

# **PACE Procurement Policy**

## **1 Purpose**

The purchase of goods and services is necessary for the smooth operation of the organization. The aim of the internal control system for the supplying of goods and services is to ensure orders are handled by individuals having skills in evaluating what purchases are required from suppliers offering the **best deals**, to ensure purchases made do not exceed the budget provided and to ensure purchased goods and services conform with the quantity and price specified in the order.

## **2 Methodology**

NGO shall follow certain methods in purchasing goods, equipment and services required for the needs of the organization or its projects. Use of competitive bidding shall be a priority practice. The first criterion in choosing a supplier shall be the lowest bid. However, if a supplier does not provide the required level of service or an adequate guarantee, then other criteria shall also be considered. NGO shall specify in the purchase file the reasons the lowest bid was not chosen.

- ❖ For purchases under Rs.5000/- a price survey by telephone of two suppliers will be sufficient for determining the supplier.
- ❖ • For purchases above Rs 5000 a quotation/invoice shall be obtained from three local suppliers.
- ❖ • Purchases from a sole source shall be explained in the purchase file.

The purchase file shall contain all the documents pertaining to each transaction, i.e. the purchase requisition, quotations, contact information of suppliers purchase contracts or orders, invoices, delivery slips and any other pertinent documents.

## **3 Purchases**

Employees making purchases as part of the project activity or organizational work shall follow these mechanisms:

- a. Requisition form – the employee requesting a purchase fills this form, has it approved by the Executive Director/Secretary and sends it to finance division , However the Project Coordinator is authorized to do the purchases upto Rs 500/- at local level with prior telephonic approval.
- b. Order form – the finance division issues the order form, after it is signed by the Executive Director/Secretary. The concerned employee or the finance division will make the purchase successful on the basis of the order form.

