PROCUREMENT POLICY & PROCEDURES

MASHAL
20-C, Pataliputra Colony,
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Introduction

Mashal's Procurement Policy & Procedures define the processes and guidelines for all procurements for the organization. The document standardizes the procurement process and facilitates achievement of procurement efficiency and cost effectiveness through adherence to the best practices and compliances.

The objective is to make available all relevant guidance in a simple and easy manner to understand processes for Mashal staff that deal with procurement.

Important Points:

- Notwithstanding anything in the policy, procurement shall be governed by donor guidelines in case they are more stringent than the procedures laid down by this policy.
- Procurement team has no authority to initiate a procurement process without a requisition.
- Procurement team is not responsible for any payments to vendors, and the requester needs to initiate it with the finance department directly.

Principles for Procurement at Mashal

- Cost Effectiveness - Best value for money
- Efficiency - Simple, swift & productive without unnecessary delays
- Quality - As per prescribed specifications/ requirements
- Transparency - Accessible and unambiguous
- Fairness - Impartial, consistent, and therefore reliable.

Important Note:

- This policy shall act as guidelines for carrying out the functional activities
- Standard formats/templates have been provided for capturing the relevant data in a structured manner for relevant process/sub-process at the end of the document
- This policy document manages best value for its purchases, in terms of cost and quality and prevent potential conflict of interest situations.

Section 1: Structures and Standards

The procurement in Mashal shall be done through the procurement procedure in force. The procurement procedure allows for a provision of a written requisition by mail or by hand. The

requester must take appropriate approvals from the concerned authorities and department as specified in Section 09 of this policy.

Purchase Committee

All purchase decisions are made by the purchase committee which includes members from different work streams to bring in transparency. The committee approves any agency/ consultant/ vendor post following the process defined by this document. The Purchase Committee shall convene once in a month or more frequently as need be.

All unit offices shall have a unit purchase committee which will decide on procurements for that unit up to a value of INR. 10,000/- (Rupees Ten Thousand only). For procurements over INR. 10,000/-, it needs to be approved by the central purchase committee based at the Mashal office facilitated by the Purchase Committee. Once the Central purchase committee approves the procurement, rest of the procurement process remains same and shall be carried out by the respective Unit office as per this procurement policy.

Formation and Quorum of Purchase Committee: -

1. **Central Office Purchase Committee: -**

   a. 5 members including President, Treasurer and rest of the 3 members can be at least at Coordinator level.

      2 Members from health team, and 1 member from Program team of social work.

      Procurement team shall not be eligible as Purchase Committee Member.

   b. A member from finance department is necessary in the committee.

   c. Procurement Team facilitates and shall require to convene Purchase Committee meetings.

   d. Quorum consists of a minimum of 3 members (preferably includes the Treasurer) for procurement up to INR 5 lakhs and minimum of 5 members for procurement beyond INR 5 lakh.

2. **Unit level Purchase Committee: -**

   a. 3 Members excluding Unit admin person, should include 1 Program Coordinator, 1 FinanceOfficer and one other Officer level person or above.

   b. Unit procurement point person cannot be the part of the purchase committee

   c. Unit procurement point person facilitates and shall require to convene Purchase Committee meetings.

     d.   Quorum consists of a minimum of 2 members excluding the admin person.
- In Units where there is no Finance person, they can have any 3 members from the team in the purchase committee.

Any change to the composition of Purchase Committee; permanent or temporary shall be approved by Secretary on recommendations of procurement team. The same shall be reviewed at the end of the Financial Year i.e. every March end.

Technical Committee

A technical committee will be formed for technical evaluation of proposals. Members for this committee should have knowledge on the required technical area. We should ensure that members are from various verticals in this committee. This is a necessary requirement to evaluate the proposals before presenting it to the purchase committee for any technical reason. At the time of initial request, the requesting person shall get the suggestion of the technical committee and their technical evaluation shall be added in the request for procurement. The technical committee may meet all the vendors to understand the technicalities of the product/service. A technical committee consisting of minimum 3 members shall be formed. Technical committee shall include at least two members having technical expertise on the subject and one member shall be from any other department. Purchase committee cannot recommend for formation and evaluation criteria of the technical committee.

Technical Evaluation Form **(Annexure 7)** needs to be completed by the members of the technical committee and accordingly scoring will be given to all proposals. In case technical committee is proposed, procurement shall seek proposal for financial and technical separately. Procurement team shall share those proposals to technical committee whose financial proposal is either within the earmarked budget allocated by the user department/funder or with a variance of not more than 10 percent.

Separation of Duties

Mashal strives to ensure that a single person does not initiate, approve and pay for a procurement. The following structure exists within Mashal to ensure this:

Requisition	Approval	Payment
Requestor	Purchase Committee	Finance Department
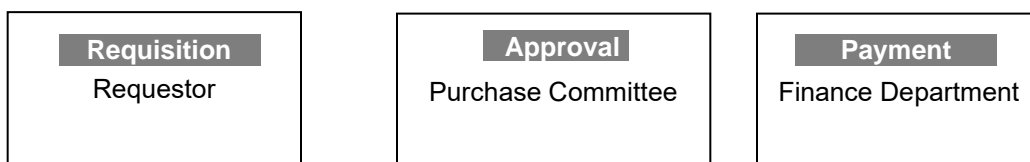
Ethical and Environment impact standards

The policy is to seek approval to procure goods and services that:

- Are produced and delivered under a good labour condition that do not involve or abuse any exploitation of any labour /worker.
- Ensure that no child labour is involved.
- Have the least negative impact on climate change and the environment

Conflict of Interest

Any staff who is part of any procurement process either as user / requester, part of technical evaluation committee/ panel, part of the purchase committee or in any other way shall disclose any association either or indirect with the contesting agency / vendors/ consultant etc.

Similarly, an ex-employee will not be considered for a consultancy / supply of goods for a period of at least 6 months from the time of their last day served at Mashal.

Vendor Registration

Procurement team shall facilitate the registration of all vendors. Vendor Registration Form **(Annexure 8)** must be duly filled-in and submitted along with all necessary documents, mentioned below:

- Registration certificate, wherever applicable
- Cancelled cheque
- Copy of pan card, GST registration
- MSMED certification, if applicable
- Any other relevant document.

It is always advised in order to enhance the control while doing vendor registration, you may also ask for few reference checks from vendors/ service providers.

Annual Contract Renewal

Annual contract should be reviewed at the end of the contract period and can be further extended upon request of user department. An approval is must from the budget holder for

renewal.

Any contract can be extended without multiple quote process for maximum of three consecutive years. Any further extension shall only be possible by participating in multiple quote process.

Rate Card Contracts

The rate card contracts can be signed with vendors where product and rate is fixed at the start for a particular period (ideally 1 year) and afterwards goods / services can be procured at the said rate.

Documentation

Any procurement process should be documented well with all approvals received related to each purchase i.e., from Budget holder, Director, Dept. heads etc. The ideal procurement can be audited anytime and that can only happen through a strong documentation process in place. Documentation also enhances the controls and documentation management.

Section 2: Procurement of Goods

This section provides step by step process for procurement of 'Goods', which includes, among other categories, the following:

- IT equipment;
- Office equipment and furniture;
- Printing of communication materials, etc;

Table 1: Thresholds and Methods of Procurement of Goods

The steps of procurement depend on the value of procurement to be done. Following is the process forprocurement of goods based on the value of procurement.

Transaction values in INR	Method	Process
0 to 10,000	Quote and purchase order are not required.	Quote and purchase order are not required. User can directly purchase the goods and submit the invoice to finance for payment along with the approval of funder or Budget Approver. However, if the total procurement from a single vendor exceeds INR 100,000/- in one financial year, a multiple quote process shall be applicable for the same vendor for any further purchase. *User should confirm the consumed threshold limit of vendor in current Financial Year from the finance.*
10,001 to 50,000 Suitable for stationery, office repair, maintenance, pantry supplies, IT Equipment, Office Equipment, Campaign Communication activities etc.	**Three Quotes**	A requisition to the Procurement Team shall be made by the requester. The procurement department shall invite quotation in consultation with user. A purchase order "PO" is required to be issued unless otherwise stated in this policy. Approval by purchase committee is not required. However, if the total procurement from a single vendor exceeds INR 100,000/- in one financial year, a multiple quote process shall be applicable for the same vendor for any further purchase. *User should confirm the consumed threshold limit of vendor in current Financial Year from the finance.*
50,001 to 2,00,000	**Three Quotes**	Request to President and Procurement team authorized by Treasurer along with clear specification/ Terms of Reference "TOR" Procurement team leads the process and the purchase committee approves.
Over 2, 00, 000/- Suitable for high value goods	Quotation (RFQs) – **Four Quotes or More**	Request to President and Procurement team authorized by Treasurer along with clear

		specification/ Terms of Reference "TOR" Procurement team leads the process and the purchase committee approves.
and non-consulting service procurement such as, office refurbishment, etc.		

Step By Step Procurement Process

Table 2: For Goods Procurement Over INR. 50,000/-

S No	Stage	Applicable conditions and steps in procurement process
1	Identification of need and budget approval	Requestor seeks budget approval from Finance Committee against specifications and raises the requisition. The requester shall propose formation of a technical committee wherever applicable.
2	Seeking Quote/s	Procurement team shall seek quotes from potential vendors. The requester can propose preferred vendors.
3	Technical Evaluation	Procurement team shall send all the technical bids/proposals to the technical committee, wherever applicable, for evaluation and coordinate the meeting between vendors and technical committee. Technical committee shall submit their evaluation of the vendors to the procurement team.
4	Analysis of Quotes	Procurement team shall prepare a comparative statement of all commercials and share with purchase committee along with technical evaluation report, wherever applicable.
5	Purchase Committee Approval	The purchase committee shall consider the comparative statement of commercials and technical evaluation report, wherever applicable, and shall take an informed decision on the basis of quality, cost and best value. An approval can be given on email or a meeting can be called for further clarification along with user. A meeting minute needs to be approved by purchase committee members present in the meeting.

6	Negotiations	Procurement team shall carry out financial negotiations for either reduced cost or value additions. A member of the purchase committee can also be involved during these negotiations where the value exceeds INR. 10,00000/-. In some cases particularly when the quotations received are higher than the budgeted amount, the team can engage in negotiations at an earlier stage to bring best value for Mashal.
7	Preparation and issuance of PO.	The procurement team shall generate the purchase order "PO" as per the requisition submitted and one copy shall be sent to the user and another to the vendor. The user shall do necessary follow up with the vendor to get the signed copy of the purchase order.
8.	Acknowledgement of receipt	On receipt of goods, user shall generate Goods Received Note "GRN" and submit to finance along with required documents for payment. **Note: The user shall always share scanned copy of all signed purchase order "PO" and Terms of Reference "TOR" to procurement team for their record**

Turnaround Time (TAT) of Procurement Process

Steps	Description	Responsibility	TAT
1	Final Requisition along with TOR for Procurement	User	As on date
2	Send Request for Quotation "RFQ"/ Request for Proposal "RFP" and receiving of quotes/proposals	Procurement Team	7 working days
3	Technical Evaluation	Technical Committee	2 working days
4	Purchase Committee discussion /approval	Purchase Committee	3 working days
5	Issuance of Purchase Order /Contract	Procurement Team	2 working days

The procurement team and purchase committee should be provided a duration of 15 working days to issue a purchase order/contract. The requestor should plan all their procurement accordingly. In case there is a need for technical evaluation, the technical and financial proposal shall be invited separately (either in different envelops or mails). No financial proposal shall be shared with the technical committee, only the technical proposal shall be shared with the technical committee.

Procurement Planning Process

Any procurement needs planning. Each and every procurement needs proper planning and if you plan your purchase on time, it will bring cost effectiveness and allow best value for money for the organization. You should always try and plan your procurement in advance that allows procurement personnel to execute the process and get the best price for the required services or goods. Last minute purchase should be avoided as it is often a costly purchase which is the result of a poor planning.

Section 3: Procurement of Services

This section provides step by step process for procurement of 'services', which shall include, among others, the following:

- Research, Studies;
- Monitoring & Evaluations;
- Consultancy & Advisory Services;
- Facilitation, Event Management,
- Annual Maintenance Contract etc.

Table 3: Thresholds and Methods of Procurement of Services

The steps of procurement will depend on the value of procurement as mentioned below:

Transaction values in INR	Method	Process
0 to 20,000/-	Quote and purchase order are not required.	Quote and purchase order are not required. User can directly receive services and submit the invoice for payment to finance along with the approval from the budget holder. However, if the total services from a single service provider

		exceeds INR. 100,000/- in one financial year, a multiple quote process shall be applicable for the same service provider for any further service.
20,000/- to 50,000/- Suitable for: Short duration assignment or limited inputs over a longer period usually for individual Consultants	Nomination /single proposal	Requisition authorized by Secretary, which shall include the TOR for the assignment. Approval by purchase committee is not required. A purchase order shall be raised whereas contract is optional depending on the type of service. However, if the total services from a single service provider exceeds INR. 100,000/- in one financial year, a multiple quote process shall be applicable for the same service provider for any further service.
50,001/- to 2,50,000/- Suitable for longer duration assignments,high value consultancy services, organising large scale events,etc.	Single proposal through empaneled vendors or 3 or more proposals along with financials	Case 1- where an empaneled vendor exists, then • Requisition by User, authorized by the Procurement team • No need for three quotes/ proposals • Approval from purchase committee is not required. • Procurement team confirms the empanelment of a vendor. Case 2- where an empaneled vendor doesn't exist • Requisition authorised by budget holder which should include the tor for the assignment. • Three or more proposals need to be invited and evaluated. • Procurement team leads the process and the purchase committee will approve.

2,50,001/- to 5,00,000/-	3 or more proposals along with Financials	• Requisition authorized by the Procurement team which should include the Terms of Reference "TOR" for the assignment. • Three or proposals need to be invited and evaluated. • Procurement team leads the process and the purchase committee will approve Sourcing can be done either through preferred or new identified vendor by doing research and peer organization's recommendations.
5,00,001/- to 25,00,000/- Suitable for longer duration assignments, high value consultancy services, organising large scale events, etc.	3 or more proposals along with Financials	• Requisition authorised by Procurement team which shall include the Terms of Reference "TOR" that clearly specifies the eligibility & evaluation criteria for technical evaluation. • After taking into consideration such technical and financial evaluations, the purchase committee shall approve the vendor. • Procurement team shall lead the whole process.
Over 25,00,000/- Suitable for complex, very technical or large multi-location, complex events, etc.	Open Market Bidding, Minimum 5 proposals	• Requisition authorised by the Procurement Team which shall include the Terms of Reference "TOR" for the assignment clearly specifying eligibility & evaluation criteria for technical evaluation. • Based on reports from the technical evaluation committee, the purchase committee shall approve the vendor. • Procurement team shall lead the whole process.

Purchase Order Amendment

A purchase order can be amended upon user's request in following cases:-

- When the quantity is increased

- When certain services/goods needs to be added

- Due to any change in govt. policies/taxes etc.

- Any extension in the contract period

Purchase Committee shall approve any amendment in the purchase order. However, in case of any increase in value of purchase order, approval by Procurement team is mandatory.

In case of single source procurement, approval is mandatory either from Director Operations for all programme work and from Presient for all operations related work.

In case of decrease in value of the purchase order, amendment is not required. However, purchase order can be foreclosed as per the process given in this policy.

Purchase Order Closure

All purchase orders issued must be closed upon completion of work order. Given below is the process of purchase order closure:-

- Once the user has received the complete order of goods/services as specified in the purchase order, will initiate the closure of purchase order through goods/service receive note/email.

- In case of pre closure of purchase order, user shall inform the procurement team with justification to foreclose the relevant purchase order.

- A request for foreclosure of purchase order, should have the approval from budget holder

- Procurement Team will inform the vendor about the foreclosure of purchase order.

- procurement Team will go ahead and close the purchase order as requested

Section 4: Empanelment of Vendors

Criteria for empanelment of vendors:

- Vendor should have been awarded minimum three work orders in the last three years through multiple quote process.

Process of Empanelment

- The recommendation shall come from the user department to procurement t e a m with a strong justification for empanelment along with satisfactory report of work done in past.

- Procurement team shall share the recommendation to Purchase Committee.

- Purchase C ommittee shall discuss the recommendation along with user department and procurement team to finalise the empanelment.

- To enhance the control for empanelment, reference check may be conducted for vendors/service providers.

Threshold Limit of Empaneled Vendor

- Any empaneled vendor can be awarded multiple/single work through single quote process provided overall limit cannot exceed INR 2,50,000/- in a given financial year. For hotels & catering services, this limit is increased to INR 10,000,00/- for a financial year.

- Any work other than multiple quote process awarded to empaneled vendor shall also be calculated under threshold limit.

- Empaneled vendor is eligible for participation in multiple quote process, if awarded work through this process. The amount of that particular work order shall be excluded from thresholdlimit as given above.

- The list of empaneled vendors shall be reviewed at the end of every financial year by the userdepartment along with purchase committee and procurement.

- Database of empaneled vendors shall be maintained by the procurement team and needs tobe confirmed by the user department before any direct procurement.

Section 5: Procurement Ethics

Specifying Requirement

Consideration must be given for selecting the most suitable and 'fit for purpose' type of specifications - technical and performance. It must define what the buyer wants to buy and what the provider must supply.

Care must be taken that specifications/ requirements do not favour any particular brand/vendor or supplier. Specifications should be generic and those that are available in the supply market for ready supply. Similarly, the eligibility criteria for services should not favour any particular consultant or firm.

Budget Approval

Once the specifications are finalized, the requestor should estimate the budget and seek budget approvalfrom the delegated authority. The requestor may estimate the budget based on their past experience of similar procurement, market research, reference, or by consulting the procurement team.

Supplier Identification

The procurement team shall identify the most appropriate supplier/service provider for a given procurement. When seeking and identifying a potential supplier, care must be taken that:

- Supplier/service provider is capable of meeting Mashal's requirements - the list should not be made just to make up numbers;

- As a good practice, inviting prospective supplier/ service providers to bid on a regular basis whenit is known that they are unlikely to win the contract, should be avoided.

The Suppliers will be identified from the following sources:

User Recommendations / Preferred Vendor	The thematic experts/ users would normally have, with their experience in and understanding of the sector, knowledge of potential suppliers/ service providers. These could be suggested by them while making the requisition
	The procurement team may include additional suppliers in the proposed listwhere it may bring value.
Market /Internet Research	A detailed market research could be carried out to identify and include inthe supplier database for invitation.
Past Experience	Successful vendors and service providers who have worked for Mashal earlier, may be included in the list for similar work/ assignments.

Section 6: Inviting Quotes/ Proposals

The procurement team shall invite quotes/proposals *[except for lower value thresholds mentioned in Table 1 and 3,* from the identified list based on one or a mix of options stated in the section above.

The request for quotes/proposal format will include the requirement in the form of either specifications or Terms of Reference "TOR" (as shared by the Requestor) and a clear timeline. It is on the discretion of user department to mention the indicative budget in the Terms of Reference "TOR". In case of goods we should not mention the indicative budget but there are certain services /consultancy requirement where indicative budget is needed hence user will have to wisely take a call.

In cases of higher value procurements, the process can also include just an invitation of

expression of Interest (EOI) and not a full proposal on the basis of the eligibility criteria. Further to this, only the agencies qualifying shall be requested to submit a full technical and financial proposal.

Receiving of Quotations

The submission of the quotations shall be invited on the designated email id for respective offices.

Procurement should inform vendors that the quotation/proposal must not be shared/copied to anyone else in the organization except procurement.

Same Request for Quotation "RFQ/ Request for Proposal "RFP (including Terms of Reference "TOR") shall be shared with all the vendors invited for particular procurement. Any further queries by any of the vendors for clarification purpose shall be shared with all the vendors along with responses.

For thresholds where users are directly engaging with vendors/ consultants, or when specifically instructed by the procurement team, they may use their Mashal email id for invitation of quotes, discussions and finalization.

If for any reason, the quotations/ proposals are not in proper format or require any clarifications, the procurement team shall seek the required information from the vendors/ consultants and update the quotes/ proposals accordingly.

Once all the quotes/proposals are received, procurement team shall share the comparative statement along with all the proposals, tor, technical evaluation and users' recommendation with the purchase committee by email.

Evaluation of Quotes/Proposals

Evaluation criteria for quotations/ financial proposals can include lead time, price and quality. Evaluation criteria for higher value purchases may be predetermined when requests for quotations are prepared.

A *summary I comparator sheet* shall be compiled for all quotes received, and should indicate:

• Price and potential discounts/ benefits;

• Delivery time & conditions

• Taxes and other costs to Mashal

• Payment terms.

In case of printing, distribution material, etc. sample may be obtained from vendor during negotiation or selection to get comfort and vet from user/ team as per program/ Mashal guidelines.

Based on the above information and sample received from vendors the purchase committee shall provide the decision.

Negotiation & Selection

Once the approval by the purchase committee is in place, the procurement team shall invite the selected vendor/ service provider for negotiations. The negotiations should result in a quality output for Mashal i.e. the best possible price/ value even if there is just one quote.

Negotiations will be carried out to:

1. Seek reduction in prices;
2. Seek maximum discounts;
3. Obtain any other added benefits to Mashal; and
4. Finalize terms and conditions.

As per the Procurement best practice, the purpose of negotiations should always be for a 'win-win' situation. The negotiations should not be so hard on price/lead time that the supplier is put under pressure to cut corners on labour or environmental standards, or compromise on quality of supplies/ services.

If required, the procurement team will be assisted by the requestor/ user where they would lead on the 'technical' aspects of the negotiations and the procurement team shall lead on the commercial aspects.

In the event of the lowest bid being higher than the budget and if the user sees no value in increasing the budget nor does the supplier/ consultant agree to lower the cost, negotiations may be taken up with the next highest bidder. However, once negotiations are closed with L1 it cannot be opened up again.

Similarly, if the vendor is unable to provide the goods as per specifications or consultant/ agency is unable to provide services as per terms of reference/ scope of work (or wishes to change key personnel) - negotiations can be taken up with L2. In such cases, once negotiations with L2 are successful, approval by purchase committee will be sought again.

In the eventuality of negotiations not coming to a logical end even with L2, the user will need to

consider the reasons, i.e. are the budget for goods/services realistic or the demands (specifications/scope of work) realistically require higher cost solutions? If this is the case, the user will need to decide if they wish to increase the budget or reduce the scope of work/ relax specifications or cancel the procurement.

In some cases negotiations or discussions for improved quotes/ prices may be undertaken before submitting the final comparison to the purchase committee. For example when all quotes are over the budget, or all quotes are much higher than the market rate/ not complimenting the requirement, etc. In such cases the final revised bid/ proposals will be considered for evaluations.

However, care should be taken that equal and fair chance to review the quotes is provided to all vendors/bidders - which should be with the sole purpose of bringing more value for the organisation and not to favour a particular supplier/agency.

Intimation to Unsuccessful Bidders

For high value procurement that is above INR. 5 lacs, upon successful negotiations and agreement on Purchase Order "PO"/ contract terms, the procurement team shall inform the unsuccessful bidders by email that their quotes/ bids have not been successful with relevant feedback if available from the technical or financial evaluation team.

Receiving Goods/ Services or Completion of Work

The user shall inform the Finance team on receipt of goods/services along with the final payment request in the form of challan or goods/service received note "GRN".

In case there are discrepancies or defects, they must be reported immediately to the procurement team for the matter to be taken up with the vendor/supplier. The user/ requestor shall provide a short 'Note' with reasons for objection.

Similarly for services, in case the output/ deliverables are not satisfactory, the user/ requestor shall inform the procurement team with a short 'Note' with reasons for objection on the deliverable/s.

In such cases, the matter will be taken up with the supplier/ service provider by the procurement team alongwith the respective user department for resolution. The procurement team can exercise any of the following options:

1. Reject delivery or part of it;

2. Request replacement, re-performance or repair fee charges;

3. Contract again with second placed bidder/service provider in the bidding process;

4. Terminate the contract.

5. Blacklisting the vendor.

When terminating a contract, care would be taken towards maintaining a satisfactory relationship betweenthe supplier and Mashal during and after termination.

Commencement of work: Any vendor/ consultant/ firm shall never be asked to initiate work before the issuance of PO or signing of the contract by both the parties.

Provision of advance Payments against a PO/ Contract

A   For procurements less than INR. 20,000/-, 100% as advance can be allowed.

B   For procurements over INR. 20,000/-, an advance up to 25% can be allowed. Rest of the paymentshould be linked with deliverables.

C   Any advance more than 25% shall require approval for waiver.

Section 7: Single Source Policy

This policy is for the single sourcing purpose. Single source process can be used basis on the below mentioned criteria:

Goods or services may be procured through Single source with prior written approval from Director – Operations in the following cases:

(a) Where the reasons of extreme urgency brought about by events which could not have been foreseen, the time limit for the procedures referred to in above section cannot be kept.

(b) Where contracts extend activities already under way which are not included in the main contract but which, because of unforeseen circumstances, have become necessary to perform the contract,or which consist of the repetition of similar services entrusted to the contractor providing services under the initial contract;

(c) For additional deliveries by the original supplier, where a change of supplier would result in technical difficulties in operation and maintenance;

(d) Where the procurement procedure has been unsuccessful, that is where no qualitatively and / or financially worthwhile quote has been received. In such cases, after cancelling the Quote procedure, terms may be negotiated with one or more vendors from among those that took, part inthe Quote procedure, provided that the initial terms of the among those that took part in the Quote procedure, provided that the initial terms of the quote

procedure are not substantially altered.

(e) Where, for technical reasons, or for reasons connected with the protection of exclusive right (Proprietary Article Certificate is required for such product from the vender), the contract can be awarded only to a particular service provider;

(f) In cases where the user/requester is not able to follow the 3 or more quote/proposal process (bidding process) they can request for a single source by following the steps mentioned below in the single source policy.

Single Source Request Process:

1) Taking the approval from budget holder on approximate budget for single source and then raising the requisition. This internal budget availability cannot be shared with potential vendor.

2) Requisition shall be raised by the user for single source with specific ToR before starting any negotiation with the vendor which enables procurement department to understand regarding the upcoming work (single source)

3) User shall copy/involve procurement team from the date of initiation of any discussion with the identified vendor including further negotiations and closure of the award.

4) Procurement team has rights to ask any questions to the vendor or user if they

   have any doubt/clarification.

4) The single source approval shall be on exceptional basis and before requesting for approval user should provide strong rationale, formal quote received from the selected consultant or vendor, terms of reference provided to vendor to submit the quote and single source criteria as per finance manual should be shared with Director Operations (for all programme related procurement) or with President (for all Operations related procurement). Any single source will be approved by Director Operation and then it will be sent to President as per schedule of authority of Mashal.

Procurement by Units

In some cases Mashal's Units may be allowed to carry out procurement of goods/works or services using the funds transferred to them by Mashal. In such cases due diligence should be carried out by the relevant Mashal staff to ensure there is adequate capacity, policies and procedures within the Unit.

Section 8: Do's and Don'ts

- Do obtain authorization from the Director before filling in the *Requisition Form*. - Do plan sufficiently in advance to allow an effective procurement process to be followed. - Do ensure that the specification/ ToRs clearly focus on what we want the product or service to do. - Do take time to reflect on how you and your colleagues have managed the process and what you can improve next time.	- Don't commit Mashal to buying goods or services without proper authorisation or ask for supplies/ inputs before a Purchase Order/ Contract has been issued and accepted. - Don't negotiate financial terms with suppliers/ service providers without the involvement of the Procurement team. - Don't accept the supplier's terms and conditions by default - 'Advances' for example are not allowed as per Mashal Policy under normal circumstances. - Don't assume the goods have arrived or service has been delivered - without verifying. Once confirmed, inform Finance & Procurement teams and keep a written record.

Section 9: Financial Delegation in matters of Procurement

Approving Authority Matrix	
Amount in INR	**Approver**
Project funded expenses upto Rs. 1 lakh	The President, Secretary and Treasurer of Mashal
Project funded expenses above Rs. 1 lakh	President and team
Mashal's own fund upto Rs.20,000.00	The President Secretary and Treasurer of Mashal
Mashal's own fund above Rs. 20,000.00	President and team