



**INDIAN DEVELOPMENT ORGANISATION
TRUST**
Perambalur,
Tamilnadu

**Procurement POLICY
2021**

(Approved by Board resolution number 122 dated 22.06.2021)



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Introduction

Indian Development Organisation Trust was registered under the Indian Trust Act, in 1990 with the registration number of 193/90. It is registered under FCRA Act, u/s 12AA and 80G of Income Tax Act.

INDO trust implemented projects like, Family Counselling Centre, Creches, Child line 1098, Link Workers Scheme, Environment Programme, EIC for HI, Supplementary Educational Centre and Water and Sanitation Programme. INDO Trust working areas are Perambalur, Ariyalur, Pudukkottai and Trichy. INDO TRUST is a registered civil society organization works for the protection and promotion of rights of multiply marginalized women, historically marginalized Dalit Communities, and vulnerable and most marginalized children in Perambalur District.

INDO Trust working areas are Perambalur, Ariyalur, Pudukkottai and Trichy.

Vision:

Enhancing Sustainable development, empowering and equal access to vulnerable communities.

Mission:

For attaining sustainable development, INDO Trust empower and mainstream the vulnerable communities for their livelihood through education, skill trainings, enlightening right based awareness creation, environment awareness, benefits and opportunities available, resource engagement with community involvement and social participation in working areas

PROCUREMENT POLICY

The purpose of the procurement policy is to ensure procurement of relevant goods and services with market appropriate and competitive rates, ensuring quality and timely delivery. It also ensures transparency and accountability in the purchasing system. However, it needs to be understood that while the procedures are important it shall not undermine the relevance of the purpose, i.e. if any relief material has to be purchased, it has to be as per the requirement of the local people and so timely delivered that it reduces human suffering.



PROCEDURE FOR PROCUREMENT

Procurement can be classified broadly in two categories:

- (i) Goods of capital and revenue items - items can be movable (cement, steel and other items for housing support, food and non-food items for relief, computers, office equipment, furniture and fixtures, vehicles) and immovable (land and building);
- (ii) Services like maintenance contract, legal and audit fee, professional consultants, etc.

THE PROCUREMENT COMMITTEE

The INDO Trust procurement committee shall consist of the following members:

1. Managing Trustee / Financial Trustee
2. Financial Manager
3. Project Co coordinator

This committee shall meet when there is a need for procurement or issues related to procurement

THE PROCUREMENT PROCESS:

Planning:

An Internal Procurement Committee will be formed to assess the procurement of goods and services based on three competitive quotations collected by these three members committee and in the Committee meetings decisions will be taken after discussions factoring cost effectiveness and quality. These will be recorded in the minutes and Procurement Order with necessary Bank Cheque or Transfer will be processed.

If procurement above 1 lakh, an expert will be hired on payment or on voluntary service basis to assess the need & relevance of the goods/services/machinery/ vehicles/ tools. Based on the need analysis goods/ services/ machinery/ vehicles/ tools to be purchased by complying the following procedure.

Purchasing process:

Quotations shall be called for the supply of goods and services in the regional newspapers for the goods/services costing one lac rupees and more than one lac rupees.

Minimum of three quotations for the goods/services costing from fifty thousand to one lac rupees shall be collected locally from the reputed suppliers.

The quotations received shall be recorded, tabulated, and placed before the appropriate authority of INDO TRUST for approval- Management Committee. An agreement / contract shall be executed between the selected supplier/suppliers and INDO Trust.



Procurement Committee of INDO TRUST selects & approves the quotation based on

- Relevance of price quoted
- Quality of the product
- Capacity (personnel & finance) of the service provider
- Reputation of the service provider

An agreement shall be executed between the selected supplier/ suppliers and INDO TRUST indicating price, responsibilities of the parties, time schedule, penalty clause etc.

- Up to a maximum amount of 80% of the amount shall be paid as advance by account payee cheque or by demand draft to the supplier by INDO Trust or R T G S.
- 20% of the remaining amount shall be paid after the supply of goods as per the agreement.
- 100% of the amount shall be paid to the suppliers in exceptional cases such as procurement of vehicles, machineries, etc.

All goods procured shall be recorded in an Asset Register. One of the projects Co-coordinators distributes the goods after obtaining the acknowledgement of the beneficiaries.

Procurement Committee for approval of Quotations/ tenders:

- Goods & services costing less than fifty-thousand rupees are exempted from procurement procedure and the Director of INDO TRUST is authorized to procure the goods & services judiciously.
- The Procurement Committee of INDO TRUST consisting of Director, Programme coordinators and accountant is authorized to procure the Goods / services costing above fifty thousand to one lac only.
- INDO TRUST procurement Committee is authorized to procure goods/services above ten lac rupees to one hundred lac rupees.
- INDO TRUST is authorized to procure all goods/services costing above one hundred lac rupees through the decision of the Board meeting.

Procurement of relief materials during emergency / Disasters- Natural and Manmade/ Natural Calamity period:

Emergency procurement Committee:

The **Emergency Relief Materials Procurement Committee- ERMPC** of INDO TRUST consisting of Director, Programme coordinators, chief accountant along with two of the managing



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committee members- either Financial Trustee or Managing Trustee are authorized to procure goods & services up to ten lac only by complying the following procedure. However, it could be appropriately ratified in the next executive committee of INDO TRUST.

- Minimum of three quotations for the goods/services shall be collected locally from the reputed suppliers.
- The quotations received shall be recorded, tabulated, and placed for approval by the Emergency procurement Committee of INDO TRUST.
- An agreement shall be executed between the selected supplier/ suppliers and INDO TRUST indicating price, responsibilities of the parties, time schedule, penalty clause etc.
- 100% of the amount shall be paid by account payee cheque or by demand draft or by Bank transfer (complying the domestic laws & regulations in force) after the supply of goods as per the agreement.
- All goods procured shall be recorded in the stock /asset register of INDO TRUST. One of the project Co-coordinators distributes the goods after obtaining the acknowledgement of the beneficiaries.

To check the validity of the procurement and ensure transparent procurement the following process must be followed.

1. For any types of procurement, the Project Coordinator, Finance Manager and Director or their nominees will put up a requisition explaining the purpose, quantity, quality and the time frame. All requisition for procurement must be validated and approved by Managing Trustee and Financial Trustee. No requisition is considered for further processing without the written validation. All the processes shall be documented that it satisfies the audit protocol.
2. The procurement of any item will be based on the project wise requirement for the successful implementation. The procurement item budget and cost of purchase has to be followed and should not exceed as per the guidelines of the project or donor agency.
3. The collection of minimum three quotations for the procuring item has to be done from the market and submitted to Managing Trustee for approval.
4. If the procurement is made in a far-away project location, the concerned official is authorized to form a local procurement committee and seek the written approval of the committee formed at the office level. It shall also follow the same three quotation procedure.
5. For the purchase of items like four-wheel vehicles up to five in number no tender shall be invited. If there is a single dealer in the city, the vehicle can be procured directly, however, it shall be documented and approved by the internal procurement committee.
6. For the services like Annual Maintenance Contract for the computers, Air conditioners, Maintenance of Internet connection, Xerox machine, etc. three quotations shall be obtained



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- for AMC Fees/charges are above Rs. 50,000/-. It shall be procured through the procurement committee with the approval of the Managing Trustee
7. The Professional services of consultants for facilitation of trainings, evaluations and similar other tasks INDO Trust has been utilising the services of experts who are familiar with the work of INDO Trust and considered as well wishers
 8. For procurement of any non-budgeted item of above Rs. 5, 00, 000/- the Managing Trustee shall take written approval of the Board of Trustees. The process of procurement shall be same as mentioned above.

PROCEDURES FOR ACCOUNTING

When the item is received on the basis of purchase order, the copy of delivery challan/bill sent by the vendor should be verified by the administration department with the purchase order with respect to quantity, rate and amount. This should then be forwarded to the concerned person who has made the requisition for approval with respect to quality. Once it is approved then the delivery challan/ purchase bill should be signed by the appropriate authority. The administrative department should make necessary inward entries in the inward register for recording purpose. When payment is to be made to the vendor, a copy of the order, challans, and bills should be sent to the accounts department for payment. The bill should be approved by appropriate authority giving project code and quantity received.