

2021

Procurement Policy



ICSF

International Collective in Support of Fishworkers

The purpose of this policy is to provide a framework and guidelines for procurement.

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1. Guiding Principles

ICSF personnel, partners and associates shall always guarantee equal treatment of suppliers and high standards for integrity, transparency, price, performance and quality. The following key aspects of the procurement process are common donor requirements:

- a) **Transparency**: Transparency, fairness and fraud prevention is important so that everyone will know that funds are being honestly spent and accounted for. To ensure transparency, all the necessary information shall be furnished to the suppliers/service providers to facilitate submission of appropriate and competitive tenders.
- b) **Fair competition**: Equal opportunity ensures that the suppliers/contractors are provided with equal opportunity. All bidders should be treated with fairness and ensure that they are given the same level of information when preparing quotations or tenders.
- c) **Cost effectiveness**: Economy and efficiency (value for money) means that supplies, services and civil works will be purchased at a reasonable price. Quotations should be evaluated not only on competitiveness in pricing but also factors such as the quality of the products/services and track records of the bidders.
- d) **Effectiveness and certainty**: Effectiveness means that the supplies, services and civil works will fulfil project objectives. Certainty means the ability of the supplier/contractor to provide the supplies and services. This has to be documented so that there is a reasonable assurance that what is promised can be provided.
- e) **Conflict of interest**: In accordance with the code of conduct, situations of conflict of interest with the activities of ICSF should be declared to the Organization.
- f) **Other general principles**:
 - i. Always endeavour to use local human and material resources whenever it is possible and pertinent.
 - ii. Ensure non-exploitation of child labour and forced labour and the respect of basic social rights and working conditions and decent work principles, environmental standards are followed by contractors.
 - iii. Ensure that ICSF/implementing partners, tenderers, candidates and contractors observe transparency and follow ethical values during the procurement and execution of contracts.

- iv. The works, services or goods supplied must comply with the requirements of satisfactory quality, timely delivery or completion and price corresponding to market prices.

2. Types of Procurement and Procedure

1. General Procurement

Procurements of products/services are classified based on single order value. They are (a) general purchases and petty cash purchases (b) Orders equivalent to Euro 500 and below (c) Orders above Euro 500 and upto Euro 2500 and (d) Orders above Euro 2500. In respect of procurement of product/service in any other currency, the threshold would apply to the local currency equivalent to Euro.

(a) General/petty cash purchases: Telephone/internet services, postages, courier, stationery, photo copying, consumables, refreshments, cleaning material, maintenance etc., are some of the general purchase of product/services. Similarly, petty cash expenses are low cost expenses viz. refreshments, meals, bus fare, cleaning materials etc., All these costs are not expected to be of a high value, or these products/services are provided by government agencies and/or private companies with standard advertised tariffs. No quotation or purchase order would be essential, and the supply of service/product will continue to be provided unless changed by the executive director.

(b) Order value upto Euro 500 or its equivalent: Procurement of products/services for order value equivalent to Euro 500 or below it would be enough that a written approval is obtained from Executive Director. Need for such procurement should be recorded in an internal note by the office secretary.

(c) Order value above Euro 500 and upto Euro 2500 or its equivalent: Request for procurement to be supported by at least two comparable quotes taken from online suppliers/service providers or other eCommerce websites by the accounts executive and recommended for approval. It would be enough if the Executive Director evaluates and accord approval.

(d) Order value above Euro 2500 or its equivalent: Unless covered by procurement of specific product/service, written quotations should be sought from three (3) suppliers, including the successful supplier (who's goods or services meeting the requirements) in the last procurement exercise. If a list of suppliers is used, quotations should be sought from the suppliers on the list by rotation. The lowest quotation meeting the requirements should be accepted and in case the lowest quotation is not accepted based upon the guiding principles,

reason for choosing alternate supplier shall be recorded. Approval will have to be obtained from Executive Director, upon recommendations from Finance & Accounts.

2. Procurement of specific product or service

(a) Engaging the services of Statutory Auditors: At the time of first appointment, the Executive Director may obtain a proposal from one or more person/firm and record reasons for recommending the one. Based on the recommendation, the person/firm will be appointed as Statutory Auditor by the Board. Remuneration payable may be fixed as per the directions of Board.

(b) Engaging the services of Project Auditors: Subject to conditions if any imposed by Donors for the appointment of project auditors, the Executive Director may obtain a proposal from one or more person/firm and record reasons for recommending the one. Based on the recommendation, the person/firm will be appointed as Project Auditor by the Board. Remuneration payable may be fixed as per the directions of Board.

(c) Engaging the services of intermediaries: When civil society organisations or other entities are included as implementing agencies aspects such as (a) Legal status (b) Selection of intermediary and (c) Financial viability and administrative capacity must be addressed.

- i. Legal status: This will include regulations governing registration (with the government or local authority), functioning in specific sectors, authority to receive and account for public funds and funds under CSR initiatives and ability to participate in the project
- ii. Selection of intermediary: Intermediaries can be hired either through obtaining competitive quotation (if more than one intermediary is available) or through sole-source direct contacting (if only one functioning intermediary exists in the target community). Selection of an intermediary will be done in joint consultation between the Executive Director and the program co-ordinator. Minutes of such selection shall be recorded in writing.
- iii. Financial viability and administrative capacity: The intermediary's primary source of funding, staffing, management, administrative capacity and accountability via independent audits etc., should be examined to ensure safety and security in handling public funds on behalf of the project management and the community.

(d) Engaging the services of Translators, Associates, Lawyers, Engineers, and Consultants: Situations would arise wherein ICSF would be required to engage translators and associates for specific task, study or event as part of the project activities. Also, situations might demand the engagement of Lawyers, Engineers and consultants to provide specific services for ICSF. Such individuals/service provider may be selected through sole-source direct contacting based

on the prior experience of ICSF or based on a reference through member/network organisation or others. Executive Director in joint consultation with the program co-ordinator shall record the reasons for selection of such individuals/service provider and fix the terms of engagement.

3. Limits and approval for Procurement

General and specific procurements of product/services shall be as per “Delegation of Financial Powers and Waiver Matrix (DFP).

4. Procedure for Procurement

Office Secretary shall seek and obtain quotations for specified product or service. Upon receipt of minimum quotations, the offers submitted by suppliers and service providers shall be evaluated. Then the recommendation along with justification is presented to the approval of Executive Director.

5. Grievance Redressal

ICSF is committed to maintain a fair and open procurement system. However, if any supplier/service provider consider themselves being treated unfairly can lodge a complaint with ICSF. The Executive Director shall report all such instances to the Board along with action taken report.

6. Amendments

Amendments may be necessary, among other reasons, to maintain compliance with various regulations and/or organisational changes within ICSF.

Amendments to the policy due to changes in Law, maybe done at the earliest by the Board with ratification in the immediate following General Meeting of Members and any other amendments shall take effect upon confirming by the Members in the General Meeting of Members.