



KFW



Village Level Procurement Management MegARISE

**“Protection of Vulnerable Catchment
Areas in Meghalaya”**

Funded under
Climate Change Adaptation Programme in
Himalayas – Component III
of
KfW German Development Bank



Why we need Procurement?



- To Ensure Fairness, Competition, transparency
- Confidentiality, Economic Efficiency and Sustainability and Proportionality
- Maintaining detailed records for easy monitoring and evaluation
- Overview of expenses and assist in budgeting for better Financial Management
- Learning and Improvement
- Audit and Compliance

Composition of the LPC Members



- **Chairperson:** A senior VPIC official with procurement expertise (excluding the Chairperson and Secretary of the VPIC Executive Committee).
- **Secretary:** A procurement officer from VPIC familiar with procurement policies.
- **Member Representatives:** At least two VPIC members, with mandatory 50% women representation. No vendor or their relatives can be part of the LPC.

Objective of the Local purchase committee (LPC) members



- Ensure transparency, accountability, and efficiency in procurement processes.
- Preparation of a village procurement plan
- Evaluate and approve local purchases or competitive bidding in line with project requirements and budgetary constraints.
- Prevent conflicts of interest and uphold integrity in procurement activities.

Some of the functions of the Purchase Committee are :

Sending Request for Quotations [RFQ] to potential suppliers in the market - Obtaining quotations within the specified period [normally 14 days]

Preparing comparison statement in the defined format for submission to and approval of VPIC

Recording procurement decision on award of contract in the presence of community members in the Minutes Register

Issue Supply Order to the lowest evaluated responsive supplier

Some of the functions of the Purchase Committee are :

Received and check supplies received for quantity and quality defects - Record goods received in the stock register

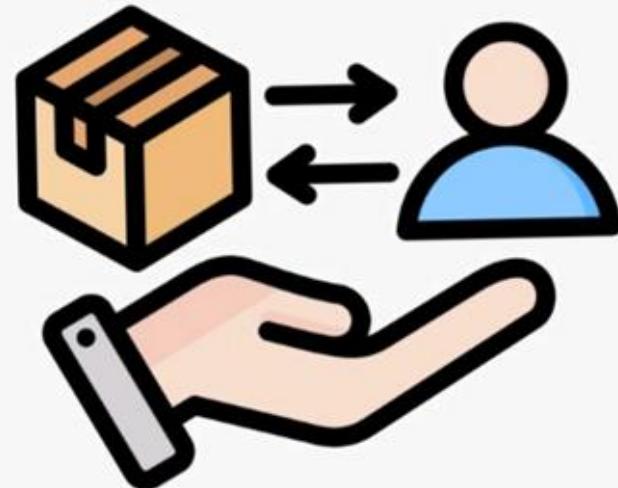
Keep all records related to procurement such as Request for Quotations [RFQ] issued, quotations received, comparison statement, record of decision taken by the community on placing award, invoices, payments made, etc.

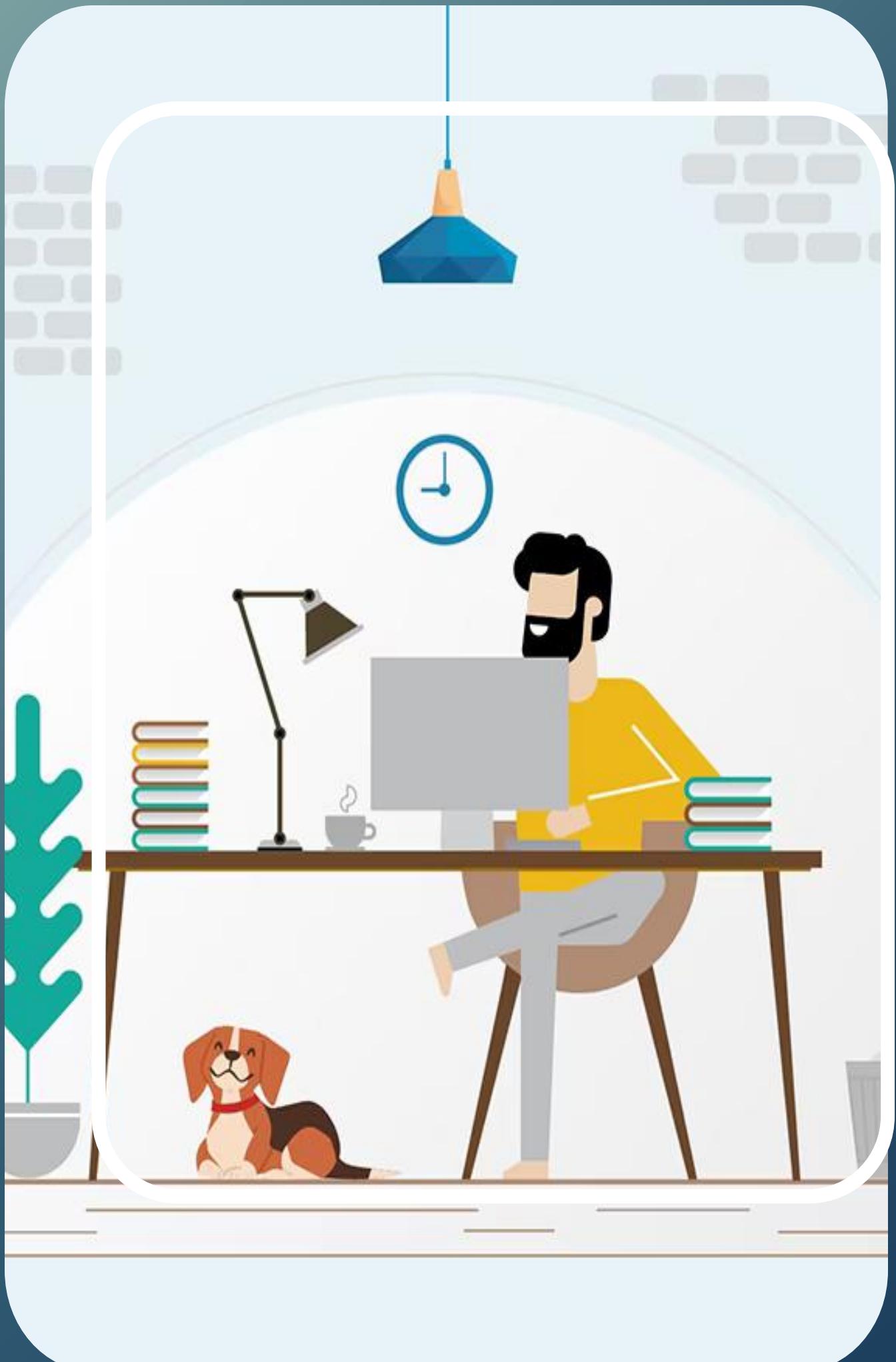
Recording procurement decision on award of contract in the presence of community members in the Minutes Register

Submitting written justification for non-competitive procurement [e.g., spare parts, proprietary items, etc.] for approval of VPIC

Village Procurement Plan

- A procurement plan at the village level is a process of identifying and consolidating requirements, prioritizing needs, estimating costs, and determining timeframes for acquiring goods/ items, with the goal of having them available as needed **over a six-month period** either through local sourcing (**Direct Purchase**) and competitive bidding **(Quotation)**





Functions of the Purchase Committee

- Identifying procurement needs and preparing a list of required goods/ Equipments.(Village Procurement Plan)
- Preparing, finalizing, and issuing the RFQ to potential suppliers.
- Recording procurement decisions in the Minutes Register.
- Preparing comparison statements and evaluation reports as per SPMU guidelines.
- Announcing contract awards publicly and issuing supply orders.
- Issuing supply orders to the lowest bidder.
- Preparing the Goods Received Note (GRN) on delivery of goods.
- Verifying and recording goods received in compliance with stock management protocols

PROCUREMENT



Village Procurement Guidelines & Thresholds

Procurement thresholds follow **MegARISE Procurement Guidelines**:

- **Up to ₹25,000:** Direct purchase without quotation.
- **₹25,000 to ₹2,50,000:** RFQs obtained from at least three vendors; LPC evaluates and selects vendors.
- **Above ₹2,50,000:** Procurement facilitated by State Project Management Unit (SPMU) after LPC approval.

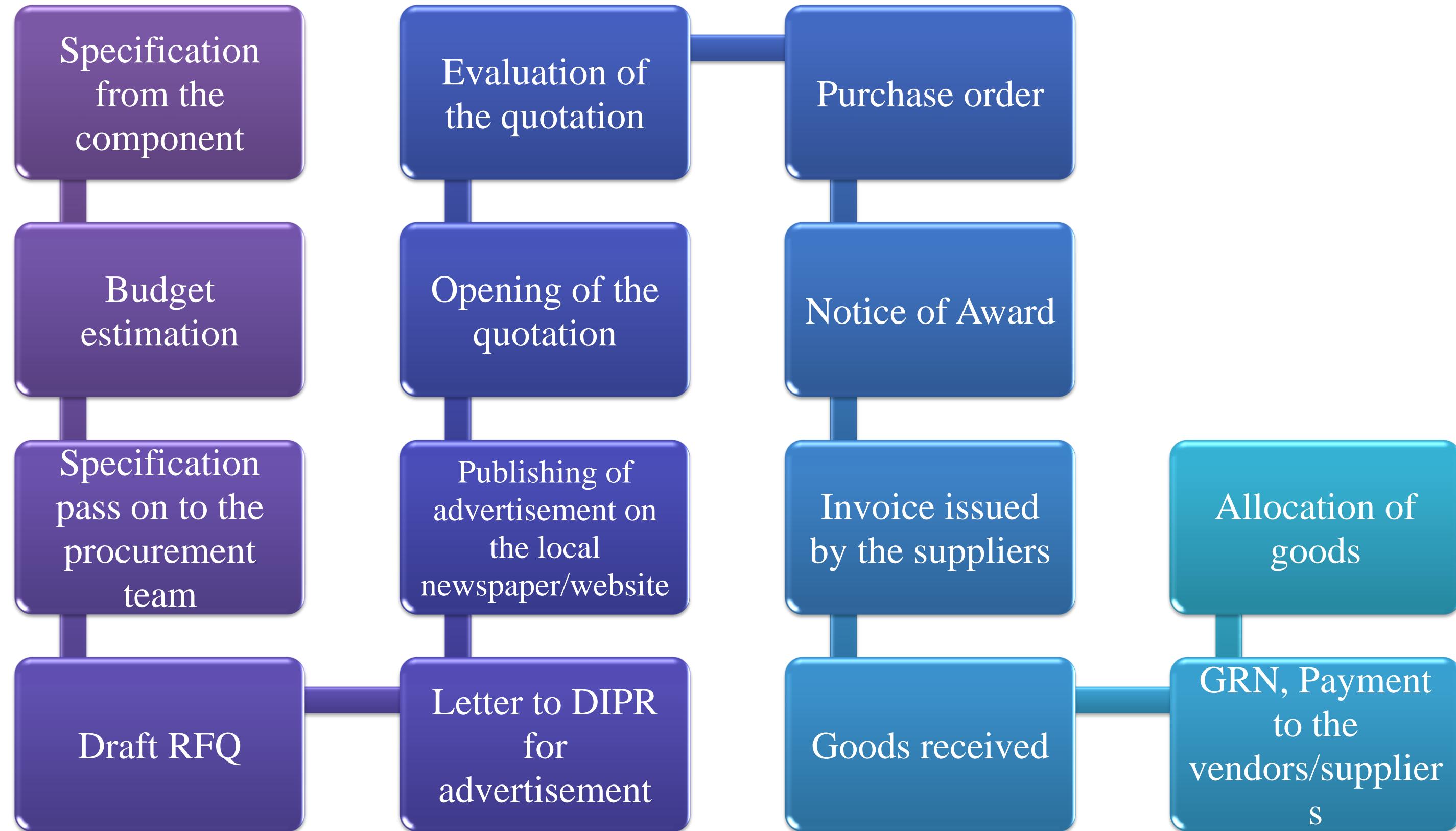
Request for Quotation

It is a document that a buyer sends to potential suppliers or vendors to request a price quote for products or services.

It includes technical description, delivery requirements and other terms and condition of the goods and services required by the buyer.

The main purpose of RFQ is to enable the buyer to compare prices and terms offered by different suppliers, so they can select the most suitable vendor to fulfill their needs.

RFQ Process flowchart



RFQ Process

It starts with the components requirements which will be submitted by them to the procurement department. Where all the required information related to the needs of the goods or services will be identified.

Cost Estimate have been decided my the management head which can be used for the allocated for the procurement of the goods or services.

The concern authority will have to approve proposal so the procurement department have to send a letter of approval to the concern authority.

Then accordingly the advertisement will be done through DIPR (Department of Information and Public Relations).

The opening of the quotation, where different components are present. which is one component from procurement and one from finance is compulsory. It is a stage where the opening committee narrate all the bidders/firms .

RFQ Process

Minutes of Opening where the opening members are required to be present to shortlist the vendors for the evaluating process.

Checking of bidders documents is done during the minutes of opening process by the opening members. If any discrepancy is identified then it will be corrected during this process.

Quote submitted by the vendors or suppliers will be verified i.e. checking of all the documents such as trading license, GST OR CGST, etc are checked and marked as complied or not.

Then RFQ is floated so as to compare among the vendors and suppliers which will help the process of evaluation by the evaluating members for the awarding of contract.

After this minutes of evaluating team comprising of the evaluating members starts the process of minutes of technical evaluation and minutes of financial evaluation is done through this evaluation the best suitable bid is being identified

RFQ Process

Minutes of Evaluation is where the evaluating members after proper evaluation of the prescribed standards with the help of the RFQ documents will identify the vendors whose specifications meets the demand of the buyer and whose amount is the least will be awarded the contract.



After the awarding of the contract to the vendors the goods or service have to be delivered or allocated at the given address during the bidding process within 30 days and the receiver have to keep the invoice, challan and Goods Receive Notes as a prove of delivery .



Within 30 days of the delivery of goods or service the vendors or suppliers have to be paid the bid amount.

Documents that needs to be maintain/recorded

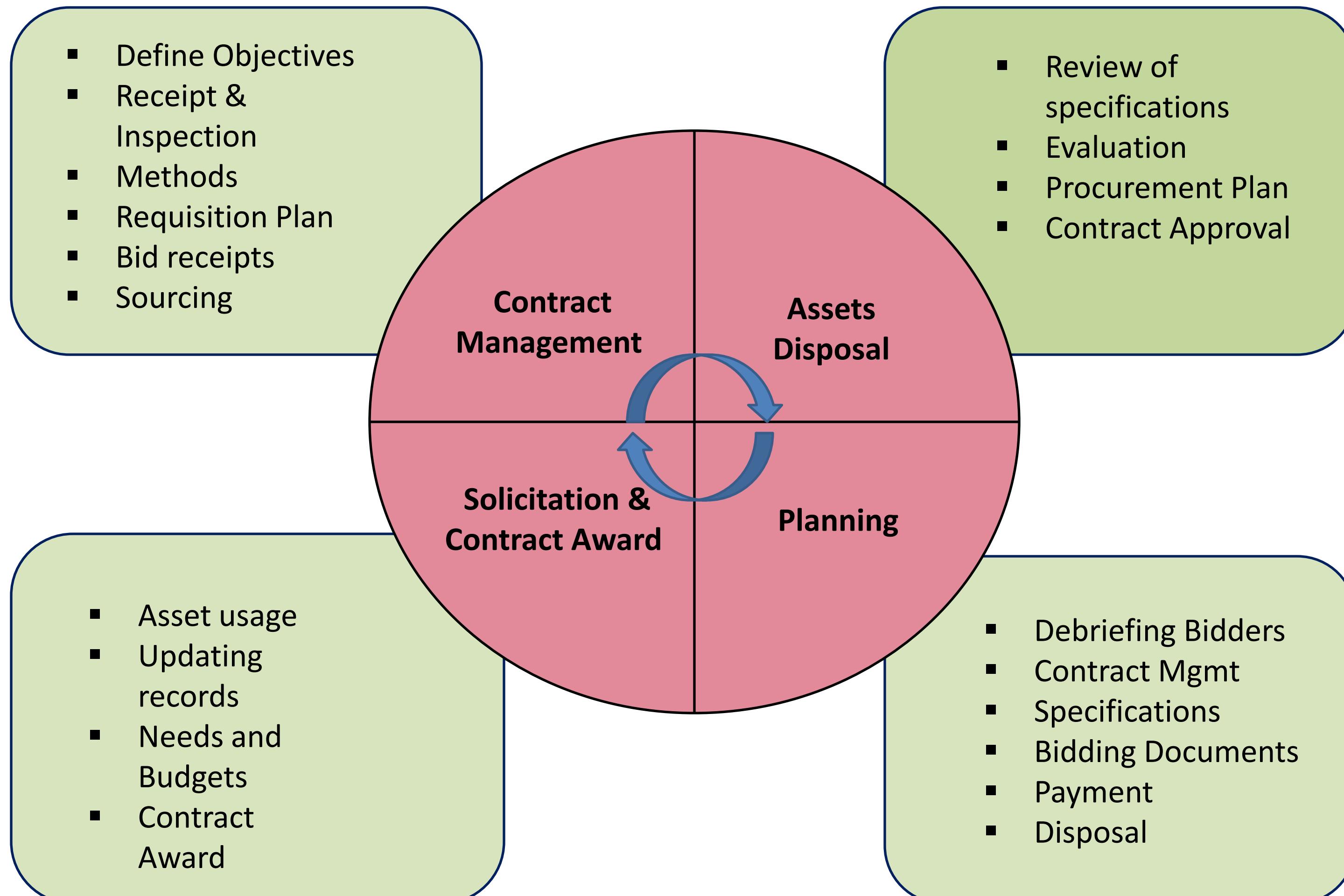
For Direct Award:

- Bills/Cash Receipt/Proof of purchase
- Good received note: Goods Receipt Note.docx
- Maintain a Register for items/materials procured
- Enter procurement details in App-verse for MIS purposes

For Request for Quotation

- Advertisement
- RFQ
- Minutes of Opening and evaluation report
- Comparison Statement
- Notice of Award
- Supply Order
- Goods Received Note (GRN)
- Sanction Order/ Voucher
- Maintain a Register for items/materials procured
- Enter procurement details in App-verse for MIS purposes

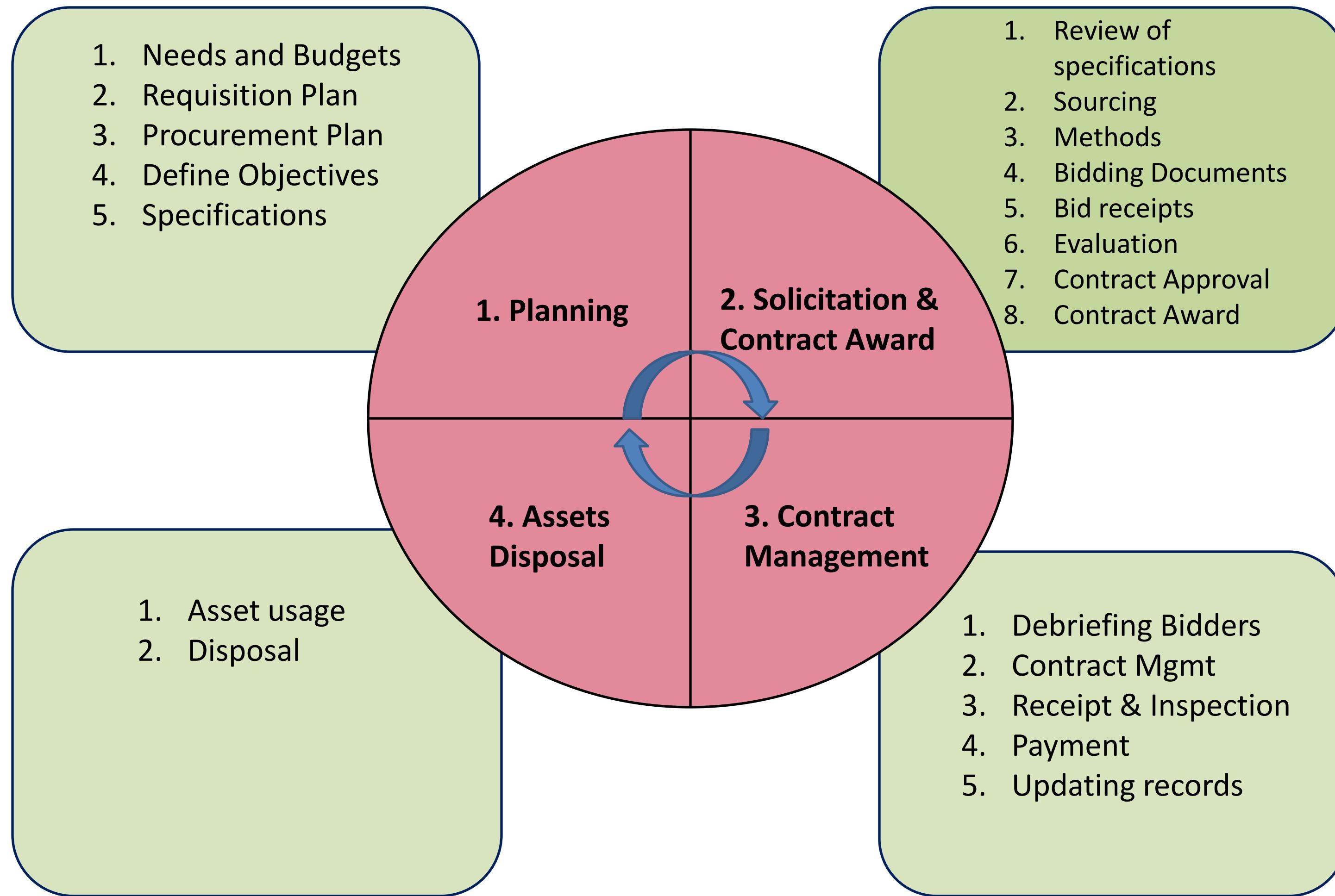
The Procurement Process...







The Procurement Process...



THANK YOU