

PROCUREMENT POLICIES AND PROCEDURES

**THE SOCIETY FOR WELFARE, ANIMATION &
DEVELOPMENT**



Procurement Policies and Procedures of SWAD

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INTRODUCTION

Purpose of procurement standards. The purpose of these standards is to establish procedures for the Corporation for the procurement of supplies and other expendable property, equipment, real property and other services.

The procurement guidelines are intended to ensure that necessary supplies are available for the project at right time, in right quantity, of right quality, at the right place, and at right cost. These guidelines serve the objectives of accountability, clarity, cost effectiveness and transparency in procurement procedures. It demonstrates responsible stewardship for resources, improves efficiency and simplicity of all procurements. Clear filing and documentation facilitates future reviews and audits.

Accountability – accountability in systems through effective documentation

Clarity –clarity of systems through using standard operating procedures, systems and policies

Cost effectiveness –cost effectiveness through effective evaluation of options and efficient use of resources

Transparency –transparency of systems through clearly identifying roles and responsibilities, delegated authority and approval processes.

These Procurement Guidelines provide the essential information and step-by- step procurement procedures in brief to achieve these objectives.

PROCUREMENT ETHICS

Employees directly responsible for procurements must not have real or perceived conflict of interest - where the employee, any member of the employee's immediate family or the employee's partner has a financial or other interest in the business being considered or selected for an award. The employee and their relatives should neither be involved in the bidding nor in receiving process.

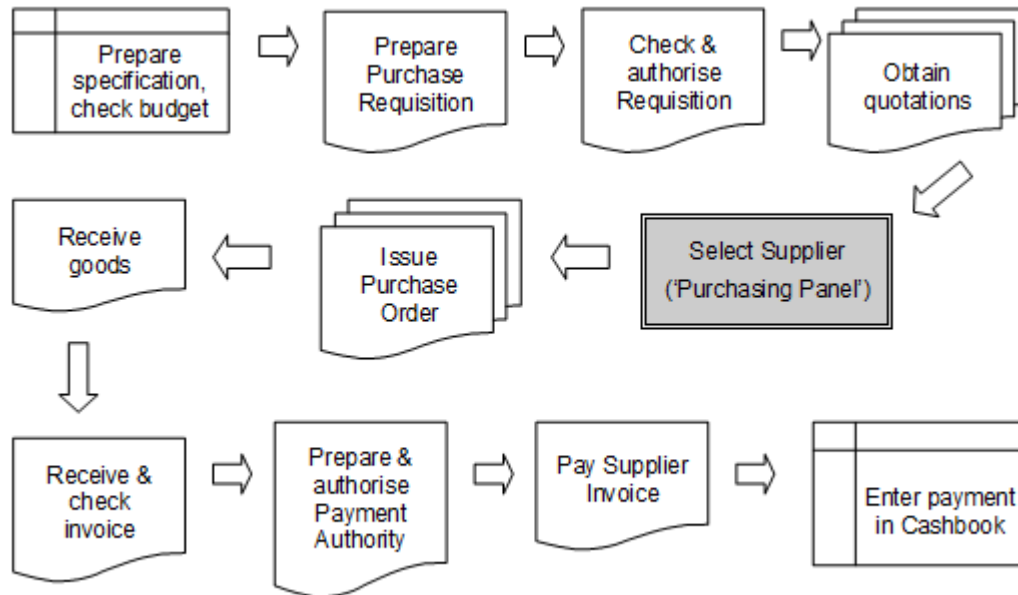
The employees must not request or accept gratuities, gifts, favors or anything of monetary value from the contractors or parties. Gratuities still received, the gifts should come to the organization.

The employees must develop adequate understanding of donor regulations and requirements to ensure donor compliances.

The organization does not and will not knowingly provide material support or resource to any individual or entity that commits, advocates, facilitates or participates in terrorist acts or has been involved in terrorist acts.

PROCUREMENT CYCLE

The figure below describes a typical process for the purchase cycle.



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1.0 Procurement Planning

The procurement planning is a process to use **project timeline** or **activity plan** alongside the project budget to identify what will be needed, and when. This should include dates when items are needed by project staff for specific project activities (for example for distributions, workshops, and training sessions) or for general project activities (for example office equipment and vehicles).

1.1 Purchase Requisitions

The purchase requisitions form (**Exhibit-1**) should be prepared by the requester and approved by the supervisor/authorized approver in order to make purchases for the goods and services. The purchase requisition must clearly define description of the items required, technical specifications if any, total estimated quantities and the delivery date / time/SOW. For purchase of medicines, the specifications for drugs should be fixed. Similarly for non-medical, works and services purchases e.g. office furniture, computers and other equipment specifications need to be framed. In case of purchases for the stores, purchase requisitions are to be submitted to the Head of Stores Department. The specifications should be generic in nature. Specifications shall not specify brand names etc. in order to facilitate fair competitive prices for goods and services to be acquired.

1.2 Inviting Quotations

The Purchase/Administration department will invite sealed bids / or receive quotations at a separate, secure e-mail id soliciting competitive offers to purchase goods or services. The request for quotation (**Exhibit – 2**) should ask the supplier to quote relevant terms like rate, freight, advance, payment terms etc. Where ever possible sample of the supplies are to be submitted with quotations to assess quality of the deliverables. The following limits will be adhered to for inviting bids/quotations:-

Purchases upto	Quotation Requirements
Upto Rs.2000	No quotes
Rs.2001 to Rs.5000	Single quote
Rs.5001 to Rs. 20,000	Three quotes
Rs.20001 and Above	Bid Committee

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1.3 Approved Vendor List

The Purchase/ Administration department will maintain an approved list of good suppliers to ensure that all good suppliers get a chance to quote.

1.4 Bid Comparison Sheet

The bids will be collected and opened in a selected manner. The purchase/Administration department will prepare a bid comparison chart (**Exhibit - 3**) for purchase above Rs.5001. Based on analysis of quotations, the selection of the vendor/supplier/consultant will be made that meets specifications, delivery terms/technical terms and the lowest price. If any of the aforesaid conditions are not met, the recommendation for the selected vendor will be supported by proper justification.

1.5 Single Source Selection

Single/Sole source selection of the vendor is a method of acquisition where a work order is awarded after soliciting and negotiating with only one source, or when no formal methods of solicitation are used. In all such cases, a well-documented thorough written justification should be provided to ensure that they are more advantageous to the organization rather than an award obtained through competition. Situations that may justify single source acquisition may be when:

- Offers for identical products and services have been obtained competitively within a reasonable period and the prices and conditions offered remain competitive; or within a reasonable prior period, a formal solicitation has not produced satisfactory results; or
- There is a genuine exigency for the purchases to be made/ requirement; or
- The proposed procurement relates to obtaining services that cannot be objectively evaluated;
- The need for continuity of professional services; or
- There has been a previous determination or when there is a need to standardize the requirement; or
- There is no competitive marketplace for the requirement, such as where a monopoly exists, where prices are fixed by legislation or government regulation, or where the requirement involves a proprietary product or services;
- The proposed procurement contract is for the purchase or lease of real property;

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- The value of the procurement is below the monetary threshold established for formal methods of solicitation.
-

1.6 Purchase Committee

The multi-disciplinary purchase committee comprising following members' will ensure better purchase decisions to improve transparency and stewardship of resources. The technical person should be part of the purchase committee where technical purchases are to be made. The purchase committee will recommend the selection of the vendor and approved by the authorized approver (General Secretary or the Delegate).

Staff's Designation	Committee
Sr. Retty SABS	Chairman
Sr. Sarita Pinto	Member
Mr. Niranjana Tangaranga	Member
Mr. Pujan Gomango	Member
Fr. Prasanta Pradhan	Member
Mr. Samir Kumar Behera	Member

1.7 Purchase Order

After selection of the vendor, the Purchase/ Administration will prepare a written Purchase Order (**Exhibit -4**) with complete terms and conditions for issuance to the selected vendor/supplier. The purchase order to bear sequential numbers for tracking the number of POs issued in a FY. The purchase order will help receiver to know what kind of material has been ordered and facilitates proper processing of payment to the vendor. The penalty clause should be included in the PO for late delivery of requested materials and quality of the deliverables is not as agreed.

1.8 Repeat Orders

The repeat orders which have previously undergone bidding process will not require bidding process again if the suppliers have already agreed to stick to specifications and pricing for a specified period.

1.9 Resolution of Disputes

The Purchase Orders/SOW will clearly mention the dispute resolution clause and the legal jurisdiction in case of disputes.

2.0 Goods Received Notes

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The receiver of the goods or services will prepare a Goods Received Note (GRN)(Exhibit -5)to ensure that the quantity received is in line with the quantity ordered. In case there is any discrepancy between the two, it should be clearly mentioned on the Delivery Challan /Delivery Note/Way Bill submitted by the vendor to acknowledge delivery of the goods. For Production Department, GRN will be signed by the Head of Stores and for Office purchases, GRN to be signed by the Administration Department.

2.1Vendor Bills

The vendor/supplier will submit bills/invoices along with the delivery challan/delivery note/way bill directly to Finance for receiving payment against delivery of goods and services.

2.2Payment to Vendors

The Finance will process the invoices/bills and the delivery notes from the vendors along with approved purchase request, quotations, Bid Comparison Form, Purchase Order/SOW and Goods Received Note in original and prepare a payment request form for approval by the authorized approver. The Finance will also maintain photo copies of the cheques for payments to the vendors through bank and will also maintain money receipts from the respective vendors.

2.3Segregation of Duties

The employees involved in the purchase functions will not be involved in following functions:-

- Requisition for goods and services for other departments
- Approval of Purchase Orders or Service Contracts
- Receiving of goods and preparation of Goods Received Notes
- Receiving of invoices/bills from the vendors
- Preparation distribution and recording of payments to vendors

2.4Dotted line reporting Relationship

The staff involved in administrative functions at sub – centres/sub-offices/ branches will have a dotted line relationship with the Head of Administration in the Head Office to exercise better administrative controls on the administrative functioning of the sub – centres /sub-offices/ branches

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Exhibit -1



PURCHASE REQUISITION

REQ NO.

DATE

REQUESTED BY:

Item No.	Quantity	Description of goods/service (please give full specifications)	NOTES/REMARKS:
1			

Signed:
(Head of requesting department/section)

.....

Authorised by:

Name	
Position	
Signature	

.....

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Exhibit -2

REQUEST FOR QUOTATION

To: Supplier's name Date: 1 March 2016
Attention: Contact person Fax No Suppliers fax No
Our file Ref Requisition No
Total No Pages (2)
from: Logistics Service, Officer Name tel direct
fax direct
email
Re: **QUOTATION REQUEST**
GOODS - DESTINATION
OUR REF Req. No

Kindly state your best firm offer in currency for the following items:

GOODS 1
2 enter each item's description and quantity
3

Please provide exact detailed specifications for each item in
your offer

DELIVERY DATE: Required delivery date

DESTINATION TOWN, COUNTRY

TRANSPORT road, sea, air or courier

PACKING

INSURANCE

PAYMENT TERMS 30 days after receipt of documents and goods in good order

Your offer should clearly state the following:

- Unit prices ton/unit/item ex works
- Prices should be net after deduction of any discounts

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- Firm delivery date
- Defects liability and guarantee period

Exhibit -3

BID COMPASION SHEET

PRODUCT: REQUISITION NO:

Details of Quotation	Name of Supplier 1	Name of Supplier 2	Name of Supplier 3	Name of Supplier 4	Name of Supplier 5
Unit					
Unit Cost					
Quantity					
Price Adujstment/Discount					
Quality / Specifications					
Type of packaging					
Packaging charge					
Method of delivery					
Delivery/Transport cost					
Delivery Date					
After Sales Service					
Warranty and period					
Terms of Payment					
Other criteria/charges:					
Total Cost					

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Notes/Remarks:

--

Recommended Supplier:

--

Reason for Decision:

--

Prepared by:

Name	
Position	
Signature	
Date	

Authorized by:

Name	
Position	
Signature	
Date	



Exhibit -4

PURCHASE ORDER

PO No:

Date:

To:

Attention:

From:

Quantity	Description of goods	Unit price	Total
Total			

Payment terms

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Delivery address	Delivery date

Special Instructions

Authorised:

Name	
Title	
Signature	

THIS PURCHASE ORDER IS ONLY VALID WITH A DULY AUTHORISED SIGNATURE AND STAMP

Distribution: Original: Supplier / Copy 1: Logistics / Copy 2: Finance (with invoice)

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Exhibit -5

GOODS RECEIVED NOTE

Received From

Description of Goods

Date

Quantity received according
to
packing
list

Yes

No

Means of
transport

Air

Road

Sea

Rail

H/carried

AWB No. & Flight
No.

Waybill No. & Reg.
No.

B/L No. & Vessel
Waybill No.

By:

Received
in good
condition

Yes

No

Documentation well
received

Yes

No

Place

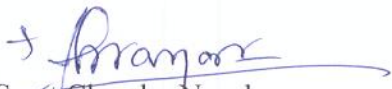
Signature and stamp

Name in Block Letters

Position

Date

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Bishop Sarat Chandra Nayak

President
PRESIDENT
SWAD.RAYAGADA



Fr. Joseph Valiarambil

Secretary cum Director
DIRECTOR/SECRETARY
SWAD.RAYAGADA


28/8/19

Fr. Sushil Kumar Gouda

Finance Administrator
FINANCE ADMINISTRATOR
SWAD.RAYAGADA