

# **PROCUREMENT OF GOODS AND SERVICES PRINCIPLES AND PROCEDURES**

*REVISED AS ON MAY 01, 2010*



**CONSUMER UNITY AND TRUST SOCIETY  
D-217, BHASKAR MARG, BANI PARK  
JAIPUR 302 016, RAJASTHAN  
INDIA**

## **I. Purpose**

- 1.1 The organisation routinely seeks goods and services from the market from various suppliers and contractors in pursuance of its work areas. It is considered expedient to lay down rules, principles and procedures to facilitate such procurement leading to cost effective and competitive rates along with transparency and accountability.
- 1.2 The following general principles and procedures shall be observed in carrying out procurement of goods and services by all CUTS Centres with the only exceptions as to other agreements CUTS may otherwise come into terms with.

## **II. General principles**

The following principles would be adhered to:

- 2.1 *Competitiveness*: The procurement must be made on the basis of adequate search for the most qualified suppliers/contractors.
- 2.2 *Transparency*: The procurement process would be transparent and with the participation of several individuals concerned in the decision-making process.
- 2.3 *Accountability*: An appropriate record and information, oral or written, in respect of procurement shall be maintained.

## **III. Applicability**

These rules will be applicable to all the procurement activities

## **IV. Corruption and fraud**

- 4.1 Staff as well as suppliers/contractors, would observe the highest standard of ethics in the procurement process. For this purpose, the following definitions shall apply:
- 4.2 "corrupt practice" means behavior on the part of officials in charge of the procurement by which they improperly and unlawfully enrich themselves and/or those close to them; and
- 4.3 "fraudulent practice" means a misrepresentation of facts in order to influence a procurement process or the execution of a procurement contract to the detriment of CUTS, and includes collusive practices among bidders/candidates (prior to or after bid submission, and during selection process) designed to establish bid prices at artificial, non-competitive levels and to deprive CUTS of the benefits of free and open competition;
- 4.4 In every single procurement exceeding Rs25lac a contract document shall be drawn up and would include an undertaking by the supplier/contractor that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the quotation/offer price, have been given or received in connection with the procurement process or in the contract execution.

## **V. Steps in the procurement process**

- 5.1 All fixed assets would be approved for purchase by the head office (HO). However, other procurements such as those related to consumables, maintenance contracts, repairs of assets, organizing events, etc up to Rs10,000/- per reference would be permissible at centres.

- 5.2 Procurement for services pertaining to organizing events under projects would be requisitioned by outstation centres in their request for monthly funds. Centres in Jaipur would use Annexure 1 as also the advance requisition form already in use.
- 5.3 Request for procurement would be received at the Finance and Administration (F&A) division at HO on the format at Annexure 1 duly filled in and forwarded to HO by the Centre head. This would contain justification for purchase of services and details of budget available, if any, under projects which are being implemented.
- 5.4 F&A would verify details submitted by the centres and assess required outputs, its quality, time-frame, required suppliers/contractors, financial implications, etc and prepare a note on Annexure 2 for the sanctioning authority, which is as under (per reference):
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| 5.4.1 Up to Rs10,000                     | - Centre Head/Assistant Director (F&A) |
| 5.4.2 Between Rs10001 and Rs5,00,000     | - Dy. Executive Director               |
| 5.4.3 Between Rs5,00,001 and Rs25,00,000 | - Secretary General                    |
| 5.4.4 Above Rs25,00,000                  | - Executive Committee                  |
- 5.5 The basis of annexure 2 would be the request for procurement and at least three independent quotations procured from relevant suppliers/contractors and a summary of the department's assessment vis-à-vis price, availability of guarantee, local servicing, training if required, delivery schedule, terms of payment including penalty for sub-standard or delayed supply, technical requirements wherever needed, status of supplier, reports of the supplier (from client list).
- 5.6 Upon approval, issue a purchase order in writing and verify services either themselves or through the concerned programme staff and centre head and make payment on agreed terms.

## **VI. Exceptions**

- 6.1 In emergent circumstances, the requirement for quotations may be waived. Such cases, regardless of the value of the procurement, must be reviewed by a Panel comprising the Secretary General, the Executive Director and the Deputy Executive Director. In permanent or temporary non availability of one of them, one of the Directors of CUTS would be a part of the panel.
- 6.2 Settling of the amounts payable to the partners or individuals in execution of projects would remain outside the purview of this policy unless specified by the donor. In such cases, the project team would jointly arrive at amounts payable and inform the F&A department.
- 6.3 Prices or rates fixed pursuant to national legislation or by regulatory bodies, standardization of supplies, equipment or spare parts that render competition impracticable, purchases that can not be delayed and a previous order or contract awarded to the lowest bidder and it is advantageous to award an order for a new identical requirement to the same bidder at the same price would also fall in the category of exemptions.

Annexure-1

**Requisition for Procurement**

<b>Date:</b>		
<b>Requisition by:</b>		
<b>Department/Centre:</b>		
<b>S.No.</b>	<b>Name of Item</b>	<b>Quantity</b>
1.		
2.		
3.		
4.		
5.		

**Need, Justification and date by which required:**

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**Whether budget available. If yes, name of the project and amount.**

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**APO/PO**

**Centre Head**

Annexure-2

**Process cum Approval Note for Procurement**

1. Date of receipt of requisition (attached)
2. Details in requisition verified:      Yes/No.      If no, state reasons
3. Item/services sought:
4. Date by which required
5. Approving level:
6. Finance implications (Atleast 3 independent quotations be attached)

S. No.	Name of Supplier/Contractor	Details of quotation	Amount in INR

7. Comments of F&A on the quotations:
  - Price
  - Availability
  - Guarantee
  - Local servicing
  - Training if any required
  - Delivery schedule
  - Technical requirement, if any
  - Report on Supplier/Contractor

8. Overall views of F&A:

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Senior HR Officer

Asstt. Director (F&A)

Date:

Approved by: DED/ED/SG

Date: