



Procurement Policy Manual

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1. ORGANIZATION OVERVIEW

1. Background

Chetna Vikas is an NGO Registered under Societies Registration Act and Foreign Contribution Regulation Act, active in the field of Rural Development since 1985 in Santhal Pargana region of Jharkhand state. Chetna Vikas focuses on environmentally sound sustainable agro based livelihood systems and income generation activities through the promotion of Self Help Groups. Our objectives are to strengthen people's organizations and equip with adequate infrastructure facilities and technical know-how so that developmental activities can take place on its own in sustainable way.

2. Vision

The vision of Chetna Vikas is to establish a progressive and sustainable Society in which all people lead a dignified life, (Free from Social, Political and Economic differences.) live in peace as well as enjoy the rights of freedom of expression and get equal opportunity to participate in public sphere.

3. Mission

The Mission of the organization is to eliminate socio economic inequality and injustice, promote economic self-reliance of the poor, ensure gender equality, support local conflict resolution, wellbeing of children and women, strengthen local self-governance, enable people and physically challenged persons to participate in and carry forward the development process, ensure proper natural resource management and promote peoples advocacy to empower the poorest of the poor to subsequently achieve Sarvodaya.

4. Strategy

- ❖ Creating awareness among the under privileged community.
- ❖ Focus to right based work
- ❖ People cantered, participatory and need based work.
- ❖ Facilitating and assisting people to get the benefit of various development programs of the Government.
- ❖ Empower Community Based Organizations and Civil Society organizations for taking development initiatives in their respective areas.
- ❖ Emphasizing the women, children, adolescents to inhabits the rights to sustain better life.

2. POLICY INTRODUCTION

1. Introduction

CHETNA VIKAS (“Chetna Vikas” or “the Organization”) is committed to adhere to the highest standards of ethical, moral and legal conduct of operations. To maintain these standards, the Organization implements this Procurement Policy with the objective to maximize value basis factors such as price, payment terms, fit for purpose, quality, service, reliability, availability etc. to ensure that the Organization conducts its purchasing activities with the utmost probity and transparency.

2. Purpose

The purpose of this Procurement Policy is to obtain the appropriate goods, works and services for the Organization, at an appropriate time, cost and the manner which balances the overall institutional requirements for economy, efficiency, value for money, transparency, accountability, environmental and social sustainability.

3. Scope

This Policy is applicable to all the employees, consultants, representatives, volunteers, trustees, interns, network partners, directors, members of the Board of Trustees, and any other committees of **Chetna Vikas** engaged in procurement for, and on behalf of the Organization.

4. Policy Requirement for Goods and Services

- 4.1. All invoices for goods and services shall be processed via a purchase order issued pursuant to a Procurement contract;
- 4.2. The below mentioned protocol shall be followed for procurement of goods & services. The department proposing the procurement request shall submit detailed information/justification on the nature, quality and quantity of materials/services, the urgency involved and the relevant project. Irrespective of the monetary value and quantity, 3 quotations shall be invited for all procurements of the Organization.

S. No.	Procurement	Amount (in INR) per transaction	Approving Authority
1.	Purchase of goods & services	Upto 5000	Program Head & Account Executive
2.	Purchase of goods & services	5000 – 50,000/-	Program Head & Secretary / treasurer
3.	Purchase of goods & services	Above 50,000/-	Program Head & Secretary / treasurer

Budgeted Expenses upto Rs. 5,000/-

- Purchases upto Rs. 5,000/- may be made entirely at the discretion of the Programme Head and the Accounts Executive whose decision will be final.
- The Programme Head and the Accounts Executive will be presumed to have made the necessary enquiries to satisfy him about the quality and the price of the goods.

- The Programme Head will be responsible for ensuring that the goods are received in proper condition and are recorded in the Stores Ledger as well as the Purchase Register.
- Programme Head and the Accounts Executive will be responsible for clearly defining the deliverables, schedule of completion and payment terms under contracts approved by them.
- A copy of the contracts is to be given to accounts.

Budgeted Expenses upto Rs. 5,000 but below Rs. 50,000

- Appropriate quotations, at least three in number must be obtained for purchase of goods.
- The concerned Programme Head may reject any quotations on technical grounds or quality considerations.
- The Programme Head will ensure that the goods are received in proper condition and recorded in the Stores Ledger.
- The terms of payment for the purchase of goods should be clearly laid down in the Purchase Order. Where possible proposals should be obtained from more than one Consultant or Contractor at the discretion of the Programme Head/Accounts Executive.
- Programme Head will be responsible for clearly defining the deliverables, the schedule of completion and the payment terms under Contracts.
- A copy of the contract is to be given to accounts.

Budgeted Expenses above Rs. 50,000

- Appropriate quotations, at least three in number must be obtained for the purchase of goods.
- The concerned Programme Head may reject any quotations on technical grounds or on quality considerations.
- The Programme Heads will be responsible for ensuring that the goods are received in proper condition and recorded in the Stores Ledger as well as the Purchase Register.
- The terms of payment for the purchase of goods should be clearly laid down in the Purchase Order. Where possible, proposals should be obtained from more than one Consultant or Contractor at discretion of the Programme Head and the Secretary.
- The Programme Head will be responsible for clearly defining the deliverables, schedule of completion and payment terms under contracts. A copy of the contract is to be given to accounts.

Expenses which have not been budgeted

Unplanned expenses which have not been budgeted may be approved by the concerned Programme Head, the Secretary or the Treasurer which should be sanctioned in the Working Committee Meeting.

5. Sourcing Process and Choice of Supplier

- 5.1 Long-term business value of **Chetna Vikas** should be aimed at by procuring to the most efficient, suitable product/service, at appropriate quality and at the lowest total cost of ownership (“**TCO**”) must be the main selection criterion when choosing a supplier;
- 5.2 All purchases of and goods and services a above a value of INR 5,00,000 shall be competitively tendered to minimum 3 suppliers. The L1 bidder with most competitive quality and value for money shall be chosen by the Management Committee. Technical expertise; where applicable, shall also be an additional factor;
- 5.3 Where an existing procurement agreement has been in place for three years or more, it cannot be extended without a prior written approval of the Management Committee;
- 5.4 The performance (supply, quality, service, financial) of all strategic and critical suppliers of **Chetna Vikas** must be continuously monitored and evaluated;
- 5.5 The e-procurement system (online competitive sourcing) is recommended to be used, where appropriate and available;
- 5.6 The comprehensive note on details pertaining to goods/services, quantity, quality, purpose justification, Compliance undertaking by Supplier (as per 5.7 below), price agreed (“**Sourcing Summary**”), approvals and other relevant sourcing documentation must be filed in the repository together with the signed Procurement contract. This shall enable subsequent review and ensure availability of sufficient documentation, in the event of any audit, complaints and/or legal disputes;

5.7 Supplier Compliance Undertaking

5.7.1 We expect our suppliers to develop and implement policies and procedures to ensure compliance with all applicable laws, including; but not limited to human rights in their businesses. **Chetna Vikas** respects all human rights of employees and communities in which we operate, and are committed to promoting these principles to our suppliers. In practice, we require that suppliers are compliant with legal and statutory requirements, including; but not limited to the following:

- **Child Labour:** No workers under the age of 18;
- **Forced Labour:** No forced labour, bonded labour, including prison or debt bondage labour;

Health & Safety: Provide a safe and healthy work environment; take steps to prevent injuries; regular health and safety worker training; system to detect threats to health and safety; access to bathrooms and potable water;

- **Discrimination:** No discrimination based on race, caste, origin, religion, disability, gender, sexual orientation, union or political affiliation, or age;
- **Working Hours & Compensation:** Comply with the applicable laws on working hours, overtime etc. Also, ensure that the compensation meets the legal and industry standards;
- **Procurement Laws:** Strict compliance with trade sanctions, trade policies, as issued by relevant Departments and Ministries from time to time;

5.7.2 In rare cases where single sourcing and key supplier dependency cannot be avoided, specific exemptions to one or more of the rules on the sourcing process and choice of suppliers may be granted. Such exemptions must be agreed by the Management Committee and clearly documented through the respective sourcing summary.

6. Procurement Contract & Approvals

6.1 All contracts must be signed in accordance with the approving rights of the Organization. Sign-off of the Sourcing Summary is a pre-requisite before signing the contract;

6.2 All contracts must be executed as per **Chetna Vikas's** standard procurement contract template. At a minimum, **Chetna Vikas's** general terms & conditions must prevail. Any deviation from these guidelines requires the approval of **Chetna Vikas's** legal consultant/legal support team;

6.3 Invoices raised as part of the procurement process should be appropriately validated and scrutinized before they are processed for payment.

7. Violations of Policy

An Associate who violates this Policy, regardless of financial loss to the Organization, may receive appropriate disciplinary action up to; and including termination in addition to any other legal and remedial actions available to the Organization under applicable law.

8. Exceptions and Review of Policy

8.1 Any deviations from this policy require prior written approval from the Management Committee;

8.2 The Organization reserves the right to modify and/or review the provisions of this Policy from time to time, in order to comply with applicable legal requirements or internal policies, to the extent necessary.