

Procurement policy

SHARP (Society for Health, Agriculture and Rural People (SHARP) is one of the leading NGO working in Yadadri Bhongiri, Suryapeta, Jangon , Jayashankar Bhupalapally and Peddapalli District of Telangana. Established as Youth Association in 1981 and Revised in 2000 with an aim to facilitate the vulnerable, marginalised, small land holders, women, landless and children in providing services for better living conditions. From the very beginning NGO SHARP focused on the sensitive needs and priorities of the poor. Earlier the NGO SHARP was concentrating on social service to the community. Gradually SHARP besides services felt the need to rely on Government programmes to address the poverty issues beyond health sector. Since 2001, working with dedication in local area of Gundala Mandal of Yadadri Bhongiri district in the area of Natural Resource Management, in collaboration with the State Government of Telangana and NABARD (National Bank for Agriculture and Rural Development)

Vision:

The approach is towards holistic rural development of the society, ecological balance, sustainability of the natural resources and empowered local institutions.

Mission

The mission is to reach out the most fragile and poverty stricken poorest of poor, to strengthen the community to prioritise the needs and enable to access for better well-being, knowing the rights and privileges for self-reliance, to be prepared and equipped to work for themselves and for others.

Objectives

- *To reinforce community involvement by way of facilitation and organisation of the community.*
- *To enhance the capacity of community in management of resources, utilization and sustenance of resources*
- *To empower community to access resources and manage the assets created.*
- *To promote holistic development for overall sustainability of the community*

Registered office SHARP

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| 1 | Name of NGO | : Society For Health, Agriculture and Rural People (SHARP) |
| 2 | Legal Status | |
| i | Whether Society or Society | : Society |
| ii | Society Registration Number | : 1217/81 |
| iii | Date of Registration of Society | : 13 July 1981. |
| iv | FCRA Registration Number | : 368190008 |
| v | FCRA Registration Date | : 06.12.2016 |
| vi | Registered Address of Head Office | : SHARP Society, H.No 4-222, Near Sai Baba Temple, Pothaigadda, (Vill & Mandal) Mothkur, Yadadri Bhonagiri (Dist). T.S -508 277. |
| 3 | Area of Operation | : Nalgondal, Suryapet, Yadadri Bhonagiri, Janagon, Jayashankar Bupal pally, Nizamabad, Nirmal, Jagityal, Rajanna Siricilla, Mahaboobnagar and Peddapalli Districts. |
| 4 | Address of Sub-Branche s/Centers | : SHARP Society, C/o Mogilaiah, Near Sub register office, Peddapalli District, Telangana. SHARP Society, C/o. Rajireddy, Chinthakani x road, Warangal Road, Kataram (Village and Mandal)-Jayashnakar Bhopal pally District, Telangana. Pin code - 505503. SHARP Society, C/o, Yoga Kistaiah, Pegadapally, Mahamutharam Mandal, Jayashnakar Bhopal pally District, Telangana. Pin code - 505503. |
| 5 | Area of Operation | : Old Nalgonda District, 12 Mandals 82 Villages, Old Karimngar District, 6 Mandals 65 Villages. |
| 6 | Other Details | |
| i | Name and designation of the Chief Functionary or contact person | : K. Narasimha Chari, Executive Director |
| ii | Address for regular correspondence | : SHARP Society, H.No 4-222, Near Sai Baba Temple, Pothaigadda, (Vill & Mandal) Mothkur, Yadadri Bhongiri (Dist). T.S -508 277. |

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| iii | Telephone number | : | 9848835685 |
| iv | E – Mail | : | sharporg@gmail.com |
| v | Permanent Account Number(PAN) | : | AAGTS2264L/1981 |

Board Of Directors and executive committee:

On the date of approval of this finance manual, following are the Societyees of SAHRP:

| S. N. | Name | Background & qualification | Organizational role (if any) | Address, Contact no & email ID |
|-------|---|----------------------------|------------------------------|--|
| 1 | Rapaka Rajitha | House wife & Social worker | President | H.No:7-54, Dharmapuram, Mothkuru, Yadadri Bhongiri Dist.-500277, Telangana State |
| 2 | Avanaganti Lalitha | House wife & Social worker | Secretary | H.No:1-115, Venllanki village, Ramannapet mandal, Yadadri Bhonigir Dist, Telangana State |
| 3 | Poloju Munna Chary | Social worker | Vice president | H.No:1-25 Janakipuram, Mothkuru, Yadadri Bhongiri Dist.-500277 |
| 4 | Sudhakar Chary | Social worker | Join Secretary | H.No:3-05, Sherigudem village , Samasthan Narayanpur Mandal, Yadadri Bhongiri Dist, Telangana state. |
| 5 | Maroju Anitha | House wife & Social worker | Treasurer | Lakshmipuram village, Ramannapet Mandal, Yadadri Bhongiri Dist, Telangana State |
| 6 | Kurell Narsimha Chary | Buisness & Social worker | Executive Director | H.No:5-87, Vellanki village, Ramannapet Mandal, Yadadri Bhongiri Dist, Telangana state |
| 7 | Nakirekanti Lavanya | House wife & Social worker | Executive Member | H.No:4-88, Vellanki village, Ramannapet Mandal, Yadadri Bhongiri Dist, Telangana state |
| 8 | Pagidimarri Saraswathi Executive member | House wife & Social worker | Executive Member | H.No:2-44, Pulipalupula village, Munugodu Mandal, Yadadri Bhongiri Dist, Telangana state |
| 9 | Agu Mallesh | Social worker | Executive Member | H.No:2-36, Vellanki village, Ramannapet Mandal, Yadadri Bhongiri Dist, Telangana state |

Accounting Year: SHARP following the financial accounting years from 1st April to 31st March.

The policies and procedures contained in this manual are designed to provide SAHRP the tools needed to effectively manage the financial resources. The provisions in this manual are to be used in connection with other policies and procedures as devised and modified from time to time by SAHRP. SAHRP reserve the right, as its sole discretion, to change, modify, amend, apply, add or remove extracts, portions or the whole policy at any time without prior information.

Annexure -I

Procurement Guidelines

1. Scope of procurement guidelines

These guidelines classify the procurement contracts into three major types – (1) Supplies, (2) Services and (3) Works. The procurement procedures detailed below cover BOD office and program procurement aspects in the above three types of procurements. Also, they cover BOD capital assets and non-capital assets, within the type ‘Supplies’. The external persons, groups, traders or companies that provide procurements are classified as – Suppliers in case of supplies, service providers / consultants in case of services and Contractors in case of composite works.

2. Definitions

Supply contracts cover the purchase, leasing, rental or hire purchase (with or without option to buy) of products, equipment, machinery, office consumables etc.

Service contracts shall comprise hiring skilled / semi-skilled or un-skilled services from individuals or organizations using machines or without. Printing, DTP, evaluation studies, audits and technical assistance, recruitment of consultants for project implementation are some forms of service contracts.

Works contracts are composite type of contracts where BOD supply and service contracts are bundled involving men, material, machines and skills. Typically, construction works involving labour, materials are obvious examples of this type of contracts.

3. General principles to be followed in procurement

- SAHRP pursues green procurement policy that is committed to purchase of products, services and carrying out works that cause least harm to ecology and environment and are efficient in use of natural and other resources
- Quotations collected from vendors or contractors shall be complete in all respects with details of product or service specifications, units, costs, taxes, advance required, other terms and conditions etc.
- SAHRP, while looking for least cost quotes for the same specifications of products / services / works and prefers to follow ‘value for money’ approach. This means, SAHRP may opt for high quality and reputed brands with higher energy ratings though the cost of such products and services are higher. Care is taken that such costs do not deviate abnormally.
- Taxes are separately shown and paid by SAHRP, as much as possible
- All vendors are paid by cheque or through account transfers, except for the procurement values less than Rs.5,000
- All work orders issued against the quotes are valid for a specified time given in the work order

- Advance paid to the vendors / contractors / consultants / suppliers, based on mutually-agreed terms and conditions specified in the quotes and work orders
- PAN and bank details shall be provided by the service providers and work contractors at the time of submitting the quotations. TDS applies as per the IT act
- and rules in force and a certificate to that effect is issued on quarterly basis.

4. Process of procurements

- All program related supplies, services and works to be processed by the head of the respective project or staff involved, verified by the line management and approved by ED. All office related procurements (assets, stationery, vehicle hiring etc.) to be processed by the finance staff and approved by ED
- It is the responsibility of respective program staff or finance staff to prepare a procurement justification note in the prescribed format that compares the different quotes and records the decisions as well as justification for the decisions taken
- Executive director approves all the procurements that are already budgeted in various projects for the year and issues Procurement Orders (POs). Executive Director is authorized to carryout procurements from organizational general funds, to a limit of Rs.100,000 in a financial year. For procurements above Rs. 100,000 from general funds, BOD approval is required.
- In case of procurements, that are not part of project budgets, approval of donors shall be sought before considering for processing by the respective program / finance staff
- The process of contracting the consultant for a particular project or task is initiated by the respective head of the project. In case of any institutional consultancy with respect to the overall governance processes of SAHRP, the ED will initiate the process.
- After the identification of consultant either through word of mouth or through advertisements in media, the ToR for the consultancy is prepared and shared with the consultant. This will also include the payment and the schedule for the consultancy.
- For all the contracts, a written document, signed by BOD the parties to the contract, is kept as an evidence for the process. The applicable TDS, as per the norms, is deducted from the payments, and this is also pecifically mentioned in the contract.

5. Guidelines for processing of procurements

Following table lists procedure to be followed for different types of procurements and their cost values:

| Type of procurement | Worth in monetary terms | Process and required |
|---|--------------------------------------|--|
| <u>Office Expenses</u> (such as stationery, books, consumables etc.) | Worth below Rs.5000 | Direct purchase, invoice/bill sufficient |
| | worth between Rs 5001/- and Rs 20000 | Purchase using single quotation and a justification |
| | for Rs 20001/- and above | Purchase through three quotations and a justification note |

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| <u>Program expenses</u> <i>(Purchase of RO plant, seed, farm equipment and tools, lease or hire-purchase of machines, equipment etc.)</i> | Below or equal to Rs.100,000 | Single quotation and justification note |
| | Above Rs.100,000 | Three quotations and justification note |
| <u>Office-level Services</u> <i>(Travel services, printing, DTP, consultants to projects)</i> | Below or equal to Rs.100,000 | Single quotation and justification note |
| | <u>Program-level Services</u> <i>(evaluation studies, technical advisory services, labour contracts involving local villagers, hiring of earth-moving machines, transport of silt using tractors owned by farmers etc.)</i> | Three quotations and justification note |
| <u>Composite works</u> <i>(Construction contracts involving labour, machines & material supplies; earthwork using men and machines etc.)</i> | Below or equal to Rs.200,000 | Single quotation and justification note |
| | Above Rs. 200,000 | Three quotations and justification note |

Classification and sub-classification of different procurement types above is done keeping in mind genuine and practical situations that development project face in implementing activities in remote villages. Most often, it is difficult to find multiple service providers (or) work contractors (such as services of a JCB earth moving machine or registered work contractors) having PAN and bank account from or around the project areas. Also, in many projects farmers from the village offer their own tractors to transport silt at a rate agreed in consensus in larger village meetings. In such cases, there is no possibility of collecting two or more quotes. In all such cases, Executive Director is authorized to approve any deviations with proper justification in writing.

Also, in project implementation, convergence with Government subsidy schemes may often be forged with an objective of maximizing benefits to the target communities and for ensuring effective service delivery. For example, micro irrigation scheme of Governments offer sizable subsidies to farmers. Seed and agricultural machinery, equipment etc., are offered on subsidy by the Agriculture and other departments. Convergence with such schemes not only leverages Government funds to project beneficiaries but also reduces financial burden on the project on hand. Most of those Government schemes call open tenders and empanel / select manufacturers and vendors through well-established procedures. Convergence with such schemes involves either contributing additional financial support to the beneficiaries or facilitating the linkage of beneficiaries and their groups with the respective scheme offices for speedy processing and delivery of benefits. Therefore, SAHRP encourages such convergence efforts and further Executive Director is authorized to relax the above procurement norms.

Annexure –2

Travel and Per Diem Guidelines

The staff of the organization and consultants engaged in the projects may have to travel to different places, BOD within the city / town where the SAHRP office is located or out-station in different parts of India. These guidelines apply to all the BOD members, staff as well as consultants, unless otherwise stated in their contracts.

1. Travel norms for local travel:

- Travel within the city / town where SAHRP is located with travel ending on the same day is classified as local travel. These travels are generally for meeting individuals or attending workshops / public meetings, organizing a meeting / event or any other work related to office.
- Generally, no travel advance is given to staff for local travel. On exceptional occasions, staff may access travel advance or program advance with the approval of Executive Director.
- Staff are allowed to use the modes bus, local train, auto, taxi or own two-wheeler / four-wheeler etc., for this purpose. On use of own two-wheeler staff are allowed a reimbursement.
- Staff are required to submit travel reimbursement claims once in a month, accumulating all the local travels done in that particular month
- No per diem is paid for local travels by staff and consultants
- It is encouraged to opt for least cost and eco-friendly options while choosing between different models of local travel.

2. Travel norms for outstation travel:

Request for advance for the conduct of activities and for incurring travel expenditure to field areas is to be filled in as per the format, signed by the concerned staff, approved by the line management / Executive Director and submitted to the finance staff minimum three days in advance.

These advances are given to the staff for conducting various budgeted and approved seminars, workshops, consultations, meetings, trainings, field level works etc. Advances are paid by cash to the staff and they need to be settled by the staff soon after returning from visit or completion of the activity, within a maximum of period of

10 days. No fresh advance will be allowed till outstanding amounts are settled. Program / visit report along with the supporting bills for the expenditures has to be approved by the concerned line manager. The Line Manager should ensure the submission of report as required along with the statement of accounts. The concerned staff is

expected to share a copy of the visit report with his /her observations and recommendations, in a prescribed format, to the local partner, in case of a visit to monitor a partnership project.

2.1. Per diem and accommodation

SAHRP meets the food, water and incidental costs incurred by its staffs during their official outstation visits. Also, SAHRP would reimburse the actual costs of accommodation incurred by the staffs based on the following defined guidelines

1. Travel advances have to be shown as NIL at the end of year i.e. as on 31st March, and hence any travel made during the last week of March has to be settled before 31st March.
2. The request for booking train/bus/flight shall be given minimum seven days in advance in the travel booking requisition format duly filled in, signed and approved by the line manager
3. Request for cancellation of tickets shall be given to the Fin and Admin staff in writing indicating the reason for cancellation and approved by the line manager. If the concerned person is in the field traveling, then s/he should intimate the Admin over the phone and submit the concerned format once he/she is back from the field. Reason for cancellation should be valid and if not the staff member becomes responsible for the payment towards cancellation and any loss of amount.
4. Prior permission of the line management along with the Executive Director is required if any of the family members are accompanying the staff on official travel. In such cases, the concerned staff member has to bear all the expenses related to travel, accommodation, food, etc. The support to the accompaniment in the case of children below five years of age would be considered for women staff. The request for accompaniment should be given in writing along with tour advance request to the line management. This provision shall be availed only when it is absolutely necessary and as a matter of special provision.
5. If travel expenses are reimbursed by the host organization, the amount has to be paid back to SAHRP.
