

## Kalapuri Foundation Procurement Policy wef 01-04-2025

### 1. Introduction and Purpose

This Procurement Policy outlines the norms and procedures for the acquisition of Plant, Machinery, and Raw Materials by Kalapuri Foundation for carrying out various projects under different schemes. The purpose of this policy is to ensure transparent, efficient, ethical, and cost-effective procurement practices, maximizing the impact of the funds towards the revival of Indian crafts, sustainable livelihood, and women empowerment.

### 2. Scope

This policy applies to all procurement activities undertaken by Kalapuri Foundation for projects and initiatives, including but not limited to:

- **Plant:** Fixed assets like buildings, workshops, or major structural improvements for Common Facility Centers (CFCs).
- **Machinery:** Equipment, tools, and devices used in training programs or by artisans (e.g., pottery wheels, looms, sewing machines, specialized craft tools).
- **Raw Materials:** Consumable goods necessary for training and production by artisans

### 3. Guiding Principles

All procurement activities shall adhere to the following principles:

- **Transparency:** All procurement processes shall be open, documented, and accessible for audit.
- **Fairness and Impartiality:** All potential suppliers shall be treated equitably, and decisions shall be based solely on merit, quality, and cost-effectiveness.
- **Value for Money:** Procurement decisions shall aim to achieve the optimal combination of quality, cost, and timely delivery, ensuring the best utilization of funds implied.
- **Accountability:** Clear roles, responsibilities, and approval hierarchies shall be established and followed.
- **Compliance:** Adherence to all applicable laws, regulations, and specific requirements of the donor.
- **Sustainability:** Where possible, preference shall be given to environmentally friendly products and suppliers with ethical labor practices.

#### 4. Procurement Authority and Sanctioning Limits

The following table outlines the expenditure ranges and the corresponding sanctioning authority:

S. No.	Expenditure Range (INR)	Sanctioning Authority
1.	Up to ₹25,000	Project Manager / Director
2.	₹25,001 to ₹1,00,000	Chairman
3.	₹1,00,001 to ₹ 5,00,000	Chairman & Secretary/Treasurer
4.	Above ₹ 5,00,000	Board of Trustees

*Note: All amounts are exclusive of applicable taxes.*

#### 5. Procurement Procedure

The procurement process shall generally follow these steps, with variations based on the expenditure range:

##### 5.1. Needs Assessment and Indenting

- **Identification:** The relevant project team or department identifies the need for specific plant, machinery, or raw materials. The details of the same may be given in the Detail Project Report (DPR)
- **Specification:** Detailed specifications (quantity, quality, technical requirements, delivery timelines) are prepared.
- **Indenting:** A formal Indent/Requisition Form is prepared and submitted to the Project Manager for initial review.

##### 5.2. Quotation/Tender Process

The number of quotations required varies based on the expenditure range:

- **Up to ₹25,000 (Project Manager Sanction):**
  - Estimate from a reliable supplier is required.
  - Direct purchase may be allowed if the item is proprietary or available from a single source, with proper justification.
- **₹25,001 to ₹1,00,000 (Chairman Sanction):**
  - A minimum of **one** quotation from suppliers is mandatory.
  - Quotations should be obtained in writing (email or formal letterhead).
- **₹1,00,001 to ₹5,00,000 (Chairman & Secretary/Treasurer Sanction):**
  - A minimum of **two** competitive quotations from different reputable suppliers is mandatory.
  - For specialized items, a limited call for quotation process may be initiated by inviting bids from pre-qualified vendors.
- **Above ₹ 5,00,000 (Board of Trustees Sanction):**
  - A formal **Call for Quotation Process** (open or limited) is mandatory.

- **Open Quotation:** Public advertisement (e.g., on NGO website, local newspapers) inviting bids.
- **Limited Quotation:** Invitation to bid sent to a pre-qualified list of vendors.
- A Purchase Committee (comprising at least three members, including one from finance) shall be constituted to oversee the process, including bid opening and evaluation.

### 5.3. Evaluation of Quotations/Bids

- **Technical Evaluation:** Assess compliance with specifications, quality, and suitability for purpose.
- **Financial Evaluation:** Compare prices, payment terms, warranties, and after-sales service.
- **Supplier Due Diligence:** Assess supplier's reputation, capacity, and past performance (if any).
- **Recommendation:** A comparative statement of quotations/bids is prepared, recommending the most suitable supplier based on the "Value for Money" principle. **Justification for the chosen supplier must be clearly documented, especially if it is not the lowest bidder.**

### 5.4. Approval and Sanction

- The recommendation, along with all supporting documents (indent, specifications, comparative statement, quotations/bids), is submitted to the appropriate Sanctioning Authority as per Section 4.
- The Sanctioning Authority reviews the documents and provides approval or seeks further clarification.
- Approval must be in writing (e.g., signed document, email approval).

### 5.5. Purchase Order Placement

- Upon receipt of sanction, a formal Purchase Order (PO) or Work Order is issued to the selected supplier.
- The PO shall clearly state:
  - Description and quantity of items
  - Agreed price
  - Delivery schedule and location
  - Payment terms
  - Warranty and after-sales service conditions
  - Any specific donor requirements (e.g., branding, reporting).

### 5.6. Receipt and Inspection

- Upon delivery, items are inspected against the PO and specifications.
- A Goods Receipt Note (GRN) or equivalent document is prepared, detailing items received, condition, and any discrepancies.

- Any damaged or non-compliant items must be immediately reported to the supplier and the procurement team.

### **5.7. Payment Processing**

- Payment is processed only after satisfactory receipt and inspection of goods/services, and against a valid invoice.
- All payments must be approved by the finance department and the relevant project head, ensuring compliance with the PO and payment terms.
- Payments shall be made through bank transfers for amounts above ₹5,000.

### **5.8. Documentation and Record-Keeping**

- All procurement-related documents must be meticulously maintained for audit purposes. This includes:
  - Indent/Requisition Forms
  - Specifications
  - Quotations/Bids
  - Comparative Statements
  - Approval notes/Sanction letters
  - Purchase Orders
  - Goods Receipt Notes
  - Invoices
  - Payment vouchers
- Records shall be stored securely for a minimum of 3 years or as per donor requirements, whichever is longer.

### **6. Specific Considerations for CSR Funds / Donor Funds**

- **Donor Guidelines:** Strict adherence to any specific procurement guidelines or conditions stipulated by the CSR donor.
- **Branding/Visibility:** Ensure compliance with donor branding requirements on procured assets, if applicable.
- **Reporting:** Maintain detailed records for reporting to CSR partners on the utilization of funds and assets.

### **7. Conflict of Interest**

- No staff member, Board member, or their immediate family members shall be involved in any procurement decision where they have a direct or indirect financial interest.
- Any potential conflict of interest must be immediately declared in writing to the Executive Director.

## 8. Policy Review and Amendments

This policy shall be reviewed annually by the Board of Trustees or as required, to ensure its continued relevance, effectiveness, and compliance with changing regulations and organizational needs. Any amendments shall be approved by the Board of Trustees.

**\*Approved by:** Board of Trustees Kalapuri Foundation\*

For Kalapuri Foundation

  
Chairman

