

ANDHRA PRADESH STATE ROAD TRANSPORT CORPORATION

O/o the VC & MD
Mushirabad,
Hyderabad
Dt. 11.06.2014

No. POCIII/DIS/MSTC/2013-14

To
The Controller of Stores
APSRTC
HZ/UPL, KRMR, VJA,
KDP, VZM & NLR

IMP

Sub: DISPOSAL – Disposal of U/s Vehicles, Tyres, Tyre Material and Material through e-auction by M/s MSTC Ltd. – Reg.

- Ref: 1. Circular No.02/SPD/2011-2012 dt.30.01.2012
2. Circular No.03/SPD/2011-2012 dt.12.04.2012
3. This Office Lr. No.POCI/DIS/MSTC/2010-11 Dt. 14.12.2012
4. This Office Lr. No.even dt.24.05.2013 addressed to M/s MSTC
5. Lr.No.MSTC(V)/APSRTC/13-14/1508 dt.30.05.2013 from M/s MSTC
6. This Office Lr. No.even dt.12.06.2013 addressed to the Secretary, IT&C Department
7. Selling Agency Agreement No.Nil entered on 18.06.2013 with M/s MSTC
8. Minutes of the Meeting held on 25.06.2013
9. This Office Lr. No.even dt. 07.08.2013
10. Lr.No.1333/IT&e-proc/2013 dt.29.06.2013 from the Project Manager, e-procurement, IT&C Department
11. Addendum dt. 04.11.2013 to Selling Agency Agreement dt.18.06.13
12. This Office Lr. No.even dt.03.06.2014

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I. Vide reference 12th cited, the orders of VC&MD with the concurrence of FA&CAO for extending the Selling Agency Agreement with M/s MSTC for conducting e-auction for disposal of U/s Vehicles, Material, Tread Material upto 30.06.2015 is communicated and you are also advised to enter into the agreement separately Zone wise.

Further, the following may please be noted:

- Vide reference 9th cited, the STA% of various categories is mentioned as follows:
 - For u/s Material & u/s Tyres : 10% to 25%
 - For u/s Vehicles (which are regular arisal) : 20% to 35%
 - For u/s Bus Body, High end vehicles etc. : 25% to 40%
(which are non recurrent)
- As per the revised Delegation of Powers, 2014, ED(Z) is having Full Powers in respect of "B" & "C" class unserviceable material lots with the concurrence of Dy.CAO and is having Powers to approve the disposal of 'A' class unserviceable materials/vehicles/equipment/tyre lots when the rates obtained are equal to or more than at least 2 rates out of latest 3 approved auction rates with concurrence of Dy.CAO.

3. In the revised DOP,2014, the ED(A&P) with the concurrence of CFM/CM(A&S) is having powers to approve the disposal of U/s Vehicle/equipment/material/tyre lots when the rates obtained are equal to or more than at least one approved auction rate out of latest 3 approved auction Rates available

II. In this regard, there is a need for fixing the STA% judiciously which is explained hereunder with an example:

1. The 3 previous approved auction rates for u/s material lot 'X' are indicated as hereunder:

<u>Auction 1</u>	<u>Auction 2</u>	<u>Auction 3</u>
₹.78.00	₹.95.00	₹.90.00

- a) As per the present circular instructions, ED(Z) is competent to dispose off the lot if the highest offer received is equal to or more than ₹.90.00, since this offer will be equal to or more than 2 previous approved auction rates out of the latest 3 approved auction rates available. Here, the Reserve price will be ₹.90.00 (higher of the two auction rates of ₹.78.00 & ₹.90.00 that are the 2nd and 3rd highest offers) and as per the present e-auction procedure if the highest offer received is equal to or more than ₹.90.00, the rate automatically gets approved and it will be shown as 'SOLD'.
- b) In this regard, as per the instructions on STA, if the Zone which is authorized to fix the STA% from 10% to 25% for u/s material, fixes a STA% of 10%, then as the Reserve price being ₹.90.00 and the STA% being 10%, then if the highest offer received is less than ₹.81.00, then the offer will be shown as rejected in the e-auction.
- c) But, as the highest offer of ₹.81.00 is more than one approved auction rate of ₹.78.00, the ED(A&P) has the powers to take a decision on this lot. But, as per the decision of the Zone fixing STA%, lot is already being shown as 'REJECTED' and the lot cannot be submitted as per the DOP,2014 for a decision to ED(A&P).

2. Some of the u/s material lots and tyre material lots are being brought forward over number of occasions, because of the huge variation in the previous approved auction rates and the present offers, because of the huge gap between the auctions in which these type of lots were disposed off earlier. Hence, there is a need for closure review of the offers received for these types of lots for disposal of realization of the revenue.

Keeping the above aspects in view, the approval of VC&MD with the concurrence of FA&CAO is obtained for communicating the following instructions:

1. The STA% shall be fixed shall be **5% more** than the % difference between the **II & III highest approved auction rates** in the 3 previous approved auction rates, to ensure that the highest offers of the firms, which are equal to or more than one approved auction rate of the latest 3 previous approved auction rates available, are also covered under STA lots and are submitted for decision by ED(A&P)/VC&MD at HO.

EXAMPLE:

In the previous example, the first highest rate is ₹.95.00,
second highest rate is ₹.90.00 and
the third highest rate is ₹.78.00

The offers which are equal to or more than ₹.90.00 get disposed automatically as per the powers delegated to ED'Z'.

The percentage difference between the 2nd and 3rd highest rates
i.e. ₹.90.00 and ₹.78.00 (= ₹.12.00) works out to 13.33%.
Hence, for this lot, the STA % to be fixed should be 13.33% + 5% i.e. 18.33%.
With this, even if the highest offer received is ₹.73.50 or more will come
under STA lots and a suitable decision may be taken at the Head Office.

2. For the u/s Material/Tyre Material lots which are **brought forward for the FOUR(4)** previous consecutive e-auctions, Zones are authorized to fix **STA% upto 40%**, so as to ensure that the highest offers come under STA lots and also may give justification, enabling the Head Office to examine thoroughly and take a suitable decision for early realization of revenue and clearance of the lots.

These instructions come into force with the ensuing e-auctions and you are advised to adhere to the instructions and report compliance.


CHIEF CONTROLLER OF STORES

cc: ED(A&P)/FA&CAO for favour of infn.
cc: ED(ZONES) for favour of infn.
cc: CM(A&S)/CFM/CA for infn.
cc: COS(COMP) for infn.
cc: All Zonal Dy.CAOs and Dy.CAO(CE) for infn.

o/c