

Standard Operating Procedure (SOP) for Purchase Committee in a Residential Apartment Association

1. Purpose

To establish a structured process for purchasing goods and services required for the **AMAZE By Urban Tree Apartment Owners Association** ensuring **cost-effectiveness, quality assurance, and fair & transparent vendor selection**.

2. Scope

This SOP applies to all purchases made on behalf of the **AMAZE By Urban Tree Apartment Owners' Association**, including purchasing **maintenance supplies, security systems, office essentials, vendor services, emergency requirements**, and other essential services. for the residential community.

Purchases of Capital Goods exceeding **₹100000/-** threshold & selection of service providers will go through the process of Purchase committee's evaluation, review & recommendation.

3. Committee Structure & Responsibilities

- **Committee Composition:**
 - The **Purchase Committee** shall consist of **4 members**, including:
 - **Resident Representatives** – are selected through **nomination or election** in General Body Meetings.
 - Minimum **4 members**, elected to ensure independent review.
 - **Facility Manager (if available)** – Advises on technical requirements.
- **Tenure:**
 - Members serve for **1 year**, unless re-elected.
- **President / Secretary:**
 - Provides final approval of vendor based on the Purchase committee's recommendation.
- **Treasurer:**
 - Manages budgets & ensures financial accountability.

- Ensure purchases fit within the approved annual budget.
- Verify and approve payments after delivery validation.

Roles & Responsibilities

- **Committee Members:**

- Ensure purchases align with **quality and budgetary constraints**.
- Maintain **fair vendor selection** practices.
- Oversee **quotation comparisons and decision-making**.
- Conduct periodic **audits of purchases**

- **Conflict of interest:**

- **Objective Evaluation** – Base decisions on merit, performance, and compliance rather than personal preferences.
- **Multiple Bids** – Encourage competitive bidding to minimize favoritism.
- **Transparency in Selection** – Clearly define and disclose selection criteria to all stakeholders.
- **Independent Review** – Have an impartial committee oversee vendor selection to ensure fairness.
- **Unfair Advantage** – Prevent vendors from gaining inside information that gives them an edge over competitors.
- **Personal Relationships** – Avoid selecting vendors with whom decision-makers have personal or familiar ties.
- **Financial Interests** – Ensure no stakeholder has direct or indirect financial investments in the vendor.
- **Disclosure Requirements** – Require stakeholders to declare any potential conflicts before the selection process.
- **Post-Selection Monitoring** – Continuously assess vendor relationships to prevent emerging conflicts.
- **Ethical Guidelines** – Establish clear policies on conflict of interest and enforce them strictly.

4. Purchase Process

- **Requirement Identification:**
 - Requirements such as facility management services, security, housekeeping, maintenance to be submitted to the committee.
- **Vendor Shortlisting:**
 - A **minimum of three quotations** must be obtained for all non-emergency purchases.
 - Vendors must meet quality, reliability, and pricing standards.
 - Vendor past experience & warranty terms will be considered
 - Ensure proper background verification of vendors such as no. of years in business, past clients, compliances with labour laws, statutory compliance, etc.
- **Evaluation & Selection Decision:**
 - The committee **reviews quotations** based on:
 - **Tabulation of Quotations** – Compile all received quotations into a comparative table, listing vendor names, item specifications, unit rates, total cost, payment terms (between 45 to 30 days credit), and additional charges (such as taxes or delivery costs).
 - **Rate Analysis** – Compare the unit rates against market standards, previous purchase rates (if available), and budget constraints to determine competitiveness.
 - **Quality and Compliance Check** – Ensure that the quoted rates align with required specifications and quality standards.
 - **Negotiation Potential** – Assess whether there is room for negotiation based on bulk purchases, payment terms, or long-term vendor relationships.
 - **Compliance** – Ensure the vendor is compliant with labour laws, safety regulations, statutory compliance such as insurance coverage for workers and liability protection, etc.

- **Final Recommendation** – Based on a weighted assessment of price, quality, and vendor credibility, the committee selects the most suitable option.
 - If necessary, vendors may be invited for clarification or price negotiation.
 - **Workforce Quality & Training**
 - Confirm that security personnel are **trained and licensed**.
 - Housekeeping staff should maintain the required standard.
 - Technicians should be competent in his profession.
 - Facility managers should have **leadership skills**.
 - **Cost & Contract Terms**
 - Compare pricing models and ensure **transparent cost breakdowns**.
 - Review contract terms for **flexibility, service level agreements (SLAs), and penalties for non-compliance**.
 - **Reputation & Client Feedback**
 - Seek 2 **references** from vendors from his existing client.
 - Take Feedback from the above clients.
 - **Approval & Procurement:**
 - Selected vendor details and cost approval recorded in **meeting minutes**.
 - Committee approval based on a **majority vote (3/4)** before procurement.
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5. Review & Amendments

- This SOP shall be reviewed **annually** in the **General Body Meeting**.
 - Amendments are made based on **community feedback & operational needs**.
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