

Procurement Manual

Introduction

The Procurement Manual represents the contributions and efforts made by the finance team members in providing a standardized procurement policy and procedures. The main objective of defining a standardized procurement policy and procedures is to ensure that all procurement decisions are made in a justified and transparent manner, based on sound and fair practices.

Principles

To state the standards and expectations that apply to DBRC staff involved in procurement and purchase processes.

Procedures

To establish user-friendly steps to be followed to ensure the principles of transparency are upheld based on arm's-length negotiations with independent and bona fide suppliers.

Outcomes

Good procurement practices will ensure DBRC is using its funds efficiently and effectively to get value for money and build the confidence of our members, donors, and partners.

What is Procurement?

Procurement is the process of buying or purchasing goods or services, e.g., equipment, maintenance services, or professional consultancies. This process begins when DBRC identifies a need and decides on its procurement requirement. It continues through approaching the market, evaluating alternative solutions, awarding contracts, paying for goods or services, and managing supplier contracts.

What Is Good Procurement?

The principal hallmarks of proficient procurement at DBRC Services are:

- **Economy**
The Finance team will always work to ensure the best value for money. Value may imply more than just price, as quality issues also need to be addressed. Moreover, the lowest initial price may not equate to the lowest cost over the operating life of the item procured. But the basic point is the same: the ultimate purpose of sound procurement is to obtain maximum value for money.

Efficiency

The Finance team will strive to approve Purchase Orders and payments within the least possible time, without compromising other doctrines listed here.

Fairness

Good procurement is impartial, consistent, and therefore reliable. It offers all interested contractors, suppliers, and consultants a level playing field on which to compete, thereby expanding the purchaser's options and opportunities.

Transparency

Good procurement establishes and maintains rules and procedures that are accessible and unambiguous. It is not only fair but must be seen to be fair.

Accountability and Ethical Standards

Good procurement holds its practitioners responsible for enforcing and obeying the rules. It makes them subject to challenge and sanction if contents are appropriate, for neglecting or bending those rules. Accountability is at once a key inducement to individual and institutional probity, a key deterrent to collusion and corruption, and a key prerequisite for procurement credibility.

A sound procurement system is one that combines all the above elements. The desired impact is to inspire the confidence and willingness-to-compete of well-qualified vendors. This directly and concretely benefits the purchasing entity and its constituents, responsive contractors and suppliers, and the donor agency providing the project finance.

In sum, proficient procurement is not difficult to describe in principle or to distinguish from its antithesis in practice. But it does require varied professional and technical know-how to establish, as well as discipline and determination to administer.

Procurement Activity at DBRC

DBRC procurement activities must be conducted in accordance with these guidelines. Broadly, the procurement activity would include the following goods and services:

Goods/Services

- 1 Printing and Stationery
- 2 Software
- 3 Furniture
- 4 IT Equipment and Accessories
- 5 Other Equipment
- 6 Consumables
- 7 Consultancy Services

Financial Limits for Procurement Process

The following slabs for procurement activity processes are outlined:

Procurement Value	Minimum Process
Value more than Rs 10 Lakhs	Open Tender: Published invitation to tender (for detailed tender documentation including methods, personnel, costs, etc.)
Value from Rs 2 Lakhs to 10 Lakhs	Select / Limited Tender: Approach at least 3 potential suppliers for detailed tender documentation
For procurement of services Rs. 70,000 and above	Direct source, 3 Competitive Quotes for prices from known service providers/suppliers
For procurement of material Rs. 38,000 and above	Direct source, 3 Competitive Quotes for prices from known service providers/suppliers
For procurement of services below Rs. 70,000	Direct Source: Over-the-counter purchase, no quotes required
For procurement of material below Rs. 38,000	Direct Source: Over-the-counter purchase, no quotes required

Procurement Type Category of Procurement Types

Procurement Type	Description
Open Tender	Approach the market through an open request for tender; suppliers bid for the work by submitting a tender; evaluate all responses received and negotiate a contract with the preferred supplier.
Select / Limited Tender	Invite short-listed suppliers to submit tenders; evaluate submissions based on stated conditions and criteria.
Direct Source	Directly approach one or more suppliers with specifications to request quotes under certain conditions such as when there is no suitable submission or for urgent purchases.
Over-the-Counter Purchase	Direct purchase from a supplier, where the procurement value is below the threshold requiring a competitive process.

Urgent Cash Purchases

Purchases under this category must be urgent in nature and can be paid for in cash, up to Rs 5000, with approval from the department head. The following items may be purchased under this category:

Suggested Items
Items for office entertainment (tea/coffee, snacks, etc.)
Small requirement of office stationery
Items for office maintenance (soaps, detergents, etc.)
Postage stamps, stamp papers, etc.
Items required for day-to-day office use

All urgent cash purchases must be made from the petty cash fund maintained at the office.

Specific Evaluation Criteria

All tenders or quotes received within the deadline need to be evaluated against the conditions, criteria, and weightage indicated in the information that was made available to potential suppliers.

General Evaluation Criteria

Tenders or quotes are evaluated based on value-for-money, considering:

Criteria
Costs (direct and indirect)
Quality and fitness for purpose
Environmental considerations
Convenience and timeliness
Risks (including performance history of suppliers)
Flexibility for change over time
Favorability of proposed contract terms

Procurement Committee

The Procurement Committee consists of the following members:

- Chairperson of the Organisation
- Executive Secretary
- Finance Manager

Documentation of Procurement Process

The procurement process is divided into:

- **Tendered work**
- **Non-Tendered work**

Select Preferred Supplier:

Tender documents are sent to the vendor as recommended by the Operations Team, duly shortlisted based on the following parameters:

Parameter
Name and address of the organisation
Name of the concerned person with phone number
Status of the organisation (Ltd / Pvt Ltd / Firm)
Turnover of the organisation for the last three years
PAN / TAN / GST, etc. of the partner

The Program Team will keep on record all vendor profiles. The work is awarded to the vendor as approved by the Procurement Team. A Purchase Order (PO) or Letter of Intent (LOI) will be issued to the final approved vendor.

Conflict of Interest

If a family member/relative or friend of any Project Manager, Accounts Officer, or person from the Operations, Finance, or Admin team is proposed or engaged as a vendor/supplier or to undertake work for the organization, the conflict must be disclosed in writing to the Chief Functionary. The concerned person must not be part of the procurement process.

Amendments :

The Procurement policy has been revised based on the situation and it may still be amended with the approval of the executive committee whenever needed.

Note : This policy is amended by the Executive Committee on 17.02.2023 as per Resolution No. 13.