

Chapter - XIII Procurement Procedures

13.1 General

Procurement transactions should always be made through open and free competition.

Goods and services should be procured from responsible suppliers or contractors who possess the ability to provide goods and services successfully and at a competitive price. Consideration should be given to the contractor's integrity, record of past performance and financial and technical resources.

13.2 Requisition

Whenever a purchase is required, the concerned section of **MRDI** shall raise a requisition with full particulars of the items needed along with justification to purchase. This requisition shall be submitted by the divisional head/staff responsible to the Executive Director through Finance Department.

The Finance Department shall check the justification of the items needed and verify with the budget and submit to the Executive Director for approval. After approval of the requisition by the Executive Director, it will be automatically forwarded to the procurement committee for necessary action.

13.3 Budget Provision

The Finance department shall verify the request with the provisions in the budget and availability of the fund in the respective budget line item.

If the proposal agrees with the provisions in the budget, Finance Department shall send the proposal to Executive Director for approval.

In cases where it is not budgeted earlier or if there is not sufficient budget in the respective line item then the proposal shall be rejected. However depending on the necessity of the item and if it becomes absolutely necessary for the program then alternative sources shall be investigated within the budget and according to the terms of the grant.

If not otherwise contrary to the terms of the grant agreement an option shall be given to the requisitions to share the cost from other similar budget line item where the requisitions can assure a surplus at least to that extent in that line item.

All the enquiries as above must be documented and submitted to the Executive Director for approval.


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13.4 Invitation of Quotation

No item should be purchased without the approval of the appropriate approving officer. If an item cost is Taka 25,000 or less, no quotation is required. If an item cost is above Taka 25,000 but not exceeding 200,000, the authorized member of the procurement committee shall collect three spot quotations from three separate suppliers and produce a comparative statement. If any item costs more than Taka 200,000 but not more than 1,000,000, at least three written sealed quotations shall be obtained from separate suppliers. Open Tender shall be made for item cost more than Taka 1,000,000.

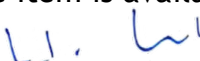
But in the case of production of video documentary, TV Programme, consultancy/expert services, no quotation is required up to the cost of Taka 100,000. If the cost is above Taka 100,000 but not exceeding 500,000 the authorized member of the procurement committee shall collect three spot quotations from three vendors/consultants/experts and produce a comparative statement. If cost is more than Taka 500,000 but not more than 15,00,000, at least three written sealed quotations shall be obtained from separate vendors/consultants/experts. Open tender is required for cost exceeding Tk. 15,00,000.

Sl. No.	Quotation Required for:	
	Goods and equipment	Production of video documentary, TV/ Radio Programme, consultancy/expert services etc.
1.	Up to Taka 25,000 no quotation is required.	Up to Taka 100,000 no quotation is required.
2.	Above Taka 25,000 but not more than Taka 200,000, three spot quotations are required	Above Taka 100,000 but not more than Taka 500,000 three spot quotations are required
3.	Above Taka 200,000 but not more than Taka 1,000,000, three sealed quotations in writing are required.	Above Taka 500,000 but not more than Taka 1,500,000, three sealed quotations in writing are required.
4.	Above Taka 1,000,000 open tender is required.	Above Taka 15,00,000 open tender is required.

Quotations may be invited through e-mail/postage courier by hand and vendor may submit their offers following the same process.

The bids solicitation procedure may not be required-

- While the procurement is made from Government/Semi-Government/ Corporation/Multinational company or exclusive dealers or the local manufacturer/producer like Otobi, Navana furniture, Singer, Walton, Butterfly, Square etc. or their dealers/distributors whose price list of the item is available.


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- If the advertisement made directly in the TV channel, newspaper at their fixed rate
- If the donor organization agreed to take goods/equipment/services from any reputed organization considering quality, reasonable rate, timely delivery, security matter, efficient programme management, location etc.

13.5 Purchasing Strategies from Enlisted Vendors

Purchasing strategies from the enlisted vendors.

13.5.1 Price List purchase/Sole Sourcing

The vendor prices are fixed on a published price or index. In such case, purchases may be done based on the price list or if the vendor is the sole producer/agent then *sole sourcing* can be done. However, the Procurement Committee (PROC) should finalize the commission/ discounts/ levy if any before confirming the goods. While purchasing under this procedure, documents evidence such as published price list, sole proprietorship or distributorship must be attached.

13.5.2 Competitive Bidding Process

The majority of purchases are done through this process. To run this process, several enlisted/non-enlisted suppliers are necessary.

13.5.3 Vendor Enlistment Process

During the year MRDI needs supply of different types of goods, service and equipment for programme and office maintenance. Generally MRDI procures the goods and equipment from open market and selected vendors through separate procurement process. MRDI can enlist vendors (if necessary) for one/two/three years for receiving supply of goods, service and equipment through a competitive bidding among the enlisted vendors.

Requisition of Enlistment:

A requisition needs to be initiated to the Executive Director from the administration mentioning the items for which vendors may be enlisted. In the requisition, it is to be mentioned the duration of the enlistment and how many vendors will be enlisted. The Executive Director may approve the requisition and forward it to the procurement committee for taking necessary action.


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Inviting Expression of Interest (EOI):

Receiving the approved requisition for vendor enlistment, the procurement committee will meet together and prepare a list of potential vendors to send invitation letter for submitting expression of interest. The invitation letter may send through e-mail, postage, courier or by hand. The full description/specification of the required items of goods/equipment/service will be mentioned in the invitation letter. A specific deadline for submitting EOI will be mentioned.

The procurement committee will determine the criteria on which the EOI will be evaluated.

Submitting Expression of Interest (EOI) by the vendors:

If interested, the invited vendors may submit the EOI within the deadline mentioned in the invitation letter along with the following documents:

- Organizational profile with experience & Clint list
- Organizational legal status like up to date trade licence/ registration
- VAT & TAX Registration certificate
- Bank Solvency certificate
- Bank Account details

Vendors may submit the EOI through e-mail, postage, courier or by hand.

Evaluating Expression of Interest (EOI):

After receiving the EOI from the vendors the procurement committee sit together to evaluate and finalize the list of vendors. If there is no any short fall of expected document from the vendors all vendors may be enlisted. The approval will be taken from the Executive Director and informed the vendors through a letter.

Re-invitation of Expression of Interest (EOI):

If expected number of EOI is not submitted by the invited vendors, the procurement committee may re-call the EOI or extend the deadline on written or verbal request by the vendors.

13.6 Procurement Committee

A procurement committee consisting of three to five members shall be formed by the Board of Directors. One Director shall be selected by Board for the review and to make recommendation of the decision provided by the Procurement Committee. Recommendation from a Technical person may obtain when necessary.

The members of the committee will be taken from the following positions.


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- Advisor
- Head of Operation
- Manager Accounts
- Manager Finance
- Manager Programme
- Senior Programme Officer
- Senior Accounts Officer
- Senior Officer HR & Logistics

The change of committee member will be at the discretion of the director selected by Board for the review.

For any procurement at least three members must be involved.

On behalf of the committee one member will do the secretarial works and invite quotation/issue work order/purchase order/supply order determined by the committee.

13.7 Determination of Evaluation Criteria and Comparative Bid Analysis

13.7.1 Determination of Evaluation Criteria

The Procurement Committee will decide on criteria of evaluation such as quality, price, experience, reputation or any other as required at the beginning of the procedure which is disclosable to the vendor if they want to know.

13.7.2 Opening Quotation/Tender

Opening of sealed quotation or Tender will take place in presence of the member of Procurement Committee. Vendors will be invited to remain present in case of open tender.

13.7.3 Comparative Bid Analysis

The Procurement Committee formed in this connection shall prepare a comparative statement and determine which supplier provides the most suitable item at the cheapest price subject to analysis of quality of the product or services. The committee shall record its decision on the comparative statement. The procurement should be done at the recommendation of this committee.

If only one participant submits the bids, the procurement committee may recommend whether re-tender should be called or not and


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provide justification thereon and forward to the Executive Director for approval.

13.8 Purchase Order

A Purchase Order/work order/supply order must be prepared for above Taka 25,000 by the designated member of Procurement Committee for procurement of goods, or contract for services and be issued to the concerned supplier.

13.9 Receipt of Goods

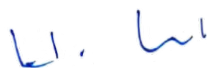
All goods and services received must be verified for assurance of quality by a staff member not involved in the approval or accounting process. Goods will be received and verified by signing the Purchase Order as "Received" and prepare Goods Receipt Notes (GRN) on the basis of Purchase Order. Service will be verified by signing the contract as "Services Received". In case of goods, the Store Keeper will receive and services will be acknowledged by the concerned department.

13.10 Payment

Any payment against purchase shall be made only after certification from the 'Certifying Officer' and duly approved by the 'Approving Officer'. On receipts of Supplier's Invoice, Goods Received Note (GRN) and suppliers Delivery Note (along with Purchase Order, Quotations, and/or bids summary) from the Store In-charge or concerned recipient, Finance Department shall process the payment.

Approval of any payment will require the following steps.

- The purchase of goods or services must have been duly approved.
- The goods or services must have been delivered (delivery notes duly signed for reception).
- All requests for payment must be supported by the submission of appropriate bills or invoices.
- Before making any payment the Head of Finance and Accounts/Authorised person shall ensure that the bill or invoice is properly approved by the Executive Director.
- Invoices, bills, receipts, quotations, contract of procurement (if any) etc. must be attached with vouchers. Head of Finance and Accounts /Authorised person should write head of expenses on each invoice, bill etc.


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13.11 Mode of payment

The Head of Finance and Accounts /Authorized person should make payment to the vendor through Account payee cheque/Bank transfer if it is more than Tk. 10,000 /= (Taka Ten Thousand) against the above procurements of goods and services. Cash payment should be restricted as much as possible. But for a single bill, cash purchases should not be more than Tk. 10,000/=. In case of emergency spot purchases/open market purchases where vendor is not willing to receive the cheque/pay order, then the Executive Director may approve the cash to be paid to the vendor.


13.12 Control Procedure

In order to have control over the issue of the purchase order, all the purchase order issued, should be recorded in a register with a sequential serial number allotted for each such purchase order.

Such purchase order register should be regularly reviewed and the status of the purchases including pending deliveries against orders should be verified. Discrepancies, if any should be immediately notified to the Executive Director.

13.13 Flow Chart of Procurement Procedure

01.	Respective department submits requisition to ED with details through Finance Department.
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02.	Budget verification by head of Finance and submit to the Executive Director for administrative approval (With recommendation, if needed)
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03.	When approval authority approves purchase requisition, the procurement committee automatically entitled to start the process of procurement i.e. collection quotation/call tender, wherever necessary.
↓	
04.	Meeting of Procurement Committee for setting Evaluation criteria and other decision if needed
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05.	After the mentioned time period in the invitation letter for submitting quotation/tender, procurement committee will open the quotation/tender in presence of bidders/representatives if they attend. If all the invited vendors submit quotations before the last date of submission, the procurement committee may open the quotations accordingly.
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06.	Prepare comparative statement mentioning necessary recommendation (preference should be given to sole distributor and supplier who provides warranty / guaranty on goods) by the procurement committee to the Director responsible for procurement.
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07.	One member of the procurement committee will do the secretarial works and invite quotation/issue work/supply/purchase order to the lowest bidder or the bidder recommended by procurement committee and approved by competent authority.
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08.	Receive material by store department with delivery challan/bill/invoice after verification of quality by the assigned staff.
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09.	Submission of bill to the finance & accounts department for payment along with all the necessary documents relating to procurement.

13.14 Validity of Procurement

If the vendor agreed, MRDI will repeat procurement under any process up to 1 year.

13.15 Code of conduct for procurement of goods and services

- 13.15.01 Staff entrusted with procurement of goods and services shall prevent conflict of interest and avoid circumstances that pertain thereto.
- 13.15.02 Procurement staff shall not have ownership interest in suppliers.
- 13.15.03 Procurement staff shall not accept gifts, gratuities, entertainment, travel or hospitality from a supplier.
- 13.15.04 Procurement staff shall not disclose confidential information to the suppliers with regard to decision, pricing, proceedings etc.
- 13.15.05 Procurement staff or members of their family may not act as director, officer, partner, employee, agent or consultant with or without compensation, for a present or proposed supplier or customer.
- 13.15.06 Procurement staff or members of their family may not receive fees, commissions or other compensation from a supplier.


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13.16 Hiring resource/expert/knowledge support provider

MRDI organizes seminar, workshop, training, orientation, fellowship/internship/mentorship programmes under its different projects as part of advocacy and capacity building. It also conducts research, assessment and develops handbook, guideline, awareness materials, video documentaries to meet the need of projects. Translation of documents is also done at times to meet requirement.

In accomplishing these tasks, MRDI utilizes expertise of media gatekeepers, government officials, researchers, academics and issue experts. The organization always engages best available resources from the relevant area to ensure quality work.

Knowledge, wisdom and intellectual ability cannot be compared through competitive bidding. The organization selects appropriate resources by using its long working experience and credible network.

In selecting experts/resources for the programmes and activities where knowledge and intellectual ability are prime factors, MRDI will go for head hunting process. The selection will be done from MRDI's past experience of doing similar work and using its network. Selection will be finalized in a meeting of the project team or a team of senior officials formed by the executive director.


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