

POLICY ON
PROCUREMENT
STANDARDS

April 1

2024



Change Initiatives

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Procurement Standard Policy

Change Initiatives

Effective Date: 1/4/2024

Approved By: Governing Body

Review Cycle: Every 5 years or as required

1. Purpose

The purpose of this Procurement Standard Policy is to ensure that all procurement undertaken by Change Initiatives is:

- Transparent, fair, and competitive
- Cost-effective and value-driven
- Ethical and free from conflicts of interest
- Compliant with donor, statutory, and internal governance requirements

This policy aims to safeguard organisational resources and ensure accountability in the use of funds.

2. Scope

This policy applies to all procurement of goods, services, and works funded by:

- Grants and donor funds
- Internal funds
- Crowdfunding or CSR contributions

It applies to all staff, consultants, project teams, and committee members involved in procurement and financial decision-making.

3. Guiding Principles

Procurement at Change Initiatives shall be guided by the following principles:

- Value for Money: Optimal combination of quality, cost, and suitability
 - Transparency: Clear documentation and decision-making
 - Fair Competition: Equal opportunity to eligible suppliers
 - Accountability: Defined roles and approval mechanisms
 - Integrity: Ethical conduct and avoidance of conflicts of interest
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4. Functional Separation (Segregation of Duties)

To ensure checks and balances, procurement functions shall be separated as follows:

- Requisition: Initiated by Project/Programme Team
- Procurement Process: Managed by Admin/Procurement Officer
- Technical Evaluation: Conducted by Project Lead or Subject Expert
- Financial Review: Conducted by Accounts/Finance Officer
- Approval: Granted by Governing Body or authorised signatories
- Payment Processing: Managed by Accounts Team

No single individual shall control more than two stages of the procurement process.

5. Procurement Planning

- All projects shall prepare an annual or project-wise procurement plan
 - The plan shall include estimated costs, timelines, and procurement methods
 - Procurement plans must be approved by the Director/Governing Body
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6. Procurement Methods

6.1 Petty Purchases (Up to ₹5,000)

- Direct purchase permitted
- Bill/invoice mandatory
- Approval by Project Lead

6.2 Small Purchases (₹5,001 – ₹20,000)

- Minimum of 2 written or verbal quotations
- Comparative statement to be prepared
- Approval by Director or Treasurer

6.3 Large Purchases (Above ₹20,000)

- Minimum of 3 written quotations from eligible vendors
- Quotations must be for comparable specifications
- Selection based on lowest cost meeting technical requirements (L1)
- Any deviation from L1 must be documented and approved
- Approval by Governing Body

6.4 Capital Expenditure

- Applies to purchase of fixed assets
- Asset register to be updated

- Assets to be tagged and verified annually
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7. Vendor Selection and Management

- Vendors shall be selected based on capability, experience, quality, cost, and compliance
 - Preference may be given to local or women-led enterprises where appropriate
 - A vendor database shall be maintained
 - Vendors with poor performance or unethical practices may be blacklisted
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8. Conflict of Interest

- Staff and committee members must disclose any real or perceived conflict of interest
 - Procurement involving related parties is prohibited unless approved by the Board with full disclosure
 - Conflict of interest declarations shall be recorded annually
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9. Documentation and Record Keeping

The following records shall be maintained:

- Purchase requisitions
- Quotations and comparative statements
- Approval notes
- Purchase orders/work orders
- Invoices and payment vouchers

All records shall be retained for a minimum of 7 years or as required by donors/statutory authorities.

10. Payment Terms

- Payments shall be made only against valid invoices and proof of delivery/completion
 - Advance payments, if any, must be approved and adjusted against final bills
 - All payments shall be made through bank transfer or cheque
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11. Emergency Procurement

- Emergency procurement may be undertaken to address urgent programmatic needs
 - Reasons for emergency procurement must be documented
 - Post-facto approval from the Governing Body is mandatory
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12. Compliance and Audit

- All procurement is subject to internal and external audit
- Non-compliance may result in disciplinary action
- Donor-specific procurement guidelines shall override this policy where applicable