



# Samarth In Participatory Action (SIPA) Procurement Policy

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## Objective

This Policy guides on the step by step procedure for Procurement of goods and services. Further the objective is to maximize the efficiency in procurements by adopting standard, fair and transparent mechanism.

## Requisition:

- **Project Requirements:** In such cases as per the requirement of committed activities under any project, the Project Coordinator will raise a requisition to Admin Department.
- **Non-Project Requirement (Core):** In such cases the concerned department head will raise a requisition to the Admin department.
- **Purchase Requisition shall contain the following:**
  - Budget/approvals/project/donors id.
  - Estimated Costs Timelines.
  - Any recommended vendor /suppliers.
  - Samples (if any).
  - Technical Specification.

Minimum threshold limit for purchase requisition is as per table 1.

## Identifying the suppliers:

The following points need to be considered while identifying a supplier for goods and / or services:

- Credibility of the supplier.
- He/ She should be registered under GST and Income tax authorities.
- His/ her capacity to provide the goods/services should be adequate.
- Required goods/services should be his/her main business.
- In instance wherein the vendor may have worked with SIPA earlier, his previous record of service **should not have been terminated for any reason.**
- The supplier should preferably be a local one and agree for timely supply.

## Request for Quotation and analyses:

### Preparing, sending and evaluating the Request for Quotes (RFQ)

Procurement team shall follow the steps involved in the RFQ procedure, if the assessed value of the goods or service exceeds INR 15,000 in one single purchase. Then procurement team shall raise the RFQ specifying all the below information to the vendor, an RFQ note detailing out standard information for parity purposes shall be sent out to all vendors, which may include:

- Concept Note / Note on activity.

- Product Description, photographs, sample specification.
  - Product / Service delivery terms.
  - Timeline of submission.
  - Submission of sample (if needed).
  - Payment terms.
  - Any other relevant document required to be submitted by vendor.
1. Procurement team will prepare the RFQ by covering the above points and send the same over registered email id of the vendors.
  2. After the timeline of submission of quotation mentioned in RFQ is over, procurement team shall get the samples submitted by vendors (if mentioned in RFQ) evaluated by user requesting the products /Any other person preferably from another project.
  3. Person evaluating the sample on technical parameter should not know the detail of the vendor submitting sample.
  4. The financial shall be evaluated finance team by at least two members.
  5. After technical and financial evaluation is over, a comparative evaluation sheet shall be prepared.
  6. The above evaluation sheet shall be submitted to the Purchase Committee for approval and further negotiations. On the basis of the recommendation of the purchase committee an approval shall be required from the Chief Operating Officer for placing the order.

Request for quotations should be sent electronically to prospective suppliers, detailing technical specifications of the items required and quantity needed, as per the following limits:

Value of Goods / Services (in INR)	Purchase Requisition	Purchase Order	RFQ	RFQ through E-Bid	Min no. Of Quotations
0 – 15,000	NO	NO	NO	NO	One
15,001 – 50,000	Yes	NO	NO	NO	Three
50,001 – 3,00,000	Yes	Yes	Yes	No	Three
3,00,001 – 20,00,000	Yes	Yes	Yes	Yes	Five
Above 20,00,000	Public International / Tender procedure.				

### **Preparing, sending and evaluating the Request for Quotes (RFQ) through e-bid process**

Procurement team shall follow the similar steps involved in the RFQ procedure, if the assessed value of the goods or service exceeds INR 3,00,000 in one single purchase.

All the steps outlined in clause above shall be followed except that the RFQ shall be sent from an email id other than of procurement team to eliminate the potential risk of any biasness.

A special email id created for the procurement only shall be used for sending out the RFQ and vendors would be **strictly** asked to submit their proposal/quote only on the email id listed above, however if any vendor inadvertently submits the quotes to procurement team also, then procurement team shall disclose the same before doing the comparative evaluation.

The access of this email id shall be with IT team/ person designated by the Chief Operating Officer only and after the deadline for submission of quotation is over, IT team shall forward all the quotes received on this email to procurement team for further processing.

All further steps outline in clause above shall remain same.

## **Purchase Committee**

The Purchase Committee shall consist of minimum three members, which will be designated by the Chief Operating Officer. The committee will be separately formulated at Head Office level and State/Regional Offices level. In such committee the following three departments will be involved;

1. Program Department / Program Monitoring Unit.
2. Accounts Department.
3. Admin Department.

*Note: All procurement above Rs. 15,000/- should be routed through purchase Committee.*

## **Purchase Controls:**

The following controls need to be exercised while purchasing goods and/or services:

1. All purchases are to be duly authorized and approved by the competent authority, as described below, before the goods and services are ordered:
  - a. Purchase of up to INR 15,000 – Section In-charge / PC / PM / PMU.
  - b. Purchase of more than INR 15,000 – Purchase Committee.
2. All goods and services are actually received and are in accordance with the specifications and in quantities requested for.
3. Liability for all purchases is accurately reflected in the books of accounts and that suppliers are paid only in accordance with the agreed terms.

## **Selection Process for Consultant Hiring:**

- The Chief Operating Officer shall set up a three-member team with relevant skills for the selection of a consultant.
- The Team shall establish the selection criteria for the Consultant.
- Develop a rating sheet on the attributes that are needed; weightage may be applied to each criterion as per importance.
- If possible or where required, conduct interviews, references check, ask for detailed proposals and presentations by consultant.
- Evaluate and select consultant based on these criteria and seek approval from the Chief Operating Officer on the selected consultant.
- Draft agreement describing the Scope of Work and other necessary details.

The Chief Operating Officer may hire a consultant for a specific purpose, without following the above process, if the consultant possesses necessary qualifications & experience to perform the tasks effectively.

## **Purchase Order and Agreements:**

The Admin Department shall prepare Purchase Order / agreement for supply / services after getting the recommendation from purchasing committee.

In all the Purchase Order / agreement, following provisions should be specifically incorporated:

- a. Details and specifications of supply / services to be rendered.
- b. Quantity, unit Price & total cost (taxes shown separately).
- c. Start and completion period.
- d. Periodicity and format for submission of progress/final reports.
- e. Terms of payment.
- f. Penal clause of default in services.
- g. Non-disclosure clause.
- h. Any other terms & conditions as may be mutually agreed.

### **Advance Payment to Party:**

- No advance payment shall be made against any of the aforesaid Purchase Order/ agreements, until and unless it has been so specifically mentioned under the payment terms of the contract.
- In exceptional cases where advance payments are needed beyond the contractual terms of payment, suitable amendments be made in the PO/ agreement to incorporate the 'advance payment', specifying the reasons for such amendment.
- The ratio of advance payment shall be pre-determined, as per mutual agreement between SIPA and contractor.
- The advance payment shall be released after making applicable statutory deductions.
- All advances received have to be acknowledged in writing by respective parties.

### **Settlement of Bills and Release of Final Payment:**

- On the receiving invoice / bills from the party on the completion of assigned job / supply of goods, the Admin Department will submit bills to Account Department after getting required approvals and verifications from the concerned authorities.
- After the required verifications accounts department will release the final payment to the concerned party.

### **Sole Source & Selected Source Procurement:**

Sole source purchases arise when only a single vendor is known to be capable of fully satisfying the requirements for a particular good or service.

Selected source purchasing refers to purchases from one selected supplier, even though there are other suppliers that provide similar goods or services.

A written justification must be prepared and kept on file for any sole or selected source procurement. The justification may be based on factors such as significant prior knowledge of SIPA's programs and program philosophy and/or a prior history of fulfilling similar assignments successfully and in a timely and cost-effective manner. In justifying the use of a selected/sole source, the written statement may include a price/cost analysis of alternative vendors (if alternative vendors are available).

**Non – Conflict of Personal Interest:**

With a view to avoid any conflict of interests, no services shall be hired or goods purchased from the following categories of persons/institutions:

- Any person who is a relative of any of the staff member of SIPA or any member of its Board of Trustees. However, in special cases & subject to approval, the vendor details should be disclosed before initiation of procurement process.
- Person having any direct or indirect involvement in the on-going project activities.

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