

**Management Measures for Procurement of Wenzhou-Kean
University
(Modified in 2016)**

Chapter I General

Article 1 With the primary aims of standardizing the management of university procurement activities and improving the effectiveness of procurement activities, the measures are hereby formulated in the light of actual conditions of Wenzhou-Kean University in accordance with "Government Procurement Law of the People's Republic of China" , "Government Procurement Law Implementation Regulations of the People's Republic of China", "Interim Measures for the administration of Wenzhou municipal government procurement of services" Wenzhou Treasury [2014] No. 706, and other relevant laws and regulations.

Article 2 These measures apply to the behaviors that procure commodities, engineering works, and services, with University Funds. The term commodities as used herein shall refer to substances of different kinds in all forms. The term engineering works as used herein shall refer to projects including construction projects such like reconstruction, extension, and repair of buildings and component parts, system integration project, network engineering project, and etc. The term services as used herein shall refer to all objects other than commodities and engineering works.

Article 3 All university procurement behaviors must be undertaken in line with the principles of openness, fair competition, impartiality, high efficiency, and university interests.

Article 4 The budget for procurement shall be reviewed by University Budget Committee first and then approved by the Financial Sector. All procurement must be carried out in strict accordance with the approved budget for that purpose.

Article 5 In accordance with the "Government Procurement Law of the People's Republic of China", the actions that procure with fiscal funds commodities, engineering works and related services within the catalogue for centralized

procurement or procure them in excess of the quotas, shall be included into the scope of government procurement, as required by related government procurement regulations. If the intended items are not included in the catalogue for government procurement, the university may purchase them on their own.

Article 6 All departments or individuals are prohibited from breaking up the whole of commodities or services into parts that should be procured by government in an attempt to avoid Government Procurement.

Article 7 If, in the activity of procurement, the procurement personnel and concerned people have any conflict of interest with the suppliers (referring to corporate bodies, other organizations, or natural persons that supply commodities, engineering works, or services to procurement parties), they must avoid the activity.

Chapter II Organizational Structure and Responsibilities for Procurement

Article 8 The examination and adjustment of university annual procurement budget plan, as well as the items not included in the universality annual procurement budget plan and exceeding the cost of RMB 500,000 Yuan (500,000 Yuan included), shall get approval from the university leadership meetings. A procurement leading team shall be formed, and team members' responsibilities are as per below:

- 1) Team members shall audit and approve the tendering and bidding projects; and the team leader shall issue the tendering and bidding documents and sign related contracts;
- 2) Assessments shall be conducted for items special or not included in the annual budget and exceeding the cost of RMB 500,000 Yuan; items with a cost of more than RMB 500,000 Yuan shall be negotiated specially by the university leadership meetings;
- 3) Members shall examine and approve the university procurement regulations and specific measures for implementation, supervise and inspect procurement related activities.

Article 9 Logistics and Assets Management Department shall be in charge of executing the procurement of commodities, engineering works, and services. The main responsibilities of the department are:

- 1) establishing relevant procurement regulations and specific measures for implementation in the light of actual conditions of Wenzhou Kean University in accordance with the relevant laws and regulations of procurement and bidding;
- 2) organizing procurement activities for various kinds of assets, checking all kinds of procurement documents, supervising the implementation of the contract, and coordinating after-sale services;
- 3) as a representative of university owner, participating in the bidding activities, and dealing with the queries and complaints in the procurement process.

Article 10 The application department (department who applied for procurement) is the consignor for the procurement. If the procurement involves more than one department or is for university public using, the consignor may be the competent department of the procurement. In the procurement process, the procurement consignor shall undertake the following duties:

- 1) Conducting the preparatory work in accordance with the nature of the procurement project, and processing technical interpretation;
- 2) Sending professional and technical personnel to participate in the qualification examination for the supplier, or appointing a representative as an expert;
- 3) Participating in the procurement contract negotiation, review and countersignature, organizing the implement and inspection work of procurement contract, and must fully preparing the site for receiving and installing the items, and related personnel for installation and debugging before the delivery date.

Chapter III Types and Forms of Procurement

Article 11 The university procurement shall be classified into three types: government procurement, university procurement and department procurement. The scope and quotas for the government procurement shall be in accordance with

Wenzhou Yearly Catalogue and Quotas for Government Procurement. The scope and quotas for university procurement is: commodities not included in the catalogue for government procurement with a cost of less than RMB 200,000 Yuan, engineering works not included in the catalogue for government procurement with a cost of less than RMB 500,000 Yuan, low-value durable commodities or fixed assets with a unit cost of more than RMB 1000 Yuan (1000 Yuan included), and fragmentary (minor) engineering works such as small repair, renovation projects with a cost of more than RMB 10,000 Yuan (10,000 Yuan included). The scope and quotas for department procurement is: low-value commodities with a unit cost of less than RMB 1,000 Yuan, services not included in the catalogue for government procurement with a cost of less than RMB 200,000 Yuan, and fragmentary engineering works with a cost of less than RMB 10,000 Yuan.

Article 12 Items included in the catalogue for government procurement shall be procured in a government procurement way. Items included in the scope for university self-procurement, after the budget related departments get the procurement application approved, shall be procured by Logistics and Assets Management in accordance with university procurement requirements. Items included in the scope for department procurement may be conducted in university procurement way on the basis of the budget plan from Finance Department and the review of Logistics and Assets Management Department.

Article 13 Forms of Government Procurement:

- 1) Commodities and services included in government procurement with a unit cost or total cost of more than RMB 500,000 Yuan, and engineering works (construction project not included) with a budget of more than RMB 500,000 Yuan, shall be purchased in the form of public bidding, and a centralized procurement agency or social intermediary shall be requested through the unified platform of public resources trading to do the procurement, otherwise stated in law or administrative regulation.
- 2) The intended items not included in the catalogue for centralized government procurement but in excess of the quotas for decentralized procurement, shall

be procured by a centralized procurement agency or social intermediary agency.

- 3) If the procurement forms or types of intended items, included in the catalogue for centralized government procurement, or in excess of the quotas for decentralized procurement or public bidding, are requested to be changed for special needs, the request shall be submitted to the Financial Sector at the same level for examination and approval.
- 4) Information on government procurement or decentralized procurement shall be released at the procurement information related media as designated by the Financial Sector at the provincial level or above. The official website of Government Procurement of Zhejiang (www.zjzfcg.gov.cn) and Zhejiang Daily are designated news media in Zhejiang province, and other news media may be used to release information as well.

Article 14 Forms of university self-procurement includes Sporadic Procurement, Intramural Bidding, On-spot Procurement and other special forms. The methods of these procurement forms are as follows:

- 1) Regarding to Fragmentary Procurement, Logistics and Assets Management Department shall select at least three suppliers from the qualified suppliers and choose the most proper one with comprehensive comparison. If the price of intended items is relatively low, they may compare only two suppliers. Logistics and Assets Management may choose one supplier directly without comparison in such cases as:
 - a. The supplier is exclusive;
 - b. Emergency needs or other suppliers cannot supply on time;
 - c. In case to guarantee the consistency or the supporting services.
- 2) Intramural Bidding: Items included in the scope for university self-procurement with a cost of more than RMB 100,000 Yuan (100,000 Yuan included), shall be purchased in the form of Intramural Bidding.
 - a. The procurement notice should be published at the university media, and the engineering works with a cost of more than RMB 200,000 Yuan shall also be announced on the provincial level media;

- b. Sale of the procurement documents;
 - c. The suppliers submit the business proposal and technology solutions at a given time and place according to the procurement documents ;
 - d. Logistics and Assets Management Department shall organize a bid appraisal meeting to assess the tenders or suppliers (in the event that there is only one tender or supplier, the bidding may continue with all meeting members' discussion and approval). The supplier recommended by the meeting shall be approved by the manager of Logistics and Assets Management Department, and the procurement notice shall be published for a period of no less than 3 working days;
 - e. The campus website shall publish the bidding result;
 - f. Sign the contract and perform it.
- 3) On-spot Procurement: Logistics and Assets Management Department, and the application department shall set up an on-the-spot procurement team, procuring items directly at wholesale markets, retail markets, and exhibitions. In principle, more than three suppliers shall be selected to compare.
- 4) Other forms of procurement shall be approved by Logistics and Assets Management Department.

Article 15 In accordance with the relevant documents released by the Financial Sector, in cases of the intended items are imported products, approval should, before the start of the procurement activity, be obtained from the Financial Sector at the same level.

Article 16 In the event that the State Council, the Ministry of education, Zhejiang Province, Wenzhou city, and other government departments have other laws and administrative regulations prescribing otherwise for such procurement scope and quotas, those laws and regulations shall prevail.

Chapter IV Procedure for Procurement Application

Article 17 The procedure for procuring commodities, services, or engineering works:

- 1) The user department shall apply to the Logistics and Assets Management Department for procurement. According to the approved budget of items, the department shall submit application at least one month in advance. In case the intended items need to be purchased in the form of public bidding, the application shall be submitted at least three months in advance. The application shall include the following materials:
 - a. The approval opinion from relevant departments (see Wenzhou Kean University Commodities Procurement Application Form, Wenzhou Kean University Reconstruction Project (sporadic) Application Form, Wenzhou Kean University Service Purchasing Request or the procurement procedure through OA);
 - b. The technical parameters and requirements documents for the intended items, demonstration report as needed, and “Government Procurement of Imported Products Application Form” only required by purchasing imported equipment.
- 2) Logistics and Assets Management Department organizes procurement activities, according to the materials submitted by the user department.

Article 18 In regard to equipment procurement with donated funds, if the donors request to purchase items on their own or designate the supplier(s), the procurement consignor may sign the contract with donors directly or with the designated supplier(s).

Chapter V Procurement Contract, Inspection, and Payment

Article 19 The contract of services procurement such like accounting services, lease, assessment, system maintenance and technical maintenance services, complying with the relevant provisions, in principle, shall not be extended for more than one year. Furthermore, the contracts signed with suppliers shall be resigned annually, and the requirement for contract extension shall be indicated in the bidding documents. The renewal of the contract, the project content and the capital budget should be consistent with the government procurement budget

requirements, and be timely reported to the Finance Department in the government procurement plan.

Article 20 The procurement contract shall be drafted by the manager of procurement personnel, and then reviewed by the managers of the application department and other related departments. The terms related to payment shall be suggested by the Finance Department. With their approval and signatures on the "Wenzhou Kean University Contract Countersignature" or confirmation on the OA countersignature procedures of seal using, the procurement contract can be signed under seal to become effective.

Article 21 After the delivery, installation, debugging of the commodities provided, and training for use conducted by the supplier, the user department shall organize at least 3 people to inspect how the supplier perform the contract and fill out the "Wenzhou Kean University Assets Acceptance Certificate". All the members in charge of inspection should evaluate the quality and service of the procurement and then sign their names on the certificate of inspection acceptance. Regarding to the inspection on engineering works, "Wenzhou Kean University Reconstruction Project (sporadic) Quality Acceptance Certificate" should be filled out. Inspection on services may refer to the way of inspection on commodities. For large or complex projects of government procurement, the quality inspection institutions authorized by the state and relevant experts may be invited to participate in the inspection work. Logistics and Assets Management Department shall designate a procurement personnel to participate in the inspection work.

Article 22 After the user department inspect and accept the items, the items shall be registered in storage. The procurement personnel shall sign on the back of the invoice (Fapiao), and the department with the approved budget shall apply for reimbursement through OA.

Article 23 If quality assurance deposit is adopted, the manager of procurement personnel shall ensure the quality of the received items, organize to fill out "Wenzhou Kean University Return Quality Assurance Deposit Acceptance Certificate" with user department's agreement, and then report to Finance

Department to return the quality assurance deposit back to the supplier according to requirements mentioned in contract.

Chapter VI Supervision and Inspection

Article 24 The procurement personnel and concerned individuals shall organize procurement activities seriously, following the relevant laws and regulations strictly. The university procurement supervisory and administrative department shall strengthen the supervision and inspection of procurement activities and individuals in charge of the procurement. Any units and individuals have the right to make complaint against and accuse of any violation of law in the procurement activities.

Article 25 In case the suppliers consider the procurement personnel and concerned individuals have a conflict of interest with them, they can address a petition to the manager of procurement personnel or procurement agency for avoidance with clear reasons. The manager of procurement personnel or procurement agency shall conduct inquiry timely. The procurement personnel and concerned people, being proved to have any conflict of interest with the suppliers, must avoid from the activity.

Chapter VII Supplementary Articles

Article 26 The Measures shall come into force on the date of issue and be interpreted by the Logistics and Assets Management Department.