

Procurement Policy

About the Organization:

With the motto of ‘Inform, Communicate and Empower,’ Digital Empowerment Foundation (DEF) started its journey in the month of December, 2002. Based out of New Delhi and registered as not-for-profit under the “Societies Registration Act XXI of 1860, the effort at DEF has been to find sustainable Information Communication Technology (ICT) solutions including digital and new media to address digital divide in under-served and unreached regions and communities. With a non-political approach, it was founded to contribute to an enabling social and economic order in India as well as in developing societies with the need based support of ICT tools and means. With ground work since 2003, DEF has reached over 22 States and 8 countries.

Purchases & Procurement

Policy Statement: Any expenditure for the purchase of a single item should have bids/quotations from three (3) suppliers. These bids will be reviewed by the Head of Operations and Project Managers, the bid award must be specifically approved in advance by the Head of Operations and Chief Executive Officer.

The flow and time-line of the Purchase Indent (indent) will be as under:

Stage	Owner	Roles & Responsibilities	Approval required for	Maximum time allotted (Day)
1	Initiator	<ul style="list-style-type: none"> Fill up the indent completely or Request mail Obtain HOD’s approval 	All indents or request mails	1
2	Head of the department / Immediate Superior	<ul style="list-style-type: none"> Assess the operational & financial necessity Recommend the preferred Brand & Technicalities (if any) 	All indents or request mails	2
3	Administration	<ul style="list-style-type: none"> Check whether the item required is available in stock or not. 	All indents or request mails	1
4.	Sr. Executive – HR & Admin	<ul style="list-style-type: none"> Monitor the movement of the indent & the issuance of PO Follow-up with the supplier for timely delivery & billing and follow-up with Accounts for payment. 	All indents or request mails	1

5	Immediate Superior / Head – Operations	<ul style="list-style-type: none"> Assess the justification for expenditure and approve (if required). 	All indents or request mails	1
6	CEO	<ul style="list-style-type: none"> Assess the justification for expenditure and provide Final Approval. 	All indents or request mails	1

Payment Procedures:

- Payment to be made strictly as per Purchase Order
- Sr. Executive – Admin to send request to Finance / Accounts Department detailing the payment commitment at least 2 days in advance.
- The Admin department to follow-up with the suppliers for early submission of bills. On receipt of the bills, they should scrutinize the bill based upon the terms of the PO, take their Head's approval and send the bills to Finance department for payment at least 2 days in advance.
- Finance department to book the expense, prepare the Cheque, get the same audited and send to the Admin department within due date or 2 days after the receipt of the bill, whichever is later.
- Admin department to obtain money receipt from the supplier and send the same back to Finance department.
- In case there exists a service department like Admin, Corporate Communication, etc., the responsibility of coordinating with suppliers for obtaining the quotes & bills, and the responsibility of coordinating with accounts for releasing the payment shall lie with the service department.

General Guidelines:

- All purchases should be planned well in advance & procurement should be based on planning and basic procurement norms e.g. economic order quantity, re-order level, existing stock, lead-time, availability of storage space, site requirement, shelf-life, average consumption pattern, etc. This is important from better rate negotiation, cost control and fund arrangement point of view.
- All expenditure should be within the Budget. In case of non-budgeted expenses, financial approval from Founder Director / authorized representative is mandatory.
- Approval Authority of purchase should not be involved in the Purchase/vendor recommendations directly or indirectly. This will also include the cases, where there exists a relationship between an employee & supplier / service provider.

- For project related purchases, financial approval for the total Project Cost should be obtained as per the procedure laid down in the Policy. In other words, cost of a Project should not be broken-up to avoid certain approvals. The purchases for which there exists a specific department, the clearance of the concerned head is mandatory.
- An approved indent shall be valid only for 30 days from the date of financial approval.
- Approvals should be given only on the correct Indent format and it should be ensured that all the cells, including the justification for purchase, are properly filled-in to make the Indent valid. In the justification cell, the reason should be clearly mentioned.
- Indent raiser, approval authority should clearly mention their names & date of operation on the Indent for the better control of operations.

Scope of Procurement:

All purchases should be covered by this policy. Illustrative lists of purchases can include-

- **IT equipment:** Computer hardware, software and other IT peripherals
- **Infrastructure related purchases:** Air conditioners, DG sets, other electrical / electronic equipment, furniture, fire alarms / extinguishers, etc;
- **Vehicle purchase**
- **Land Purchase**
- **Others:** Purchase of office equipment / accessories / services like photocopiers, shredders, telephone / mobile instruments
- **Services & Work:** Event Management, Printing, Consultancy, Photography, Books Publishing, Merchandising etc.

Other Cases:

- **Travel:** For any regular requirements in the organizations related to travel, no Bidding/quotation process is required if the Vendor has been selected from the Verified list of Vendors.
- **Urgent Procurement:** If there is a urgent requirement of any of the listed items under Heading 'Scope of Procurement', Procurement can be done on the basis of single quotation only, up-to a limit of **1,00,000 INR**.
- **Specific Requirement on Projects:** In case of any project related specific requirement, includes but not limited to any equipment, software, customized items, Data/information etc., Procurement can be done on the negotiation basis with one or more vendors of its choice. In this case copyrights of the service will be governed by the rules of the Vendor.

Dispute & Settlement:

In the event of any dispute, controversy or claim arising out of or relating to any contract, or the breach, termination or invalidity thereof (a "dispute"), the Parties will use their best efforts to settle promptly such dispute through direct negotiation. Any dispute that is not settled within Thirty (30) days from the date either Party has notified the other Party of the nature of the dispute, then it will be registered and further governed under the Jurisdiction of the New Delhi Court only.

Central Buying Procedures:

Organization is bound to follow the central buying procedures for all the procurements in New Delhi office.

For the procurement on the various branch offices, the procurement procedure of 3 quotations needs to be followed by the Centre Coordinator of the branch office, provided they have an approval from Head of Operations and Project Manager is required in advance. In that case, quotations needs to be collected from the state in which Branch office is located, forwarded to the Head office for further procedure. All the collected quotations and original bills need to be submitted to the New Delhi office within 20 days of procurement.