



Samarth In Participatory Action (SIPA)

Procurement Policy

The following procurement policy shall come into effect from 1st June 2026.

Objectives of Procurement Policy

- 1.1 This procurement policy is designed to ensure that all procurement activities at SIPA are transparent, efficient, and cost-effective. The policy also ensures compliance with donor conditions, statutory requirements, and best practices in procurement management.
- 1.2 The policy outlines step-by-step procedures for procurement based on the value of the goods or services and defines the roles and responsibilities of the Procurement Committee and other stakeholders.

2. Procurement Categories & Threshold-Based Procedures

- 2.1 Procurement at SIPA is categorized based on the monetary value of goods or services to ensure transparency, efficiency, and proportional oversight.
- 2.2 The following matrix outlines the minimum procedural requirements for procurement, including whether RFQs, purchase requisitions, and purchase orders are necessary, and the minimum number of quotations required.

Value of Goods / Services (INR)	RFQ / BOQ	Purchase Requisition	Min no. Of Quotations	RFQ through E-Bid/Online quotation	Purchase Order
0- 25,000	NO	NO	No	NA	NO
Rs 25,001/- to Rs 20 Lakhs	Yes	Yes	Three	Permitted	Yes
Above 20,00,000	Yes	Yes	Three	Permitted	Yes

- 2.3 For purchases up to ₹25,000, no formal process is required, though reasonable care must be taken to ensure price fairness.
- 2.4 For purchases between ₹25,001 and ₹20,00,000, at least three quotations must be obtained. RFQs must be issued and a comparative evaluation conducted. E-bidding is permitted.
- 2.5 For purchases above ₹20,00,000, the same procedures as above apply, with heightened scrutiny. E-bidding or public tendering methods may be used based on donor or project-specific requirements.

3. Procurement Requisition Process

- 3.1 For project-related procurement, the Project Coordinator will raise a requisition to the Admin or Procurement Committee based on the activity requirements.
- 3.2 For non-project (core) procurements, the concerned Department Head will raise a requisition to the Admin Department. This request must be reviewed by the Director – Finance & Operations, the relevant Program Director, and then approved by the CEO.
- 3.3 All requisitions must include: budget and donor references, estimated costs, procurement timelines, recommended vendors (if any), technical specifications, and sample submission (where required).

4. Supplier Identification Criteria

- 4.1 Suppliers must be credible, with the capacity to deliver the required goods or services and must preferably be located locally.
- 4.2 They should be registered under GST and Income Tax laws. In case of high-volume purchases from

non-GST vendors, a declaration may be obtained.

4.3 The goods or services must be part of the supplier's core business, and the supplier should have a clean history with SIPA.

4.4 Aadhar-bank linkage and MSME certificates should be submitted where applicable.

5. Procurement Committee

5.1 The Procurement Committee will comprise a minimum of three members nominated by the CEO. The Committee will function at both Head Office and State/Regional levels. Based on the requirements, regional/location specific committees can be formed on the directions of the ED.

5.2 The Committee must include representation from: the Programme/PMU, Accounts Department, and Admin Department. Experts in IT, civil engineering, agriculture, or other fields may be co-opted for specific procurements.

5.3 All purchases above ₹25,000 must be routed through the Procurement Committee for review, evaluation, and recommendation.

6. Procurement of Consultants

6.1 For consultancy assignments with a value up to ₹1,00,000, the Project Coordinator or Regional Coordinator may propose the consultant. Approval is required from the Program Director and Director – Finance & Operations. The Project Co-Ordinator/Program Director or the Team Leader of the assignment/study/training will prepare a rationale note or a justification note for hiring the consultant. The contract letter on specified format must be approved by the supervising authority/ED depending on the value of the consultancy amount. In no case, consultant should be hired by the project coordinator only after the approval of the designated supervisor.

6.2 For assignments above ₹1,00,000, the CEO shall form with a minimum of three-member committee with relevant domain knowledge within the organization and also inviting external experts.

6.3 The Committee will define selection criteria, prepare a rating sheet with weightage, and conduct interviews or review proposals as needed. Final selection requires ED approval and will be formalized through a written agreement. The ED can delegate the powers for certain value to the PD or Director Finance and Operations.

6.4 The CEO may directly appoint a consultant in exceptional cases based on qualifications and experience providing a justification note for hiring the services.

7. Purchase Orders and Agreements

7.1 The Regional office/ Project Co-ordinator/Accounts & Admin Department shall prepare the Purchase Order (PO) or agreement after receiving recommendations/ minutes of the Procurement Committee meeting.

7.2 Each PO/agreement must clearly include the following elements:

- i. Description and specifications of goods or services.
- ii. Quantity, unit price, and total cost with taxes shown separately.
- iii. Start and completion timelines.
- iv. Reporting schedule and format.
- v. Payment terms and schedule.
- vi. Penalty clause for default or delays.
- vii. Non-disclosure and confidentiality clause.
- viii. Any other mutually agreed terms and conditions.

Format Attached.

8. Payment Procedures

- 8.1 No advance payments shall be made unless specified in the contract's payment terms.
- 8.2 In exceptional cases, an amendment must be made to the agreement detailing the reason and advance amount.
- 8.3 The agreed ratio for advance payments must be stated clearly and all applicable statutory deductions will apply.
- 8.4 A written acknowledgment must be obtained from the vendor for all advance payments.
- 8.5 Final payment shall be released only after successful delivery/completion, submission of invoice, and verification/approval by the concerned authorities.

9. Sole and Selected Source Procurement

- 9.1 Sole source procurement is allowed when a) only one vendor is capable of fulfilling the requirement or b) in remote locations where several vendors are not available for such services .
- 9.2 Selected source procurement refers to choosing a vendor from known sources despite availability of alternatives.
- 9.3 In both cases, a written justification must be documented including price/cost comparison (where applicable), prior experience, knowledge of SIPA programs, or urgent needs.

10. Annual Approval of Frequently Used Vendors

- 11.1 For services that are regularly used at different project locations—such as four-wheeler rentals, stationery supplies, hotel bookings for training and accommodation—SIPA will approve vendors annually based on competitive rates.
- 11.2 At the beginning of each financial year, designated staff will collect a minimum of three quotations for each category of frequent-use service. These will be reviewed and approved by the Procurement Committee.
- 11.3 The rates approved will apply throughout the year for all vendors, including those whose quotations were not selected or for new vendors offering comparable services at the same approved rates.
- 11.4 In the event of any rate revisions during the year, new quotations must be invited and reapproved by the Procurement Committee. Until such reapproval, previously approved rates will remain applicable.

11. Conflict of Interest

- 10.1 Goods or services may be procured from relatives of staff or Board members only with full disclosure and proper justification, subject to CEO's approval.
- 10.2 Vendors with a direct or indirect role in ongoing project activities must be disclosed and reviewed to avoid potential conflicts.