***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.

**5. Review & Amendments**

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