

Procurement Policy

We as an NGO, believe in three principles of fairness, integrity and transparency which are bundled together because they mirror the similar qualities of good faith dedication and goodwill in transactions. Fairness, as a principle, means the procurement process is free from preference, judgement, self-interest, and favouritism. Based on these principles we have prepared a procurement policy as our guideline.

Procurement involves every activity involved in obtaining the goods and services a company needs to support its daily operations, including sourcing, negotiating terms, purchasing items, receiving and inspecting goods as necessary and keeping records of all the steps in the process. Minimizing cost is one important aspect of improving your procurement processes. But it's also vital to identify suppliers that provide the quality of goods and services that the company needs and have the capacity to deliver reliably and a track record of doing so. By laying out clear principles, the Policy ensures the integrity of procurement processes, and fosters transparency and accountability.

Purpose

The purpose of a procurement policy is to ensure that best value, the most advantageous balance of price, quality, and performance is obtained when purchasing business-related products and services, and to clear fraud, waste, and abuse in purchasing. The four main roles of procurement are sourcing, negotiating, contract management and supplier relationship management. These activities require a strong understanding of market trends, organizational objectives and supplier capabilities to ensure success and good purchasing of required and quality goods and services for the organization.

Elements of an effective procurement policy:

- **Objective and Purpose.:** - The objectives of procurement are to reduce costs, improve the quality of goods and services, and increase efficiency.
- **Scope of Application.:** - The Procurement Policy governs the procurement of goods, works, non – consulting services and consulting services required for a Project that are to be financed by the Bank.
- **Key Principles:** - Procurement principles are important because they dictate how to buy best goods and services. The principles include Economy of Scale, Competition, and Non-Discrimination.

- **Procurement Methods-** The procurement method refers to the process or approach an organization uses to procure goods, services or work from external sources. It is the strategy or plan used by an organization to select suppliers or contractors and negotiate the terms of procurement for required goods, services, or work.
- **Negotiate price and terms:** - A common best practice is to get at least three quotes from suppliers before making a decision. Examine each quote carefully and negotiate where possible. If you need to walk away from a deal, be sure that you have concrete alternative options. Once you've agreed on final terms, be sure to get them in writing
- **Documentation and record keeping:** - It's important to maintain records for the entire procurement process, from purchase requests to price negotiations, invoices, receipts and everything in between. These records may be useful for multiple reasons. They help the company reorder goods at the right price in the future, as well as assist with auditing processes and calculating taxes. Clear, accurate records can also help resolve any potential disputes.
- **Approve the invoice and arrange payment:** -If the three-way match is accurate, approve and pay the invoice. Businesses should strive to have a consistent invoice payment process through account payable that checks that payments match the invoice amount and due date. A standardized process can help make sure invoices are always paid on time, which can prevent late fees and build good relationships with suppliers.

How do we do the Purchases

Employees making purchases as part of the project activity or organizational work shall follow these mechanisms:

- Requisition form – the employee requesting a purchase fills this form, has it approved by the Executive Director and sends it to finance division.
- Order form – the finance division issues the order form, after it is signed by the Executive Director. The concerned employee or the finance division will make the purchase successful on the basis of the order form.
- Delivery slip – After the purchase has been made, a delivery slip will be issued by the finance division for the supplier, who will sign it and give it back to the finance division.

How do we do the Sale of An Asset

- Permanent Assets/Temporary Assets which are not reproductive or is considered as a dead investment and can be used for the betterment of the Organization, such assets are decided to be disposed if required and with the approval of the governing body of the Organization.
- The letter of sale is issued after approval of competent authority has been obtained.

- The valuation & sale of the assets reflects a fair price of the assets and the realizable value for the unit, since the valuation is done duly taking into account all the positive or negative factors associated with the unit viz. its location, property, condition of assets etc.

The prime objective of procurement is to save cost and supply the requirement of the organization in the most convenient and conventional ways. Deriving through the same, the main objective of procurement management is to process and errorless system for the procurement process.