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## **Initiative For People In Need (IPN)**

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# **PROCUREMENT POLICY**

**IPN – An Agent for Social Change &  
Development in Pakistan**

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## **INTRODUCTION**

Initiative for People in Need (IPN) is a non-government, not-for-profit and non religious impartial organization established in January, 2012. IPN was officially registered on April, 04, 2013 under the office of the provincial registrar joint stock companies & societies Peshawar, KP, under the registration of societies act XXI of 1860, with registration no 134/5/7361.

### **Goal**

The ultimate goal of the establishment and existence of IPN is human welfare through reaching the unreachable, the most vulnerable, and above all the neediest.

### **Vision:**

IPN envisages a developed & just society which is free from all kinds of discrimination based on race, color, religion, language & ethnicity.

### **Mission statement**

To bring a positive change in the society while meeting the miseries of people and peoples' empowerment through peoples' participation, mobilization of available resources, a pool of professional humanitarian aid workers, & philanthropists leading to sustainable development.

### **IPN's Core Values**

Following are the core values of the organization which determines the way and direction of actions for those who are associated with it.

#### **1. Professionalism**

We are professionalism in terms of organizational environment and delivery of services.

## **2. Team work**

We believe in team work for better, effective and efficient results of activities carried out.

## **3. Accountability**

We believe that we are accountable to all the stakeholders we are connected with or having any direct or indirect relationship.

## **4. Networking**

We believe in networking for reciprocal learning, sharing of experiences and delivering the better results.

# **PROCUREMENT POLICY**

Procurement policy deals with the procedures for procurement of office essentials and equipments. The purpose of this policy is to ensure that financial honesty is assured by prescribing a range of appropriate methods for purchasing and procurement, including, where appropriate, a competitive tendering and contracting process. Two main objectives of this policy are:

- The requirement for impartiality and fairness across all stages of the tendering and purchasing process.
- The necessity for obtaining the best possible value for money.

## **1. METHODS OF PROCUREMENT**

Goods or services may be acquired through one of the following options:

- Direct Purchase from a company/supplier. This includes cash transactions, credit card purchases, quick orders and cheque payments.
- Written quotation.
- Call for Expressions of Interest

### **1.1 Direct Purchase**

Purchases less than Rs. 10,000 may be purchased to best advantage without quotations subject to the following conditions:

- a) Rates should be reasonable and consistent with normal market rates for items of a like nature.
- b) Requirements should not be split into components or succession of orders for the same goods or service for the purpose of enabling the goods or service to be obtained under the Rs. 10,000 limit.
- c) Procurement should be initiated by & approved by Manager Finance the.

### **1.2 Written quotation**

For purchases greater than Rs. 10,000 but less than Rs. 50,000 at least one written quotation should be obtained subject to the following conditions:

- a) Rates should be reasonable and consistent with normal market rates for items of similar nature.
- b) Requirements should not be split into components or succession of orders for the same goods or services for the purpose of enabling the goods/service to be obtained under the Rs. 50,000 limit.
- c) For purchases greater than Rs. 50,000 but less than Rs. 100,000, a minimum of three written quotes<sup>1</sup> must be obtained and must be based on a written outline of specifications which has been provided to the suppliers. The head of IPN should approve purchase of this size.
- d) For purchases that are considered high risk and over Rs. 100,000, consideration should be given to undertaking a Competitive Tendering and Contracting (CTC) process. This should include documentation of a written brief or outline of specifications for the purchase. The Chairman of the Board should approve such purchases.

## **2. BENEFITS OF A PROCUREMENT POLICY**

As a consequence of adhering to this policy, IPN will:

- 2.1 Obtain the best value for its purchases, in both cost and quality terms.
- 2.2 Have a fast and efficient purchasing process; demonstrate financial probity and accountability to its clients, stakeholders and the public interest.
- 2.3 Successfully manage and prevent the potential for conflicts of interest.

2.4 Monitor and evaluate performance in purchasing and procurement. Be protected from complaints and legal actions mounted by potential suppliers who believe they have not received fair treatment.

**3. ETHICAL GUIDELINES.** No matter how transparent or fool proof an arrangement may be its success lies in the behavior of the officer(s) in-charge and his or her intention in following the laid down procedures and regulations. The set of rules laid below can serve as a guideline for any purchasing officer.

3.1 The best value for the organization's goods and services must be sought.

3.2 There will be a documented process for all purchases, which allows for transparency of decisions and review of purchases.

3.3 The conduct of procurement is subject to continuous auditing by the organization and by external bodies such as the Board, Audit Officer and Stakeholders.

3.4 Staff will ensure that they are not, or are not perceived to be in a conflict of interest with any supplier.

3.5 Those staff who have, or may be perceived to have, a vested interest in the outcome of a purchase should disclose any conflict to their supervisor and discuss whether they should exclude themselves from any role in the purchase. Staff will be suitably skilled and qualified to attend to the completion of their purchasing and contracting role.

## **DISPOSAL OF ASSETS**

(a) The Admin Officer will initiate necessary action for sale or disposal of fixed assets.

(b) If the market value of a fixed asset is Rs 100,000 (Pak Rupees hundred thousand) or less, the scrapping and disposal of the asset will be handled by the ED of IPN. If the market value is more than Rs 100,000 (Pak Rupees hundred thousand), the scrapping and disposal of the asset will be handled by the BoD on the recommendations of ED.

(c) For the purposes of approval a Fixed Assets Scrap, Advice will be prepared by the Internal Auditor in duplicate.

(d) Following approval, Fixed Assets Transfer Advice (Annex IX) will be distributed as follows:

- Copy 1: to the user

➤ copy 2: retained as book copy by the Finance/Administration department

(e) Sale shall be through public auction, or tenders in case of high value items. Items involving small amounts may be disposed off in the normal course. The payment must be received through a crossed cheque.

(f) The AO will receive the quotations and submit the same to the ED for a final approval of disposal.

\_\_\_\_\_ **POLICY DOCUMENT ENDS** \_\_\_\_\_

**Approved by: Members Board of Directors**