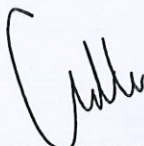
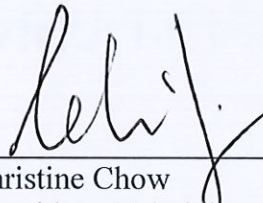




香港浸會大學  
HONG KONG BAPTIST UNIVERSITY

## **Purchasing and Tendering Regulations**

# Document Control

Document name	Purchasing and Tendering Regulations
Document code	PTR
Version number	19
Issue date	1 January 2025
Prepared by:	<div> _____ Mr. Adonis Lee Director of Finance</div>
Approved by:	<div> _____ Ms. Christine Chow Vice-President (Administration) and Secretary</div>

## Record of Changes

Modifications and/or revisions to the Purchasing and Tendering Regulations are recorded in the table below.

Revision Date	Version number	Description and Location of Change(s)	Updated by
July 2007	1	4.1, 4.3, 6.5, 8.2, 8.5, 8.6, 8.7, 8.8, 8.9, 9.1, 10, 11, 11.1, 13.4.3, 14.2, 14.6, 14.8, 14.8.1, 14.8.2, 14.8.3, 18.2.1, 18.2.2, 18.2.4, 18.3.1(b), 22.2, 23, 24	Finance Office
July 2008	2	Annual Review	Finance Office
Feb 2009	3	Annual review of Financial Limits of Tendering Procedures	Finance Office
Aug 2009	4	2.4, 3A, 4.1, 5.1, 8.8, 9.1, 10.1, 11.2, 12.6, 18.2, 19.2, 20.2.2, 24.3	Finance Office
Jan 2010	5	Annual review of Financial Limits of Tendering Procedures	Finance Office
July 2010	6	Annual Review	Finance Office
Feb 2011	7	Annual review of Financial Limits of Tendering Procedures	Finance Office
Jul 2011	8	2.7, 4.3, 8.10, 8.11, 9, 9.1, 10, 11.2	Finance Office
July 2012	9	8.8	Finance Office
July 2013	10	8.10	Finance Office
October 2014	11	5.1, 6.5, 9.1, 9.2, 9.4, 9.7, 10.3, 11.2, 11.4, 13.5, 14.2, 19.1, 24.2 and 24.3	Finance Office
July 2017	12	2.1.7, 2.2, 4.3, 5.1, 5.3(e), 6.6, 7.5, 9.3, 9.4, 9.12, 12.2, 15.1, 15.2, 22.2 and 24.1	Finance Office
September 2017	13	5.2	Finance Office
November 2019	14	2.1.4, 5.1, 5.3, 6.1, 6.2.2, 6.3.3, 6.3.6, 6.3.7, 6.5, 6.6, 9.3, 9.5, 9.6(a), 9.6(b), 9.6(d), 9.6(e), 9.6(f), 9.7(a), 10.1, 10.2, 11.2, 11.4, 12.2, 13.5, 13.9, 14.1, 15.1, 20.2.1, 21.2.2, 21.2.3 and 24.4	Finance Office
December 2020	15	2.1, 5.2, 5.3, 8, 9.5, 9.9, 11.4, 14.8, 15.6 and 15.9	Finance Office
November 2021	16	2.1.2 to 2.1.8, 5.2, 5.3, 6.5, 9.10, 11.3, 11.5, 14.9, 15.2 and 19.2.1	Finance Office
December 2022	17	1.1.3, 4.2, 5.1, 7.4, 9.1, 9.4, 9.6(c), 9.6(g) - (i), 9.10, 13.7, 14.7, 15.3, 15.5, 15.8, 15.10 and 21.4	Finance Office

<b>Revision Date</b>	<b>Version number</b>	<b>Description and Location of Change(s)</b>	<b>Updated by</b>
May 2023	18	5.3, 6.1, 6.6, 6.7, 9.6, 10.1, 10.2, 10.3 and 24.4	Finance Office
January 2025	19	3.1, 4.1, 4.2, 4.3, 4.4, 5.1, 5.2, 5.3, 6.1, 6.5(c), 6.5(d), 9.9, 13.1, 14, 15, 17.2, 17.3, 17.4, 21, 22.1, 23.2, 23.3, and 24.2	Finance Office

## **Distribution Record**

The latest version of the approved policy will be uploaded to the Finance Office Homepage > For Staff > Information > Financial Policies and Procedures > ***Purchasing and Tendering Regulations***

# Table of Contents

<b><u>Section</u></b>	<b><u>Content</u></b>	<b><u>Page</u></b>
1	General	6
2	Scope and Coverage	6 – 7
3	Signing of Non-Disclosure Agreement and Classification of Information	7
4	Conflict of Interest	7 – 8
5	Authority of Limits	8 – 9
6	Purchase Requisition	9 – 11
7	Tender Specifications	11 – 12
8	Tender Deposit	12
9	Registered Suppliers List	12 – 14
10	Single Purchase up to HKD25,000	15
11	Single Purchase above HKD25,000 to HKD100,000	15
12	Single Purchase Exceeding HKD100,000	15 – 16
13	Submission of Tender	16 – 17
14	Opening of Tenders	17 - 18
15	Assessment of Tender	18 - 20
16	Dispute in Tender Recommendation	20
17	Emergency Purchase Procedures	20 - 21
18	Waiver of Purchasing and Tendering Regulations	21
19	General Tender Board	21 - 22
20	Main Tender Board	22
21	Tendering for Works Contracts	22 - 23
22	Disposal of Documents	24
23	Notification of Tender Results	24
24	Amendment-To-Order	24
25	Amendment to Purchasing and Tendering Regulations	25

## **1. General**

- 1.1 The Purchasing and Tendering Regulations (“PTR”) are configured around three principles:
  - 1.1.1 ensure fairness to all those who are capable of providing the goods and services to meet the requirements of Hong Kong Baptist University (“University”);
  - 1.1.2 reduce the chances for possible bribery and corruption; and
  - 1.1.3 ensure value-for-money and sustainable procurement for the University.
- 1.2 The authority to deal with tenders originates from the University Council which has delegated such power to the President and Vice-Chancellor. The power to set up and revise the PTR to regulate such activities of the University therefore rests with the President and Vice-Chancellor unless the authority is sub-delegated or withdrawn.

## **2. Scope and Coverage**

- 2.1 The procedures set out in the PTR shall be followed for procurement of goods, stores, and services with the exception of the following for which separate procedures shall apply (please also note that additional approval from Council-appointed committees may be required for specific projects):
  - 2.1.1 franchise, concession, leases, licences and tenancies;
  - 2.1.2 procurement of library collections, which should be handled by the Library under a separate set of procedures;
  - 2.1.3 private treaty grants, exchanges, extensions, and short-term tenancies which the Budget Controller should work with the Estates Office (“EO”);
  - 2.1.4 academic consultancy which would be handled by a separate set of procedures;
  - 2.1.5 employment of staff, which shall be administered by the Human Resources Office (“HRO”) with a separate set of guidelines and procedures;
  - 2.1.6 procurement of services from utility companies operating under exclusive franchise or licences;
  - 2.1.7 banking, investment management and security custody services which is handled by the Finance Office (“FO”); and
  - 2.1.8 engagement of recruitment and search firms which would be handled by the HRO.

- 2.2 For the avoidance of doubt, the procedures set out in the PTR shall also be followed for service contracts with revenue elements (e.g. licence agreement for cafe, canteen, tuck shop or bookshop) and engagement of auctioneer where proper tender exercise or invitation for proposal is involved. It is the responsibility of Budget Controller to observe other procedures, other than those of the PTR, or obtain necessary approval as required by the Council or its sub-committees/task forces or other competent authorities (e.g. appointment of external auditors by the Audit Committee).

### **3. Signing of Non-Disclosure Agreement and Classification of Information**

- 3.1 Prior to any disclosure of sensitive and/or confidential information to a potential tenderer, the University shall request that tenderer to sign a non-disclosure agreement (also known as confidentiality agreement) (“NDA”), in which the tenderer shall undertake, amongst others, to keep the information strictly confidential. The NDA template may be obtained from the FO. It is important to ensure that the NDA has been duly signed by the potential tenderer before such disclosure. In particular, if confidential information is to be disclosed in a tender invitation, a project brief or similar documents, an NDA shall be signed by potential tenderers before provision of such documents to them.
- 3.2 Information relating to tenders and contracts shall be handled in the following manner:
- 3.2.1 All communications regarding tenders, from the time tenders are received and opened until a decision is made on the acceptance or otherwise of the tenders must be classified as RESTRICTED (TENDER). Correspondence on pre-qualification and single/restricted tendering shall also be classified as RESTRICTED (TENDER).
- 3.2.2 Contract documents and communications regarding contracts do not usually have a security classification. RESTRICTED will be an adequate classification for sensitive information relating to contract disputes, litigation, claims, etc. Information should only be classified as CONFIDENTIAL if the disclosure of which would be prejudicial to the interest of the University.
- 3.2.3 Heads of Departments and the Director of Finance shall appoint officers to open and handle classified correspondence relating to tenders and contracts on a need-to-know basis. Detailed instructions on the procedure for handling such correspondence shall be made in line with the spirit of the PTR.

### **4. Conflict of Interest**

- 4.1 A conflict of interest situation arises where the private interests of staff compete or conflict with the interests of the University or their official duties. Private interests include the financial and other interests of the staff themselves; their family or other relations; their personal friends; the clubs and associations to which they belong; any other groups of people with whom they have personal or social ties; or any person to whom they owe a favour or are obligated in any way.



- 4.2 All University staff involved in procurement must (a) be alert to situations which may lead to actual, potential or perceived conflict of interest; (b) ensure that sufficient safeguards are in place to avoid such situations from arising; and (c) declare conflict of interest, whether actual, potential or perceived, arising between their official duties and their private interests. The principles and guidelines set out in this section apply to all types of University procurement, irrespective of value.
- 4.3 All purchasing staff, including Director of Finance, are required to make an annual declaration with Purchasing and Support Services Section (“PSSS”) regarding any actual, potential, or perceived conflict of interest in writing and to update their declarations as necessary throughout the year. Members of the Tender Evaluation Panel are also required to make declaration of interest before receiving the tender proposal(s) for evaluation.
- 4.4 If an actual, potential, or perceived conflict of interest has been reported, staff members are required to seek appropriate approval from their respective one-level up authority, at a minimum from Head of Department, Academy, Faculty, School, or Office, to determine whether they should refrain from or continue handling the tender evaluation. Copy of declarations are kept with PSSS.

## 5. Authority of Limits

- 5.1 The authorities to approve purchase are as follows:

<u>Single Purchase Value</u>	<u>Authority</u>
Up to HKD300,000	Director of Finance*
Up to HKD5,000,000	General Tender Board*
Over HKD5,000,000	Main Tender Board

*\* The above designated authority or its delegates can approve any subsequent amendments to the order with a purchase amount that is lower than the original approved amount.*

- 5.2 As stated in the terms of reference approved by the Council, the Campus Development and Facilities Management Committee (“CDFMC”) is authorised to approve the purchase of the below items.
- i) Appointment of contractors for each major works contract with a value exceeding HKD30 million under a capital building project approved by the Council
  - ii) Appointment of consultants for (a) master planning and conceptual design of capital building projects (b) architectural and associated consultancy services and quantity surveying consultancy services for capital building projects approved by the Council and for projects approved by the University Grants Committee (“UGC”) under the Alterations, Additions, Repairs and Improvements (“AA&I”) Block Allocation.

- 5.3 No office is authorised to commit purchases on behalf of the University except approval has been obtained under the PTR or the Policy and Procedures on Commitment Approval and Contract Execution. All purchases on behalf of the University may only be made through the FO unless otherwise permitted under the PTR. Staff may be held personally liable for the purchase(s) he/she made or committed without obtaining proper purchasing approval, irrespective of the funding source(s) for such purchase(s).
- 5.4 **Direct Purchase**  
The Budget Controller or his/her delegate (hereinafter collectively called “Budget Controller”) may approve purchase of goods or services for single purchase estimated at a cost of HKD25,000 or below provided that the price is considered reasonable and certified by the Budget Controller concerned, with the exception of the following categories of goods and services. For these categories of goods and services, Budget Controller may only proceed with the direct purchase for the goods and services that are set out in the approved product list (if any) \*, or otherwise, he/she shall seek advice from the PSSS of the FO:
- a) chemicals;
  - b) office furniture such as office desk, chairs etc.;
  - c) office equipment including but not limited to fax machine, photocopier, audio-visual equipment and security access system;
  - d) standard stationery and business cards that carry Hong Kong Baptist University (HKBU) logo/emblem;
  - e) information technology software and hardware including but not limited to desktop computer, laptop computer, monitor, server, and printer; and
  - f) cloud and hosting services and subscription.
- \* *Approved product lists are available for chemicals, office furniture, office equipment – photocopier, standard stationery and business cards, IT hardware.*
- 5.5 The financial limits referred to in the PTR should be interpreted in the context of a procurement exercise involving items normally acquired under one single order from one single supplier. Splitting of requests and orders to circumvent the PTR shall be strictly prohibited.

## **6. Purchase Requisition**

- 6.1 A Purchase Requisition Form (“PR”) shall be raised in the Financial Information System (“FIS”) by the requisitioning department for all services and materials required except for items that can be acquired through Petty Cash. All relevant details of the requirements with justifications and accounts allocation shall be clearly stated on the form which in turn shall be subject to approval by the Budget Controller concerned or his/her delegate. If the PR purchase is for the Budget Controller’s self-consumption, one-level up approval must be sought either in the PR approval workflow in FIS or by a written approval with a copy of such approval attached to PR as supporting document.
- 6.2 Any queries relating to accounts allocation may be directed to staff of the FO responsible for accounting and budgeting matters. The completed PR shall be sent/routed to the FO for checking as to:

- 6.2.1 the correct account code being quoted on the PR; and
- 6.2.2 availability of funds/budget in the respective account for the requested amount.
- 6.3 All PR must be fully completed to include:
  - 6.3.1 detailed specification of requested item, which should be a functional one not quoting just a brand name and model;
  - 6.3.2 suggested source of supply;
  - 6.3.3 Purchase Order or PR number of similar item requested before;
  - 6.3.4 justification for the item if it is not obvious from the description;
  - 6.3.5 name of person-to-contact for queries;
  - 6.3.6 expected delivery date and delivery location;
  - 6.3.7 quantity requested and an estimate of the cost of the item; and
  - 6.3.8 the correct account code(s).
- 6.4 Departments who have difficulties in completing the estimated cost of the item requested may seek assistance from PSSS of the FO.
- 6.5 PSSS will send PRs for the following goods/services (inclusive of those mentioned under Section 5.4 with approved product list) to the relevant “vetting” departments for soliciting advice on the specifications of the goods/services to ensure that they align with the University’s general requirements, policies, guidelines, and government laws and regulations on space and facilities, installation logistics, on-going maintenance, disposal of replaced items, physical and cyber security, media and publicity, and corporate identity etc. :

<u>Requested Items</u>	<u>Vetting Department</u>
a) IT, telecommunication, audio-visual and related equipment and systems*	Office of Information Technology
b) Renovation, construction, repairs and maintenance of campus facilities, facility management, including cleaning, landscaping, and security	Estates Office
c) Signs, website and use of University logo and emblem	Communication and Public Relations Office
d) Video shooting, marketing, branding related and promotion	University Engagement Office

\* *For vetting related to the procurement of IT application systems, please refer to the [Security Policy on Procurement of IT Application System](#) for details.*

The turnaround time for the vetting department to provide comment/advice is within five working days unless such purchase is complicated. User departments are also encouraged to engage the respective vetting departments and seek their input in the early stage of the procurement process.

- 6.6 When the recommended order amount exceeds the PR amount by HKD25,000 and 10% of the PR amount, consent/approval from the Budget Controller to top up the difference shall be obtained before the Purchase Order can be issued.
- 6.7 Budget Controller, when making recommendation for the purchase (except for direct purchase under HKD25,000 where the Budget Controller's recommendation has been indicated in the PR), shall refer to the PR budget amount provided on the price summary table and adjust the PR budget if deemed necessary.

## **7. Tender Specifications**

- 7.1 Tender specifications shall be stated in general terms and not around the technical data of a certain model of the goods or equipment to be purchased. There shall be no requirement or reference to a particular trademark, name, patent, design, type, specific origin, producer, or service provider, unless there is no sufficiently precise or intelligible way to describe the procurement requirements. In such cases, the phrase "or equivalent" must be included in the tender documents. Specifications shall not be prepared, adopted, or applied with a view to or with the effect of creating obstacles to free international trade.
- 7.2 When tenders are invited for the execution of a project or the provision of services on the basis of a schedule of prices or rates, departments should give tenderers some indication of the estimated quantity, value and scope of the contract and any other related information in order to obtain realistic and competitive tenders. Estimated quantities required should be given in the contract documents. In the case of tenders for term contracts, details of quantities based on past contracts may be provided but it shall be made clear that such figures are quoted for the reference of tenderers, and the University can in no way guarantee actual requirements under the contract.
- 7.3 For term contracts involving a large number of items and fee which it would be impracticable to state the approximate quantities, the schedule of items may be pre-priced, enabling the tenderers to express their offers in terms of a flat percentage variation. In such cases, tenderers should be advised of the likely expenditure under the contract or under the previous contract.
- 7.4 When the tenders received are subsequently evaluated, the same estimates and requirements as those of which tenderers have been informed in the documents should be employed in calculating the estimated total value of each tender. For consultancy services, tenderers should provide detailed man-day rates for different ranks of consultants for individual service deliverables in order to form a transparent basis for tender evaluation and future amendment to order if any.
- 7.5 In certain occasions, a form of marking scheme or two-envelope approach will be adopted where the quality of the goods and services to be provided is of such importance that separate assessments of the technical and price aspects, with pre-determined relative weightings attached to particular features, would result in a better value-for-money offer. The two-envelope approach would be promoted to Budget Controller when the quality of the goods and services is of importance.

- 7.6 Any other requirements and/or evaluation criteria which will be applied in deciding the suitability of tenders must also be indicated in the tender documents.

## **8. Tender Deposit**

Tender deposit is not normally required. Where a deposit is required as a pledge of the tenderer's good faith, the tender documents shall specify the amount of such deposit, the method of payment and refund, and the submission of the original deposit receipt with the tender. Tender deposits shall be refunded to the unsuccessful tenderers without interest. All tender deposit requests shall be approved by the Director of Finance or respective committee whichever is applicable.

## **9. Registered Suppliers List**

- 9.1 The PSSS, under the supervision of the Secretary to the General Tender Board, shall maintain a list of registered suppliers for invitations to quotation/tender by the University. Any addition, suspension and deletion to the list shall be approved by the Director of Finance. The list of the newly added, suspended and/or deleted suppliers will be circulated to the General Tender Board for information annually.
- 9.2 For practical purposes, the General Tender Board and the Director of Finance may make appropriate delegation within their respective approving authority to facilitate the purchasing and tendering process.
- 9.3 Prospective tenderers who are interested to supply goods or services to the University may write to the Secretary to the General Tender Board and submit information which shall include:
- a) product line;
  - b) job reference;
  - c) company structure;
  - d) names of key officers;
  - e) names of directors;
  - f) financial information such as authorised and paid-up capital, audited financial statements or management accounts (to be obtained from prospective tenderers on best effort basis but not mandatory);
  - g) self-declaration on major litigations in the past three years.
- 9.4 The PSSS shall consider the application in the light of information received with the assistance from the FO and/or user department(s) and make recommendations to the Director of Finance for approval from time to time.
- 9.5 In considering the application, the following criteria will be considered:
- a) financial conditions;
  - b) past experience;
  - c) technical and manpower abilities; and/or
  - d) reference from past clients and other UGC-funded institutions and Government departments.

## 9.6 Disqualification, Suspension or Deactivation of Suppliers

A registered supplier could be disqualified under but not limited to the following conditions:

- a) The supplier is in bankruptcy, liquidation, or serious financial difficulty;
- b) The supplier is no longer in business;
- c) The supplier is involved in business fraud, criminal offence or non-compliance with the prevailing laws and regulations (e.g. corruption, employment of illegal workers or bid rigging);
- d) The supplier's performance is poor (e.g. delisted by the EO) based on the EO's peccadillo system or three valid complaints/unsatisfactory performance on evaluation received from users during the past 12 months;
- e) The supplier belongs to a group company in which the group company or any of its subsidiary or affiliated company is involved in any litigation or arbitration proceedings with the University; or
- f) The supplier/contractor unilaterally terminates the contract without serving any or sufficient notice to the University.

A registered supplier could be suspended under but not limited to the following conditions:

- g) The tenderer withdraws its tender submission after the tender is opened. Suspension period is 12 months from the tender closing date; or
- h) The tenderer refuses to sign contract after the approving authority in Section 5.1 approves the award of tender to the tenderer. Suspension period is at least 12 months from the tender closing date, or the initial contract period of the tender concerned, whichever is longer (i.e. the suspended supplier will not be invited in the defined period for the same or similar goods/services it declined).

Upon expiry of the suspension period, the status of the supplier concerned will resume normal unless otherwise approved by the authority stated in Section 9.1 under special circumstances and/or considerations.

A registered supplier could be deactivated under but not limited to the following conditions:

- i) The supplier who has neither received an order from the University nor been invited for bidding for a continuous period of 36 months. For temporary suppliers, the relevant period shall be 6 months.

## 9.7 Rotation of Suppliers

To ensure fairness to all those who are capable of providing the goods and services to the University, rotation of suppliers is required when short-listing tenderers for Tender/Quotation invitation.

As a general guideline, the list of nominated suppliers for Tender/Quotation invitations should include (in descending order of priority):

- a) last successful supplier for similar purchase, if any;
- b) supplier(s) nominated by the requisitioner, if any;
- c) supplier(s) nominated by the PSSS, if any; and
- d) at least one supplier if available under the commodity concerned from the Registered Suppliers List on rotation basis.

9.8 The Tender/Quotation Invitation Records will be maintained for the selection of suppliers from the list of registered suppliers on a “fair” basis. The approving authority concerned should check and ensure compliance with the following criteria:

- a) capabilities of the suppliers;
- b) nature and quality of the product/service;
- c) regional specific requirements of suppliers; and
- d) any other criteria as specified.

9.9 Open Tender or Request for Proposal is currently used by the University where circumstances warrant, which may include, but not limited to, catering outlets, bookshop, and specialised scientific equipment. Open Tender Notice is to be published in local press (Chinese and English) for at least two days and/or the University website for one week as appropriate. The PSSS would periodically review whether a financial threshold or a list of purchase commodities for Open Tender should be introduced.

## 9.10 Selection of Suppliers

The approving authorities for Tender/Quotation invitations are as follows:

<u>Purchase Value</u>	<u>Authority</u>
Up to HKD1,000,000	Director of Finance or his/her delegates
Up to HKD5,000,000	Chairman of General Tender Board
Over HKD5,000,000	General Tender Board

## 9.11 Insufficient Number of Invited Suppliers

If the number of suppliers to be invited to submit quotations/tenders is less than the minimum requirement, justifications must be given by the user department/PSSS to the satisfaction of the relevant approving authority in Section 9.10.

9.12 In order to include more capable suppliers in the Tender/Quotation invitations for the sake of competitive bidding, new suppliers which are nominated by the requisitioner/PSSS but yet to have completed the supplier registration process would be given a “temporary supplier” status so that they may be invited to submit tender/quotation on a one-off basis. “Temporary suppliers” will not be included in the Registered Suppliers List for auto-rotation of supplier for similar purchases.

## **10. Single Purchase up to HKD25,000**

- 10.1 Apart from the direct purchase allowed under Section 5.4, telephone/fax/email quotations for purchase up to HKD25,000 may be invited by the FO, as and when appropriate, from suppliers recommended by the user department or suppliers approved by the Director of Finance or his/her delegates.
- 10.2 The telephone/fax/email quotations obtained (if any) shall be recorded on a Price Summary and submitted for approval by the Director of Finance or his/her delegate.
- 10.3 Where applicable and the recommended offer is not the lowest quotation obtained, the Assistant Director of Finance (PSSS) and the Budget Controller concerned will be responsible for certifying that the prices are reasonable and for justifying the recommended offer as the case may be.

## **11. Single Purchase above HKD25,000 to HKD100,000**

- 11.1 At least three written quotations shall be invited by the FO in accordance with Section 9.7 and submitted for approval by the Director of Finance or his/her delegate.
- 11.2 Where the recommended offer is not the lowest quotation obtained or the one achieving the highest evaluation score, the Assistant Director of Finance (PSSS) and the Budget Controller concerned will be responsible for certifying that the prices are reasonable and for justifying the recommended offer as the case may be.
- 11.3 If the two-envelope approach is adopted, the offer which achieves the highest combined score (taking into consideration the technical and price factors) shall be awarded the contract unless valid justification is provided by the requisitioning department and approved by the relevant purchasing authority.
- 11.4 The PSSS shall work with the requisitioning department to decide the terms of payment, delivery, warranty, etc. to be recommended for acceptance. Price Summary and the acceptance of offer shall be submitted for approval by the Director of Finance or his/her delegate.
- 11.5 Submission of quotations through fax/email/e-Tender Box System (“ETS”) is allowed for administrative efficiency. Where practicable, a designated facsimile machine with restricted access should be used.

## **12. Single Purchase Exceeding HKD100,000**

- 12.1 From this section onwards the term “Tender Board” shall be substituted, as appropriate, by “the General Tender Board” or “the Main Tender Board” according to the level of authority limits stipulated in Section 5 above. The term “Chairman of the Tender Board” shall be substituted by “the Director of Finance” in case of purchases below HKD300,000.



- 12.2 At least five tenderers shall be invited to tender for such purchases. The list of tenderers (except those relating to works contracts covered under Section 21.2) to be approved by the relevant approving authority (see Section 9.10), shall include in descending order of priority (a) the last successful tenderer of similar purchase (if any); (b) supplier nominated by requisitioner (if any); (c) supplier nominated by PSSS (if any); and (d) supplier under the same commodity category from the Registered Suppliers List by rotation (if available).

### **13. Submission of Tender**

- 13.1 All tenders shall be addressed to the Director of Finance or the Secretary to the respective Tender Board as the case may be under confidential cover and deposited into the designated Tender Box located in the FO or submitted via the e-Tender Box System. Tenders under the same tendering exercise shall be subject to a common closing deadline. If the tender is submitted to the physical Tender Box, Tenderers should be instructed to submit their tender using plain envelopes or pre-printed return envelopes (if provided) marked with the tender reference.
- 13.2 Communication with tenderers before the submission of tenders must be made in such a manner to ensure the maximum degree of fairness to all parties concerned. The content of communication should be restricted to clarification of contents of tender documents. When an amendment to the invitation or supplementary information is subsequently deemed necessary, a written notification shall be issued to all the tenderers. Additional information given to one tenderer at pre-tender stage must be communicated to all other tenderers concerned.
- 13.3 A control record of the invitations sent and follow-up actions for non-response must be kept by the PSSS. Invitation may also be collected by hand upon request of the tenderer.
- 13.4 The period allowed for the preparation and submission of tenders shall be long enough to produce meaningful and competitive tenders. The length of the period shall be fixed by the PSSS in the light of prevailing market conditions and operational requirements. In case of works contracts, such period shall be determined by the EO.
- 13.5 Submission of tenders through fax/email is also acceptable provided that the approval of the Director of Finance (for tenders up to HKD1,000,000) / Chairman of General Tender Board (for all other tender values) is obtained before invitation and that the tenderers are made aware that such practice will expose them to risk of being disadvantaged. Where possible, a designated facsimile machine with restricted access should be used.
- 13.6 In the event of a tender submitted through facsimile being received before closing time, the Secretary to the General Tender Board or his/her delegates shall put it into the Tender Box.
- 13.7 If the date and time of opening tenders is deferred, the same privilege shall be communicated and extended to all tenderers and the opening of the Tender Box shall be deferred until the extended closing time.

- 13.8 In case of inclement weather or adverse weather conditions (e.g. Typhoon no. 8 or above, or Black Rainstorm Warning is hoisted), the deadline for tender closing shall be postponed to the same time on the next working day or such other date as may be determined by the Director of Finance.
- 13.9 The Terms of Tender and General Conditions of Contract must contain messages relating to probity and warning against bribery.

#### **14. Opening of Tenders**

- 14.1 A tender box, kept under double lock, located at the counter of the FO shall be used to collect tenders. The keys to the box shall be kept, one by the Secretary to the General Tender Board or his/her delegate and one by a non-PSSS staff nominated by the Director of Finance. A set of duplicate keys shall be kept in the safe of the Director of Finance.
- 14.2 The Tender Box must be opened promptly by the key-holders at the closing time, or such deferred closing time as approved by the Director of Finance.
- 14.3 Tenders shall be opened in the presence of the Secretary to the Tender Board, or his/her delegate and a university staff nominated by the Director of Finance (for general purchases) or the Director of Estates or his/her delegate (for works contracts).
- 14.4 When the Tender Box is opened, the following actions shall be taken:
- 14.4.1 All tenders for a later closing date shall be date-stamped on the envelope and put back into the Tender Box for later opening;
  - 14.4.2 All tenders due shall be opened and date-stamped on both the original and the duplicate. Prices quoted in the original and duplicate tenders shall be checked to ensure if they are the same. Discrepancies shall be highlighted and the one in the original shall be taken as the correct one. All pages carrying prices shall be stamped and initialled by the two key-holders.
  - 14.4.3 One key-holder shall note down the total number of tenders received, opened and tender sums including nil return on a control log sheet while another key-holder shall sign against the record to certify its correctness.
  - 14.4.4 The duplicate copy of tender shall then be kept under lock and the original shall be used as the working copy for tender assessment.
- 14.5 The PSSS shall follow up on those non-responding tenderers and whenever possible a written declination to tender shall be obtained.
- 14.6 All alterations made by the tenderers to the tenders prior to tender opening shall be marked in red and initialled by those responsible for opening the tenders to certify that they have been made before opening of the tenders.
- 14.7 If the tender submissions are received through the ETS, the relevant Buyer of PSSS or his/her supervisor can, after the tender closing time, check and/or print out (a) the Tender Opening Record generated by the ETS with verification code; and (b) the tender proposals stamped with a unique watermark by the ETS. The actions under Sections 14.1 to 14.4, which are for paper-based tender submissions, will not be

applicable.

- 14.8 Only tenders submitted by the invited bidders will be considered. Any exceptions with a valid reason will require approval from the relevant approval authority stated in Section 9.10.

## **15. Assessment of Tender**

- 15.1 Evaluation should be made in accordance with the assessment criteria which may be weighted but the weighting and criteria must be pre-determined prior to tender invitation. The requisitioning department may request the assistance of the FO or engage consultants to carry out the tender evaluation.
- 15.2 Each member of the evaluation panel shall (a) sign the confidentiality undertaking form and the declaration of conflict of interest form before accessing the tender proposal(s); and (b) complete and sign a separate tender evaluation score sheet individually, rather than as a group or team. The technical evaluation panel should include at least three members, with at least one member from the requisitioning department. Additionally, at least one member should be from the respective technical department, where necessary.
- 15.3 When the two-envelope approach is adopted, the price proposals (submitted in separate sealed envelopes) should be held by PSSS and not opened until the technical evaluation is completed and finalised by the evaluation panel. All price-related information shall not be discussed during the technical evaluation. No changes to the technical score are allowed after the price envelopes are opened. Once all panel members have completed and signed off on the technical evaluation, PSSS will send a tender summary with the combined technical and price scores to the Budget Controller for recommendation to relevant board approval. Handling of information pertaining to tenders under evaluation must be treated in strict confidence accordance with the provisions in Section 3 of PTR.
- 15.4 As a general rule, contracts should be awarded to tenderers who comply fully with tender specifications, terms, and conditions as specified and who are fully capable of undertaking the contracts and whose price quotations, whether for goods or services, are the lowest tenders. If the two-envelope approach is adopted, a tenderer who achieves the highest combined score (taking into consideration the technical and price factors) should be awarded the contract unless valid justification is provided by the requisitioning department and approved by the relevant purchasing authority.
- 15.5 Tenderers should be invited to provide any information that is missing or clarify any technical ambiguities or qualifications before their tenders/quotations are considered further. Communications with the tenderers must be clearly documented. In case of any changes in the offer, the revised offer must be submitted in writing by the tenderer.

- 15.6 Care must be exercised in approaching a tenderer for clarification of tender qualifications or seeking withdrawal of any qualification or counter-proposal, with a reasonable deadline given to the tenderer for response. Legal advice should be sought, when necessary. Under no circumstances can a tender be rejected as a qualified bid, expressly or otherwise, without the approval of the relevant approving authority in Section 5.1.
- 15.7 The requisitioning department shall examine the tenders/quotations in order to determine whether they meet the specifications laid down in the tender documents. Apart from ensuring that the tender/quotation recommended for acceptance complies with the specifications, the requisitioning department shall also take into account the time of delivery/completion, the quality of goods/services offered, the designs/methods proposed, the provision of maintenance services and spare parts, warranties and/or guarantees, the technical and financial capabilities of the tenderers, the tenderers' past performance records, and compliance with the University's Sustainable Procurement Policy (whenever applicable) and safeguarding national security, etc. Any deviation of the recommended tender/quotation from the specifications and the above criteria and the reasons for recommending a non-complying tender/quotation (if applicable) shall be clearly stated in the tender report.
- 15.8 The University should take into account the duty to safeguard national security and not to engage in any acts or activities which endanger national security when processing the procurement requisition. Staff engaged in procurement matters should exercise their professional judgement, the highest degree of sensitivity and prudence in assessing any potential national security risks or issues that may be involved in every state of the procurement. All possible measures necessary for safeguarding national security should be taken to avoid any possible adverse consequences or implications on national security to the Hong Kong Special Administrative Region.
- 15.9 When only one tender offer is received in a tender exercise (i.e. usually a minimum of five suppliers have been invited to tender), it is necessary
- a) to conduct a re-tender exercise for which
    - the user department is requested to revise/enhance the tender specifications, as appropriate, e.g. avoiding excessively restrictive tender requirements;
    - PSSS shall source more capable suppliers to submit tender; or
  - b) the Budget Controller of the purchase concerned has to justify to the satisfaction of the relevant approving authority in Section 5.1 or Section 21 as appropriate, including but not limited to the following:
    - why a re-tender is not feasible;
    - why the single returned tender can best meet the user's requirements; and/or
    - which salient functions/features of the proposed product or service of the single returned tenderer are so unique and important to meet the user's requirements.

- 15.10 For works contracts under capital building projects, the AA&I Block Allocation and renovation works, error adjustment after receipt of tenders is permitted only subject to the conditions as stated in Works Branch Technical Circular No. 41/2002.
- 15.11 In recommending the acceptance of a tender to the approving authority, the requisitioning department should have value for money and sustainable procurement perspective (whenever practical) in mind. If the prices of tenders received are very close or if the tender to be awarded involves payments to the supplier/contractor and running and maintenance costs, the tenders/quotations should be compared by discounting future payments to obtain the present value.
- 15.12 Post-tender negotiation is allowed upon approval from the relevant approving authority in Section 5.1 or Section 21 as appropriate. The following are circumstances that post-tender negotiation will be considered in general:
- 15.12.1 when only one tender or very few tenders have been received in response to tender invitation and when the concerned Budget Controller considers the tenders received may not be sufficiently competitive, whether in terms of price or other key quality attributes; or
  - 15.12.2 when the tender price to be recommended is too high (or too low in the case of a revenue tender) in comparison with the price of similar procurement in the past, above available budget, or in relation to other market information; or
  - 15.12.3 when the tender to be recommended contains counter-proposals to the tender terms which are disadvantageous to the University but are not sufficiently substantial or do not cause substantial deviation from the essential requirements contained in the invitation to tender to render the recommended tender non-conforming.
- 15.13 Any approved negotiation must be carried out at least by two people, one staff from the Finance Office and one staff from the requisitioning department or a consultant. The negotiation shall not give a tenderer any advantages or perceived advantages over other tenderers. All communications took place and agreements reached must be clearly documented and signed by the parties attending.
- 15.14 For administrative convenience, it is permissible to apply approved quotations and tenders of former tender/quotation exercises to new requisitions for goods and services which have been ordered or contracted before provided that the tender/quotation is not more than 12 months' old and all related terms and conditions, including rates must remain the same. The Director of Finance or his/her delegate shall be responsible for certifying that such application of tenders/ quotations results is reasonable in the context of prevailing market conditions.

## **16. Dispute in Tender Recommendation**

In the case of dispute in opinion as to which tender/quotation shall be accepted between the FO and the requisitioning department, the varying opinions must be presented to the respective authority for decision. The ruling authority has the absolute discretion to refer the case to a higher level of authority for decision.

## **17. Emergency Purchase Procedures**

- 17.1 Where goods or services are required urgently, e.g. repair or replacement parts of important machinery or plant, so that there is insufficient time to follow the proper procedures or to obtain waiver to such, this section shall apply.
- 17.2 At least two telephone/email quotations shall be obtained by the FO from registered suppliers or suppliers approved by the Director of Finance in consultation with the user department.
- 17.3 The telephone/email quotations obtained will be recorded on a Price Summary and approved by the Director of Finance or his/her delegate.
- 17.4 Budget Controller and the Director of Finance shall jointly decide on the acceptance of the offer and the decision shall, as soon as practicable, be submitted to the relevant authority in Section 5.1 above for ratification.

## **18. Waiver of Purchasing and Tendering Regulations**

Where the sources of supply are so limited under prevailing market conditions and user specifications render that a normal tendering or quotation exercise will not improve the competitiveness of tenders/quotations received, it would be more cost-effective to waive the PTR and obtain quotations directly from the identified supplier. Waiver of the PTR may only be approved by the level of authority, or its delegate as outlined in Section 5.1 above.

## **19. General Tender Board**

### **19.1 Composition**

- |           |   |  |
|-----------|---|--|
| Chairman  | : | Vice-President (Administration) and Secretary  |
| Members   | : | Director of Finance (Deputy Chairman)  |
|           |   | Director of Estates (ex-officio)   |
|           |   | Two academic staff appointed by the President and Vice-Chancellor                              |
|           |   | One staff member from Academic Support Services appointed by the President and Vice-Chancellor |
| Secretary | : | Assistant Director of Finance (PSSS)   |

### **19.2 Terms of Reference**

- 19.2.1 To consider and approve lists of tenderers and tender evaluation criteria for tenders each with a value exceeding HKD5,000,000.
- 19.2.2 To consider and decide on the acceptance and/or rejection of tenders with a value exceeding HKD300,000 and up to HKD5 million when approval from other relevant external bodies (including the UGC) is not required.
- 19.2.3 To consider and decide on the acceptance and/or rejection of tenders up to HKD300,000 in value which are referred to it by the Director of Finance when approval from other relevant external bodies (including the UGC) is not required.

- 19.2.4 To consider and make recommendation to other relevant external bodies (including the UGC) on the acceptance and/or rejection of tenders (for academic equipment, computer equipment, capital building projects and minor works), up to HKD5 million in value, if and when required by relevant funding rules.

## **20. Main Tender Board**

### **20.1 Composition**

- Chairman : Treasurer of the Council
- Members : One Council member, who is also the Chairman of the CDFMC  
One Council member who is not a member of the University staff  
President and Vice-Chancellor  
Vice-President (Administration) and Secretary
- Secretary : Director of Finance

### **20.2 Terms of Reference**

- 20.2.1 To consider and decide on the acceptance and/or rejection of tenders with a value over HKD5 million when approval from other relevant external bodies (including the UGC) is not required.
- 20.2.2 To consider and decide on the acceptance and/or rejection of tenders which are referred to it by the General Tender Board when approval from other relevant external bodies (including the UGC) is not required.
- 20.2.3 To consider and make recommendation to other relevant external bodies (including the UGC) on the acceptance and/or rejection of tenders (for academic equipment, computer equipment, capital building projects and minor works), if and when required by the relevant funding rules.

## **21. Tendering for Works Contracts**

### **21.1 Applicability**

Section 21 shall apply to all works contracts, which are funded wholly or partly by the UGC under Capital Project Grants, irrespective of size and those funded under AA&I or non-UGC funded construction contracts of a building project nature, except contracts on furniture procurement.

### **21.2 Tenderers List**

- 21.2.1 With UGC's approval, all works contracts on capital building projects or under AA&I may be awarded through selective tendering.

#### For project contractors

- 21.2.2 The list of tenderers shall be compiled from the relevant list of Government-approved contractors (if applicable).

- a) The lists of tenderers for each works contract under a capital building project approved by the Council, shall be approved by the CDFMC and selected from a list of contractors approved by CDFMC.
- b) The proposed list of tenderers for contracts over HKD10 million relating to Capital Project Grants shall be submitted to the UGC for final approval.
- c) The lists of tenderers for AA&I works shall be approved by the authorities specified under Section 9.10 and selected from a list of contractors approved by CDFMC.

For project consultants

21.2.3 The list of tenderers shall be compiled from the relevant list of Government-approved consultants and / or list of Band 3 Architectural Consultants maintained by the Association of Architectural Practice and The Hong Kong Institute of Architects.

21.2.4 The proposed list of tenderers for contracts relating to

- a) master planning and conceptual design of capital building projects or
- b) architectural and associated consultancy services and quantity surveying consultancy services for capital building projects or AA&I (if applicable)

shall be considered and approved by CDFMC and be submitted to the UGC for final approval, if required.

### 21.3 Preparation of Tender Documents

21.3.1 The responsibility of preparing the Tender Documents should primarily rest with the Consultants. The EO shall be responsible for liaising with the Consultants to ensure the Tender Documents are complete for distribution to Tenderers. The Finance Office shall be responsible for checking the terms on payment and insurance to ensure the interests of the University is properly covered.

21.3.2 The EO shall be responsible to obtain UGC's approval on the Tender Documents of contracts funded by Capital Project Grants, if required.

### 21.4 Submission/Assessment of Tender

All tenders shall be submitted to the Secretary to the Tender Board (with the authority to approve the relevant tender depending on its value). Regulations set out in Sections 12 to 20 above on tender assessment and decision on tenders shall apply. Tenders for capital building projects, and those under AA&I shall be opened in the presence of a representative from the EO, if necessary. Award of contract funded by Capital Project Grants shall be made with the approval of the UGC, if required. Appointment of contractors for works contracts exceeding HKD30 million in value under a capital building project shall be approved by CDFMC.



## **22. Disposal of Documents**

- 22.1 Contract Documents, such as copy of the purchase order, original contract, security bond and insurance policy, if any, shall be kept with the requisitioning department for safe custody. An electronic copy of the Contract Documents should be submitted to PSSS for central filing.
- 22.2 Documents of unsuccessful tenders may be destroyed three months after the date the relevant contract has been executed. The PSSS may, on operational needs or under exceptional circumstances, retain documents of unsuccessful tenders for a longer period (e.g. a potential dispute may arise or has arisen, or the selected tenderer may not be able to complete the contract services due to technical or financial reasons).

## **23. Notification of Tender Results**

- 23.1 The successful tenderer shall be notified by the FO or the EO (through the Consultants) as soon as practicable after the relevant approval has been obtained to accept the tender, so that placement of order can be made, or contract documents can be signed as soon as possible.
- 23.2 Letters of regret may only be sent to other tenderers notifying them the result of the tender after the successful tenderer has been notified and there is no evidence to show that the successful tenderer may have any misunderstanding on the terms of the order/contract.
- 23.3 Letters of regret shall not contain any information on the terms of the offer accepted, including but not limited to price information.

## **24. Amendment-To-Order**

- 24.1 An Amendment-To-Order is issued when there is change of the following after the purchase order has been issued by the Finance Office:
  - a) item description;
  - b) price (any price information even if the amended total amount is the same as the original total order amount);
  - c) quantity;
  - d) addition/deletion of item;
  - e) account code;
  - f) payment term; or
  - g) miscellaneous charges, such as insurance and freight charges.
- 24.2 Before an Amendment-To-Order is issued, the PSSS shall notify the requisitioner the amendment and obtains the confirmation from the Budget Controller concerned.
- 24.3 An Amendment-To-Order shall be issued with the approval of the same relevant authority as that for the issuance of a Purchase Order based on the amended order amount.
- 24.4 If the amendment amount exceeds the original Purchase Order amount by HKD25,000 or 10% increase, user department has to top up the difference by either raising a balance PR or revising the budget in the original PR before PSSS may issue the Amendment-To-Order to the supplier.

## **25. Amendment to Purchasing and Tendering Regulations**

- 25.1 The PTR may from time to time be amended in the interest of improved efficiency.
- 25.2 PSSS should notify all departments/offices that amendments to the PTR have been made.
- 25.3 Amendments to the PTR are issued annually, each amended version having a serial number.
- 25.4 When amendments are made to the PTR, the amended section number(s), date, and remarks should be recorded in the “Record of Changes” in this document.