, 04, 05, 06, 07, 08
1.2.8	Suppliers are disqualified when they are found not to comply with the conditions mentioned in the purchase orders in terms of quality in any of the order.		SEPROC	After evaluation of supply	Checking effectiveness of purchase procedure
1.2.9	Disqualified suppliers are eliminated from the list	QF-PRO-05, 06, 09	SEPROC	On evaluation	Evaluation implementation
1.3	<u>Procurement Requisition Processing:</u>				
1.3.1	For all other purchases, requisition are required to be raised by concerned office/Grid substation and to be submitted to DGM/SE with requisite information for purchase	QD-PRO-01, article 2	M/XEN-GMD/ Head of concerned office	As required	QF-PRO-01, 09
1.3.2	DGM/SE will send this requisition to GM/CE concerned, with his comment for further processing if information in the requisition is adequate, otherwise will send back for further enquiry on information	QF-PRO-01	SEPROC/ GM/CE concerned	As required	QF-PRO-10
1.3.3	If all information are found alright, GM/CE concerned will send it SEPROC or raising to Purchase committee for scrutiny on the requisition	QF-PRO-10	SEPROC/ GM/CE concerned	As required	
1.3.4	After clearance from Purchase Committee SEPROC will send the proposal to DT for final scrutiny on the requisition	QF-PRO-10	SEPROC, CEP&D and Purchase Committee	As required	

Reviewed by CE(P&D) :

Approved by ED(P&D):

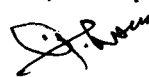
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Document No:	QP-PRO-1	Revision No.:	02	Effective Date:	21/01/15	Page:	3	of	10

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1.3.5	If the amount involved in procurement is less than Tk. one crore, the requisition is forwarded to MD directly/through DF for approval of procurement.	QF-PRO-10	ED(P&D),EDF	As required	
1.3.6	If the amount involved in procurement is more than Tk. one crore, the requisition is forwarded to MD for processing it through procurement department and company secretary for getting approval of procurement from Board of Directors	QF-PRO-10	MD,CS & SEPROC	As required	
1.3.7	On getting approval from Board of Directors for procurement, procurement department along with concerned division prepare draft tender document and gets the approval from Executive Management of PGCB	QD-PRO-01 & PPR 2003, Central Procurement Technical Unit (CPTU) (As required)	SEPROC, GM/CE concerned	As required	
1.4	<u>Processing for Local Procurement:</u>				
1.4.1	Before processing further, reviewing the requirements is made once again.	QF-PRO-01, QF-PRO-10	SEPROC	Always	
1.4.2	For local purchase, two methods are followed: a) Open tendering method b) Spot quotation method	QD-PRO-01, article 26		Always	
1.4.3	For open tendering method, tender notice is served in local dailies	QD-PRO-01 article 26 & PPR 2003, (As required)	-do-	Always	
1.4.4	Proposals as per schedule of tenders are submitted by the bidder in a sealed tender box that is opened in due time and date in presence of bidders present during the opening.		-do-	Always	
1.4.5	In spot quotation method, a 3-member tender committee collects at least three quotations from the market according to the approved suppliers.		-do-	Always	
1.4.6	Technical evaluation is made on the available bidding as per set criteria of the tender schedule and the qualified bidders' financial offer evaluated. A specified tender committee does all these evaluation. For spot quotation method, the evaluation is made on the available quotations.	QD-PRO-01, article 11.4	Tender Committee	Always	
1.4.7	Procurement division issues the purchase/work order and sends the same to the selected supplier.	QD-PRO-01, article 17	SEPROC, DGM/SE concerned	After evaluation	
1.4.8	For foreign purchase, after getting the approval (section 1.3.5 & 1.3.6) draft foreign purchase order (F.P.O.) is made by procurement division	QD-PRO-01, article 17	SEPROC	As required	
1.4.9	The draft F.P.O. is approved by Executive Management of PGCB			As required	

Reviewed by CE(P&D) :



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Document No:	QP-PRO-1	Revision No.:	02	Effective Date:	21/01/15	Page:	4	of	10

SI No.	Activity (including Check Points)	Ref. Doc.	Responsibility	Freq. / Time	Output
1.4.10	Procurement division issues the foreign purchase order to the supplier with a copy to concerned offices		SEPS	After approval	QF-PRO-20
1.4.11	Upon acceptance of F.P.O. by the supplier, L/C is opened and a copy is sent to the supplier	QD-PRO-01, article 18	SEPS	As required	
1.5	<u>Receiving materials / Accepting work:</u>		Concerned office		
1.5.1	Receiving/Accepting the materials/work done is carried out as stipulated in order.		Concerned office	As required	
1.5.2	Materials are delivered at the point indicated in the purchase/work order. If it is a work order, the work is carried out at the designated spot under the supervision of authorized person as indicated in the work order		-do-	As required	
1.5.3	Against F.P.O., Post Landing Inspection is carried out by a committee formed with the officials of PGCB from Grid/SPM/LDC/COM Circle, Design & Procurement		Concerned committee	As required	Inspection Committee
1.5.4	All material/s received or completion of work done is to be inspected by the authorized person and an inspection certificate is to be made of which i) one copy is to be submitted with bill for payment and ii) another copy is to be submitted to the office issuing purchase/work order		Concerned office	As required	
1.5.5	Material Receiving Report (MRR) is to be made by the concerned grid sub-station/office from where the original purchase requisition is made		-do-	As required	QF-STR-05
2.0	Local Office Procurement				
2.1	<u>Planning of Procurement:</u> All local purchases will follow the following				
2.1.1	A list of items purchased from Local sources is maintained.		Concerned DGM/SE office	Always	QF-PRO-03
2.1.2	Major components/parts, other items are purchased by open tender.		Concerned DGM/SE	Always	QF-PRO-05
2.1.3	For proprietary items, the concerned suppliers are contacted for further processing of procurement.		Concerned DGM/SE		
2.1.4	Planning of procurement is done in consistent with annual budget and plan.	QD-PRO-01, article 1, 2	Concerned DGM/SE	Annually	Purchase Plan
2.1.5	All concerns will submit their annual requirements		Head of concerned offices	By 15th November	
2.1.6	Concerned DGM/SE office will make summary of these		Concerned DGM/SE office	By 30th November	
2.1.7	DGM/SE office will process the procurement following delegated financial authority. All the eligible suppliers can participate in the tender.	QD-PRO-01, article 3	Concerned DGM/SE office	By 15th December	

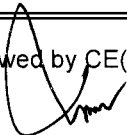
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Document No:	QP-PRO-1	Revision No.:	02	Effective Date:	21/01/15	Page:	5	of	10

SI No.	Activity (including Check Points)	Ref. Doc.	Responsibility	Freq. / Time	Output
2.1.8	The Tender will be published following Procurement Guideline.	QD-PRO-01		Within 30th December	
2.1.9	The tenders will be accepted and analysed as per conditions of tender documents		Tender Committee	Within 30th December to 15th January	
2.1.10	The order for the items will be issued		Concerned DGM/SE	By 21st January	
2.1.11	Items will be received from the supplier		Concerned DGM/SE office	By 30th January	
2.1.12	Concerns offices will be notified to lift their items		Concerned DGM/SE	By 15th February	
2.1.13	The items will be lifted by the concerned offices		Head of concerned offices	By 30th February	
2.2	<u>Purchasing process control:</u>				
2.2.1	<i>List of Suppliers:</i> A list of suppliers is maintained for the major local items and consumables.		Concerned DGM/SE	Always	QF-PRO-04
2.2.2	Suppliers are included into the Supplier List when they qualify PGCB conditions.		Concerned DGM/SE	Always	QF-PRO-04
2.2.3	Qualifying conditions include: - Evaluation for new suppliers - Past Performance - Performance of the Trial Order test of samples		Concerned DGM/SE	As required	QF-PRO-06, 07, 08
2.2.4	Suppliers Performance Records Suppliers' performance is recorded for all the major and foreign supplies. Depending on this record, Suppliers are either dropped from the approved suppliers list or they are continued for the future.		Concerned DGM/SE	Always	QF-PRO-09
2.2.5	In the Suppliers' Performance Records Delivery schedule and Quality of the Items supplied are recorded to follow up the performance for every order.		Concerned DGM/SE	Always	QF-PRO-08
2.2.6	Suppliers' evaluation and supplier's performance records are maintained.	QD-PRO-01, article 37	Concerned DGM/SE	Always	QF-PRO-02, 03, 04, 05, 06, 07, 08
2.2.7	Suppliers are disqualified when they are found not to comply with the conditions mentioned in the purchase orders in terms of quality in any of the order.		Concerned DGM/SE	After evaluation of supply	Checking effectiveness of purchase procedure
2.2.8	Disqualified suppliers are eliminated from the list.	QF-PRO-04, 05, 07	Concerned DGM/SE	On evaluation	

Reviewed by CE(P&D) :



Approved by ED(P&D):



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Document No:	QP-PRO-1	Revision No.:	02	Effective Date:	21/01/15	Page:	6	of	10

SI No.	Activity (including Check Points)	Ref. Doc.	Responsibility	Freq. / Time	Output
2.3	<u>Procurement Requisition Processing:</u>				
2.3.1	For all other purchases, requisition are required to be raised by concerned office/grid substation and to be submitted to DGM/SE with requisite information for purchase		XENGMD /Head of concerned office	As required	QF-PRO-01
2.3.2	DGM/SE will send this requisition to GM/CE with his comment for further processing if information in the requisition is adequate, otherwise will send back for further enquiry on information	QF-PRO-01	Concerned DGM/SE	As required	
2.3.3	If all information are found alright, GM/CE concerned will send it to ED(P&D) for his primary scrutiny on the requisition	QF-PRO-01	Concerned GM/CE, ED(P&D)	As required	
2.3.4	If the amount involved in procurement is less than Tk. One Crore, the requisition is forwarded to MD directly/through EDF for approval of procurement.	QF-PRO-01	EDF	As required	
2.3.5	If the amount involved in procurement is more than Tk. one crore, the requisition is forwarded to MD for processing it through procurement department and company secretary for getting approval of procurement from Board of Directors	QF-PRO-01	MD SCCMP, SEPROC	As required	
2.3.6	If the amount involved in procurement is more than Tk. One Crore, the requisition is forwarded to MD for processing it through procurement department and company secretary for getting approval of procurement from Board of Directors	QF-PRO-01	MD SCCMP, SEPROC	As required	
2.3.7	On getting approval from Board of Directors for procurement, procurement department along with concerned division prepare draft tender document and gets the approval from Executive Management of PGCB	PPR 2003, CPTU	SEPROC, GM/CE concerned	As required	
2.4	<u>Processing for Procurement:</u>				
2.4.1	Before processing further, reviewing the requirements is made once again.	QF-PRO-01	Concerned DGM/SE	As required	
2.4.2	For local procurement, two methods are followed: a) Open tendering method b) Spot quotation method	QD-PRO-01, article 26		As required	
2.4.3	For open tendering method, tender notice is served in local dailies	QD-PRO-01, article 3	Concerned DGM/SE	As required	
2.4.4	Proposals as per schedule of tenders are submitted by the bidder in a sealed tender box that is opened in due time and date in presence of bidders present during the opening.		Concerned DGM/SE	As required	

Reviewed by CE(P&D) :

Approved by ED(P&D):

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Document No:	QP-PRO-1	Revision No.:	02	Effective Date:	21/01/15	Page:	7	of	10

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2.4.5	In spot quotation method, a 3 (Three) member tender committee collects at least three quotations from the market according to the approved suppliers.	QD-PRO-01, article 26.5	Concerned DGM/SE	As required	
2.4.6	Technical evaluation is made on the available bidding as per set criteria of the tender schedule and the qualified bidders' financial offer evaluated. A specified tender committee does all these evaluation. For spot quotation method, the evaluation is made on the available quotations.	QD-PRO-01, article 11.4	Tender Committee	As required	
2.4.7	Concerned office issues the purchase/work order and sends the same to the selected supplier.		Concerned DGM/SE	As required	
2.5	<u>Receiving materials/Accepting work:</u>				
2.5.1	Receiving the materials and/or Accepting of the work done is carried out as stipulated in order		Concerned office	As required	
2.5.2	Materials are delivered at the point indicated in the purchase/work order. If it is a work order, the work is carried out at the designated spot under the supervision of authorized person as indicated in the work order		-do-	As required	
2.5.3	Inspection is carried out by a committee formed with the officials of PGCB		Concerned committee	As required	
2.5.4	All material/s received or completion of work done is to be inspected by the authorized person and an inspection certificate is to be made of which i) one copy is to be submitted with bill for payment and ii) another copy is to be submitted to the office issuing purchase/work order		Concerned office	As required	
2.5.5	Material Receiving Report (MRR) is to be made by the concerned grid sub-station/office from where the original purchase requisition is made		-do-	As required	QF-STR-05
3.0	Effectiveness and Improvement				
3.1	Effectiveness of the purchase procedure is evaluated from time to time.		ED(P&D), CEP&D SEP	At the time of Internal Audit	Checking effectiveness of purchase procedure
4.0	Procedure for procurement is reviewed for suitability.		-do-	During internal audit	Improvement
5.0	Actions are taken to improve the system on the basis of evaluation.		-do-MR		Improvement



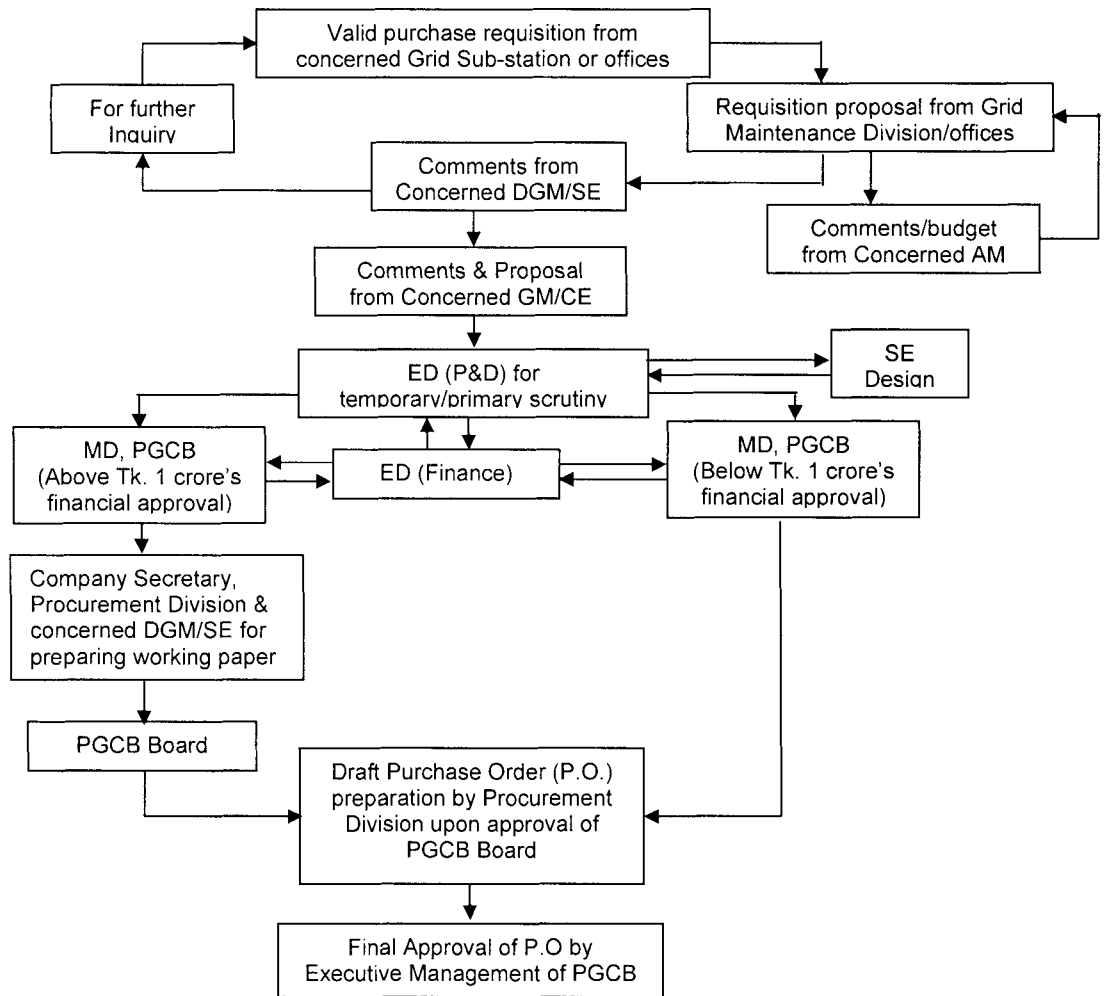
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Document No:	QP-PRO-1	Revision No.:	02	Effective Date:	21/01/15	Page:	8	of	10	

Local Procurement Flow Diagram (Upon availability of Budget):

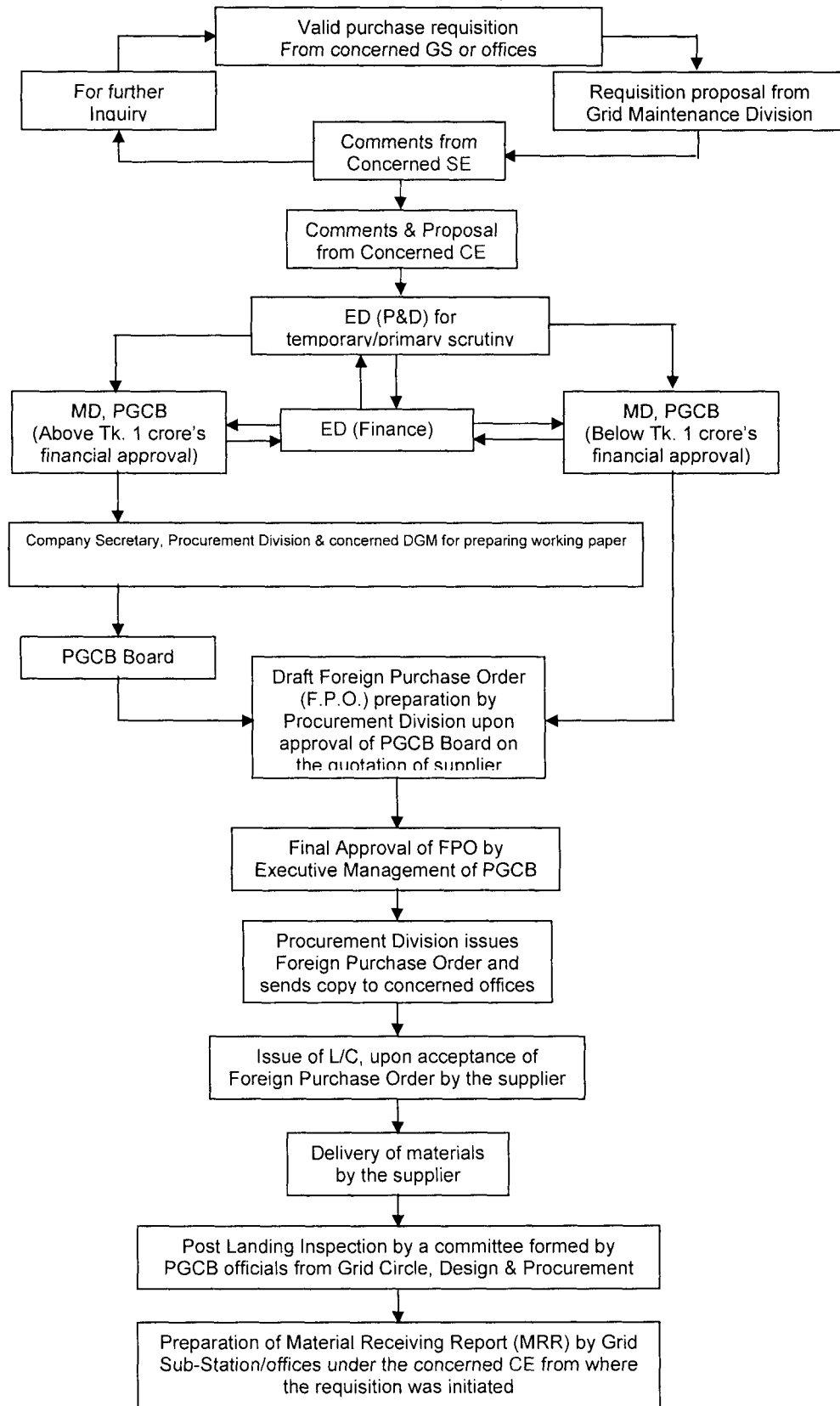


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Document No:	QP-PRO-1	Revision No.:	02	Effective Date:	21/01/15	Page:	9	of	10

Foreign Procurement Flow Diagram (Upon availability of Budget) for Direct Purchase:

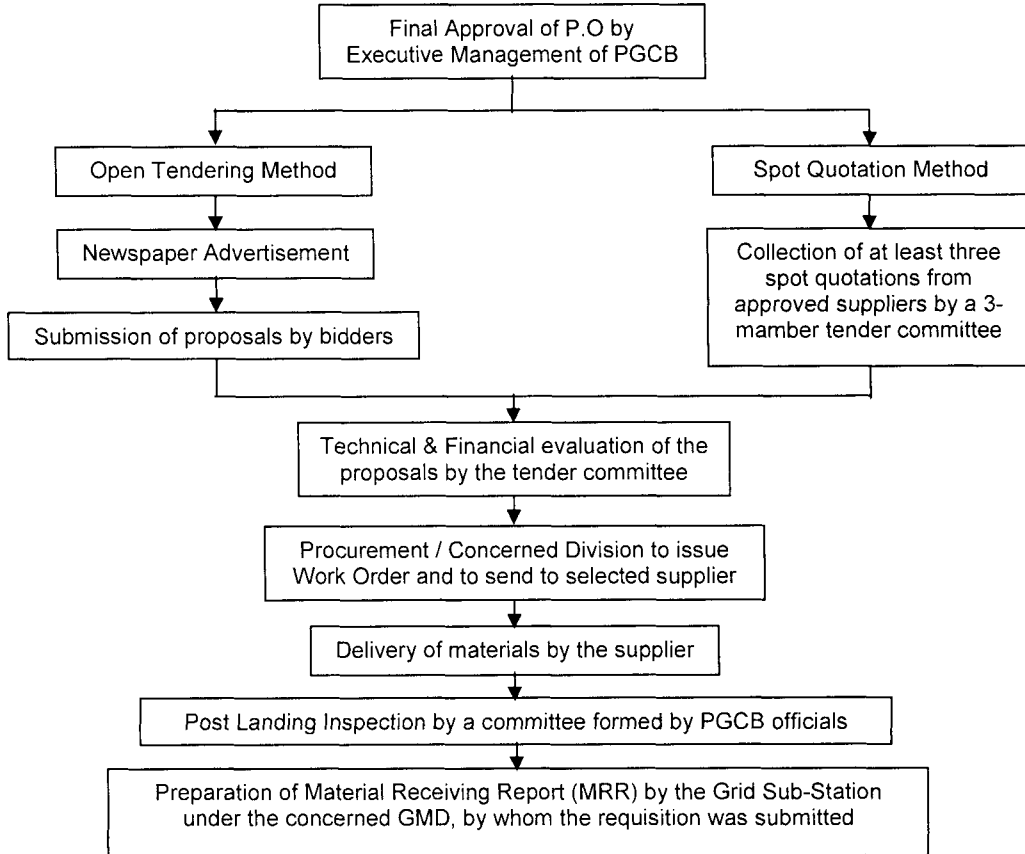


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Document No:	QP-PRO-1	Revision No.:	02	Effective Date:	21/01/15	Page:	10	of	10

Tendering Method Flow Diagram:



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 Approved by ED(P&D):