

PROCUREMENT POLICY

Introduction

Procurement Philosophy

- Centre for Catalyzing Change (C3) is committed to procurement practices that ensure the most efficient use of limited resources to meet C3's operating needs and implementation of its activities.
- All procurement activities will be carried out with highest level of professional integrity.
- The correct goods or services are procured, in terms of quality and specifications.
- Best value for money is achieved.
- The process is safe i.e. risk of fraud is minimized.
- The process is fast enough to meet program needs.

Code of Conduct

- C3 maintains a standard of conduct of its entire staff to prevent actions which may be perceived as, conflicts of interest. In addition, where procurement of goods and services are concerned no employee of C3 shall participate in the selection, award, or administration of procurement if a real or apparent conflict of interest would be involved. Such conflict would arise when the employee or any member of his /her immediate family has a financial or other interest in a procurement decision.
- Members of the General Body or employees of C3 will neither solicit nor accept gratuities, favors or anything of monetary value from contractors, consultants, sub-grantees, vendors, potential contractors or parties to subcontract.
- C3 seeks to conduct its purchasing through open and free competition. C3 is committed to selecting the supplier, strictly based on the merits, which meets a specific need with competitive price, lowest total-end-use cost, and best overall quality.
- Procurements shall be made only from responsible vendors, who have the ability to meet agreed terms and conditions. Consideration should be

given to the contractor's integrity, record of past performance, and financial and technical resources, among other qualities, during the selection process.

- Donor's procurement requirements, wherever applicable, should be followed during procurement process.
- Staff members are encouraged to consider alternatives to procurement such as renting, leasing equipment, wherever appropriate.

Definitions

General Procurement

- General procurements are transactions which do not fall under any of the specific categories mentioned below. General procurements are further sub-divided into:
 - **Small procurements**, where total value of the transaction is up to Rs. 25,000.00 and
 - **Large procurements:**
 - where total value of the transaction is between Rs. 25,001.00 to Rs. 4,99,999.00
 - where total value of the transaction equals to or exceeds Rs. 5,00,000/-

Service Contracts

- Procurement of services of individuals and/or organizations falls under this category.

Sub-Grants

- Engaging partners for executing program activities as per agreed terms falls under this category.

Requestor

- The Staff member, who initiates the request for procurement of goods/services.

Authorized Signatory

- Respective Senior Advisor or Program Manager shall be the authorized signatory for procurement of goods/services related to program activity.
- Director - Operations shall be the authorized signatory for procurement of goods/services related to general office use/utility or program support activities.
- If the Director - Operations, Senior Advisor or Program Manager, as the case may be, is the Requestor, then the requisition shall be authorized by the Executive Director.

Emppaneled Consultants / Vendors

- The empaneled Consultants/ Vendors are those with whom a Rate Contract has been concluded by the organization after following the due procurement process.

Procurement Committee

- Procurement committee shall be the committee consisting of three members chosen from amongst the C3 staff.

Responsibilities of the persons involved?

Requestor

- Justify the need for procurement.
- Check that sufficient funds are available for items requested.
- Check the cost code and line item with the Project Manager
- Obtain three competitive bids/ quotations (wherever applicable)
- Provide justification if there are less than three quotations and the vendor/ consultants is not in the empaneled list.
- Negotiate the most economical price, while ensuring best quality.
- Ensure that the donor agreement permits procurement of requested goods or services.

- Ensure accuracy of purchase orders, service contracts or sub-grant for proper item/work description; technical references etc. and forward the same for approval
- Seek approval from authorized signatory and procurement committee, through MITR
- Ensure that all goods and services have been received as originally ordered along-with invoice and other necessary documentation.
- Submit the invoice with finance department, along-with acknowledgement of receipt of goods and services.

Administrative Officer

- Co-ordinate with the requestor, as and when required, during procurement process.
- Issue purchase order
- Assign inventory numbers to items, wherever applicable.
- Prepare and maintain an inventory register covering details like inventory number, description of goods, vendor name, bill number and date, cost code etc.
- Inform the requestor, wherever applicable, upon arrival of goods in the office.

Procurement Officer

- Review all documentation for accuracy and completeness.
 - Issue, service contract, sub-grant agreements, as the case may be.
 - Process all invoices for payment. It is to be ensured that payments are made only against legitimate/proper invoices and are in accordance with the relevant Purchase Order/Contract / Sub-grant Agreement.
 - Prepare and maintain a, contract and sub-grant agreement tracker, covering sufficient details so as to enable tracking of goods and/or service received and payment/s made so far, in respect of each service contract/ sub-grant agreements.
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Authorized Signatory

- Ensure overall legitimacy of procurement requisition.
- Ensure that the goods and/or services requisitioned are essential for the project and/or general support.
- Verify that the same can be contained in the budget of relevant project(s), if any.
- Ensure that the Donor requirements, if any, are complied with.
- In case alternative sources are available, verify that the purchase represents economic and operational efficiency.
- Take action on incorrect or poor quality deliveries/performance, and inform Requestor about such instances.

Procurement Committee

- Evaluate the vendor bids in the light of technical specifications of goods/ services required, available time frame, previous performance of vendors/ consultants involved etc. and accordingly recommend procurement of good / services.
- Review existing service/ consultancy contract templates and recommend amendment and/or revision of such templates from time to time.
- Periodically review the procurement procedures for suitability and operational effectiveness.

Executive Director

- If the authorized signatory is the Requestor then the rights and responsibilities entrusted to him/her shall be assigned to Executive Director.

Procurement Procedures

This is a summary of the policies and procedures governing procurement within C3's offices.

Programmatic / Financial Approval

- Requestor should develop a scope of work, evaluation criteria and estimated value of the procurement.
- For transaction under Rs. 25,000/- The requestor is required to provide information on the format provide as annexure – V
- Requestor shall obtain, quotations for transactions between Rs. 25,000/- to Rs 4,99,999/- of:
 - Purchase of goods
 - Minimum three bids/ quotations
 - Procurement of Services
 - In case of individual consultant, who are already empaneled, there shall be no requirement of procuring three quotes however in all other cases the requestor is required to provide necessary information to the approving authority on the prescribed format - annexure -VI
 - In case of firm/ organization etc. requirement of three quotes is mandatory
 - Partnering with Sub-grantee
 - Request for Proposals (RFP) for all sub-grants agreements
- The following process is to be followed for procurement of goods and services equals to or exceeding Rs.5 lakhs (inclusive of tax and any other charges etc.)
 - The requester should prepare RFP/RFQ, as the case may be
 - This should be approved by the respective Project Manager (PM). PM will share the cost code, line item and approved budget for such procurement.

- The RFP should be send to Procurement Department, for advertising on appropriate site/ C3 website. Once uploaded, Procurement Officer will share the same with C3 staff.
- The Procurement Officer will share the proposals received, in a separate email ID procurement@c3india.org, against the specific RFP/RFQ after the proposed last day of receiving the RFP/RFQ.
- A process document of receipt of proposals, screening process and justification of award will need to be prepared and submitted by program team/person for each contract, through MITR, for PC approval/ contracting etc.

Additional Note - I

- For independent consultants, requestor shall collect their CV/ Bio-data form with salary/fee history.
- For sub-grant agreements, requester shall collect the necessary documents as listed in the annexure – II.
- Requestor shall work with Director -Operations in case of hiring of foreign national as consultant.
- Requestor shall send formal communication, mentioning applicable cost code, if any, through e-mail or inter office memorandum, to Authorized Signatory seeking, in principal, programmatic approval for procurement.
- After obtaining programmatic approval, the requestor should send the same to procurement committee for their approval using MIItR.
- Procurement committee shall evaluate the quotation/ bids/ RFP in light of technical specifications required, available time frame, available budget, previous performance of the vendor/ consultant etc. before approving the request.
- Once approved , the requestor shall provide the necessary information (viz start/end date, SOW, Budget, Payment terms etc.) for issue of consultancy contract / sub-grant agreement / Purchase Order through MIItR, and hard copy(ies) of quotations/ bids etc. to Finance department for issuance of service contract or purchase order or sub-grant agreement.

Issuing of contracts

- The Procurement Department will follow up on with the requester in case of some information/ details are missing.
- The Procurement department will issue the / contractor agreement/ sub-grant agreement, as the case may be, in duplicate.
- The Procurement department will issue the purchase order

Final Steps

- Procurement department will forward the purchase order/ consultant agreement/ sub-grant agreement, as the case may be, to the requestor, online, using Adobe Sign for signature .
- A signed consultant agreement does not constitute a valid instrument for payment. An invoice must be submitted by the consultant.

Modifications to change the date, amount, or scope of work, etc.

- Requestor should develop revisions for modification to the contract/ agreement.
- Requestor should reference original purchase order/agreement number and indicate "Modification to Original Contract/ Agreement "on the request for change.
- All other steps for Procurement/Financial Approval, whichever applicable, and Final Steps should be followed.

THE PROCUREMENT PROCESS IS AVAILABLE ON C3'S INTRANET (MITR) AND WE ENCOURAGE STAFF TO SUBMIT THEIR REQUEST ONLINE FOR APPROVAL AND ISSUE OF CONTRACT.

Processing of Payment

To Vendors

- Invoices should be submitted to the Project Manager who is responsible for the work of the vendor for their approval.
- The project manager or authorized signatory should verify/ write the purchase order number and project code & line item on the invoice. The project manager should verify that the deliverables as per invoice have been received and accepted by the organization.
- Administrative and Finance Officer shall:
 - a. Examine the documents to ensure arithmetical and general accuracy of details therein.
 - b. Verify that goods have been received and assigned inventory number, wherever applicable, and inventory register is updated.
 - c. Release payment to the vendor after being satisfied about accuracy and correctness of document.

To Consultants

- Invoice, for fixed fee, along with time sheet- wherever applicable, should be submitted to the Project Manager who is responsible for the work of the consultant for their approval.
- Invoice, for reimbursable cost, along with voucher/ bills / invoices etc., should be submitted to the Project Manager who is responsible for the work of the consultant for their approval
- The project manager or authorized signatory while approving the invoice, should mention the contract/ agreement number and project code on the invoice. The project manager should verify that the deliverables as per invoice have been received and accepted by the organization. Wherever possible, a copy of the deliverable should be attached with the Invoice. In case the deliverable is a large document, it should be emailed to finance department.
- Administrative and Finance Officer shall:
 - a. Examine the documents to ensure arithmetical and general accuracy of details therein.
 - b. Verify that the deliverables have been received.

- c. Verify bills/invoices etc. received along with invoice.
- d. Release payment to the consultant after being satisfied about accuracy and correctness of document.

To Sub-grantee

- All requests for fund disbursement shall be verified by the respective Project Manager and approved by the authorized signatory. The project manager should mention the sub-grant agreement number on all the requests for disbursement
- An advance payment may be released under sub-grant agreement upon receipt of fund disbursement request from the sub-grantee.
- Second and subsequent payment against the sub-grant shall be processed on submission of the following:
 - a. Fund disbursement request (template attached as annexure - III)
 - b. Utilization statement duly signed by the authorized signatory of the sub-grantee (template attached as annexure -IV)
- Administrative and Finance Officer shall examine the documents to ensure arithmetical and general accuracy of details therein.
- Administrative and Finance Officer shall ensure that all the terms and conditions specified in sub-grant agreement have been complied with and any exception/deviation has been duly authorized by authorized signatory.
- The funds will be released by issuing of cheque/ DD/ NEFT and information of the disbursement shall be sent to the respective staff.

Annexure - 1 - Process for acquiring quotes/ bids/ RFP or RFQ

Procurement up-to Rs. 25,000/-

An Administrative Approval form is used for purchases of goods or services up to Rs. 25,000/- (See Annexure - V).

All receipts, invoices and/or documentation must be attached to the Administrative Approval form. The requestor must check to verify that funds are available for every purchase.

The following information must be included on the Administrative Approval form:

- Name of the vendor;
- Cost code and line item;
- Total cost of the goods and services;
- Information that applies to your procurement;
- Requestor and authorizing signatures:

After the Administrative Approval form is completed and approved, submit the completed form to the Finance Department along with Invoice/ Bill etc. for processing. Attach all documentation related to the requisition. The requestor is responsible for confirming that all goods and services have been received as originally ordered. Items **cannot** be added to the Administrative Approval form after approval.

Procurement between Rs. 25,001/- to Rs. 4,99,999/-

When procuring any goods or services between Rs. 25,001/- to Rs. 4,99,999/- the requestor must identify the vendors, develop job specifications and request bids, evaluate the vendor bids, complete the Purchase Order, and complete the Contractor Agreement.

Identification of Vendors

The identification of competent vendors is a basic responsibility of the requestor. Due to the wide variety of materials, equipment and services required by C3, there are no standards by which all vendors can be judged. The following summarizes recommendations for obtaining names of reputable vendors:

- Technical and business reputation of a company;
- Past performance of a company, if previously used by C3;
- Referrals;
- Information obtained from trade fairs, catalogs, trade journals, sales literature and other publications;
- Professional associations;
- Contacts with salespersons and vendor representatives

1. Preparing a Request for Bid

For procurements under Rs. 25,000/- a vendor should submit a written quote to provide specific delivery, price and other information

For procurements between Rs. 25,001/- to Rs. 4,99,999/-, a written Request should be prepared for a vendor to submit a response to C3's request for goods or services.

For procurements over Rs. 5,00,000/-, the requester should prepare RFP/RFQ, as the case may be. This should be approved by the respective Project Manager (PM). PM will share the cost code, line item and approved budget for such procurement. The RFP should be send to Procurement Department, for advertising on appropriate site/ C3 website. Once uploaded, Procurement Officer will share the same with C3 staff.

This request gives each vendor the opportunity to provide specific delivery, price and other information to C3. The RFB must be prepared so that it clearly identifies C3's requirements.

The Requestor must select a number of qualified vendors, sufficient for meeting the competition criteria, and prepare a RFP/RFQ as the case may be. It must include all provisions, forms, clauses, delivery requirements, etc., which will eventually become part of the resulting purchase order/contract. The RFB should set forth the scope of work and include all applicable technical specifications, general provisions, special provisions, administrative requirements, quality assurance documents, and any other forms or clauses to be included in the resulting Purchase Order/ Contract.

The RFP/RFQ will include:

- Date prepared;

- Date due;
- Date delivery is required at destination, or the completion date of the service;
- Description of goods or services, scope of work, etc.
- Quantity(ies);
- Unit(s) of measure;
- General Provisions; if required.

We recommend, depending on the size of the procurement that request for bids be sent to 3 vendors. Every vendor requesting an opportunity to submit a proposal will be given the opportunity to do so, within the established guidelines.

2. Evaluating Vendor Bids

Evaluating vendor bids is very important. Vendors must submit their bids in writing (telephonic bids are not allowed). The Requestor must review the bids to make sure that every criteria requested by C3 has been provided. He/she must also review the quality and accessibility of the goods and services requested. Vendors are not chosen only by lowest cost. If the highest priced bid is chosen, written justification is required. The following summarizes the vendor selection process:

- Review vendor proposal/quotations;
- Document all negotiations/ discussions and phone calls;
- Conduct price analysis;
- Evaluate bids and choose preferred vendor;
- Prepare a Buyer's Record or memorandum summarizing the bidding process;

3. Completing the Purchase Order

When procuring any item over Rs. 25,000/-, three bids must accompany the request for issuing the Purchase Order except for sole sources. Justification is required for sole source and when the lowest bid is not selected. The Requestor must check to verify that funds are available for every purchase. The Requestor is also responsible for confirming that all goods and services have been received as originally ordered.

The following information should be provided for issuing the Purchase Order:

- Name and address of the vendor;

- Name of the requestor;
- A description of the goods or services (please be as descriptive as possible);
- Quantity;
- Cost code and line item;
- Vendor justification for sole source or when the lowest bid is not selected;
- Requestor and authorizing signatures:

Finance Department staff will review all Purchase Orders requests for completeness and accuracy and distribute a copy of the Purchase Order, along with supporting documentation.

Once the goods or services have been received, submit the invoice to the Finance Department. The Finance Department will follow up on all outstanding Purchase Orders.

4. Completing a Service Contract

C3's Contractor Agreement

The requestor shall complete the highlighted part in the Contractor Agreement for consulting services. The Contractor Agreement should include the following information:

- Name and address of the vendor;
- Name of the project manager who will oversee the work of the contractor;
- Scope of work to be completed;
- Period of Performance;
- Payment terms.

Non-C3 Contract Agreements

- Due to the nature of the goods or services provided, in some cases, the requestor may be required to use the contractual agreement provided by the vendor. In such cases, the Requestor must provide assurance that the contract:
 - does not legally bind C3 to requirements that are more stringent than that of C3 practices, and
 - includes provisions to ensure that the vendor successfully fulfills its obligation to complete the scope of work on behalf of C3

5. Preparing a Request for Proposal (for sub- grant)

For selection of sub-grantee, a request for proposal should be prepared for various organizations to submit their proposal in response to C3's request. This RFP gives each organization the opportunity to provide specific objectives; price and other information to C3. The RFP must be prepared so that it clearly identifies C3's requirements.

The Requestor must select a number of qualified organizations, sufficient for meeting the competition criteria, and prepare a RFP. The RFP must include all provisions, forms, clauses, output requirements, etc., which will eventually become part of the resulting sub-grant agreement. The RFP should set forth the scope of work and include all applicable technical specifications, general provisions, special provisions, administrative requirements, quality assurance documents, and any other forms or clauses to be included in the resulting sub grant agreement.

The RFP should include:

- Date prepared;
- Date due;
- Project background
- Key Activities and timeline
- Expected Outcome
- Overall scope of work

It is recommended that that request for proposals be sent to 3-5 organizations. Every organization requesting an opportunity to submit a proposal will be given the opportunity to do so, within the established guidelines.

Annexure - II

DETAILS REQUIRED FROM PROPOSED SUB-GRANTEE

Name of Sub-grantee:

SI. No.	Description of Information	Information details	Additional Note
1	Name of Organization		
2	Regd. Office Address		
3	Head Office Address		
4	Type of Org.: Society/Trust/ Company		
5	Details of the current Board Members/ Governing council		Please provide details of the Board Members (Name, Address, PAN, Designation)
6	Registration No. of Organization with Date		Provide copy of registration certificate and MOA and Rules & Regulation
7	FCRA Registration No. & date		Provide copy of the FCRA registration certificate
8	Income Tax Registration u/s 12A		Provide copy of the letter for registration under section 12A of Income Tax Act
9	Income Tax PAN No		Provide copy of the PAN card
10	Income Tax TAN No		Provide copy of the TAN number
11	Last quarter for which TDS return filed with the Income Tax		Provide copy of the acknowledgement slip for submitting the return
11	Name & Designation of CEO		
12	Name of Statutory Auditor		
13	Address of Statutory Auditor:		
14	Statutory Audit done up-to		Please submit last two financial years audit report (complete)
15	Last FY for which I. Tax Audit u/s-12 completed and return filed;		Please submit copies of the last two years Income-tax return filed
16	Last FY for which FCRA Return filed with Home ministry?		Please submit copies of the last two years FCRA return filed
17	Does the Organization have a Finance/ Accounting Manual? If yes, when was it last updated?		
18	Is Organization registered with EPFO		
19	Is the Organization having computerized accounting? If yes, name the software used.		
20	Does the Organization maintain Fixed Assets & Inventory Register?		
21	Does the Organization have insurance in respect of Fixed assets, cash and staff (personal accident / mediclaim)		
22	FCRA - Bank A/c detail		
23	Non- FCRA - Bank A/c detail		
24	Any other Bank A/c detail		
25	Details of Bank Account Signatories		
26	Was the Organization ever blacklisted by the FCRA department		

< Name of the Organization>
Fund Disbursement Request

Purpose of Grant : < Name of the Project>
 Sub-grant Number : < Insert sub-grant number as mentioned on the sub grant letter>
 Sub-grant Period : < insert>
 Fund Request for the period : < Quarterly>
 Funding Agency : The Centre for Development and Population Activities

(in INR)

Details	Budget	Received (till last reporting period)	Balance Budget
Grant Received during the period	-	-	-
TOTAL RECEIPTS	-	-	-
B - EXPENDITURE (line items/ sub-line items)	Budget	Utilization(till last reporting period)	Planned for next quarter
TOTAL EXPENDITURE	-	-	-
C - INTEREST EARNED ON GRANT FUNDS			Cumulative Interest Earned
Interest earned on grant funds			-
TOTAL INTEREST			-
FUND REQUEST SUMMARY			BANK TRANSFER DETAILS
Planned for next quarter	-	Name & Address of the Bank Account	
Funds Available	-	Number NEFT/ RTGS Number Account Name	
Fund Disbursement Requested			

for <Name of the Organization>

Name of Authorized Signatory
DesignationPlace:
Date:

< Name of the Organization>
Funds Utilization Statement

Purpose of Grant : < Name of the Project>
 < Insert sub-grant number as mentioned on the sub grant
 Sub-grant Number : letter>
 Sub-grant Period : <insert>
 Current Reporting Period : < Quarterly or yearly- as the case may be>
 Funding Agency : The Centre for Development and Population Activities

(in INR)

A - RECEIPTS	Budget	Received (till last reporting period)	Received (current reporting period)	Cumulative Receipts	Balance Budget
Grant Received during the period	-	-	-	-	-
TOTAL RECEIPTS	-	-	-	-	-
B - EXPENDITURE	Budget	Utilization(till last reporting period)	Utilization (current reporting period)	Cumulative Utilization	Balance Budget
(line items/ subline items)					
TOTAL EXPENDITURE	-	-	-	-	-
C - INTEREST EARNED ON GRANT FUNDS		Interest earned (till last reporting period)	Interest earned(current reporting period)	Cumulative Interest Earned	
Interest earned on grant funds	-	-	-	-	-
TOTAL INTEREST	-	-	-	-	-
BALANCE FUNDS as at < DATE> [A-B+C]					

for <Name of the Organization>
 Name & Signature of Authorized
 Signatory
 Designation

Place:
 Date:

Administrative Approval Form

Date:

To

From

Sub: Approval for procurement up to Rs. 25,000/-

Ref: Cost Code & Line Item No.

Justification of procurement with quantity/ price / details and name of the vendor/ consultant

Details of similar purchases made/ work done earlier with this vendor/ consultant, if any

Submitted

Signature

Annexure -VI

Template for making a request for hiring of Consultants

To: Members of the Procurement Committee

From: Name of the Requestor

Date:

(Please provide the following information)

- Details of the cost code/ line item and available budget (please attach approval taken from the respective approving authority for this assignment)
- Short description of the project/ program
- Details of the assignment for which the consultants is required to be hired
- Justification for selection of the consultant:
 - CV, in case of individual, or profile of the consultant (to be attached)
 - To provide proof of the fee received by the consultant for similar assignment or proof of daily rate received from other organization
 - Write a para, providing justification of the agreed fee and correlate the same with the assignment output.

Signature of requestor