

University Centre for IT Services Infrastructure Management

Room No.314, Admin Block

**Guru Gobind Singh Indraprastha University
Kashmere Gate Delhi-110403**

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Circular

Guidelines for Condemnation & Disposal of IT Equipments have been finalized and adopted as University policy with approval of competent Authority.

As per the instructions of Honorable Vice Chancellor, the guidelines are attached for your kind reference please.

Dr. C. S. Rai
(Chairman, UCITIM)

University Centre for IT Services & Infrastructure Management
Guru Gobind Singh Indraprastha University
Kashmere Gate, Delhi-110403

Guidelines for Condemnation & Disposal of IT Equipments

The IT equipments will include the following terms:

- Servers
- PCs
- Laptops
- Dumb Terminals
- Printers/Scanner
- UPS
- Package Software
- Technical books and manuals pertaining to hardware and Software being condemned.
- Data Communication Equipments.
- Network Equipments

1. Grounds for condemnation:

The IT equipments can be condemned on following grounds:

1.1. Technically obsolete:

1.1.1. Hardware / Data Communication Equipment/ Package Software which has been used for at least five years and **they are not in working condition.**

1.2. Beyond economically repair: When repair cost is considered too high after looking at the current value (taking depreciation into account), and the age of the equipment. Such cases should be sent to University Centre for IT Services & Infrastructure Management (UCITIM) and Accounts Department for concurrence / approval

1.3. Equipment that has been damaged due to fire or any other reason. Such cases shall be sent to UCITIM and Accounts Department for concurrence/ approval.

2. Disposal:

Such equipments shall be disposed off strictly following the procedure as laid down in Rule 196 to 201 of GFR 2005.

Once the equipment has been condemned it should be removed from office use and kept it in the area allocated for scrapped equipments.

Department will also ensure removal of service and inventory labels from such equipments. All data including operating system must be removed after taking proper backup.

3. Responsibility of School/Department:

- 3.1. Each School/Department will prepare equipment condemnation note which should be individually numbered having equipment description, including the make, model, serial number, Stock Id, purchase date, purchase price, reason for condemnation and additional information, if any.
- 3.2. School/Department will constitute a condemnation committee which will review that condemnation notes and decide about the condemnation of equipments as per guidelines given above. The committee should have at least one member having IT background.
- 3.3. All procedure and rules of the University on maintenance of records for condemnation of non-consumables items will be adhered to in these cases.
- 3.4. The Condemnation report so prepared by the School/Department based on these guidelines shall be sent to UCITIM for approval. The condemnation will be done only after approval is obtained from UCITIM. To avoid piece-meal approach, all cases of a department may be processed twice in a year during the months of May-June and November – December.

General Financial Rules, 2005

**Government of India
Ministry of Finance
Department of Expenditure**

more than three years should be done in case of libraries having more than fifty thousand volumes. In case such a verification reveals unusual or unreasonable shortages, complete verification shall be done.

- (ii) Loss of five volumes per one thousand volumes of books issued / consulted in a year may be taken as reasonable provided such losses are not attributable to dishonesty or negligence. However, loss of a book of a value exceeding Rs. 1,000/- (Rupees One thousand only) and rare books irrespective of value shall invariably be investigated and appropriate action taken.

Rule 195. Transfer of charge of goods, materials etc. : In case of transfer of Officer-in-charge of the goods, materials etc., the transferred officer shall see that the goods or material are made over correctly to his successor. A statement giving all relevant details of the goods, materials etc., in question shall be prepared and signed with date by the relieving officer and the relieved officer. Each of these officers will retain a copy of the signed statement.

Rule 196. Disposal of Goods.

- (i) An item may be declared surplus or obsolete or unserviceable if the same is of no use to the Ministry or Department. The reasons for declaring the item surplus or obsolete or unserviceable should be recorded by the authority competent to purchase the item.
- (ii) The competent authority may, at his discretion, constitute a committee at appropriate level to declare item(s) as surplus or obsolete or unserviceable.
- (iii) The book value, guiding price and reserved price, which will be required while disposing of the surplus goods, should also be worked out. In case where it is not possible to work out the book value, the original purchase price of the goods in question may be utilised. A report of stores for disposal shall be prepared in Form GFR - 17.
- (iv) In case an item becomes unserviceable due to negligence, fraud or mischief on the part of a Government servant, responsibility for the same should be fixed.

Rule 197. Modes of Disposal :

- (i) Surplus or obsolete or unserviceable goods of assessed residual value above Rupees Two Lakh should be disposed of by :
 - a) obtaining bids through advertised tender or
 - b) public auction.
- (ii) For surplus or obsolete or unserviceable goods with residual value less than Rupees Two Lakh, the mode of disposal will be determined by the

- competent authority, keeping in view the necessity to avoid accumulation of such goods and consequential blockage of space and, also, deterioration in value of goods to be disposed of.
- (iii) Certain surplus or obsolete or unserviceable goods such as expired medicines, food grain, ammunition etc., which are hazardous or unfit for human consumption, should be disposed of or destroyed immediately by adopting suitable mode so as to avoid any health hazard and / or environmental pollution and also the possibility of misuse of such goods.
 - (iv) Surplus or obsolete or unserviceable goods, equipment and documents, which involve security concerns (e.g. currency, negotiable instruments, receipt books, stamps, security press etc.) should be disposed of / destroyed in an appropriate manner to ensure compliance with rules relating to official secrets as well as financial prudence.

Rule 198. Disposal through Advertised Tender.

- (i) The broad steps to be adopted for this purpose are as follows :
 - a) Preparation of bidding documents.
 - b) Invitation of tender for the surplus goods to be sold.
 - c) Opening of bids.
 - d) Analysis and evaluation of bids received.
 - e) Selection of highest responsive bidder.
 - f) Collection of sale value from the selected bidder.
 - g) Issue of sale release order to the selected bidder.
 - h) Release of the sold surplus goods to the selected bidder.
 - i) Return of bid security to the unsuccessful bidders.
- (ii) The important aspects to be kept in view while disposing the goods through advertised tender are as under :-
 - (a) The basic principle for sale of such goods through advertised tender is ensuring transparency, competition, fairness and elimination of discretion. Wide publicity should be ensured of the sale plan and the goods to be sold. All the required terms and conditions of sale are to be incorporated in the bidding document comprehensively in plain and simple language. Applicability of taxes, as relevant, should be clearly stated in the document.
 - (b) The bidding document should also indicate the location and present condition of the goods to be sold so that the bidders can inspect the goods before bidding.
 - (c) The bidders should be asked to furnish bid security along with their bids. The amount of bid security should ordinarily be ten per cent. of the assessed or reserved price of the goods. The exact bid security amount should be indicated in the bidding document.
 - (d) The bid of the highest acceptable responsive bidder should normally be accepted. However, if the price offered by that bidder is not acceptable, negotiation may be held only with that bidder. In case such negotiation does not provide the desired result, the

- reasonable or acceptable price may be counter-offered to the next highest responsive bidder(s).
- (e) In case the total quantity to be disposed of cannot be taken up by the highest acceptable bidder, the remaining quantity may be offered to the next higher bidder(s) at the price offered by the highest acceptable bidder.
 - (f) Full payment, i.e. the residual amount after adjusting the bid security should be obtained from the successful bidder before releasing the goods.
 - (g) In case the selected bidder does not show interest in lifting the goods, the bid security should be forfeited and other actions initiated including re-sale of the goods in question at the risk and cost of the defaulter, after obtaining legal advice.
- (iii) Late bids i.e. bids received after the specified date and time of receipt should not to be considered.

Rule 199. Disposal through Auction :

- (i) A Ministry or Department may undertake auction of goods to be disposed of either directly or through approved auctioneers.
- (ii) The basic principles to be followed here are similar to those applicable for disposal through advertised tender so as to ensure transparency, competition, fairness and elimination of discretion. The auction plan including details of the goods to be auctioned and their location, applicable terms and conditions of the sale etc. should be given wide publicity in the same manner as is done in case of advertised tender.
- (iii) While starting the auction process, the condition and location of the goods to be auctioned, applicable terms and conditions of sale etc., (as already indicated earlier while giving wide publicity for the same), should be announced again for the benefit of the assembled bidders.
- (iv) During the auction process, acceptance or rejection of a bid should be announced immediately on the stroke of the hammer. If a bid is accepted, earnest money (not less than twenty-five per cent. of the bid value) should immediately be taken on the spot from the successful bidder either in cash or in the form of Deposit-at-Call-Receipt (DACR), drawn in favour of the Ministry or Department selling the goods. The goods should be handed over to the successful bidder only after receiving the balance payment.
- (v) The composition of the auction team will be decided by the competent authority. The team should however include an officer of the Internal Finance Wing of the department.

Rule 200. Disposal at scrap value or by other modes : If a Ministry or Department is unable to sell any surplus or obsolete or unserviceable item in spite of its attempts through advertised tender or auction, it may dispose off the same at its scrap value with the approval of the competent authority in consultation with Finance division. In case the Ministry or Department is unable

to sell the item even at its scrap value, it may adopt any other mode of disposal including destruction of the item in an eco-friendly manner.

Rule 201. A sale account should be prepared for goods disposed of in Form GFR 18 duly signed by the officer who supervised the sale or auction.

Rule 202.

- (1) **Powers to write off :** All profits and losses due to revaluation, stock-taking or other causes shall be duly recorded and adjusted where necessary. Formal sanction of the competent authority shall be obtained in respect of losses, even though no formal correction or adjustment in government accounts is involved. Power to write off of losses are available under the Delegation of Financial Powers Rules, 1978.
- (2) **Losses due to depreciation :** Losses due to depreciation shall be analyzed, and recorded under following heads, as applicable :-
 - (i) normal fluctuation of market prices;
 - (ii) normal wear and tear;
 - (iii) lack of foresight in regulating purchases; and
 - (iv) negligence after purchase.
- (3) **Losses not due to depreciation :** Losses not due to depreciation shall be grouped under the following heads :-
 - (i) losses due to theft or fraud;
 - (ii) losses due to neglect;
 - (iii) anticipated losses on account of obsolescence of stores or of purchases in excess of requirements;
 - (iv) losses due to damage, and
 - (v) losses due to extra ordinary situations under 'Force Majeure' conditions like fire, flood, enemy action, etc.;