



# Procurement Policy

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## 1. Introduction

### PREAMBLE

“The right product”

“In the right quantity”

“At the right price”

“At the right time”

The Directive is based on the five key principles that allow “Doctors For You” to achieve value for money while following a procurement process that is fair and transparent to all stakeholders:

1. **Accountability:** To be accountable for the results of their procurement decisions and the appropriateness of the processes
2. **Transparency:** Must be transparent to all stakeholders. Wherever possible, stakeholders must have equal access to information on procurement opportunities, processes and results.
3. **Value for Money:** Maximise the value they receive from the use of public funds. A value-for money approach aims to deliver goods and services at the optimum total lifecycle cost
4. **Quality Service Delivery:** Front-line services provided by DFY, such as training, treating, teaching and patient care, must receive the right product, at the right time, in the right place.
5. **Process Standardization:** Standardize the processes remove inefficiencies and create a level playing field.

### 1.1 Purpose

This Procurement Policy sets out the general principles that shall govern the procurement of goods and services by or on behalf of the Doctors For You and establishes a framework for decision-making with respect to such procurement. Purchasing is an important activity where it is mandatory that the responsibility for buying materials and services be assigned to a group of people skilled in negotiating, cost reduction and other purchasing techniques.

The purpose of this Policy is to ensure that the Doctors For You obtains the best value for money in the procurement of goods and services, by requiring the application of a clear, transparent and consistent approach to procurement that is based on the procurement principles as given below in this document. The primary responsibility is to provide for the purchase of materials, supplies and services, with the objective that they will be available at the proper time, in the proper place, in quantity, quality and price consistent with the needs of the organization. This balancing of several factors is critical. To achieve this overall objective, the responsibilities, authorities and controls set forth in this policy, and related policies and procedures, must be adhered by all employees of Doctors For You (DFY).

### 1.2 Scope

This policy applies to all purchase and purchase-related documents prepared or processed within Doctors For You. The Policy covers any of the following institutions and individuals when they are directly or indirectly involved in the Covered Activities, collectively referred to as “Covered Individuals”. This Policy applies to all DFY employees, consultants, officers, Board members or agents who are directly or indirectly involved in the procurement of goods and/or services for or on behalf of the Doctors For You.

The Covered Individuals must adhere to this Policy and any other applicable policies, operational rules or procedures, or codes of conduct, as amended from time to time.

### 1.3 Definitions

Here are some terms used in this Policy have the meaning given to them below unless the context requires otherwise-

|                       |   |
|-----------------------|---|
| Bidder                | Means the that submits an offer (bis, quotation or proposal) in response to a solicitation.   |
| Procurement Authority | Means a person who has been delegated signatory authority fir procurement contracts. Only procurement authorities may enter into procurement contract on behalf of DFY.   |
| Procurement           | Means all processes and activities related to planning and development of a procurement strategy, definition of the requirements, sourcing, solicitation, management of offers, evaluation, review and award, contract finalization and insurance and contract administration and management. |
| Prohibited practices  | Means all forms of fraud, corruption and other proscribed practices as described in DFY Fraud Policy.   |
| Solicitation          | Means the request to potential suppliers to submit an offer (bid, quote or proposal)  |
| Supplier              | Means an external entity, which could include organizations, individual contractors or service providers, supplying goods or support to DFY. Suppliers are usually subjected to a contractual agreement which outline deliverable, quality standards, pricing and terms of service.           |

## 2. Value for Money

Procurement shall be conducted with the aim of obtaining value for money (VFM). “Value for money” refers to the trade-off between the price, quality, and performance that provides the greatest overall benefit under the specified selection criteria. To obtain value for money, Covered Individuals must consider, among other factors, the optimum combination of the total cost of ownership of a purchase (i.e., acquisition and delivery costs, maintenance and running costs, and disposal costs) or delivery of a service, and that it is fit for purpose (i.e., quality and ability to meet the DFY’s requirements). This can be achieved by assessing technical, commercial, organizational, and pricing factors, weighted by their relative importance. This should be supplemented by consideration of environmental, social, sustainability and risk factors where relevant and supportive of the DFY’s strategic objectives and appropriate due diligence.

In determining what represents VFM, due consideration shall be given to factors such as:

- The direct and indirect costs of the goods/services over the whole procurement cycle;
- The quality and fitness for purpose of the goods/services to be procured;
- The proposed supply time-frame for the goods/services;
- The performance history of each prospective supplier and the strategic importance and/or risks of engaging particular suppliers;
- The appropriateness of contracting options (for example, contract extension options).
- The potential risks associated with the procurement of the goods/ services.

### 2.1 Pillars of Our Procurement Policy

**2.1.1 Effective Competition** - Procurement should generally be based on effective competition. Effective competition is achieved when procurement opportunities are published for open competition or a sufficient number of prospective suppliers are invited to apply; prospective suppliers act independently; competition for the same business opportunity occurs under the same conditions; and a sufficient number of offers are received. Open competition is the DFY’s standard method of procurement. Procurement shall be carried out on a competitive basis to the maximum practical extent.

**2.1.2 Fairness, Impartiality and Integrity** - Procurement shall provide all internal and external stakeholders with assurance that the process is fair, impartial and that the organization’s integrity has been maintained. Impartiality in Procurement means treating all parties equally throughout the process and requires the objective evaluation of offers, adhering strictly to predetermined criteria and avoiding any actual, potential, or perceived conflict of interest. This ensures a level playing field for Bidders, preventing favouritism or discrimination. Fairness includes transparent disclosure of information and impartial evaluation of offers, ultimately promoting efficiency, effective competition, and trust in the procurement process.

**2.1.3 Sustainable Procurement-** Procurement shall promote sustainability. Sustainable Procurement seeks to minimize the environmental impact of the supply chain, support fair and humane working conditions, and contribute to the long-term well-being of communities. Sustainable Procurement includes the practice of integrating requirements, specifications and criteria that are compatible with and in favour of the protection of the environment, social progress, and the support of economic development

**2.1.4 Competition thresholds** - The extent of competition required in the procurement of goods and/or services shall be based on thresholds specified in the Procurement Regulations. Such thresholds shall be established by reference to the estimated value of goods and/or services to be procured. In addition,

specific competitive processes may be established in the Procurement Regulations for particular categories of goods and/or services based on risk management considerations.

**2.1.5 Exceptions to competition** - Exceptions to competition thresholds and processes shall be allowed in exceptional situations only. Such exceptions can only be approved by the President of DFY through a written approval. The Procurement Regulations shall specify allowable exceptions to such thresholds and processes and shall also specify who has the authority to approve such exceptions. It is anticipated that the establishment of a portfolio of pre-qualified suppliers, as well as timely procurement planning on the part of users, will minimize the need for exceptions to competition.

#### **2.1.6 Efficient and Effective Procurement**

Procurement shall be conducted in a manner that maximizes the efficient use of the DFY's resources and ensures that the goods and/or services procured effectively meet the requirements of the users within the DFY.

#### **2.1.7 Impartiality, Transparency & Accountability**

Procurement shall be conducted in an impartial, transparent and accountable manner. In ensuring impartiality, potential suppliers of goods and/or services shall be afforded equitable treatment and their offers shall be evaluated based on their legal, technical and financial abilities. In promoting transparency, information relating to procurement process shall be documented in a manner that facilitates appropriate scrutiny of procurement activities, as described in the Procurement Regulations or Procedures. In encouraging accountability, covered Individuals shall be for accountable for their acts with respect to procurement based on the lines of accountability established in the Procurement Regulations.

## **2.2 Ethics**

DFY has zero tolerance for all forms of fraud and corruption. DFY shall endeavour to select and use suppliers that provide written contractual undertakings that they comply with the internationally recognised standards for human rights, labor, the environment and anti-corruption, as reflected in the code of conduct for suppliers. A written conflict of interest declaration will be asked to be signed by all covered parties every year do declare any conflict that may be there. The President of DFY shall ensure that no parties with conflict of interest with the suppliers are a part of the procurement exercise.

All individuals involved in procurement must:

- Comply with the standards of conduct of the applicable Codes of Conduct as specified in the established Ethics and Human Resources policies and procedures;
- Comply with DFY Policy in Fraud and Corruption and Policy on Conflict of Interest.
- Preserve independence from and any source that prevent impartiality in discharging their functions.
- Maintain confidentiality of information
- Avoid actual, potential or perceived conflicts between their personal interests and DFY; and disclose any actual, potential, or perceived conflicts of interest as defined by the Ethics Office.
- Comply with the requirements on giving and accepting gifts, entertainment and hospitality as set out in the Policy on Conflict of Interest.

Any acts or omissions by a Covered Individual that are a violation of this Policy or other applicable policy or operational rules or procedures will be dealt with under the established Ethics and Human Resources policies, as applicable. Covered Individuals may be held personally liable for non-compliance with applicable policies or operational rules or procedures.

### 3. Procurement of Health Products

The purpose of this chapter is to specifically outline the policies and principles that govern the procurement and supply management of health products by the DFY. As used in this guide, the term “health products” includes: (i) pharmaceutical products; (ii) durable and non-durable in- vitro diagnostic products, microscopes and imaging equipment; (iii) vector control products; and (iv) consumable/ single-use health products (including condoms, insecticides, therapeutic nutritional support, personal protective equipment and medical devices, general laboratory items and injection syringes).

Procurement and supply management activities are fundamental to program performance. In order to ensure access to effective and quality- assured health products, DFY has developed a set of policies and principles on procurement and supply management, detailed or referenced in this guide that aim to:

- i. support the timely procurement of quality- assured health products in adequate quantities;
- ii. attain cost efficiencies in procurement and supply management activities;
- iii. ensure the reliability and security of distribution systems;
- iv. encourage appropriate use of health products; and
- v. enable the monitoring of all procurement and supply management activities.

#### 3.1 Quality Assurance

The Quality Assurance (QA) Focal point will be responsible for ensuring quality of all materials procured by DFY. This focal point would be charged with ensuring that DFY is in compliance with quality assurance of all materials.

- The QA Focal Point shall ensure that the procurement of health products complies with the principles set forth in the WHO Model Quality Assurance System for Procurement Agencies (MQAS) and shall develop and fully maintain at all times a Quality Assurance system in accordance with those principles.
- QA Final Point should ensure that the relevant norms and standards which are necessary for the adequate implementation are established and implemented.
- Shall comply with, and shall ensure that each of its contractors, agents and all covered persons comply with, the WHO Guide for Good Storage Practices and WHO Good Distribution Practices.
- Shall ensure that operating procedures and controls are put in place and are in full force at all times in order to prevent any diversion of health products throughout the supply chain, including the establishment and maintenance of reliable receiving procedures (with a process for reconciliation and confirmation of orders/ deliveries) and inventory management, internal audit systems, and good governance structures to ensure the sound operation of these systems.
- Ensure that at all times the procurement and supply management activities are carried out in accordance with the applicable list of health products and procurement and supply management arrangements as approved by particular project agreement. Any changes to the list of health products or the procurement and supply management implementation arrangements, shall be done with written approval of the President.
- Short-term and long-term capacity building or technical assistance might be needed in order to strengthen systems and address challenges related to, but not restricted to selection, quantification/ forecasting, procurement planning, storage, inventory control, logistics management information systems, quality assurance systems, including quality control, and intellectual property management.

#### 3.2 Ensuring adequate procurement and Supply

When procuring and managing the supply of health products, DFY procurement team will ensure all procurement is done complying at all times with applicable laws, including with any required authorizations relating to those health products in a timely manner pursuant to the requirements established by the relevant regulatory authority in the country in which those products will be utilized.

### 3.3 Purchasing Pharmaceutical Products

All procurement will be done following national laws and regulations to ensure that finished pharmaceutical products procured by DFY for all projects comply with the relevant quality standards established by the national pharmaceutical regulatory authority in the country of use, including authorization for use of the finished pharmaceutical products to be procured following its standard practices for registration or other forms of authorization (such as authorizations for marketing or importation).

DFY is not to procure for any of its projects unless those medicines appear in the current national, institutional and/or WHO Standard Treatment Guidelines and/or Essential Medicines Lists. DFY project development unit/operations team shall provide a copy of the relevant standard treatment guidelines or essential medicines list with the procurement plan before the procurement and supply management plan.

- If a DFY project plans to procure a medicine that: (i) was not specified in the grant proposal approved; and/or (ii) is included in the relevant standard treatment guidelines or essential medicines list of the country, but not included in the WHO standard treatment guidelines or essential medicines list, or vice-versa, the the Director of the Dept shall seek Presidents's approval by providing a technical justification prior to launching the procurement process.
- In addition to national requirements, shall monitor, or shall take measures to ensure adequate monitoring of, the quality of pharmaceutical products throughout the supply chain.
- Arrange for random samples of finished pharmaceutical products to be taken at different points in the supply chain, from the point of initial receipt of the products to delivery to patients.
- Arrange for those samples to be sent for quality control testing to national or other laboratories that are:
  - prequalified by the WHO Prequalification Programme (as published by the WHO on a regular basis); and/or
  - accredited in accordance with ISO17025.
- Develop and maintain a system for reporting to the appropriate regulatory authorities any defects relating to pharmaceutical products and for facilitating communications with manufacturers, procurement agents, distributors and end-users in the event of defects of pharmaceutical products.

### 3.4 Purchasing Diagnostic and Laboratory Products

DFY shall ensure that all diagnostic products purchased and supplied by DFY team across projected shall adhere to internationally accepted best practices for laboratory systems. DFY QC Focal point shall ensure and have an obligation to ensure that diagnostic products comply with the relevant quality standards established by the national regulatory authority. DFY shall ensure that the procurement of all diagnostic products complies with applicable national guidelines and/or is in conformity with WHO guidance on Clinical Standards.

- shall procure only diagnostic products that have been manufactured at a site that complies with the requirements of:
  - ISO 1348534 for in-vitro diagnostic products and imaging equipment; or
  - ISO 900035 series for any other diagnostic product (such as microscopes).
- shall require and ensure that the manufacturer and manufacturing site of diagnostic products is disclosed in all applicable tender and procurement-related documentation.
- shall ensure there is an explicit provision in the procurement contract for maintenance, training (user and biomedical engineers), preventive and corrective maintenance schedules for the expected life of the equipment.
- shall ensure that resources for equipment management systems to monitor instrument lifespan and supplier performance are available.
- shall ensure that the investments in diagnostics and equipment is aligned with the laboratory workforce capacity or provisions made to strengthen the workforce capacity.
- shall ensure that the procurement of diagnostics and laboratory diagnostics equipment is effectively coordinated.

- shall ensure that the laboratory diagnostics equipment and diagnostics are used in line with protocols on biosafety and biosecurity set forth by WHO and by international health regulations.
- shall ensure that testing sites are operated within a quality management system using internationally accepted standards and in particular that:
  - The diagnostic products are only used by appropriately trained and suitably qualified individuals;
  - The environment intended for the utilization of those diagnostic products is suitable;
  - The laboratory organizes calibration and maintenance of the diagnostic equipment; and
  - The laboratory participates in external quality assessment programs.

### **3.5 Purchasing Vector Control Products**

DFY shall ensure that the procurement of vector control products complies with applicable national policy and guidelines and/or is in conformity with WHO guidance for management of public health pesticides. A project is authorized to procure vector control products only if,

- recommended for use by the WHO Pesticide Evaluation Scheme (WHOPES); and are compliant with specifications indicated in WHOPES; or
- pre-qualified under the WHO Prequalification Programme;
- To ensure vector control products comply with quality assurance requirements, recipients shall do a randomized pre-shipment sampling and testing.
- shall monitor, or shall take measures to ensure adequate monitoring of the quality of vector control products throughout the supply chain in line with relevant WHO guidelines on Post-Market Surveillance of vector control products.
- monitoring activities should be performed in close collaboration with the relevant national regulatory authority.
- For conducting the monitoring activities, QC Focal Point shall do the following:
  - Sampling and randomization performed according to WHO-related guidelines. Sampling of nets can also be based on the sampling procedures for “inspection by attributes” of the standards of the ISO 2859 series;
  - Sampling to be done by an independent sampling agent;
  - Testing to be done by an independent ISO 17025- accredited laboratory or Good Laboratory Practices.
  - certified having the test methods in its scope of accreditation;
  - Testing according to WHO approved specifications and methods of the Collaborative International Pesticides Analytical Council (CIPAC) (if existing).
- will be responsible to ensure for the compliance with WHO specifications of the major equipment used to apply to vector control products.

### **3.6 Purchasing Male and Female Products**

Only authorized to procure male condoms that are compliant with specifications indicated in WHO-UNFPA Guidelines for Male Condoms Procurement. The condoms (male and female) should comply with national regulatory policies of the country.

DFY procurement is allowed to select condoms (male and female) from the list of prequalified condoms published by United Nations Population Fund (UNFPA). If condoms selected are not on the UNFPA list, the recipient must ensure that the following specifications are met:

- The manufacturing facility conforms to ISO 13485-latest specifications or equivalent quality management system;
- The pre-shipment quality control testing was performed in an ISO 17025- accredited laboratory that has been accredited for testing condoms;
- The testing was done as per ISO 4074 (latest edition) as recommended by WHO; and
- The test reports are reviewed by a competent expert acting under supervision of the recipient for compliance with the above specifications.



- Recipients are only authorized to procure female condoms if they are compliant with generic specifications indicated WHO-UNFPA Guidelines for Female Condoms Procurement.
- Recipients shall monitor, or shall take measures to ensure adequate monitoring of, the quality of condoms throughout the supply chain.
- In collaboration with the relevant national regulatory authority, recipients shall arrange for random samples of finished condoms to be taken at different points in the supply chain.
- Recipients shall arrange for those samples to be sent for quality control testing to national or other laboratories that are accredited in accordance with ISO 17025.

### **3.7 Purchasing Core Personal Protective Equipment**

- Shall ensure that the procurement of core personal protective equipment complies with applicable national policy/guidelines on infection prevention and control and/or is in conformity with WHO guidance.
- Shall be authorized to procure core personal protective equipment with grant funds when those products are:
  - pre-qualified under the WHO Prequalification Programme; or
  - acceptable for procurement, as determined based on the advice of the Expert Review Panel (ERP).
- To ensure core personal protective equipment comply with quality assurance requirements, recipients shall do a randomized pre-shipment sampling and testing.
- In addition, recipients shall monitor, or shall take measures to ensure adequate monitoring of the quality of core personal protective equipment throughout the supply chain in line with relevant WHO guidelines on Post-Market Surveillance of personal protective equipment and medical devices.
- The monitoring activities should be performed in close collaboration with the relevant national regulatory authority.
- For conducting the monitoring activities, DFY QC Focal Point shall do the following.
  - Sampling and randomization performed according to WHO-related guidelines or other internationally recognized standard for sampling;
  - Sampling to be done by an independent sampling agent;
  - Testing to be done by an independent ISO 17025- accredited laboratory certified having the test methods in its scope of accreditation;
  - Testing according to the international standard claimed or the approved specifications and methods.
- shall develop and maintain a system acceptable for reporting to the appropriate regulatory authorities any defects relating to core personal protective equipment and for facilitating communications with manufacturers, procurement agents, distributors and end-users in the event of defects of core personal protective equipment.
- shall ensure that the procurement of all core personal protective equipment complies with applicable national regulation and related guidelines.

### **3.8 Purchasing other Health Products**

- Health products other than pharmaceutical products, diagnostic products, Vector Control Products, condoms and core personal protective equipment shall be selected from the applicable list of pre-qualified products, if any, and shall comply with the quality standards applicable in the country where such products will be used.
- Medical devices for case management of Major disasters must be procured and deployed in compliance with the Quality Assurance requirements established in the Interim Guidance: Interim Quality Assurance Requirements for the Procurement of Major disasters Medical Devices. This requirement is exclusive of Quality Assurance Requirements for Core PPE above and for other medical devices covered by other Quality Assurance Policies.

### 3.9 Waste Management

- shall ensure the safe disposal of unusable pharmaceuticals products and other health products using methods that involve minimal risks to public health and the environment. Guidance should be based on what is provided in WHO guidelines.
- shall ensure that laboratories undertake to comply with applicable laws and relevant WHO guidance for the management of health care waste, including laboratory waste.

## 4. General Responsibilities

It is the responsibility of Individuals to acquaint themselves with and adhere to this Policy. Any acts or omissions of a Covered Individual that are or may be perceived as a violation of this Policy will be dealt with under “HR Policy and Regulation: Whistle- Blowing”, and Policy on Ethics and Conflict of Interest etc, as applicable.

The President of DFY is responsible for ensuring the effective implementation of this Policy. Without prejudice to the foregoing and subject to any limitations contained in this Policy, the President may delegate in writing to other officers such authority as considered appropriate to the implementation of this Policy. The standards of conduct that shall govern the performance of Covered Individuals in relation to the procurement of goods and/or services for or on behalf of the DFY and the administration of contracts. Any additional standards of conduct that apply specifically with respect to procurement may be specified in the Procurement Regulations.

DFY shall use its own procurement and supply management systems, rules, processes and procedures or, at its own discretion, a contracted local, internet based, regional or international procurement and/or supply management agent, selected in a competitive manner to conduct health products procurement and/or supply management. The purchase committee may also choose to utilize the accepted e-procurement platform to attain cost-effective and efficient procurement of health products.

The procurement of any goods and services for or on behalf of the DFY shall be conducted in a manner that is based on the principles set out below.

- Ensure that all procurement and supply management activities for health products adhere to the WHO Interagency Guidelines: Operational Principles for Good Pharmaceutical Procurement.
- In accordance with good pharmaceutical procurement practices, DFY shall use transparent and competitive procedures for the purchase of health products in order to achieve value for money.
- Shall establish and at all times maintain systems acceptable to the DFY partners such as UN Programs and Global Fund to monitor the performance of contractors, agents, manufacturers and sub-recipients conducting procurement and supply management activities.
- Where practices differ from the WHO Interagency Guidelines, DFY’s shall demonstrate compliance with comparable systems for competitive bidding within a group of prequalified manufacturers, transparency and accountability to those systems, and the application of necessary quality assurance mechanisms.

### 4.1 Procurement Authority

Procurement includes all processes and activities related to planning and development of a procurement strategy, definition of the requirements, sourcing, Solicitation, management of offers, evaluation, review and award, contract finalization and issuance, and contract administration and management. The operational details for each of these processes and activities are included in the operational framework as established by this document, with special attention to non-conflict of interest and segregation of duties to ensure the integrity of procurement processes.

All procurement contracts are subject to a mandatory review process prior to award to ensure compliance with applicable policies and operational framework as established. No award may be made before such review has taken place. The operational guidance, shall describe the appropriate individual or body to undertake this review, which, for instance, may be the Procurement Authority or an independent review committee depending and based on established thresholds and parameters.

Only a Procurement Authority may be a signatory to a procurement contract on behalf of DFY. The Procurement Authority shall ensure that (i) the Procurement complies with applicable policies and operational rules and procedures; (ii) goods and services procured are necessary for achievement of the DFY’s project objectives; (iii) sufficient funds are available for the commitment; and (iv) the terms and conditions of the funding for such Procurement, if any, are complied with.

The President of DFY holds ultimate accountability for the prudent stewardship of organizational funds within the parameters of this Policy. This accountability encompasses aligning procurement processes and activities with the strategic goals of the DFY and its procurement principles, and fostering transparency and accountability throughout the procurement process. The President of DFY is delegated the authority to manage all matters related to Procurement, in accordance with the principles established in this Policy. The President may delegate the authority considered appropriate for the implementation of this Policy in writing to DFY staff. This includes delegation to Procurement Authorities.

#### 4.1.1 Purchase Committee -

The purchase committee include- **In-charge of Procurement Dept and Director of Finance. In-charge of M& E, The head of Program Manager/Project Head of concerned project will be members of the committee. The QC Focal Point will be present in selection process without a decision making vote.**

The head of Purchasing Committee acting on the direction set by President of DFY has the responsibility for the procurement of all goods and services, the processing and sale of goods and services, and to either provide the services for such procurement or processing or give functional directions to others delegated the authority to perform such services. Only those persons delegated by the President through the purchase committee is authorized to commit the organization for materials, equipment, supplies and services. Purchasing Committee has the responsibility for obligating the Organization and for making the final determination of source of supply, quantities purchased delivery schedule and price negotiations, except where others are so authorized. These decisions will be made in conjunction with Administration, Finance and other departments, as appropriate. Purchasing Committee is responsible for initiating and maintaining effective and professional relationships with suppliers actual and potential.

Purchasing is to serve as the exclusive channel through which all requests regarding prices and products are handled.

The Purchase Department will conduct all correspondence with suppliers involving prices or quotations. In cases where technical details are necessary especially medical purchases, the Purchasing Department should be provided with copies of all such correspondence. An outside technical consultant can be consulted to get expert feedback to compare and contrast the equipment specialization where needed. Close communication and co-ordination between purchasing and the using departments must occur. All negotiations are to be handled by the appropriate purchasing personnel within their delegated authority. When supplier sales representatives make personal sales calls, they are to be directed to call on the appropriate Buyer at that time. All employees involved in purchasing activities will work to maintain and enhance the Organization's image by their personal conduct and methods of doing business. All employees engaged in purchasing activities will recognize and practice good public relations by giving all callers and visitors courteous treatment.

Vendor selection and products purchased are to meet the basic policies and standard practices of the Organization. The orderly replacement "by attrition" is to occur when cost-effective and operating commitments can be met. **Purchasing personnel are to purchase all goods at the lowest possible total end-use cost, value of money, considering the guidelines of prices, service, quality and delivery.** The head of Purchasing is to assume full authority to question the quality and kind of material asked for, in order that the best interests of the Organization may be served. Purchasing personnel are to inform ordering departments whenever the quantity or specifications of materials ordered are inconsistent with sound purchasing practices or market conditions. Purchasing personnel will work to establish and encourage punctual delivery of specified goods and services in correct quantities. Purchasing personnel will negotiate the return of rejected equipment or supplies to suppliers. The head of Purchasing is to advise Management of economic conditions and changes significant to the Organisation's long and short-term interests. Any action, pertaining to purchasing or negotiations, shall be preceded by a purchasing requisition containing:

- Required approval signatures.
- Proper ordering details.
- Competitive bidding will be used whenever and wherever possible.

Salespersons and manufacturer's representatives visiting the Organisation on business matters are required to make a statement of their business at the reception obtain approval before approaching the intended location.

Members of Management, other than Purchasing Department, may not commit the Organization to any purchase, preference, or give other information regarding price or performance. **The Purchasing Department reserves the right to question the kinds of materials or the quantities requested, in order that the best interests of the Organisation may be served.**

Contracts or equipment requests shall be accompanied by a detailed report of that contract or equipment. The report shall contain all relevant details as to why it or they are required. In cases of extreme emergency, after regular business hours, if a product or a supply item is needed, a department / program / project head may order the supply of the needed product or equipment from a supplier. In these circumstances, the verbal ordering must be confirmed by furnishing Purchasing with written requests, as soon as practical, or in any case, at the commencement of the next business day. During normal business hours (8:30 a.m. to 5:30 p.m.), all departments / field offices/project offices must obtain a purchase order before contacting a supplier.

All contract documentation (originals) shall be kept in the Finance Department. Employees /Staffs are not permitted under any circumstances, to order supplies, equipment or services for personal use or consumption using a Organisation account established with any of the suppliers.

| <b>Disposal of Assets Policy</b>  |
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| <ul style="list-style-type: none"><li>• For disposal of Assets prior written information should be taken from the Regional head office &amp; Program Manager (For the assets worth INR 20,000 or less). For assets worth more than INR 20,000 written permission should be taken from Doctors For You Head quarter.</li><li>• Proper record should be maintained at all the regional offices regarding the disposal of assets for minimum 3 years duration.</li><li>• For disposal of assets worth more than INR 20,000 a committee consisting 3 members among followings Directors, Program Head, Purchase department head or Finance Dept Head should be formed.</li><li>• Assets register should be updated every year at all the regional offices and field offices by the account section staff to be checked by auditors.</li></ul> |

Products requiring evaluation must be processed through the Evaluation and Standardization committee. No payments, other than progress payments, may be made under a contract unless an individual authorized by the appropriate end user certifies that:

- The work has been completed
- Safe process and equipment purchase and/or modification
- Standard due date for payment is 45 days after invoicing unless otherwise specified.
- Invoices received without authorized purchase order will not be paid.
- For development contracts and agreements, invoicing is described by the relevant contract or agreement and includes the appropriate accommodation of the Construction Lien Act, bonding and insurance notifications, consultant certifications, etc. No Equipment or property shall be sold, removed or disposed of from the organisation office / health centres /hospitals /camps without the prior knowledge of Project Head /Program Manager /Materials Management Department and subject to the Disposal of Assets Policy.

#### **4.2 Policy Oversight**

This guide may be amended or updated from time to time at the DFY's sole discretion, and is available through the link below. The Audit and Finance Committee under the guidance of President of DFY oversees the implementation of this Policy. The President has the authority to establish the necessary controls and monitoring system for Procurement, which is risk-based and commensurate with the value of each applicable Procurement.

## For Donated or loaned Equipment, Drugs & Material

Purchasing must be notified if equipment is acquired outside the tendering process. This includes equipment that is donated, loaned, provided as a value added in relation to consumable contracts, or acquired through another means. Clinical equipment acquired outside the normal purchasing process or donated by some individual or agency must have an appropriate Medical Device License (if applicable) and must be registered, prior to use, with Biomedical Engineering and on the Capital Asset Register.

It is the responsibility of the requisitioner & /or the departmental approval authority to ensure that any equipment requests for purchase are assessed for existing or potential hazards and ensuring that appropriate controls are put in place prior to the request to purchase.

### 4.3 Ethical Procurement Policy

An ethics dispute should never be the result of a difference of opinion between the procurement department and organisation employee or board members. Every organization should have a written policy making it clear what top management considers ethical and what it considers unethical. If you don't have an ethics policy, don't wait for an ethics dispute to arise to realize that you need one.

Doctors For You procurement department will follow these principles while purchasing any item

- Buyer's loyalty must be to his organisation's goals, to the exclusion of personal gain
- Buyer must avoid and real or perceived conflict of interest or personal obligation to the suppliers
- Buyer must act professionally and ethically towards suppliers and potential suppliers
- When in doubt consult your seniors and document your actions
- Rotate Buyers
- Do post purchase audit
- Have Whistle- blowing policy
- Ethics training for his staffs who is involved with the purchase of products or services and/or who meets with suppliers
- An ethics ombudsman – **Doctors For You appoint an ethics ombudsman** - a person in the organization with whom an employee can confidentially communicate any real or perceived ethical violations. Having an ethics ombudsman can make procurement employees more comfortable in revealing behaviours of questionable ethics.
- A process with checks and balances. Every major procurement should require management review to confirm that all guidelines were followed and that no ethical violations have occurred or will occur.
- Audits. Periodically, audits should be performed to verify that all procurement activities were conducted ethically and in accordance with procedures. Audits also serve as a deterrent to future unethical behaviour.

### 4.4 Health and Non Health Products

By laying out clear principles, the Policy ensures the integrity of procurement processes, and fosters transparency and accountability. The framework also supports implementation of DFY's Strategy, including market shaping approaches to drive equitable access to quality assured health products, improved sustainability through regional manufacturing and procurement, responsiveness to emerging programmatic needs and pandemic preparedness and response.

### 4.5 Functional Responsibilities

Acting as the agent for the organisation in all matters pertaining to purchasing and procurement, the Director of Purchasing becomes the custodian of organisation purchase funds. This responsibility requires special knowledge accompanied by a high degree of integrity in spending these funds to obtain: "The right product" "In the right quantity" "At the right price" "At the right time" Active and continuous participation is required by the Purchasing Department to search for and disseminate ideas and suggestions from manufacturers and supply sources which leads to cost savings and/or product improvements or procedure improvement.

Responsibilities are not only restricted to the act of negotiation and actual purchase, but also include following through the chain of events and decisions to ensure that everything possible has been done to obtain the best value for the Organisation funds that have been spent. Purchasing personnel do not permit personal interest to influence relationships with existing or prospective vendors.

## 5. Methods of Procurement Procedure

### 5.1 Methods of procurement, bidding procedure, and other essential aspects

As a general rule, all procurement for goods, construction works and services shall be through low value procurement/shopping or competitive bidding depending on the amount and nature of the requirement under consideration. Under specific circumstances competition may be waived (see procurement method sole source below).

- **Direct purchase** Quotation method/ Sole Sourcing is contracting without competition, and is appropriate in the following circumstances: ie when the value of the material is less than INR 8000.
  - Also purchase can be done on sole sourcing when there is a valid and ongoing corporate agreement or Long Term Agreement (LTA) between DFY and the vendor; which is reviewed annually against offers of at least two other vendors; A change of vendor has detrimental/negative effects on product quality (e.g. printing services), warranty or after sales services of existing equipment;
  - A change of a vendor would involve significant additional cost that offset the benefits of such change placing a repeat order within 6 months from the date of the last order, provided technical specifications, prices, terms and conditions remain similar and continue to be advantageous.
  - Donor procedures mandate a more stringent requirement or appoint in writing a specific Implementing Partner Vendors contracted without competition must be evaluated regularly in terms of price competitiveness and contract performance.
- **Limited tender:** method based on comparing price quotations/proposals obtained from several vendors/suppliers (in case of goods), service providers (in case of services) and from several contractors (in case of civil works), with a minimum of three, to assure competitive prices, and is an appropriate method for procuring readily available off-the-shelf goods or commodities with standard specifications, and civil works and other services of small value. This is applicable when procurement is done up-to 8,00,000 INR.
  - Requests for quotations/proposals shall indicate the description/specifications and quantity of the goods or scope of work or terms or reference of services, as well as desired delivery time/ completion time and place. Quotations may be submitted by letter, facsimile or by electronic means.
  - Quotations/Proposals shall be evaluated in terms of specification/technical compliance, delivery schedule, price, terms of payment. The contract shall be awarded to the lowest compliant tender offer, (offering best value for money based on required technical specifications).
  - After the quotations/proposals have been received and evaluated, and before a final decision on the award is made, the procurement team shall, in sufficient time for its review, an evaluation and comparison of the quotations/proposals, and the proposed recommendation for award. Procurement documents such as approved Purchase Request, issued Request for Quotation/ Proposal, Copy of Quotations/Proposals and Bids Analysis are suitable for this purpose. This does not limit the Mission/Procuring Entity to apply a Competitive Bidding if deemed appropriate.
- **Open tender:** Competitive Bidding is the accepted method used by all commercial and public entities for procurement involving contracts which are large and/or complex in nature. Competitive Bidding may be opened to local or international bidders, depending on the requirements of the goods/ construction works/services being bided out. The purpose of Competitive Bidding is to provide all eligible and qualified potential bidders with adequate notification of the Mission/Procuring Entity's requirements and to give them equal access and a fair opportunity to compete for contracts for required goods, works and services. Bidding opportunities therefore must be advertised (newspaper or DFY website or both) and all eligible bidders given reasonable possibilities to participate.
  - A Competitive bidding requires formal bidding documents which are fair, non-restrictive, clear and comprehensive. The bidding documents and technical specifications relating to the project should clearly describe the criteria and methodology for evaluation of bids and selection of the successful bidder.
  - A Bids Evaluation and Awards Committee (BEAC) shall be established by the COM to conduct the bidding process. The BEAC members shall be free of any conflicts of interest and will sign a

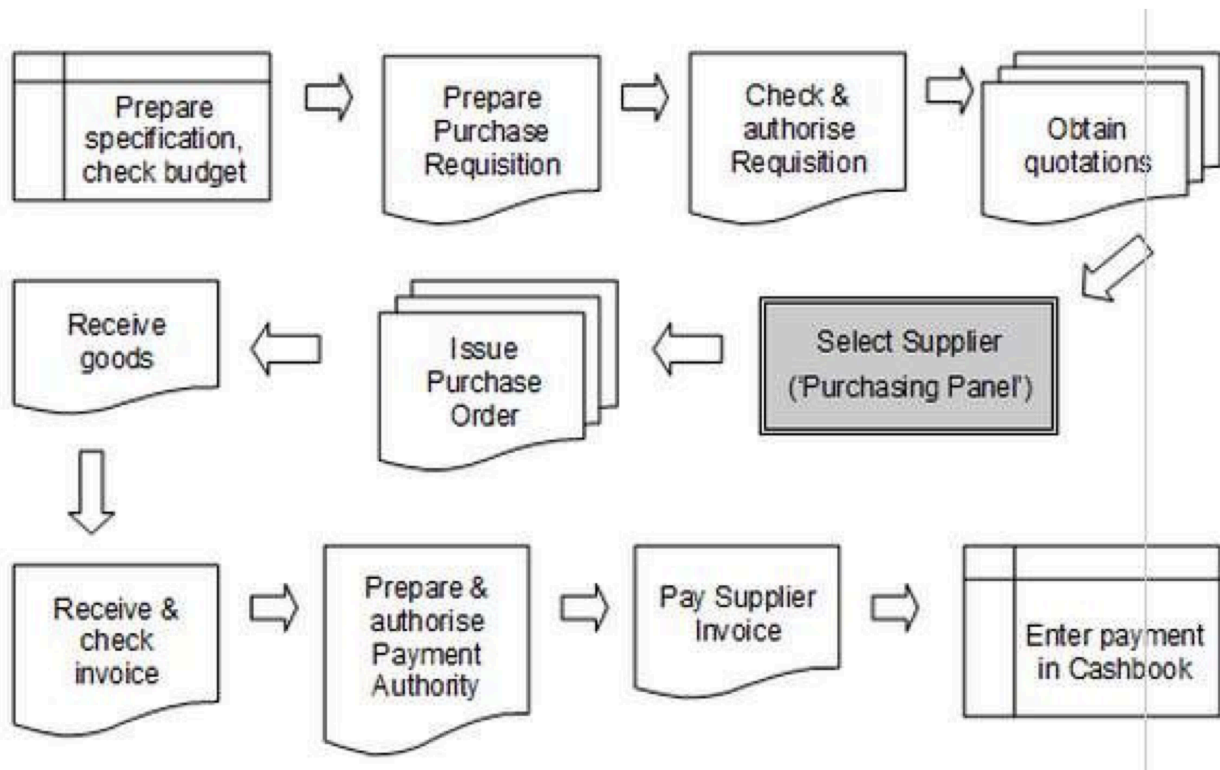


Declaration of Non-Conflict of Interest. Bids shall be opened at a time and place specified in the bidding documents, in the presence of the bidders or their representatives who wish to be present. The name of the bidder and the total amount of each bid should be read aloud and recorded when opened.

- Bid Proposals shall be evaluated on the basis of the following:
    - **Preliminary Evaluation of Bids** – This involves verification of vendor’s documents and compliance with administrative requirements.
    - **Technical Evaluation** – Those that passed the preliminary evaluation will be evaluated for technical compliance, including compliance with the specifications of the goods including schedule of requirements (quantities, delivery sites, etc).
    - Price Evaluation – The price proposals of vendors that passed the technical evaluation shall then be evaluated. The lowest compliant offer will be selected.
    - Post-qualification of Bidders – A final check on the qualifications of the selected bidder will then be done. The bidder must meet appropriate standards verifying administrative and operational capacity as well as sufficient financial resources.
    - The lowest compliant offer will be awarded the PO or Contract.
  - In case of less than 3 qualified bids are shortlisted during the bid analysis phase,
    - A request can be made by the BEAC to the Executive Committee of DFY appraising the situation and Executive of DFY can provide a one time exception for the process to go forward with the available bids if at least two bids are received.
    - If less than two qualified bids are received, the process should restart with new tender to be advertised.
  - Entity should award the contract within the period of validity of the bids, to the bidder whose bid has been determined to be the most responsive bid. A bidder should not be required, as a condition of the award, to undertake responsibilities for work not stipulated in the specifications in the bidding document or to modify his/her bid.
  - All proceedings shall be properly documented. It is recommended that the donors are kept informed about the procurement process/bidding activity.
  - **The Local Competitive Bidding** is most appropriate for procurement requirements, which by their nature or scope is unlikely to attract foreign competition because contract values are small, works are scattered geographically or spread over time, works are labor intensive, or the requirements are available locally at prices below the international market, or there are other technical, financial or administrative considerations that require the bidding to be conducted locally. The time limit for receipt of tenders shall be determined by the Head of Purchase Committee. Common practice is between 21 and 30 days from the date on which it the procurement opportunity has been published.
  - **International Competitive Bidding** is most appropriate for procurement requirements that involves higher amount and requires foreign competition. The time limit for receipt of tenders shall be determined by the Purchase Committee. Common practice is between 30 and 45 days from the date on which the procurement opportunity has been published.
- **Single tender :**
  - **Proprietary Goods:** Vendor is the exclusive manufacturer or distributor of the goods, where no other equivalent items available; In this case, the vendor must present a certificate of exclusive distributorship from the principal company manufacturing the product.
  - Bidding procedure: Under this case an approval from the Governing body of DFY will have to be obtained in written prior to starting the procedure. Concerned donor should also be advised of the procedure considering there is only one supplier for the product.

## 5.2 Approval matrix

- **Request for Quotations/Proposals (RFQ/RFP):** RFQ applies to the procurement of Goods and for Construction Works and RFP applies to the procurement of Services, and may be used for small requirements. Quotations/Proposals should be requested by letter, fax, telex, electronic messaging, or any available written form. The request may include the description and quantity of the goods/materials for works, and terms of reference for services, as well as the required delivery time and place, including



any installation requirements and relevant warranties. The request must indicate the date by which the quotations or proposals are needed. For civil works, quotation should be requested in the form of unit rate prices if work quantities are available with a reasonable degree of reliability, or in the form of a lump sum based on cost estimates carried out by the Mission, or if not possible, by the Contractors.

- **Bidding Documents:** Bidding documents are issued by the Mission/Procuring Entity to provide prospective bidders with the necessary information they need to prepare a responsive bid. The bidding documents should clearly define the following: objectives, scope and expected outputs/results of the requirements, technical specifications/terms of reference, scope of work/services, required quantities and completion period, obligations of both parties and the required eligibility, documentation and requirements for submitting a bid. Bidding Documents are used for competitive bidding or projects where the requirements must be in great detail. The complexity of the documents may vary, but generally contain the following:

- Invitation - is used to invite potential bidders to present their bids for the subject procurement. The Invitation provides for the general description of the requirement, qualification criteria and information on the bidding activities to be conducted. Completion period for works and services may also be provided. The same text is posted in the website or newspaper.
- Instruction to bidders - provides information to bidders regarding forms to be used, procedures to follow, documents to be submitted and timing of bidding activities. This may include: eligibility requirements, procedure for clarification of bids, bid preparation, number of copies submitted, language, pricing, currencies and currency conversion mechanism, instructions for modification and withdrawal of bids, bid submission procedures, bid opening and closing/deadline, evaluation and award of contract procedures, procedure for the correction of mathematical discrepancies, purchaser's right to accept any bid and reject any bid, notification award and procedures for contract signing.
- Evaluation & Qualification Criteria - provides criteria that the procuring entity will use to evaluate the bids and post-qualify the lowest evaluated bidder.
- Technical Specs/Terms of Reference - provides for the detailed specification of the goods/works or terms of reference for the services.
- Delivery Requirements - provides contract requirements – quantities to be delivered, delivery schedule, delivery sites, delivery conditions, etc.

- Conditions of the Contract - sets out the terms and conditions of the contract between the Mission/ Contracting Entity and the Vendor/Supplier/Contractor, including the rights and obligations of both parties.
- **Bids, Evaluation and Awards Committee (BEAC):** The President of DFY shall create an Ad-Hoc Bids Evaluation and Awards Committee (BEAC) whenever DFY would conduct a competitive bidding activity. The BEAC shall normally be composed of 3 members as appropriate among, the Finance Director, the Project Head and QC Focal Point.
  - The Chairman of the Committee is appointed by the President. Depending on the nature and complexity of the procurement, and when there are other institutions involved, the BEAC's members may be larger. The donor may be given a seat on the committee, if deemed necessary. Members should be an odd number to avoid split decisions.
  - The BEAC shall be responsible for the conduct of the bidding. The BEAC shall: advertise and/or post the invitation to bid, conduct a pre-bid conference when necessary, determine the eligibility of prospective bidders, receive bids, open bids, conduct the evaluation of bids, undertake post-qualification of bidders, and recommend the award of contract to the
- **Approving Authority:** The BEAC shall ensure that DFY procurement rules are followed. The BEAC may appoint a Technical Evaluator or create a Technical Working Group (non-voting) to advise the Committee as necessary, for example when the procurement is complex and highly technical in nature. Procurement In-charge will guide and assist the BEAC in the conduct of the bidding, ensuring BEAC members are knowledgeable and adhere to DFY Procurement rules and procedures and will assist with the proper documentation of the entire bidding process. The BEAC shall evaluate bids using the criteria specified in the bidding documents. The Bids Analysis Summary shall be used to compare and summarize the proposals. Technical evaluation reports together with the other documents such as Minutes of the BEAC Meeting should be attached as evidence supporting the BEAC's recommendation. This documentation package, once approved by the Purchase Committee will be passed through to will be passed to the The Audit and Finance Committee and Procurement and Supply Unit for final review and endorsement. The BEAC may request clarifications where doubts exist about the comparability of the bids or when the information provided by the bidder is ambiguous. Any request for clarification requiring communication with the bidders shall be done in writing and become part of the bid documentation package. The bid evaluation process should be completed within the validity period specified in the bidding documents. Impartiality and confidentiality shall be maintained during bidding. Any BEAC member who has a conflict of interest with a bidder must declare it and withdraw from the BEAC. Prior to convening, BEAC members must sign a Declaration of Non-Conflict of Interest.
- **Vendor Verification:** To ensure transparency and quality of materials procured DFY uses vendors of relevant experience/expertise, the Purchase Committee shall perform vendor verification in all competitive bidding situations, and also when:
  - Goods and services are continuously/regularly purchased by the Missions;
  - The purchase requires extensive terms and/or performance standards;
  - It is otherwise deemed necessary (e.g. it is crucial that the vendor is reliable in terms of product quality, service experience, timeliness of delivery, etc);
  - The purchase requires reliable after sales service.
  - Shall maintain their own vendor database, using the Vendor Information for input to the database. Vendors' qualifications shall be evaluated based on pass/fail criteria. Vendor information shall be updated as needed and vendor evaluation shall be done every two years. Information can help in the evaluation process. Vendors endorsed by donors shall likewise be subject to vendor verification. In the event vendors endorsed by donors fail to pass the verification process, DFY shall inform the donor in writing. DFY may still use the donor-recommended Vendor provided the donor issues an endorsement stating clearly that their endorsement is made after they have been fully informed by DFY of the result of the vendor verification and evaluation process conducted by DFY. Any such donor requirements which could potentially result in restricting the DFY policy must be coordinated prior to agreeing on such terms.
- **Post-Qualification:** Post-qualification is the process of verifying, validating and ascertaining all the statements made and documents submitted by the Bidder with the lowest responsive evaluated bid, which includes ascertaining the Bidder's compliance with the legal, financial and technical

requirements of the bid. In the absence of pre-qualification, vendors qualification is conducted taking into consideration the prequalification criteria. Post qualification involves the determination that the Vendor submitting the lowest responsive evaluated bid has the capacity to perform the contract. If the bidder fails to demonstrate the capability to carry out the contract, the bid is rejected and the next lowest bidder shall be post-qualified. Quotations/Proposals, and Bidding Proposals shall be evaluated based on pre-defined criteria outlined in the RFQ/RFP/Bidding Documents. The Bids Analysis Summary (BAS) shall be used to summarize the evaluation results. A technical evaluator may be designated for the evaluation of the technical specifications for any procurement of Goods, Construction Works and Services as deemed required by the Procurement Focal Point or Specialist, or by the BEAC if through a competitive bidding. If a sample was required to be submitted as part of the bid, this should be evaluated by a Specialist or Technical Evaluator and the result should be part of the bids analysis. In case of discrepancy between the written technical specifications and the actual specifications, the latter shall prevail. A vendor verification or post-qualification shall be conducted on evaluated complying bids to ascertain the capability of the Vendors to supply/perform the products/services being required. Where there is a delay in the bid evaluation, the BEAC may request the bidder/s to extend the period of validity of their bids. After a decision to award a contract is made, notice of award should be sent to the successful bidder. Once the contract has been signed and required performance security (if any) has been posted, notice to unsuccessful bidders should be sent. Award of contract may proceed even if there were less than three bids provided the bid/s are responsive based on the technical specifications, and that the price is within market range and within the approved budget. This is also based on the premise that the opportunity has been advertised to the broadest base possible.

- BEAC may recommend to the Purchase Committee to declare the bidding unsatisfactory or a failure when any of the following occurs:
  - The tender process has been unsuccessful i.e. all bids were declared non-responsive to the requirements or no bid was received at all.
  - Economic or technical data of the project have been fundamentally altered;
  - Exceptional circumstances or force majeure render normal performance of the contract or project impossible;
  - All responsive bids substantially exceed the financial resources available or substantially higher than DFY's in-house estimate;
  - There were irregularities in the process that prevented for a fair competition.
  - Bidders refuse to accept award of contract or does not post performance security within the period required and there are no other remaining qualified bidders.
  
- **Signing of contracts/PO/Work order**
  - **Segregation of duties**
    - **Procurement focal point/incharge:** Conduct the procurement processes and associated tasks of the business unit including maintaining complete records of the processes with the exception of receiving bids and complaints. Procurement focal point(s) must coordinate the procurement processes starting from the need assessments to the closure of the procurement contracts satisfying the procedural requirement and process documentation. The head of unit holds the ultimate responsibility of maintaining a sound monitoring process and implementing these Procurement Procedures effectively. Only the procurement focal point may conduct all informal and formal solicitation processes in any business unit.
    - **Bid receiver :** Receive and manage confidentially the offers from the suppliers under informal and formal method of solicitations satisfying the requirements.
    - **Procurement complaint receiver:** An independent person who is not involved in the procurement processes of the unit to receive complaints from the bidders, liaise and consult with the relevant personnel and follow-up to ensure complaints are addressed.

### 5.1 Tendering/competitive bidding process

The method of procurement differs depending on the value of the goods, services or equipment being purchased. The requestor must not reduce the overall value of procurement (e.g. dividing a single procurement into multiple procurements) in order to circumvent procurement thresholds. Purchase Committee approval is recommended for all purchases upto \$ 10,000 /Rs 8,00,000. However, in emergency situation President of DFY in confidence with Governing Body of DFY can raise the purchase order after getting 3 quotations. For all purchase more than INR 8 lakh or more than \$10,000 purchase committee approval is must.

Deliberately conducting multiple tender processes or splitting requisitions in order to circumvent established rules and procedures including but not limited to contracts committee review, goes against, inter alia, the procurement principle of open and effective international competition and increases DFY's transactional costs. Therefore, such actions result in the mismanagement of public funds and wastage of resources, and, when identified, may lead to disciplinary actions.

The following guidelines must be followed in obtaining all procurement:

| <b>Goods, Non-Consulting Services and Construction</b>  |   |   |
|---|---|---|
| Total Procurement Value                                 | Means of Procurement                    | Recommended Requirement   |
| \$0 up to \$ 100<br>( Up to 8,000 INR )                 | Sole sourcing/ single Bid               | Can be processed local by<br>Project Manager / Field Office Coord |
| \$101 up to \$ 10,000<br>( > 8,001 up to 8,00,000 INR ) | Purchase Order (Minimum of 3<br>Quotes) | Purchase Committee  |
| \$ 10,001 (>8,00,000 INR )                              | Open competitive process**              | Raised by HQ with approval from<br>Purchase committee             |

| <b>Consulting Services ***</b>  |   |   |
|---|---|---|
| <b>DFY must competitively procure consulting services irrespective of value</b> |   |   |
| Total Procurement Value   | Means of Procurement  | Approval Authority  |
| \$0 up to \$ 100<br>( Up to 8,000 INR )   | Sole sourcing/ single Bid   | Can be processed local by Project Head /<br>Field office head |
| \$101 up to \$ 10,000<br>( > 8,001 up to 8,00,000 INR )                         | Invitational Competitive- Minimum<br>of 3 parties to be involved. | Director of the Dept  |
| \$ 10,001 (>8,00,000 INR )  | Open Competitive**  | Raised by HQ with approval from<br>Purchase committee         |

- Competitive Procurement means a set of procedures for developing a procurement contract through a bidding or proposal process. The intent is to solicit fair, impartial, competitive bids. The calls for open competitive procurements must be made through an electronic tendering system that is readily accessible by all.
- In case of less than 3 qualified bids are shortlisted during the bid analysis phase,
  - A meeting of Executive of DFY can provide a one time exception for the process to go forward with the available bids if at least two bids are received.
  - If less than two qualified bids are received, the process should restart with new tender to be advertised.
- This policy allows procurement from e-market sources. One of the three quotes can be from internet based seller such as amazon, flipkart, alibaba etc. right will be reserved on the procurement committee to finalise the procurement based on VFM principle.
- Consulting services means the provision of expertise or strategic advice that is presented for consideration and decision- making. Licensed professionals are exempt from this definition.

## 5.2. Specific Responsibilities

Obtaining comparative prices Selecting responsible vendors Awarding non-contract and contract purchase orders. Following up back orders on request of the ordering departments Adjusting and investigating internal and external complaints. Developing firm vendor relations with all departments of this Organisation Maintaining a formal expediting function of all orders on a routine basis Maintaining effective record system of purchases, ensuring they are current, complete and available for audit (ie. Purchase order files, vendor lists, departmental requisition, numerical file, etc.). Confirming purchases by telephone and recording current prices and expected delivery date(s) on every order.

## 6. Contract Management

Purchases should be covered by a Purchase Order Contract signed by authorized signatories, with the exception of petty cash purchases, which should be kept to a minimum. The threshold for petty cash purchases must be determined and established by the Mission depending on local conditions, and the size and frequency of such purchases. The PO terms and conditions may be used for procurement of goods. The PO should be signed/approved by the President or his/her delegate. In case of default by the Supplier, PO terms and conditions shall prevail; hence it is important that this part of the PO is also accepted/ signed by the Supplier. The PO should be accepted by the Supplier, by signing and providing an official stamp.

A contract will be used instead of the PO standard terms and conditions in the following situations:

- Procurement of goods where amendments to the PO terms and conditions are required (for example, if there is a complex delivery schedule, manufacturing/technical requirements, ancillary services such as maintenance or training in use of the goods, particular payment terms etc);
- Procurement of goods where a competitive bidding process is used.
- Procurement of construction/works.
- Procurement of services.
- Hire or lease agreements, such as office, warehouse, transportation –including charter and lease of vehicles.
- When the contract is signed by DFY and the vendor, the PO shall not be signed or shared with the vendor but shall be simply filed together with the contract in the internal filing system.

## 6. Reporting Price and Quality

Upon receipt of procured materials, the procurement team shall promptly report the price paid for those health products and other information related to the quality of the health products, as specified in, and using the form required by, the Price & Quality Reporting mechanism. This will include any report on unit prices independently of freight and insurance charges, which must be separately itemized.

## Abbreviations

|               |   |
|---------------|---|
| <b>BAS</b>    | Bids Analysis Summary                                     |
| <b>BEAC</b>   | Bids, Evaluation and Awards Committee                     |
| <b>CIPAC</b>  | Collaborative International Pesticides Analytical Council |
| <b>DFY</b>    | Doctors For You   |
| <b>ERP</b>    | Expert Review Panel                                       |
| <b>LTA</b>    | Long Term Agreement                                       |
| <b>MQASPA</b> | Model Quality Assurance System for Procurement Agencies   |
| <b>PO</b>     | Purchase Order  |
| <b>QA</b>     | Quality Assurance   |
| <b>QC</b>     | Quality Control   |
| <b>UNFPA</b>  | United Nations Population Fund                            |
| <b>VFM</b>    | Value for Money   |
| <b>WHO</b>    | World Health Organization                                 |