



AHEAD **Initiatives**

PROCUREMENT POLICY

Objectives of a Procurement Policy

A good procurement process ensures that:

- The required materials are purchased or services obtained, in terms of proper quality and specification;
- Best value for money spent in this regard is ensured;
- The process is correct i.e. risk of malpractice is minimised to a great extent;
- The process is fast enough to meet programme needs;
- Conditions of Grants are complied with

Balancing between speed and safety is the key.

Principles for Bidding & Tenders

The Procurement Policy of AHEAD is based on the following principles:

- Transparency at all levels of procurement is assured. Neutrality and confidentiality of the bids are maintained. It is ensured that no technical or financial information from any bidder is shared with any other bidder prior to the end of the bid deposition period. Practices which restrict competition, and unfair practices, must not be tolerated.
- Staff members of the organisation must refrain from supplying information to bidders and other third parties, or from exercising any influence on the commissioning department.
- The time lapse between the invitation to bid / publication of the call for tender and the deadline for submitting bids must always be chosen in such a way that the bidders have sufficient time to submit a competitive bid after becoming aware of the invitation to bid / publication of the call for tender. The period that is appropriate for this depends on the respective circumstances.
- AHEAD supports strengthening of the local economy and the use of local products and as such, procurement in local or regional markets should be given top priority.

Purchase Committee

A Central Purchase Committee is constituted for independent review and evaluation of documentation with regard to purchase. The main role of the Central Purchase Committee is to recommend the most suitable supplier or service provider based on price, quality, stock availability, capacity, references etc.

The Central Purchase Committee consists of the following persons (i) Managing Director (ii) Director - Finance and Administration and (iii) Director – Domains/Programmes, whoever is affected by the purchase

The Central Purchase Committee will be assisted by a Processing Committee comprising Budget & Operations Controller, Manager – IT & Assets and the Accounts Officer

AHEAD also has a committee consists of the following representatives in each district/block for recommending / procuring inputs, community assets etc.

- Area Manager
- Domain/Project Manager

- CSO Programme Supervisor or Deputy Supervisor

This committee in each district/block can approve any purchase at field level, except assets, value of which should not exceed Rs.5,000/-. If any purchase is above Rs. 5,000/-, this committee is bound to recommend the purchase to the Central Purchase Committee at the H.O. as stated above.

Types of Assets

Presently AHEAD is involved mainly in five kinds of Procurement such as procurement of (a) Assets, (b) Consumables, (c) Community Assets, (d) Inputs and (e) Services.

Procurement of Assets

With regard to procurement of assets for HO and field offices, the guidelines detailed below should be followed:

- The Team/Domain head will send the request for purchasing of an asset to Director – Finance & Administration.
- The request should include details of the asset, specific models or choice if any, the project/programme budget head under which the asset will be purchased, the resolution taken regarding the purchase (in team or PIB meeting or EC meeting). Estimated cost to be involved in this regard must be approved by Team / Project or Domain Head. The request may be sent via email also.
- After giving necessary approval, the Director – Finance & Administration will request the HO Purchase Processing Committee (PPC) for collecting quotations and further actions. Administration team can depute any other personnel to collect quotations, if required.
- If the total value of the Asset is $\leq 5000/-$, a single quotation will suffice.
- If the price of the Asset is Rs. 5000 or above, at least 3 quotations in writing need to be taken from 3 different vendors. Purchases made online should share comparative online costs from at least two vendors. In case of procurement value, the donor's agreement limit will be considered and given priority. If anything is not declared in donor's agreement clearly then AHEAD's policy will be followed.
- The quotations should clearly include detailed description of the given commodity, price, GST or taxes as applicable, terms of payment, expected delivery time etc.
- Quotations will be compiled and forwarded along with required documents to the Central Purchase Committee for its approval. However, for selecting any particular vendor, Team/Domain head's signature along with the justification should be clearly mentioned on the compilation note.
- It is expected that within 3 working days, the Central Purchase Committee will take a decision regarding the purchase.
- Administration unit will issue the Purchase Order to the selected vendor.

- Delivery, entry of the said asset in the Asset Register and handing over the asset to the Team/Domain with a note in a given format should be ensured.
- Area Managers will be responsible for procurement of AHEAD's assets in their respective fields and will supervise utilization, distribution, maintenance and dispose of the same as per guidelines, in close coordination with AHEAD HO Administration. If required, AHEAD HO may purchase assets directly for field offices and hand over to field offices with proper documentation.
- Area Managers will report directly to Admin Head / nominated person, keeping in loop the Domain Head.
- Monitoring of all assets (in HO or field offices) will be done based on the Asset Register.
- Physical verification of assets as per the tracking sheet will be done by team constituted by the EC once in a year.

Procurement of Community Assets

Community assets mean those which are similar to the nature of assets like rainwater harvesting structures, drinking water facility, common facility centre, machineries etc. on community owned land, for long term use, handed over to community during and/or after completion of the project and is expected to maintain and managed by the community itself.

- Project / Programme-wise procurement, distribution and supervision will be done by the respective Programme / Project coordinator under the guidance and control of the Head of Programme.
- AHEAD has a body consists with Representative of the Watershed committee / ARTC / Cluster / Group , Field Mobiliser and District Incharge / Field Supervisor in each district/block for recommending / procuring these community assets etc.
- These committees in each district/block can approve the purchases at field level if the purchase is below and equal to Rs. 5,000. If the purchase is above Rs. 5,000 this committee is bound to recommend the purchase to Central Purchase Committee at HO. The Central Purchase Committee will approve such procurements.
- If the total value of the Asset is $\leq 5000/-$, a single quotation will suffice.
- If the price of the Asset is Rs. 5000 or above, at least 3 quotations in writing need to be taken from 3 different vendors (internet quotation can also be considered).
- Area Manager/ District/Block In-charge / nominated person will be entrusted to collect quotations and after verification, the same should be sent to the Programme/ Project Head at HO.
- Necessary Work Order will be issued by Director – Finance & Administration/ PPC after necessary approval obtained.
- The community assets will be handed over to the community for its management and necessary maintenance. At the end of the project / Programme period, a note will be

prepared as per the given format and the handover formality will be done in the presence of all group/cluster / watershed committee members and Community/Panchayat representatives.

Procurement of Consumables and Inputs

Consumables are goods that are required to be purchased quite often because they are meant for use almost on a regular manner and/or need to be replaced within a short period of time. For example, stationary, refreshments, cooking utensils, computer peripherals, cleaning materials, electronics equipment, papers etc.

For the procurement of consumables, the guidelines mentioned below should be followed:

- Project/Programme Coordinators / Area Managers should forward their requisition to the Project/Programme Head defining the project/programme and budget. Project/Programme Heads should approve such purchases and instruct the Area Manager to process the purchase.
- At the beginning of each financial year, the PPC will carry out the process of enlistment of vendors with help from Area Managers/Domain Managers.
- invitation for quotation will be sent to the enlisted vendors and based on minimum price quoted, quality of products, stock availability including capacity, the suitable vendor will be chosen and accordingly the work order will be issued.
- If the total price of the procurement is $\leq 5000/-$ (or as per project agreement whichever is lower), quotation will not be required. If the price of the procurement is Rs. 5001 or above (or as per project agreement whichever is lower), then at least 3 quotations need to be taken from 3 different vendors (internet price will also be considered).

The quotations should clearly include detailed description of the given commodity, price, GST, payment terminology and expected delivery time.

- Stock needs to be received as per challan and the challan is required to be properly signed by the receiver and filed for further reference.
- Stock will be registered centrally at HO and area offices in Stock Registers. HO PPC Team is responsible to check the process and stock at field offices at least once a year.
- For getting any item, team members will email to District/Block In-charge / PC / Unit leaders / Team heads and seek their email approval. If consumables are project/programme inputs, details must be provided through a Compilation Report including target group, their location, activity with a reference to the Domain plan - to Domain Director and Director – Finance for their approval.
- All online purchases for the company will be through the Asset Manager at HO
- Inputs, in simple terms, are those things that are used for implementing the project e.g.seeds, saplings, vermicompost, bio fertiliser, livestock etc.

- According to AHEAD's principle, in order to support the landless and small farmers, it is always encouraged to buy their agricultural produce including breeds and in such cases it may not be possible to collect quotations from such individual producers although the price of total quantity altogether may be a lump sum amount depending on the volume of the project. For their interest, it is necessary to transfer the money of their produce to their respective Bank Accounts.
- Based on planning, requisition should come from Project/Domain Managers.
- The documents will be verified by PPC and submitted to the Budget Controller and Domain Head. Final approval will be made by Director – Finance.
- The District In-charge will make necessary recommendation and will send to the Project Coordinator /Unit Leader (HO).
- For purchase less than or equal to Rs. 5,000, quotation is not required. But it is necessary to collect 3 quotations, if the total purchase exceeds Rs. 5000 at a time.
- Work order will have to be issued by the HO only maintaining proper procedure and with Central Purchase Committee's approval if the total purchase of an item exceeds Rs. 5,000 at a time.

Procurement of Services

General Services (e.g. maintenance, printing, hiring of car, food supplier, travel agent etc.)

For the procurement of services like maintenance, printing, hiring of car, food supplier, travel agent etc. the following guidelines should be followed:

- Enlistment of vendor needs to be done both at HO and Field Office level in the beginning of each financial year.
- A staff member can submit requisition for stationary/train tickets to Admin directly. However, for booking of train tickets in AC Coach, air tickets, hiring of cars, approval from Project/Domain Heads is required.
- Field/Domain managers should submit their requisitions to the Admin. indicating the project and related budget.
- If the estimated amount exceeds Rs. 3000, three quotations are required especially for printing and maintenance related work. Based on competence, experience, services rendered, budget etc. selection of service provider will be done. Approval in this regard is required to be obtained from the Central Purchase Committee. If in any case only one quotation is available then proper justification is required for procuring from a single vendor.
- Any type of maintenance below Rs. 10,000 may be approved by Director - Finance & Administration but above that requires HO PPC's approval.

Consultancy Services

AHEAD can hire external professionals, consultancy organisations, universities or consultants for a specific job, with defined terms of content and time frame for its completion. Engagement of consultants may be reverted in situations requiring high quality services for which the Procuring Entity does not have requisite expertise. Approval of the PC at HO or EC should be obtained before engaging consultant(s). Equal opportunity to all qualified service providers/consultants to compete should be ensured; engagements should be economical and efficient. Transparency and integrity in the selection process should be maintained.

It is good to collect quotations from different Consultants but if the expertise found to be limited within the given capacity, then with proper justification one quotation will be accepted. Definite TOR will have to be drawn with each consultant. The concerned teams are expected to prepare the agreements.

Consultancy Services should have approval from Central Purchase Committee at HO.

Summary

ASSETS & COMMUNITY ASSETS	Total value <= Rs. 5000	Quotation not required
	Rs. 5001 or above	At least 3 quotations in writing need to be taken from 3 different vendors
CONSUMABLES	Total price of the procurement <=5000/- (or as per project agreement whichever is lower)	Quotation not required
	Total price of the procurement >= Rs. 5001 (or as per project agreement whichever is lower)	At least 3 quotations in writing need to be taken from 3 different vendors
INPUTS	Total purchase <= Rs. 5000	Quotation not required
	Total purchase >= Rs. 5001	At least 3 quotations in writing need to be taken from 3 different vendors
GENERAL SERVICES	Total purchase <= Rs. 5000	Quotation not required

	Total purchase >= Rs. 5001	At least 3 quotations in writing need to be taken from 3 different vendors
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The Authority to approve in nutshell

ASSETS	Above Rs. 5000	Central Purchase Committee at HO
COMMUNITY ASSETS	<= Rs. 5000	AreaCentral Purchase Committee
	Above Rs. 5000	Central Purchase Committee at HO
CONSUMABLES	<= Rs. 5000	Area Purchase Committee
	Above Rs. 5000	Central Purchase Committee at HO
INPUTS	<= Rs. 5000	Area Purchase Committee
	Above Rs. 5000	Central Purchase Committee at HO
General Maintenance	All	Area Manager for Camp Office Admin Officer at HO
	Any Maintenance <= Rs. 3000	Head of Finance & Admin
	Above Rs. 3000	Central Purchase Committee at HO

Changes in the Procurement Manual

Authority for any additions/alterations in the manual rests jointly with the Director – Finance & Administration with approval of the Managing Director. Programme In-charges, persons dealing with the finance, field offices are encouraged to provide input, suggestions for additions/alterations, but should not alter or change any part of the manual. Suggestions or requests for changes should be addressed to Director – Finance & Administration. The manual will be periodically updated to reflect current circumstances and new policies and procedures.

Notification about the revised/updated sections will be communicated to all levels.

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