

# **Policy Name: Procurement Policy Ver. 1.0**

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## Objective

Procurements of various goods and services for an organization, ensuring smooth running of operations. Procurement comprises one-time or Periodic capital/non-capital purchases/one-time or periodic services. Procurement policy is intended to ensure that purchases are made through a transparent process, from approved suppliers, and value for money achieved by adhering to the structure.

## Scope

Procurement of any service/items/Product falls under the scope of this policy. It will be recommended to every department to adhere the process/procedure to have transparent, objective, time & cost-effective procurement.

Procurement will also be conducted by Workplace service team (WPS) pertaining to training, team outing, off-site, annual events etc.

## Procurement Type

### 1. One Time Service/Procurement

Procurement of goods and services for one time/isn't reoccurring in nature should not require contract. Below procurement slab will be followed.

- a. Procurement below INR 10,000/- (excluding GST) doesn't either required 3 vendor quotation or PO for purchase and approval from respective Department HOD / WPS Head over email is sufficient to proceed for procurement.
- b. Procurement above INR 10,000/- should require minimum 3 vendor quotation and PO will be created by the WPS team. Where there are no comparative quotes a proper justification needs to be provided.

### 2. Reoccurring service/procurement

Procurement of goods and services reoccurring in its nature must require contract/agreement.

**\*In case of procurement of goods/services from OEM vendor, one quotation will be sufficient for any purchase.**

## Approval Matrix

Procurement of goods/services/supplies shall follow below approval matrix. Any procurement happens without adhering to below matrix shall stand incomplete:

**a) Agreements**

Procurement of Goods/services/product required contract shall be signed by the respective department HOD & Finance HOD.

**b) Purchase Order**

- Purchase order limit of 5 lakh (IT), 2.5 Lakh (WPS), 2.5 Lakh (HR) can be approved by respective departments HOD.
- Any amount exceeding the above limit shall be approved by Finance HOD and country Head.

## New Requisition

Team/Individual need to raise ticket through system / email for procurement of any goods/service/products and ensure to capture below details while raising the request:

1. Description/specification of goods & services/Product
2. No. of units required/nature of service.
3. Delivery location/locations.
4. Expected timeline.
5. Special Instructions.
6. Tentative Budget/Budget Type.

**\*Procurement request must be approved by respective department HOD before raising the request.**

**Request should park with WPS team before minimum of 48 to 72 business hours.**

## Review of New Requisition

WPS team evaluate request based on the format mentioned in “**New Requisition**” / email and respond with acknowledgement within 2 working hours.

**1. Correct Information**

WPS team will share the confirmation and initiate process of “**Vendor Identification**”.

**2. Deficit Information**

- In case of deficit information provided by the requester. WPS team will ask requester to share information within 4 working hours.

## Vendor Identification/Request for Quotation

Post evaluation of the request, WPS team initiate the process for vendor identification/request for quotation. While identifying vendor, team evaluate vendor on below parameter:

- Price Slab
- Quality
- Vendor Reference
- Location
- Delivery Speed
- Delivery Guarantee
- Terms & Conditions/SLA
- Payment Clause
- Flexibility

**\*Above mentioned parameter might change based on the service/items/product requirement. Team can approach existing or explore new vendor from market during the Identification process.**

## New/Existing Vendor Induction/On Boarding Process

In case, wherein new/existing vendor is providing product/service based on the request. WPS team will onboard the vendor with relevant comparatives and checks, along with below documentation which will be in place: This process is followed for financial year and based on the requirement of service/product.

- Incorporation
- GST
- PAN Card
- MSME Certificate (Not Mandatory)
- Cancelled Cheque
- Related Party Disclosure (Annexure-1)

**\*Above documentation might change based on the product/service.**

**In case, new vendor onboarding closure timeline for procurement might increase. For Vendor renewals, documents will be collected if there are any changes to existing docs.**

## Vendor Risk Assessment

WPS team involves evaluating potential vendors for reliability, security, and compliance before finalizing:

- Signing NDA for Data security.
- Signing Agreement for compliance.
- BGV- Cold calls to Clients of the Vendor for reliability.

**\*Subject to the availability or classification of the vendor as there may be rare instances where a new vendor is showing promise in their product or service, could be considered for approval after review and consent from both WPS Head and Country Head.**

## Budget Approval

- The WPS Team will submit minimum 3 lowest and evaluated vendor quotation with requestor for budget approval.
- Along with quotation, team will submit the term & conditions vendor submitted to deliver.
- Requestor should decide to proceed with L1, L2, L3 vendor and share the necessary approval from their respective head/WPS Head or approving authority.

## Purchase Request (PR)

Requestor need to share below details with WPS team to proceed for placement of order:

- Name & Department of the requestor
- The Date of the Request
- Product & Service Details
- Items Description, Quantity, Price
- Reason for Purchase
- Request Approval Name & Confirmation Email
- Budget Approval email

## Purchase Order (PO)

Post receiving PR request, WPS team will place the order with approved service provider. To place order with service provider PO will be created:

- WPS team will release Purchase Order for delivery of service post approvals / signature.
- The team should capture all correct details pertaining to product/service as requested.
- PO will contain agreed terms & conditions.
- PO will be emailed to concerned vendor for delivery of services/product.
- Incase value/amount increase up to 10K from PO value, then approval from HOD over email will be sufficient to process the payment.
- Incase value/amount increase above 10K from PO value, then new PO will be issued to the service provider.

**\*Request wherein PO has been issued, PO number must be incorporated on the invoice submitted by the service provider.**

## Receive Good & Service

Service Provider will deliver product/service to the respective location as mentioned in the Purchase order. Security/WPS Team will inspect the product/service to ensure they are received in good condition and meet the specification.

### Three Way Matching

WPS Team conduct three-way matching process to evaluate:

- Goods/Service has been received.
- The invoice is accurate.
- Purchase order is approved.

### Invoicing

Post verification, WPS team submit invoice to finance team along with required supporting document for the remaining payment or finance records.

### Vendor Evaluation

Process will be conducted every quarter for all contracted vendor's and below parameter will be considered during evaluation process:

- Vendor will be scored on their performance throughout the quarter.
- Parameter could vary based on the service/product rendered by the service provider.
- Incase vendor/service provider not able to score 70%, below action can be conducted by the WPS team:
  - Either new vendor will search in the market.
  - Vendor shall be given verbal/written warning to improve service.
- The WPS team stand sole discretion for taken any action against the vendor.

**\*There could be services which should not be discounted due to their terms or nature of service. The WPS team will plan action accordingly and ensure that business will not be impacted.**

### Disclaimer

#### Company's Absolute Right to Alter or Abolish the Policy

Innova Solutions Inc. reserves the right in its absolute discretion to abolish the policy and dissolve at any time or to alter the terms and conditions. Such discretion may be exercised any time, before; during or after the policy year is completed.



## **Annexure – 1 (Related Party Disclosure)**

[Related Party Disclosure](#)

Click on above link to access Related Party Disclosure document.

## **Annexure – 2 (Vendor Registration Form)**

[New Vendor Registration](#)

Click on above line to access New Vendor registration form.

New Vendors need to submit below along with above template filled with their respective company details.

- 1) GST Certification
- 2) PAN Copy
- 3) Cancelled Cheque