

PROCUREMENT POLICY (2021)



RURAL EDUCATIONAL ACTIVITIES FOR DEVELOPMENT (READ)

Defence Colony, Bhabinarayanpur Road, Po-Narendrapur, Berhampur, Ganjam, Odisha-760007

Phone: 06811259100, Email: readngo93@gmail.com, Website: readngo.org

About Organisation

About READ

Rural Educational Activities for Development (READ) is a civil society organization working for the cause of the Adivasis and Dalits since 24 years now. It was registered under the society registration Act in the year 1993. READ was formed by few like-minded individuals to bridge the gap between development and the marginalized communities that they deeply felt for. The organization was seen as a vehicle for realizing their dreams for a peaceful and just society especially for people who generally get pushed to the margins of development. In their home state Odisha, these populations were the Adivasis (ST) and the Dalits (SC) who have been at the sidelines for decades. Over these years, READ has been working with the people of 167 villages in the districts Rayagada, Ganjam and Gajapati with a focus on women, marginalized farmers and youth within the Dalits and Adivasis communities.

Our Vision:

READ's vision is to create a peaceful, just and an equal society where adivasis, dalits and marginalized communities are empowered to live a life of dignity and quality.

Our Mission:

READ strives to fulfill its mission by empowering the marginalized communities, capacitating them to recognize and access their rights, building peoples collectives at local and larger levels, strengthening local leadership & local governance institutions for enabling participatory development, pro people policies and realization of rights, entitlements and justice working together with community leadership, like-minded organizations and relevant stakeholders.

READ believes in

- Being transparent to all the stakeholders
- Driving one's commitment
- Strengthening Community participation and being guided by the voice of the people
- Undertaking specific efforts towards institutional networking for sustained efforts
- Democratic function starts from the level of the organization
- Convergent partnership with donors/sponsors maximizes the benefits being brought to the community
- Only community leadership can bring real, needed and lasting positive change

Procurement Policy

1.2 About Procurement Policy

In READ will spend a proportion of their grants on goods, services and works procured from third parties. An efficient and effective procurement process is critical to obtain best value for money from procurements.

The Procurement policy designed for READ spells out the minimum requirement for purchase of goods or services under READ operation. Endeavour has been made that the methods of procurement given in the policy are in line with those as generally followed by the organizations.

1. Objectives and Scope of the Procurement Policy

The objective of the Procurement Policy of READ is to ensure that necessary processes are in place and followed to provide the appropriate quality and quantity of goods and services at the time and place that they are needed and in the most cost-effective manner. The policy ensures that:

- the process is fair, transparent and is conducted with integrity
- suppliers and consultants are treated equally and without discrimination
- purchasing decisions and the award of contracts are based on fair competition
- procedures followed for awarding contracts are proportionate to the value of the contracts
- local human and material resources are used whenever possible

2. Key Principles of the Procurement Policy

3.1 Value for Money

The procurement procedures will be continually reviewed to ensure best value for money in procuring goods, services and works. In order to achieve this, open competition is required for any major procurement. Value for money is defined in its broadest sense – looking for the best value over the complete life of the supply, and for all parties.

3.2 Budget

It will be ensured that budget provisions exist before committing to any procurement.

3.3 Payment on Time

It will be ensured that payment for goods, services and works are made within the terms of the contract once the transaction is complete.

3.4 Ethical Standards

There will be a continuous strive to purchase goods, services and works which are produced and delivered under conditions that do not involve abuse or exploitation of any person.

3.5 Environmental Impact

There will be a continuous strive to purchase goods, services and works which have the least negative impact on the environment.

3.6 Legal Aspects

It will be ensured that the procurements under READ project:

- comply with existing Indian laws
- do not breach any other statutory requirements of the country or state
- is not anti-competitive

3.7 Working with Suppliers

It will be ensured that necessary coordination is carried out with the suppliers to:

- communicate requirements
- understand their capacity to meet the needs of procurement
- assess the quality, reliability, availability and performance of supply
- negotiate cost
- improve supply standards
- solve supply problems

3.8 Transparency and Accountability

All staff involved in procurement shall:

- act impartially and objectively
- keep written records to demonstrate transparent and accountable procurement decisions
- refuse and report any personal gifts or other inducements aimed at influencing procurement decisions
- comply with all contractual obligations entered into

3.9 Conflicts of interest

- Staff conduct should avoid any suspicion of conflict between professional duty and personal interests
- Staff should declare any interest in a supplier, and withdraw from procurement negotiation with that supplier to avoid any conflicts of interest

3. Procurement Procedures

Procedures for procurement has been divided into two sections i.e. goods and services. Most essential rules are detailed in the following pages has to be followed while procuring the goods and services. These procedures show how this policy may be applied in different ways according to the operational circumstances to be found in different locations.

A. Procurement of Goods

The following methods for procurement of goods are recommended by READ

A.1 Direct Purchase

A.2 Local Purchase

A.3 Unknown Source Purchase

A.4 Online Purchase

A.5 Policy during emergency

Summary Table for Procurement of Goods

S.No.	Particulars of Purchase	Value	Method
A.1	<ul style="list-style-type: none"> • Goods are purchased directly from one source without quotations • Purchase from Known suppliers • Supplier/vendor list to be maintained in Tally • Supplier list to be updated every quarter by accountant • Identification of document such as Adhar Card/Pan Card, Bank details and contact details has to be 	Total purchase value is less than Rs.15,000	Direct Purchase

	<p>collected and documented</p> <ul style="list-style-type: none"> • Wherever possible a printed standard form bill to be scanned and saved in vendor database • Photo evidence of each purchase to be stored on database 		
A.2	<ul style="list-style-type: none"> • Four members Procurement Committee Should involve the following <u>(project coordinator/project Manager/field worker 2 and (accountant should be a fix member)</u> • Goods are purchased after obtaining at least 3 quotations • Supplier/vendor list to be maintained in Tally • Supplier list to be updated every quarter by accountant • Identification of document such as Adhar Card/Pan Card, Bank details and contact details has to be collected and documented • Wherever possible a printed standard form bill to be scanned and saved in vendor database • Photo evidence of each purchase to be stored on database 	Total purchase value is more than Rs.15,000	Local Purchase
A.3	<ul style="list-style-type: none"> • These purchases relate to goods for which known vendors/suppliers are not there and are to be used in relation to specific projects only • There are three subcategories: <ul style="list-style-type: none"> — Purchase of Construction Materials — Purchase of Farming Materials — Purchase of Husbandry Materials • Definite list of goods to be maintained for each subcategory and if the goods are not available in the said list, they cannot be purchased via this route 	Total purchase value is more or less than 15,000	Unknown source purchase

	<ul style="list-style-type: none"> • Mandatory Identification documentation requirements: like Aadhar Card / Pan Card, bank details etc. • Wherever possible a printed standard form bill to be scanned and saved in vendor database • Vendor list to be maintained and updated by accountant in software after each project • Photo evidence of each purchase to be stored on database • Procurement team to decide if any goods need to be added or removed • List of common goods for construction, farming, husbandry should be documented 		
A.4	<ul style="list-style-type: none"> • To be used for purchasing electronic goods / office materials / stationary • Quotation required from three different vendors for e.g. Laptop price to be checked in Flipkart, Amazon and Snapdeal etc. for purchased above Rs 15,000 • Quotation can be matched with local vendors too • Vendor list to be maintained by accountant and to be updated every year • Purchases to be made from only known online vendors • Photo evidence to be store on vendor database 	Total purchase value is more or less than 15,000	Online Purchase
A.5	<ul style="list-style-type: none"> • Special provisions to be granted to secretary during emergency which will grant her power to approve transactions on whatsapp / telephone call • Approval for purchases of only those 	Total purchase value is more or less than 15,000	Policy during emergency situation

	<p>goods which are not normally purchased during non emergency times</p> <ul style="list-style-type: none"> • Approval cannot be granted for purchase of goods relating to any pre planned events • Emergency Situation to be divided into 3 categories • Prevention (To prepare for oncoming emergency event) • Response (During the event) • Restoration (After the event) 		
--	---	--	--

A.1 Direct Purchase

Direct purchase is the method of procurement from a single well-known source instead of taking price quotations. This method will normally be used where the total purchase value is below Rs.15,000 (Rupees Fifteen Ten thousand).

A.2 Local Purchase

Procurement by local purchase is a procedure based on comparison of price quotations obtained from at least three suppliers to assure competitive prices.

- Local Purchase method will be adopted as the method of procurement in cases where the total value of goods purchased is more than Rs.15,000 (Rupees Fifteen Thousand).
- It is a method of procuring readily available, off-the-shelf goods with standard specifications.
- Requests for quotations will indicate the description and specification of goods, as well as desired delivery time and place.
- The evaluation/comparison of the quotations will be done by the Procurement Team on the basis of comparative analysis of quotations received and the selected vendor will be issued a purchase order (see Annexure 1 for sample purchase order)
- Justification for selection of the successful bidder must be recorded.

Note: For the purpose of procuring goods through “Local Purchase” method, the comparison of cost has to be done in the following manner:

1. The Procurement committee should decide the specifications of the goods to be procured.

2. **Case 1** – At least 3 vendors/dealers of the same company with specified goods are available - Quotations have to be obtained from such vendors/dealers. Comparison has to be done between quotes received from them.
3. **Case 2** – Not more than two vendors/dealers of the same company are available - In such cases quotes from vendors/dealers of different companies but with same product specification have to be taken. The company/dealer with best offer should be considered.

A.3 Unknown Source Purchase

Procurement by unknown source, purchase specifically construction (breaks, sand, stone, chips etc) farming and husbandry, request for hand writing price quotation of locally available vendor/source (even single vendor) is required.

1. Case-1: if there are more than 1 vendor locally available then the procedure of Local Purchase will be followed.
2. Case-2: If there is only one source of vendor then decision of procurement team is not required. And hand writing quotation and bill of the goods is accepted from the vendor.

A.4 Online Purchase

In the case of Online Purchase the organisation will follow the procedure of Local Purchase. The organisation will decide to adopt online purchase according to it's flexibility and financial transaction (mode of payment)

A.5 Policy during emergency Situation

Procurement of goods during disaster situation the organisation will adopt the procurement procedure in different situation such as prevention, response and restoration/recovery

1. Case-1: In the case of response (during disaster natural or manmade) the procurement procedure is not required.
2. Case-2: in the case of prevention and restoration/recovery situation the organisation will follow the procurement procedure as enumerated in local purchase.

B. Procurement of Services

Following are the methods, which would be used for procurement of services including consultancy services¹:

B.1 Short Term Assignment

B.2 Least Cost Selection

B.3 No proposal Selection

B.4 Single-Source Selection

The table given below summarizes the process of procurement of services

Summary Table for Procurement of services

S.No	Particulars of Services	Value	Method
B.1	<ul style="list-style-type: none"> Short Term small consultancy assignments and other contracts where qualification and experience of service provider is the determining criteria No terms of services required ID documents to be included (Pand Card/Adhar Card/Updated resume/CV/Office address details on of online platform (Facebook/linked etc.) Accountant to maintain a list of resources in database and updated it quarterly basis if required 	Total value of assignment is less than or equal to Rs.20,000	Short Term Assignment (no quote required but processes to be followed)
B.2	Assignments where the period of engagement is relatively long and the deliverables have to meet certain specific standard	Total value of assignment is more than Rs.20,000	Least Cost Selection (at least 3 proposals to be invited and

¹ Consultancy services usually require specialist knowledge which may not be widely available.

	and quality.		selection based on price quoted and services offered)
B.3	<ul style="list-style-type: none"> • If no proposal is obtained before 10 days of commencement of project, only then this method can be applied • Terms of Reference required • If there are no applicants for the proposed project in least cost selection, the following steps to be followed: <ul style="list-style-type: none"> • Consultation to be taken from each program manager and coordinator • Rules relating to single source selection to be applied • Written approval required from secretary and treasurer • Identification of known person: <ul style="list-style-type: none"> ○ Pan Card/Aadhar Card ○ Address Proof ○ Online Forums ○ Bank Details etc 	Total value of assignment is more than Rs.20,000	No proposal Selection
B.3	Assignments where only one person/firm has the requisite knowledge and experience OR the service-provider is discussed with Management Committee (MC)	Total value of assignment is more than Rs.20,000 but up to Rs.100,000	Single Source Selection (no quote required). Only in exceptional cases
B.4	For assignments in the case of (B.2) and (B.3)	Value of assignment is Rs.500,000 or above	Prior intimation and approval from GB to be taken.

The above mentioned methods are explained in detail in the following paragraphs.

B.1 Short Term Assignment

This method should be used for assignments which are of the value **less than or equal to Rs.20,000 (Rupees Twenty Thousand)**. This method will be used where any or more of the following conditions apply:

- The service provider has already provided similar services to the organisation in the past
- The services to be procured requires specific knowledge, experience and skills

Procedure for Short-Term Assignments will include the following steps.

a) For Consultancy services

- **Step1** The Procurement Team of the READ NGO will prepare the Terms of reference (ToR) for the assignment clearly defining the specifications of the assignment, time-frame and cost estimate. The decisions of the Procurement Team in this regard are to be duly recorded. **(see Annexure 2 for sample ToR)**
- **Step2** The consultant with requisite qualification and experience in similar assignments will be identified.
- **Step3** Negotiations, if required, may also be carried out and contract to be awarded to the Consultant.

b) For other contracts

Step1 The Procurement Team of the READ NGO will prepare the work-order for the assignment clearly defining the specifications of the assignment, time-frame and cost estimate.

Step2 The service-provider with requisite experience and skills will be identified.

Step3 Negotiations, if required, may also be carried out and work-order to be awarded to the service provider.

B.2 Least Cost Selection (LCS)

This method will be used for assignment with **value more than Rs.20,000 (Rupees Twenty Thousand)**

- This method can be adopted for assignments of routine and standard nature where there are considerable established practices and procedures that can be adopted
- At least three proposals should be invited
- The proposals will be evaluated and the best proposal will be selected

No proposal Selection

- If no proposal is obtained before 10 days of commencement of project, only then this method can be applied
- Terms of Reference required
- If there are no applicants for the proposed project in least cost selection, the following steps to be followed:
- Consultation to be taken from each program manager and coordinator
- Rules relating to single source selection to be applied
- Written approval required from secretary and treasurer
- Identification of known person:
 - Pan Card/Aadhar Card
 - Address Proof
 - Online Forums
 - Bank Details etc

Least Cost Selection Procedure will include the following steps.

Step 1: Preparation of Terms of Reference (ToR) and Cost Estimate

The Procurement Team of the READ will prepare the ToR for the assignment clearly defining the specifications of the assignment, time-frame and provide background information to facilitate the preparation of cost estimate by the service-provider. Criteria for selection of service providers will be prepared, along with the indicative cost estimate.

Step 2: Inviting Proposals

Pre-identified prospective service providers possessing requisite competencies and skills will be supplied with the ToR and other information necessary to prepare a proposal with cost estimates.

Step 3: Evaluation of Proposals

The evaluation of the proposals will be carried out in a transparent manner by the Procurement Team.

Step 4: Negotiations and Award of Contract

Negotiations, if required, may also be carried out with best-evaluated service-provider. The negotiations may include discussions on the TOR; the proposed work plan and the methodology. The final contract has to be awarded post the negotiation process.

B.3 Single Source Selection

This method may be used in exceptional cases for assignments with a value **more than Rs.20, 000 (Rupees Twenty thousand) but up to Rs.100,000 (Rupees one lakh)** under the following conditions:

- When the service provider has the exceptional knowledge in the field of the assignment or is the only individual/ firm to be short-listed
- Where the service provider is discussed and agreed with the READ

Single Source Selection Process will involve preparation of ToR, inviting proposals and award of contract as explained under Least Cost Selection method.

B.4 Service contracts above Rs.500,000

All Contracts for services of value **Rs.500, 000 (Rupees Five Lakh) or above** have to be intimated to GB and a prior approval taken.

Important note to be followed by the organisation

The account has to maintain the recordkeeping process in 3 different methods i.e. (1) Digital documentation of bank statement, invoice and payroll

(2) Record should be kept at desktop/laptop

(3) Record should be stored at external hard disk.

(4) Any Purchase done in cash should not exceed Rs.10,000 if so cheque/DD/NEFT has to be made

FORMATS

Form No 1 : Material Requisition Note

Form No 2 : Comparative Analysis Statement

Form No 3 : Purchase Order

Form No 4 : Payment Request Format

Form No 5 : ToR Format

Annexure 5 (Sample Terms of Reference)

Terms of Reference for (mention nature of assignment)

(TOR between (Names of the READ NGO) and (Name of the Consultant))

1. Background of the READ

2. Scope of Work

The objective of assignment is:

1. Deliverables

The consultant is expected to deliver the following outputs:

4. Reporting and Timeframe

The consultant will work as per the TOR signed with (name of the Organization). The consultant will work closely with the management and Team of (name of the Organization). The total timeframe of the consultancy is _____ days. The consultant needs to immediately start work, once s/he is hired by (name of the Organization).

5. Consultancy Fees and Other Charges

(Name of the Organization) proposes a consultancy fee of Rs._____ for this assignment (including taxes, if any). In addition to the consultancy fees, the actual cost of travelling, boarding, lodging and other incidental charges will be covered up to a total limit of Rs._____. The payment will be made as per the actual expenditure incurred by the consultant for the preparation of project proposal. On the completion of the task the consultant will raise an Invoice to the organization for the consultancy charges/fees for the said task.

6. Expertise Required

The consultant expected to have following expertise:

7. Technical and Financial Proposals

The consultant should submit the technical and financial proposals for carrying out the assignment. The technical proposal shall include the following:

- Proposed methodology
- Proposed plan of conducting the assignment
- Brief Profile of the team conducting the assignment

- The financial proposal shall quote a lump-sum figure, with the following break up:
 - Personnel costs
 - Other costs
 - Taxes and fees, if any

8. Payment Schedule / Terms of Payment

9. Tax Deduction at Source

10. Confidentiality

The consultant should abstain himself/herself from disclosing any confidential information received during the process to an unintended recipient.

For READ

For Consultant

Procurement Committee at READ, Berhampur



SL.No	Procurement Committee Member	Designation	Responsibility
1		Project Coordinator	
2		Accountant /Admin Coordinator	
3		Community Organiser -2	
4	Recommended by	Program Manager	
5	Approved by	Secretary/ED	



READ

Material Requisition Note

Project :
Budget
Head:

SI.No	Particulars	Model & Configuration	Quantity	Unit Cost (Rs.)	Total Cost (Rs.)	Remarks
1	Laptop	Laptop- Model DELL INS 3543, Configuration: Core i3, 4GB RAMM, ITB HOD 14, LED DVD/RW, Wid 10, WIFI, BT, 1yr wty	7	33300	233100	
2						
3						
4						
5						
6						
7						
8						
9						
	Total				233100	

Requested by

Verified by

Approved by

**Project
Coordinator**

Finance Officer

Project Director



READ Comparative Analysis Sheet

Purchase Relating to:		Procurement of IT related items for Project Operations at READ level							
Budget Head :									
Supplier 1:		Cyberian Informatics, A/108, Banadeb Bhawan, Ground Floor, Saheed Nagar, Bhubaneswar-751007							
Supplier 2:		Infocare Solutions, B-2 (1st Floor), Saheed Nagar, Bhubaneswar-751007							
Supplier 3:		SA IT, A/108, BanadeGateway Pvt Ltd, HO: B-6, 1st Floor, Saheed Nagar, Bhubaneswar-751007							
SL.No	Description	Model & Configuration	Qty	Supplier 1		Supplier 2		Supplier 3	
				Unit Price	Total Cost	Unit Price	Total Cost	Unit Price	Total Cost
1	Laptop	Laptop- Model DELL INS 3543, Configuration: Core i3, 4GB RAMM, ITB HOD 14, LED DVD/RW, Wid 10, WIFI, BT, 1yr wty	7	33300	233100	33400	233800	34100	238700
2	Desktop	Desktop-Dell Model 3059, Configuration: Core i3, 4GB RAM, ITB HDD, 19.5' LED, DVD/RW, win 10 Keyboard, Opt. Mouse, 1yr wty	4	39300	157200	41500	166000	40800	163200
3	Printer	Printer-HP Model : 1005, Configuration : A4 LaserJet Printer including print, scan and copy	4	12500	50000	12700	50800	12500	50000
4	UPS	UPS Model: luminus, 600 va ups	4	1700	6800	1700	6800	1730	6920
6	Antivirus	Quick heal, 10 user 1 year total security	1	4500	4500	4500	4500	4500	4500
7	Antivirus	Antivirus quick heal, 3 user 1 year total security	1	2050	2050	2050	2050	1890	1890
8	External Hard Disk	Dell 1000 GB	5	4300	21500	4450	22250	4300	21500
Grand total					475150		486200		486710

ATTACH 3 QUOTATIONS

The recommended supplier is: _____

Justification/Remarks: _____

Prepared by: _____

Reviewed by: _____

Approved by _____



READ PURCHASE ORDER

P. O Number :		PO Date :			
Department	Finance Dept.	Quotation Ref.No			
Vendor Name : Cyberian Informatics, A/108, Banadeb Bhawan, Ground Floor, Saheed Nagar, Bhubaneswar-751007		Bill to To The Director, READ, Berhampur			
SL.No	Item Name	Description	Unit	Unit Price	Amount
1	Laptop	Laptop- Model DELL INS 3543, Configuration: Core i3, 4GB RAMM, ITB HOD 14, LED DVD/RW, Wid 10, WIFI, BT, 1yr wty	7	33300	2,33,100.00
2	Desktop	Desktop-Dell Model 3059, Configuration: Core i3, 4GB RAM, ITB HDD, 19.5' LED, DVD/RW, win 10 Keyboard, Opt. Mouse, 1yr wty	4	39300	1,57,200.00
3	Printer	Printer-HP Model : 1005, Configuration : A4 LaserJet Printer including print, scan and copy	4	12500	50,000.00
4	UPS	UPS Model: luminus, 600 va ups	4	1700	6,800.00
5	Dungal	Digisol, Model : HR-1020s, 21.6mbps	11	1700	18,700.00
6	Antivirus	Quick heal, 10 user 1 year total security	1	4500	4,500.00
7	Antivirus	Antivirus quick heal, 3 user 1 year total security	1	2050	2,050.00
8	External Hard Disk	Dell 1000 GB	5	4300	21,500.00
9	Mobile	Samsung J2 Mobile	4	7200	28,800.00
					-
	GRAND TOTAL				5,22,650.00
Amount in Words :		Five Lakh Twenty Two Thousands Six Hundred Fifty Only			
Delivery Location:		READ, Berhampur			

Terms & Conditions:

Payment Terms:

- 1) Payment will be made within 7 days of receipt of Invoice and delivery of Item
- 2) The amount abovementioned is inclusive of all taxes
- 3) Tax will be deducted at source, as applicable

Delivery Terms:

The item(s) should be delivered after install all parts and accessories.

Other Terms & conditions:

1. Rate of tax, amount of tax and value to be shown separately in the invoice.
2. The duplicate copy of the contract duly signed should be returned as a token of acceptance of our terms and conditions already mentioned.

For READ

(Signature with seal)

Vendor's Signature

(Signature with seal)



READ

PAYMENT REQUEST FORM

Date : **30.5.2016**

P.O/Bill Ref. No

Vendor Name : **CYBERIAN INFORMATICS**

Cheque/DD in favor of : **CYBERIAN INFORMATICS**

Bank Name: **Canara Bank**

Bank Account Number **24872140,00,001**

IFSC code: **CNRB0002487**

PO Number	Description	Quantity	Unit Cost	Cost
				0
				0
				0
				0
				0
				0
				0
				0
				0
Total				0
Total Cost:				
Budget Code:	<input type="text"/>			
Requested By:	<input type="text"/>	Date:	<input type="text"/>	
Verified By:	<input type="text"/>	Date:	<input type="text"/>	
Authorised By:	<input type="text"/>	Date:	<input type="text"/>	
Asset Register/Stock Ledger Folio Number :				



READ
Purchase of IT Items

SL	Contribution	Amount
1	READ	475150
2	Community	0
	Total	475150

Prepared by

Approved by