



# Procurement Policy

*Version 1.4*

**Approved by: The Board of Trustees**

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**Next Review: September 2025**



## **1. Introduction:**

This Procurement Policy outlines the principles and procedures governing procurement activities within The Safa Educational Welfare and Charitable Trust (TSEWCT). The policy is designed to ensure that all procurement processes are conducted in a fair, transparent, and accountable manner, while maximising value for money against the product being purchased and eventually benefiting the underprivileged.

## **2. Scope:**

This policy applies to all procurement activities conducted by TSEWCT for the acquisition of goods and services in various departments of the organisation, project specific or donor specific.

## **3. Principles:**

- **Transparency:** All procurement processes will be open and transparent to ensure equal access and fair competition among suppliers, vendors and contractors.
- **Accountability:** Procurement decisions and processes will be documented and maintained to ensure accountability and traceability.
- **Efficiency:** Procurement processes will be conducted efficiently to achieve timely and cost-effective results.
- **Value for Money:** Procurement decisions will focus on achieving the best value for money while maintaining quality and sustainability.
- **Ethical Conduct:** Ethical behaviour and integrity will be upheld at all stages of procurement.
- **Legal Compliance:** All procurement activities will adhere to applicable laws and regulations of the state and country.

## **4. Roles and Responsibilities:**

- The Procurement Team at TSEWCT will consist of at least one manager and two officers and a maximum of 4 officers. The manager is responsible for coordinating and documenting the requirements from various departments and reaching out to vendors to obtain quotations after thorough negotiations.
- The two officers will assist the manager by visiting vendors to gather samples and quotations.
- For purchases that are regularly made by the officers, a written approval of the manager is sufficient..
- For new project-specific purchases, the project manager is required to gather all the information about goods and services required and present them to the joint secretary for final approval of the purchase.
- Oversighting these responsibilities will be done by the Vice President and the Board of Trustees.
- All staff involved in procurement activities must follow the process outlined in this policy.

## **5. Procurement Process:**

- **Needs Assessment:** Procurement will be based on clear needs assessments and well-defined specifications of the project.

- Procurements whose value is less than INR 10,000. Quotations are not required. However, a taxable invoice is mandatory for every purchase made for the organisation. Any purchase whose receipt is not available, the joint secretary will approve the document for the record.
- Three quotation process: For any procurement exceeding INR 50,000, a minimum of three quotations must be obtained from different suppliers/vendors of the same category. This process ensures that purchases are made at competitive prices, maintaining transparency and fairness in the procurement process. Quotations must be evaluated based on price, quality, supplier reputation, and delivery timelines. The selected supplier should offer the best value for money while meeting the required specifications and standards. All quotations must be documented and retained for audit purposes, and the decision-making process should be transparent and clearly justifiable. Exceptions to this policy should be approved by senior management, with valid reasons recorded in writing.
- Repeat Quotations: If the same products are being re-ordered within a period up to one year, it is not necessary to obtain new quotations for each purchase. However, if the project manager is made aware of the price change which is more than (+/-) 10% of the previous quote, then fresh quotations are to be requested from the suppliers/vendors. This approach streamlines the procurement process, provided that the price, supplier, and product specifications remain unchanged from the initial order.
- Purchase order: After evaluating the quotations, the manager will prepare a purchase order for the selected vendor / supplier and ensure that it is documented.
- Supplier and Contract Selection: Suppliers and contractors will be selected through a competitive process, with equal opportunities for participation. A pre-qualification process will be conducted to ensure suppliers meet legal and ethical standards.
- Bid Evaluation: Bids will be evaluated objectively and based on predetermined criteria, ensuring fairness and transparency. A minimum of three quotations must be obtained from vendors before finalising a selection.
- Contract Award: Contracts will be awarded to the supplier offering the best value for money and meeting all requirements within the given timeframe. Once the contract is awarded the procurement team will monitor and ensure the contract obligations for smooth completion of the work.
- Verification upon receipt: While the goods and services are being delivered, the procurement team will verify the goods and services, whether the correct quantity and quality have been delivered. If there are any discrepancies whether in finances, quantity or quality the team will report to the manager who will report it to the vendor/supplier and make sure that the goods and services are provided as quoted. No payment shall be made unless the manager accepts the goods and services.

## **6. Emergency Procurement:**

- In case of emergency (relief work or disaster management), the procurement manager must follow,
  - Immediate assessment of goods / services required from the survey team.
  - Identifying the nearest goods/services supplier for immediate relief.
  - The procurement manager is approved for purchase of INR 1,00,000/- on immediate purchase, however, if the amount increases as set earlier, then the three quotation policy will apply here.
  - Negotiating with the vendor/supplier for the best possible price and executing the purchase after written approval from the Joint Secretary / Vice President.



## **7. Vendor Management :**

- TSEWCT's procurement manager will manage relationships with vendors through regular performance evaluations, compliance and quality checks to ensure adherence to contractual terms and ethical standards.

## **8. Conflict of Interest:**

Conflict of Interest (COI) policy (available as a separate policy) at TSEWCT is essential to ensure transparency, fairness, and integrity in all of its operations. The COI policy seeks to prevent situations where personal or financial interests may compromise the integrity of decisions and actions taken by individuals within the organisation. By implementing an effective COI policy, TSEWCT demonstrates its commitment to ethical standards and responsible governance.

The procurement manager or his/her team are prohibited from procuring goods and services from vendors / suppliers from their relatives / family members. The procurement manager is responsible to make sure that individuals from his/her team are not influencing and affecting the decision of procuring for the organisation. If any team member / manager is found in any such activity, the management will be obligated to take strict actions against them.

The procurement manager will implement a system where unethical or suspected behaviour of his team is monitored and can be recorded for further actions against the individual / team.

## **9. Documentation:**

- All procurement documents (requests from departments, quotations, purchase order or any other document related to procurement) are to be stored in physical and digital form.
- Documentation will be retained by TSEWCT for a minimum of ten years as per the Indian laws. Secure storage and confidentiality of procurement records will be ensured.

## **10. Compliance and Reporting:**

- All procurement activities must comply with relevant local and national laws
- TSEWCT will provide regular reports on procurement activities as required by the relevant stakeholders.

## **11. Risk Management :**

- TSEWCT will conduct regular risk assessments related to procurement activities and implement mitigation strategies to address identified risks.
- Organisational Risk Register will be maintained.

## **12. Sustainable Procurement:**

- TSEWCT is committed to environmentally and socially responsible procurement practices whenever feasible. Guidelines for sustainable procurement include



prioritising suppliers who demonstrate environmental stewardship and social responsibility.

- A special consideration will be given to the women-owned businesses or sourcing for eco-friendly products.

### **13. Anti - Corruption and Anti - Bribery :**

- Zero-Tolerance Policy: TSEWCT maintains a strict zero-tolerance stance on corruption and bribery, prohibiting any form of unethical conduct in procurement and business dealings.
- Reporting and Consequences: All suspected violations must be reported to the internal complaints committee, with confirmed violations resulting in disciplinary actions including termination and potential legal consequences under Indian labour laws and the Indian Penal Code.

### **14. Communication and Training:**

- Relevant sections of this policy will be communicated to relevant stakeholders, including staff, volunteers, and suppliers.
- Training on relevant sections of this policy and procurement procedures will be provided as needed, with regular updates to ensure ongoing compliance and understanding.

### **15. Review and Updates**

This policy will be reviewed every two years or as required based on operational needs or changes in regulations.