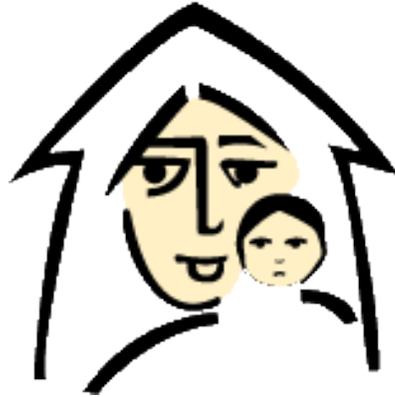


PROCUREMENT POLICIES

Of

MUKTI NARI-O-SHISHU UNNAYAN SANGSTHA
(MNSUS)



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CHAPTER – 1

INTRODUCTION, OBJECTIVES AND APPLICATION

1.1 Introduction

Mukti Nari-O- Shishu Unnayan Sangstha is a non-government, non-political and non-profitable right-based organization. It was established on the 1st January, 1990 by some courageous, committed, dedicated and hard working women leaders, led by Momtaz Roomy with a view to overall emancipating distressed and under privileged women and children. The founder of the organization, Momtaz Roomy, played a vital role in 1969 movement and liberation war of Bangladesh in 1971. She led several movements to protest against violence and torture. She and her associates formed this organization to build a fair society free from torture and violence, to establish an exploitation free just society for women, men and children, to establish a fair society free from superstition, ignorance, diseases, human rights violation and hunger.

NGOs are well recognized for their contribution to the society at large and specifically to the deprived segment of the society. It takes programs and activities for the sustainable development for them. To do this novel job, NGOs utilize resources. Often this resource comes from various sources outside the organization. Therefore, NGOs have double-edged responsibility to use the resources. One is to ensure good impact at the community and the other is to use the resources economically and prudently. NGOs, in general, are successful in making good impact at the community. However, the second consideration remains a challenge for many NGOs. Procurement manual provides the basic framework and guidance to purchase any kind of things. MNSUS is well recognized for its developmental impact. This manual is a positive step to ensure MNSUS's commitment towards achieving purchasable issues.

1.01 visions: To establish an exploitation free just society for men, women, and children

1.02 Goal: To establish human rights focusing women and children rights and a congenial atmosphere for woman development through ensuring good governance and developing skilled human resource.

1.2 Objective of this manual:

MNSUS believes that a well-designed Procurement Manual is necessary for its smooth Purchas and ensuring transparency and accountability. This manual presents the standard procedure and policies of Procurement of MNSUS. This is a guiding rule for all projects/programs, staff members of MNSUS for purchase any kind of things for the project / program of the organization.

It explains the basic Procurement rules and regulations to be followed by MNSUS to the extent practicable and describes the procedures under those rules, which have made it very handy to be used in purchase operation of the organization. These objects can only be achieved by strict compliance of approved policies and procedures and maintenance of purchase in a professional manner.

This Manual sets forth the procurement policies, procedures, classification of costs, Bid Solicitation Procedure, Purchase Order, Procurement plan, Pre- Conditions of Vendor/Suppliers Selection, Mode of Payments, Quality Control, Emergency Purchase, Disciplinary Action , & Conflict of interest etc. as guidelines to attain the objectives. Overall, the manual has been appeared in place to develop and sustain a healthy system of procurement of the organization.

1.3 Applicability

This manual shall be named as the **‘PROCUREMENT POLICIES AND PROCEDURES of MNSUS**. It applies to all Bid Solicitation Procedure, Purchase Order, Procurement plan, Pre- Conditions of Vendor/Suppliers Selection, Mode of Payments, Quality Control, Emergency Purchase, Disciplinary Action, & Conflict of interest etc. related to MNSUS and all projects and programs under the organization. This manual shall be applicable formally from the date it is approved by the Governing Body of MNSUS.

1.3.1 Accountability

In principle, MNSUS’s expenditure can only be authorized by the ED, but in practice, to a certain extent, this authority is delegated to the operational management –Director / Chief Accountant so that MNSUS projects can be managed on a day-to-day basis without the direct involvement of the Executive Director.

1.3.2 Authority

It is understood that the Executive Director will exercise the delegated authority with due respect to the MNSUS's standard procedure and budget resources. But, responsibility for ensuring compliance with the procedure rests solely with the ED.

1.4 Process for updating the Manual

The Procurement Manual of MNSUS is not a static document; it is expected to review and update time to time to be a living and evolving document. It is to be assumed that the purchase system of an organization reflects its organizational requirements. Therefore, following situation can be considered as applicable.

1.4.1 MNSUS shall modify, amend, replace, revise and/or add to any of the provisions of this Manual in such manner and to such extent, as may be deemed fit.

1.4.2 Any change or modification / amendment, as approved by the MNSUS Board shall be circulated through inter-office memo / circular under the signature of the Executive Director or her designate. All pages are dated to ensure accuracy.

1.4.3 All the changes / amendments that have been taken place since the date of last revision, with the approval from MNSUS Executive Board, shall be incorporated in the revised version of the Accounting and Financial Manual.

1.4.4 This manual is effective from the date of approval i.e. **On.....** and shall apply to all financial transactions undertaken by MNSUS with immediate effect.

CHAPTER – 2

PROCUREMENT POLICIES AND PROCEDURES

2.1 Procurement Policy:

MNSUS policy for purchasing goods, supplies and services are designed to ensure that MNSUS gets best price for the best products in purchasing goods, supplies and services. All procurement must be on fair, transparent, competitive basis and a competitive price be made for goods and services. To ensure fair and competitive price, offers should be made to genuine dealers or suppliers through tender or quotation as applicable. The following procedures for purchasing are to be followed:

There shall be a purchase committee (PC) to be constituted by the Executive Director for doing purchase related activities. The committee may be consisted of 2-3 members.

This includes fixed assets, routine purchase, casual purchase etc. Concerned section shall raise a requisition for procurement of an item and submit it to Finance Section for verification with budget provision.

The ED/ Director or the Program Coordinator shall approve the requisition for purchase.

The Executive Director shall constitute procurement committee depending on the volume of amount to arrange procurement following the formalities and give decision.

The goods supplied must be officially received and performance certified by the requisitioning section.

Administrative Section shall send request to different section to send their requisition for purchase of bulk item.

After careful scrutiny of the requisitions submitted by different section, Admin. / Accounts Section shall prepare indent and send the same to purchase committee for review if purchase cost value exceeds Taka 10,000 (Ten thousand).

Purchase Committee shall review the indent and send back to Admin. / Accounts Section for inviting Tender/Quotation/Offer. They will invite Quotation/Offer from the benefice supplier/ dealer giving the specification, quantity and stipulated delivery period.

In case of quotation/tender purchase, at least three (3) quotation/tenders will have to be collected by the committee.

Procurement committee shall prepare a Comparative Statement and they will reserve the right to accept or reject any or all quotation/tenders with proper justification.

Purchase Committee shall verify the quotation and the Comparative Statement and then recommend to authority for approval.

Once a vendor is selected, concern authority shall issue the work order to supplier and copies of such work order shall be sent to Stores & Accounts Section. Stores shall receive the goods, if delivered within the stipulated time and according to specification.

Other than bulk purchase (Annual/Half Yearly/Quarterly) all requisitions for regular weekly purchase shall have to be submitted by different Section to Admin Section once in a week.

After examination, the accounts department shall review the same and forward to Executive Director for approval. After approval accounts department shall arrange for payments.

Concern authority directly can purchase up to Taka 10,000 (Ten Thousand). In this case, Concern authority shall purchase the goods from the market by a survey to ascertain the prevailing competitive pricing. Cash payment may be made for this category of purchase.

Payment to the supplier against their bills shall be made by Account Pay cheque only.

All papers and documents with regard to purchase like requisitions, indent, quotation/tender, comparative statement, challan /bill, money receipt, purchase order; good-receiving note (GRN) shall be made available with the payment vouchers.

Before making the payment to the suppliers against their bill, Accounts shall check the bill, material-receiving report, purchase order. All kinds of purchase must be within the approved budget.

While rewarding a purchase order against the available bids, the consideration should equally be emphasized on price and quality. The price can be negotiated, but the quality cannot be compromised at any circumstance.

For any discrepancies or error, Accounts Section will bring these to the notice of Admin Section and management authority.

Quotation/tender is not required for purchase from agencies affiliated with Government or from exclusive / sole agents. In that case, copy of certificate should be obtained as proof.

Advance payment at the time of placing work order to any party should not be considered. But under special circumstances the ED/Director can approve 25% percent of the estimated value.

In case of only one supplier, purchase committee will recommend the purchase after examining the quotation and physically verifying the quality of items.

In all the above cases, the Executive Director will be the final authority for approval.

After approval of the requisition, procurement to be arranged following the Bid solicitation procedure mention below.

2.2 Bid Solicitation Procedure

Estimated Value	Solicitation Procedure
Under Tk. 10,000	Cash purchase through market verification
Purchase between Tk.10, 000 and Tk.50, 000	obtain at least 2 spot quotations from bonafide Suppliers and observe other standard purchase procedure.
Purchase between Tk.50, 000 and Tk. 500,000	obtain at least 3 quotations from bonafide Suppliers and observe other standard purchase procedure.
Purchase above Tk. 500,000	Purchase through inviting sealed quotations from bonafide suppliers and observing other standard purchase procedures (local dailies)

Note: Other standard purchase procedure involves:

- Opening of tender in presence of bidder(s)
- Prepare Comparative statement for price comparison
- Document committee decision on selection of suppliers
- Issue work order etc.

2.3 Purchase Order

An authorized person shall prepare the Purchase Order for procurement of goods or a contract for services. Purchase order should include the following conditions:

- ✓ Vendors/Suppliers should have Bank Account.
- ✓ Payment to be made in the name of business firm.
- ✓ All materials shall be supplied as per order.
- ✓ All materials shall have to be supplied within the stipulated time.
- ✓ Damaged or inferior quality or not as per specification of the order shall not be received.
- ✓ Short in quantity of material shall not be received.
- ✓ Payment will be made through A/C payee cheque.
- ✓ Revenue stamp, VAT and TAX shall be deducted according to the govt. rules
- ✓ Printed bills along with the Challan shall have to be submitted to the office.
- ✓ Money Receipt to be submitted when the bill is paid.

2.4 Procurement plan

MNSUS should have a procurement plan. Procurement plan can be on yearly basis segregating through monthly/quarterly allocation or target which should be approved by the management. All purchase will be done according to the approved procurement plan except routine purchase on day to day basis. This plan should be prepared on the basis of approved budget. It may be approved by the concern authority, if necessary; it may be revised due to change of budget and work plan.

2.5 Pre- Conditions of Vendor/Suppliers Selection

Procurement of goods and services shall be made from reliable vendors/suppliers to ensure the supply of goods and services in time and at a competitive price transparently. A supplier or vendor can be selected after fulfilling the following conditions. It should be a:

- i) Well established business firm.
- ii) Duly registered from with income tax authority and/or VAT authority.
- iii) Valid trade license holder.
- iv) Not blacklisted before by any organization.
- v) Past records and satisfactory performance.

2.6 Mode of Payments

Payment should be made through A/C Payee cheque against the above procurement of goods or services. If it is less than Tk. 10,000 (Ten thousand), it may pay in cash. Cash payment should be restricted as much as possible. For exceptional cases, if any vendor/party don't show interest to accept account payee cheque, or if no bank account is available either organization or vendor/proprietor or any other parties recommended by the original vendor, a written request with strong justification from the concerned vendor/party is required along with approval from the MNSUS authority.

2.7 Quality Control

Quality of the purchased goods should always be maintained. While receiving and storing the materials it should be done in presence of store in charge, one Accounts personnel and purchase committee member. After receiving the necessary supply of items or completion of work it should be certified by an authorized person regarding the quality and condition of goods supplied with reference to the work order.

Damaged, broken, inferior quality and goods not according to specification in the order should not be received in any circumstances. A quality control report/ remarks by the authority should always be inserted in the material receiving report (MRR).

2.8 Accounting Procedures:

i) An invoice must be received for all goods and services procured. Only original invoices prepared by the supplier are acceptable. Supporting documents such as quotations or the documentation report should be attached.

ii) Payment certification to be done through Payment Initiation Form

iii) Chief Accountant to confirm that new asset number is mentioned on the Payment Initiation Form in case of fixed assets procurement

iv) All invoices shall be stamped "PAID" and dated. Chief Accountant will check the correctness and appropriateness of the invoices before payment.

v) Cash book entry and ledger posting to be done by relevant Accountant as per account code

vi) In case of failure by the supplier to meet its obligations of supplying contractual goods and services the prompt action will be taken by Chief Accountant to safeguard organization interest. Any security deposit provided by the supplier will be forfeited.

vii) Should it become necessary to terminate a procurement contract (for purchasing goods or services) at any time during its performance, the Chief Accountant will be responsible for investigating the legal aspects of the proposed action, and, where appropriate, negotiate terms of settlements. These actions shall be carried out in consultation with the ED/Director.

2.9 Emergency Purchase:

For an organization like MNSUS, it may be often required to make procurements to meet the demands an emergency situation. In the emergency cases it may not be possible to follow the prescribed procedures of making requisitions, calling for tender bids etc. In those emergency cases, it is enough to keep the proper supporting documents (vouchers, invoices, receipts etc.), and to reconcile them later with the money of fund disbursed.

2.10 Disciplinary Action:

If it is proved that any member of the Tender and Procurement Committee or any person involved in the procurement is taking any advantage in kind or cash or in any other form from the vendors/suppliers/service providers or their affiliates/representative, a disciplinary action will be taken as per MNSUS-Service Rule.

If any vendor attempts to provide such advantage, the Committee or the ED will cancel the enlistment of the vendor/supplier/service provider immediately. The event shall have to be recorded in Minutes book for further reference.

2.11 Conflict of interest:

Person(s) should not be a member of the procurement committee who is directly or indirectly relative with a specific vendor(s). In this regards a conflict of interest register should maintain in the office as reference.