VIKALP – Procurement Policy

This Procurement Policy establishes clear, consistent, and transparent rules for the acquisition of goods, services, and works by VIKALP. The policy operationalizes the organization's Internal Control System and Accounting and Financial Management Policy, ensuring fairness, value for money, accountability, and integrity in all procurement activities.

1. Purpose

The purpose of this policy is to ensure that procurement at VIKALP is conducted in a transparent, fair, and efficient manner. The policy aims to safeguard organizational resources, prevent fraud and conflicts of interest, ensure value for money, and support the effective delivery of programmes and operations.

2. Scope

This policy applies to all procurement activities undertaken by VIKALP, irrespective of funding source or project, including:

- Office supplies

- Equipment and assets

- Services and consultancy engagements

- Travel and logistics

- Works or minor construction (where applicable)

The policy is binding on all Governing Board members, management, staff, consultants, and any individuals involved in procurement decisions.

3. Guiding Principles

Procurement at VIKALP is guided by the following principles:

- Transparency in decision-making and documentation

- Fair competition and equal treatment of vendors

- Value for money through economy and efficiency

- Ethical conduct and integrity

- Accountability and traceability of decisions

- Sustainability and social responsibility

4. Link to Internal Control System

This policy is an integral part of VIKALP's internal control framework and reflects the following control principles:

- Transparency through documented procedures and records

- Four-eyes principle through multi-level review and approval

- Functional separation between request, approval, payment, and record-keeping

- Minimum information (need-to-know) through restricted access to sensitive procurement information

5. Roles and Responsibilities

5.1 Staff / Project Staff

Identify procurement needs, prepare purchase requests, and provide technical specifications. Requests raised by staff are reviewed in coordination with the Project Coordinator.

5.2 Project Coordinator/ Project Manager

Validates the necessity, specifications, and relevance of procurement to approved activities and budgets.

5.3 Accountant / Finance Staff

Verifies budget availability, ensures compliance with financial procedures, maintains procurement records, and manages the vendor list.

5.4 Governing Board Oversight

At least one Governing Board member reviews procurement decisions above defined thresholds to ensure compliance and oversight.

5.5 Director / Managing Trustee

Provides final approval for procurement decisions and authorizes payments in accordance with approved financial procedures.

No individual shall be involved in all stages of a procurement process.

6. Procurement Process

All procurement activities shall follow a clear sequence:

1. Identification of need

2. Validation of technical requirements

3. Cost estimation and budget verification

4. Selection of procurement method based on estimated value

5. Identification of vendors and collection of quotations or proposals

6. Evaluation and comparison of offers

7. Review and approval by authorized authorities

8. Purchase or contracting

9. Receipt and verification of goods or services

10. Payment and record keeping

Approval of procurement does not automatically imply approval of payment, which follows separate financial authorization procedures.

7. Procurement Methods and Thresholds

Procurement methods are applied based on estimated value:

- Up to INR 2,000: Direct purchase through petty cash

- INR 2,001 to INR 25,000: Direct purchase with invoice

- Above INR 25,001: Minimum three written quotations

Payments above INR 2,000 are made through banking channels in line with financial controls.

8. Evaluation of Quotations and Offers

Quotations and proposals are evaluated objectively using criteria such as:

- Price and cost-effectiveness

- Quality and compliance with specifications

- Delivery timeline and Expenses

- Vendor reliability and past performance (where available)

- As per requirements in the field and community.

Evaluation decisions must be documented and justified.

9. Vendor Management

VIKALP maintains a basic vendor list managed by the Accountant. Vendors are selected based on technical capability, ethical conduct, reliability, and financial competitiveness. Vendor performance may be reviewed periodically.

10. Conflict of Interest

VIKALP enforces a strict conflict of interest rule. Staff, management, and Governing Board members shall not procure goods or services from their own firms, relatives, or associated entities. Any unavoidable situation requires written disclosure and formal approval by the Governing Board.

11. Sustainable and Ethical Procurement

Where feasible, VIKALP promotes responsible procurement by giving preference to:

- Local suppliers and service providers

- Environmentally responsible products and services

- Women-led enterprises, tribal enterprises, and micro, small, and medium enterprises

Such preferences shall not compromise transparency, competition, or value for money.

12. Emergency Procurement

In exceptional circumstances requiring urgent action, simplified procurement procedures may be applied. Emergency procurement must be supported by written justification, approved by the Director, and reported to the Governing Board for review.

13. Documentation and Record Keeping

All procurement actions must be supported by appropriate documentation, including purchase requests, quotations, evaluation notes, approvals, delivery records, invoices, and payment proofs. Records are securely maintained and made available for internal and external review.

14. Policy Review and Adoption

This Procurement Policy is reviewed periodically to ensure continued relevance and effectiveness. Amendments are approved by the Governing Board.

Approved by: _____

Designation: M. Tahslee,

Date: 01|10|2025

Updated Policy adopted by Board on 30|09|2025