



Auction Rules

**UNIVERSITY OF SCIENCE & TECHNOLOGY,
BANNU, N.W.F.P. (Pakistan)**

UNIVERSITY OF SCIENCE & TECHNOLOGY, BANNU

AUCTION RULES

1. Definitions.-

Following is the explanation of each term used in these rules: -

- a. "auctioneer" means an auctioneer registered under rule 5.
- b. "bid" means the price offered at an auction by a bidder for goods separately or in lots or a combination of lots of goods put to auction;
- c. "bidder" means the person who gives a bid;
- d. "offer" means a private offer or tender submitted before the auction or after the completion of bidding or acceptance of the bid; and
- e. "offerer" means the person who offers a private offer of a tender.

2. Application for registration of auctioneer:

The Convener Auction Committee may invite applications for registration of persons as auctioneers by giving public notice in at least two leading newspapers printed in English and Urdu or through wide publicity.

3. Application to be made to the Registrar:

Any person who is qualified under rule 4 to be registered as auctioneer may apply to the Registrar in response to the notice given under rule 2.

4. Qualification for Registration.

A person is qualified to be registered as auctioneer if he,--

- a. is a citizen of Pakistan;
- b. is not less than thirty years of age;
- c. has been engaged in auctioning business for not less than five years and enjoys a good reputation for clean business;
- d. has an established office in Pakistan;

- e. is certified by a scheduled bank to be financially sound;
- f. is a member of the Chamber of Commerce and Industry; and
- g. is an income tax assessee.

5. Registration of auctioneers:

All applications received in response to a public notice published under rule 2 shall be placed before a Selection Committee consisting of the Registrar, Director Administration/Director Finance, and Director Project & Development or his nominee, which may select not more than four persons for registration as auctioneers.

6. Auctioneer to furnish bank guarantee, surety bond, etc:

A person selected for registration, shall furnish to the Registrar a surety bond in the name of the UST-Bannu as given in the Schedule to these rules on a judicial paper for good conduct in performance of his duties as auctioneer and shall also furnish a bank guarantee for a sum of fifty thousand rupees which shall be discharged on the satisfactory termination of the term of his registration.

7. Validation of registration:

The registration shall be valid for a term of three years from the date of registration.

8. Cancellation of registration, etc:

- a. On any complaint made against an auctioneer or where the convener is not satisfied with the work of the auctioneer, the convener, may after giving an opportunity of being heard to the auctioneer, withdraw any auctioneering work allotted to him or suspend such work and debar him from further registration for a specific period.
- b. An auctioneer aggrieved by an order passed under sub-rule (1) may appeal to the Vice Chancellor whose decision shall be final.

- c. An auctioneer may apply for cancellation of registration after giving at least three days notice to the Convener Auction Committee/Registrar.

9. Extension of term:

An auctioneer may be re-registered after the expiry of his term or extended term or the period for which he was debarred under rule 8 as the case may be.

10. Approval of goods for auction:

- a. As soon as the goods at any place in the custody of any person have reached the stage of being sold, or in the opinion of such person are required to be sold by auction, shall be brought to the notice of the Vice Chancellor or the concerned officer of the University by that person giving a list of such goods.
- b. The Vice Chancellor shall, on receipt of such information or on his own motion, pass orders directing the sale of goods referred to in sub-rule (1), after giving due notice under relevant provisions of the rules, by public auction either departmentally or through an auctioneer and shall cause the reserved price of the goods to be auctioned to be determined in accordance with the provisions of section 25 of the rules, and any taxes which would have been payable under rules on the date of fixation of the reserve price of such goods for auction thereof shall be added to this value:
Provided that where the condition of the goods has, for any reason, deteriorated, the reserve price shall be the value as is re-appraised by the appraising committee of the University and approved by the Vice Chancellor or Registrar. The reserve price shall consist of the appraised price, taxes and other charges.
- c. The following goods shall not be put to auction and be sold or disposed in the manner as prescribed by the committee, namely:--
 - (i) arms and ammunition

- (ii) No goods shall be withheld from auction unless,--
- (iii) a Court of law issues a specified stay order against such auction;
- (iv) the Vice Chancellor or the Registrar/Convener incharge of auction orders withholding of such auction due to any reason.

11. Value of goods which may be auctioned:

All goods, the aggregate appraised value of or the reserve price of which does not exceed one million rupees, may be sold by public auction conducted departmentally at the direction of the Vice Chancellor, and all goods, the aggregate appraised value or the reserve price of which exceed one million rupees, shall be sold by public auction through an auctioneer.

12. Nomination of auctioneer:

The Vice Chancellor or an officer authorized by him in this behalf shall, by writing under his hand, nominate an auctioneer from amongst the registered auctioneers to conduct auction in respect of the goods referred to in rule 10 shall be given notice of not less than fifteen days in advance of the place and date on which auction of such goods shall be held.

13. Duties of nominated auctioneer:

- a. The auctioneer nominated under rule 12 shall,--
 - (i) make or cause to be made under his supervision and presence of an officer authorized by the Vice Chancellor a detailed inventory schedule of all the goods to be auctioned; and
 - (ii) notify the following by giving an advertisement in the classified columns of one English and one Urdu daily at least seven days in advance of the date of auction, specifying:
 - (i) the date, and place of auction in block letters;
 - (ii) the general description of goods to be auctioned:
- Provided that no advertisement or public notice in newspaper shall be required in respect of left over of any schedule or goods already

notified which may be put to re-auction on display of notice on the Notice Board at least two days before the date of auction of such goods;

- (iii) Send a complete inventory or schedule of such goods to all other Associations of importers/traders in the area; and
 - (iv) Display such goods or samples thereof at a place or places and in the manner acceptable to the bidders/Authorities.
- b. All expenses incurred on publicity, preparation of files, schedule of auction and its distribution, display of goods and issuance of delivery orders on final acceptance of a bid or private offer by the competent authority shall be borne by the auctioneer.

14. Commission to which auctioneer shall be entitled:

- a. The auctioneer shall be entitled to a commission on the net proceeds at the rate of:
- (i) on the first one million rupees, one per cent of the proceeds; and
 - (ii) on the amount exceeding one million rupees, half per cent of the proceeds so exceeding:
- Provided that the auctioneer shall not be entitled to any commission on any guarantee or earnest money forfeited for non-payment of the balance of the amount of a bid by the successful bidder or on auction through departmental procedures or private offer or on the differential of auction proceeds enhanced by the bidder through the efforts of any officer of the department or as a consequence of rebidding by the competent officer.
- b. The cost of advertisement, sales or delivery of goods, etc, may be deducted from the payable commission by the authorized officer in case of failure of the auctioneer to discharge his functions satisfactorily.

15. Goods may be auctioned in lots:

All goods may be put to bid in convenient lots so as to obtain possible good bid:

Provided that the Vice Chancellor or an officer authorized by him in this behalf may order auction of the goods in combination of various lots or otherwise.

16. Qualification for bidder/tenderer:

A person can participate in the auction by way of open bid/tender/private offer/rebidding if he:-

- (i) holds a valid National Identity Card/Company registration certificate and submits a copy thereof;
- (ii) has not been disqualified by the competent authority to participate in auction; and
- (iii) observes the discipline and obeys these rules.

17. Auction to be conducted by or under supervision of auctioneer:

An auction shall be conducted by the auctioneer personally or, under his direct supervision, by one of the members of his staff or, with the prior permission of the Vice Chancellor in writing, by any other person appointed by the auctioneer in this behalf, in the presence of an authorized officer, or any other officer appointed by the Vice Chancellor for this purpose as per following procedure, namely:--

- (i) Before the start of bidding the Auctioneer shall announce the lot number/combination of various lot numbers and the details of the goods. The auctioneer must also describe the procedure and rules prior to the start of auction.
- (ii) All auctions shall be on "As is where is" basis. All kind of goods shall be sold as lot or on weight basis. However, all kinds of scrap, metal, rubber/plastic, paper and chemicals etc., shall invariably be auctioned and sold on WEIGHT BASIS. In all cases where the goods are sold on WEIGHT BASIS the weight shall be metric ton or per kilogram; and
- (iii) In case of goods auctioned on lot basis the approximate weight and the number of packages shall also be mentioned to facilitate identification and delivery of lots/goods. However, excess weight other than mentioned in the assessment sheet shall not be

delivered except on payment of the differential amount so worked out.

18. Manner of Auction:

The auction shall be conducted in the following manner, namely:--

- (i) The first bid shall not be less than 30% of the reserve price notified before or at the time of auction; and
- (ii) The bid amounts and the names of the highest and second highest bidders shall be recorded in the file by the officer supervising the auction alongwith its copies of National Identity Card as well as N.T.N of the successful bidder.

19. Earnest money payable:

Twenty-five per cent of the amount of the highest bid given at an auction shall be payable by the bidder in each case as earnest money immediately after the fall of the hammer, failing which the bid will be cancelled and the goods may be sold to the second highest bidder or the higher offer or re-auctioned, as deemed appropriate.

20. Amount of bid to be paid in office:

The balance of the amount of bid shall be paid by the successful bidder in cash or through bank draft in the bank as prescribed by UST-Bannu, within a period of seven days excluding holidays, of the final acceptance of the bid:

Provided that an officer authorized by Vice Chancellor may extend the period by not more than seven days, on case to case basis if he considers it to be fit and appropriate.

Provided further that Vice Chancellor may extend the period already extended by the authorized officer, up to fifteen days on case to case basis if he considers it to be fit and appropriate.

21. Earnest money to be forfeited:

If the balance of the amount of the bid is not paid within the period or extended period specified in rule 20, the earnest money shall be forfeited in favour of UST-Bannu, and the goods may be sold by auction or otherwise.

22. Auction through tender or offer:

The bidder or offerer as defined in rule 1, may participate in auction by way of submission of sealed tender/private offer indicating the lot number and enclosing a pay order equal to at least twenty five per cent of the bid/private offer, in the name of UST-Bannu. The sealed tender/private offer may be opened by the competent authority in presence of the successful bidder in the open auction. This tender/private offer may be accepted by the competent authority if the private offer is higher than the final bid amount in open auction.

23. Auctioneer to issue delivery order:

- a. The auctioneer shall on receipt of a certificate issued by the Director Finance or an officer authorized by him in this behalf to the effect that the whole amount of the bid has been realized, issue under his seal a delivery order giving the name and address of the successful bidder, Identity Card Number, N.T.N. of the bidder, the date and place of the auction, the number of the lot, full description and quantity of the goods in respect of which bid was accepted and the price at which such goods were sold.
- b. The successful bidder shall present the delivery order issued to him under sub-rule (1) to the person who is the custodian of the goods auctioned and that person shall give delivery of the goods specified in the delivery order against a receipt from the successful bidder under supervision of an authorized officer deputed for the purpose. In case of any dispute regarding delivery of the goods, the decision of the competent officer who had accepted the bid offer shall be final subject to appeal as prescribed under the relevant provisions of the rules.

24. Acceptance of bid:

- a. A bid given at auction shall be subject to acceptance by the Vice Chancellor or the officer authorized (Incharge Auction), as the case may be, but the bidder

shall have no right to withdraw his bid without the permission of the officer supervising the auction.

- (i) Where the amount of the highest bid given at an auction is up to eighty per cent of the reserve price, the authorized officer may accept the highest bid after satisfying that the reserve price and the quantity/condition of goods are appropriate.
- (ii) Where the amount of the highest bid given at an auction is up to sixty per cent but less than eighty per cent of the reserve price, the orders of the Vice Chancellor shall specifically be obtained.
- (iii) In case where the amount of the highest bid is less than sixty per cent of the reserve price the orders of the Vice Chancellor shall specifically be obtained.

25. Refund of adjustments:

- a. The amount of the earnest money shall be adjusted towards the final payment of the whole amount of the bid, but where a bid is not accepted by the appropriate authority, the amount of the earnest money shall be refunded to the bidder.
- b. The balance amount in case of less weight than the announced weight shall be refunded to the bidder on application after completion of delivery provided the goods had been auctioned on weight measurement basis *i.e.* per tonne/kg/litre/meter, *etc.*

26. Power of Vice Chancellor to cancel auction, etc:

- a. Notwithstanding anything contained in these rules, the Vice Chancellor may.--
 - (i) cancel the whole proceedings of an auction without assigning any reason;
 - (ii) accept or reject any bid or offer or auction at any time before the goods are delivered to the successful bidder/private offerer. He may also recall the proceeding and recover the goods even after delivery of goods if it is proved that there has been a deliberate attempt to cause loss to the public exchequer; and
 - (iii) restrict or refuse the entry of persons to the premises where an auction is held or their taking part in the auction.

- b. Notwithstanding the procedure prescribed above, the Vice Chancellor may issue such general or special orders, regulating the auction as he thinks fit in order to safeguard the University's interest.

PERFORMA OF BANK GUARANTEE TO BE SUBMITTED BY THE AUCTIONEERS

WHEREAS the Vice Chancellor UST-Bannu has consented to register M/s. _____ as auctioneers for two years with effect from _____. This bank guarantee is furnished for working as auctioneer to the satisfaction of the Vice Chancellor of UST-Bannu as per provision of the subject rules.

In case M/s. _____ fails to discharge his duties to the satisfaction of the Vice Chancellor of UST-Bannu M/s. _____ (name of the bank) hereby undertakes to make the payment of Rs. 50, 000 (Rs. Fifty thousand) on demand by the Vice Chancellor, UST-Bannu or any officer authorized by him on this behalf, without objection or reservation or any reference to any other person/body within 7 days of the issuance of the demand.

In case of M/s. _____ (name of the bank) fails to make the payment within 7 days of the said demand M/s. _____ (name of the bank) shall be liable to pay compensation at the rate of 20 per cent per annum for the period from the date of expiry of 7 days of the date when actual payment is made in the name of UST-Bannu. This bank guarantee is valid until _____.