Assessment and Strengthening Program (ASP)
Associates in Development (AiD)

National Rural Support Programme

Procurement Manual

Horwath Hussain Chaudhury & Co
Chartered Accountants
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A NOTE ON PRONOUNS

On occasions in this manual, ‘he’ is used for ‘he or she’, ‘him’ for ‘him or her’ and so forth. Whilst we try to avoid this practice, it is sometimes necessary. No prejudice or stereotyping according to gender is assumed or intended.
## DOCUMENT HISTORY

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<th>Name &amp; Designation</th>
<th>Issues/Comments</th>
<th>Description of Change / Event/Activity*</th>
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* A review, approval, amendment, revision or approvals of amendments are examples of events. All events / activities shall be recorded in chronological order.
FILING INSTRUCTIONS

Updates shall be circulated from the office of Head of Administration, along with the version control, whenever revision takes place. The policy holder shall:

- Replace old pages with updated pages
- Replace the previous version control history document (filed before the Table of Contents) with the latest release
### List of Abbreviations

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<td>PAEC</td>
<td>Pre-Qualification Application Evaluation Committee</td>
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<td>BOD</td>
<td>Board of Directors</td>
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<tr>
<td>CEO</td>
<td>Chief Executive Officer</td>
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<td>CIA</td>
<td>Chief Internal Auditor</td>
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<td>Dept.</td>
<td>Department</td>
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<td>Expression of Interest</td>
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<td>F&amp;A</td>
<td>Finance and Accounts</td>
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<td>GM</td>
<td>General Manager</td>
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<td>GRN</td>
<td>Good Receiving Note</td>
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<td>HO</td>
<td>Head Office</td>
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<td>Procurement Committee</td>
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<td>PO</td>
<td>Purchase Order</td>
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<td>RFP</td>
<td>Request for Proposal</td>
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<td>RFQ</td>
<td>Request for Quotation</td>
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<td>RH</td>
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1. THE ORGANIZATION
1.1. About NRSP

Established in 1991, NRSP is the largest Rural Support Programme in the country in terms of outreach, staff and development activities. It is a not for profit organization registered under Section 42 of Companies Ordinance, 1984.

NRSP's mandate is to alleviate poverty by harnessing people's potential and undertake development activities in Pakistan. It has a presence in over 52 Districts in all Provinces including Azad Jammu and Kashmir through ROs and Field Offices. NRSP is currently working with more than one million poor households organized into a network of more than 102,000 Community Organizations. With sustained incremental growth, it is emerging as Pakistan's leading engine for poverty reduction and rural development.

1.2. Vision and Purpose

NRSP works to release the potential abilities, skills and knowledge of rural men and women, to enable them to articulate their aspirations and to effectively marshal the resources they need to meet their identified needs. The purpose is poverty alleviation - enabling people to break the cycle of poverty, which begins with lack of opportunity, extends to the well-known miseries of economic and nutritional poverty and leads new generations enduring the same conditions. The process is social mobilization - bringing people together on new terms for a common purpose. The conceptual tools are 'social guidance' (recruiting local men and women who will take on a leadership role), advocacy, capacity building and raising awareness. The programmatic tools are training, support to institutions, micro-credit, infrastructure development, natural resource management and 'productive linkages'.

NRSP's purpose as an advocate for the poor is to bring the concerns of economically-marginal men and women to the public's conscious and to affect policy so that the poor are brought into the mainstream of the economy.

NRSP's vision is manifested in expanded opportunities for income-generation; community schools which provide quality primary education, community owned and managed infrastructure schemes, improved agricultural productivity, and higher returns for labor and so on. From the widest perspective the vision is manifested as the first stages of a transformation of civil society. The fact that NRSP works in over 52 Districts that encompass diverse socio-economic, geographical and cultural conditions is evidence that the paradigm of social development which NRSP embraces can be applied successfully anywhere in Pakistan. Wherever it operates, NRSP is always working to improve its performance, to reach more deeply into communities, to learn how best to respond to the issues people identify as their priorities, and to work more efficiently and cost-effectively to deliver the programme. NRSP is committed to continuously refining its development vision. Despite the complexity of the task, poverty-alleviation remains the purpose of NRSP's existence.
2. THE MANUAL
2.1. **INTRODUCTION**

This is a customized Procurement Manual prepared for NRSP. It is for the specific use of NRSP and its employees as it has been prepared after defining their specific requirements. This document provides the guidelines for policies, systems and procedures related to procurement functions at NRSP. It is not intended to replace instructions by various donors in the procurement of goods and services.

The manual will help smooth out operations of NRSP by providing management with timely information for control and decision making. It will help to facilitate corrective action as a precaution. This policy manual has been designed to provide a ready reference to NRSP policies and procedures on procurement.

These policies are the governing principles that mandate, constrain or provide guidance regarding an effective, efficient and transparent procurement function. These policies are designed to help achieve NRSP’s mission and reduce the risk inherent in the procurement function. Implementations of these policies are to be accomplished by the procedures articulated in this manual. Those procedures elaborate on specific policies as well as describe the standards, criteria, and processes to ensure transparency in the procurement function.

2.2. **PROCUREMENT**

Procurement is the overall process of acquiring material, goods, works and services through purchase, hire, or rental. Actions undertaken to carry out procurement are defined as procurement activities, which include all actions from planning and forecasting, identification of needs, sourcing and solicitation of offers, evaluation of offers, review and award of contracts, contracting and all phases of contract administration up until delivery of goods, end of contract, or reaching the shelf life of an asset.

The forms, protocols, or conditions that regulate the conduct of procurement activities are defined as procurement modalities.

A specified series of procurement activities, which have to be executed in order to acquire material, goods, works and services is thereby defined as procurement procedures.

2.3. **OBJECTIVES**

The overall objective of this manual is to add value to the organization and its stakeholders in fulfilling their goals and objectives. Undertaking procurement means carrying out procurement activities in a manner that best enables the organization to attain the (general and specific) objectives of project agreement in compliance with applicable procurement procedures. The process ensures that goods and services acquired by the organization are obtained in a timely fashion, at the most competitive price and are of the requisite quality and quantity. This policy is designed to streamline the procurement process by specifying relevant controls, defining lines of responsibility amongst respective departments, and ensuring consistency with the existing control framework over the organization’s business processes.
However, this manual seeks to achieve the following broad objectives:

- Explain the need for efficient and transparent procurement process.
- Specify the various types of procurement.
- Indicate appropriate levels of transparency and efficiency through standards and guidelines
- Formalize policies, processes and rules;
- Ensure maintenance of proper sets of documentation; and
- Ensure adherence to donor specific requirement regarding procurement.

2.4. PURPOSE

i. Policy

The primary purpose of establishing the procurement function in NRSP is to ensure that the needs of different departments/projects shall be met in a timely and effective manner. The procurement policies, goals, standards, and processes will reflect this primary purpose.

ii. Procedures

This policy describes the general intent of the Procurement Department / Procurement Committee (PC) in adopting procurement policies and procedures. In analyzing and applying these individual policies and procedures, it will often provide requisite guidance to PC in deciding upon issues regarding the acquisition of goods for projects and departmental needs.

2.5. SCOPE

Procurement procedures as defined in this manual are applicable to:

- Goods, services, and equipment
- Consumables and supplies;
- Other items procured in the course of the project(s)/department.

Unless specifically required by a donor in writing, the guidelines of NRSP Procurement policy shall prevail.

2.6. PROCUREMENT CYCLE

Procurement generally follows the following cycle:

- Requirement
- Source determination
- RFQ/Invitation to bids
- Quotes/Bids
- Source selection/Bids evaluation
- PO
- GRN
- Invoice payment.
2.7. RESPONSIBILITY FOR IMPLEMENTATION

Overall responsibility of establishing and maintaining a system of procurement rests with BOD. However, day to day implementation is to be carried out by the Procurement Department under the guidelines of this manual and PC which in turn reports the status and performance of the procurement function to the CEO/GM.

In case of any of these crucial positions become vacant, the CEO/GM shall make sure that an alternate arrangement is made to enable continuity of operations/functions.

2.8. CLARIFICATION, UPDATING AND ADMINISTRATION

Requests for clarification or explanation of any policy shall be addressed to the In-charge Procurement

It shall be the responsibility of Head of Administration to ensure that the manual is constantly updated to meet changing needs of the organization and governing laws. A master copy of the manual shall be maintained by him in HO. Requests for an amendment to the Manual can come from either the Procurement Department or any other department.

The manual shall be presented initially to the BOD for its approval. However, no subsequent amendment can be made to the manual without prior approval of the BOD. Once an amendment request is approved, the "new" procedure must be communicated to all users of the manual, together, with the effective date of implementation. Holders must be instructed to extract and destroy the superseded pages of their manual.

In the Procurement Department, superseded manual sections must be removed from the master copy to a "superseded sections" file with the date of supersession annotated in the relevant section.
2.9. CUSTODY AND ACCESS

This manual shall remain in the custody of the following:

- Head of Administration;
- Head of F&A;
- CIA;
- In-charge HR, and
- In-charge Proc.

These will ensure proper communication and implementation of the relevant section in their respective Depts. Copies of the Manual must not be provided to any external party without prior written approval of the CEO/GM. However, access to this manual shall not be restricted from such external parties who are entitled to it in accordance with the provisions of law or by virtue of performance of duties.

NRSP will disclose its Procurement Manual (which includes all procedures and policies); publically on NRSP’s official website. Procurement department at NRSP’s head office will take the lead to ensure availability of an updated version of Procurement Manual on NRSP’s website; after making necessary changes (as required time to time).¹

The Manual is the property of NRSP and must be returned to NRSP when the concerned employee leaves the organization or is assigned to a position which does not require the use of this manual. Unauthorized use or copying of the manual is strictly prohibited.

2.10. WHO SHOULD USE THE MANUAL

The Procurement Manual should be used by NRSP staff of the Procurement Dept.

2.11. USING THE MANUAL

This section describes the basis on which to use the procurement manual effectively.

1. Logo of the Organization

¹ New addition vide 80th board meeting dated 7th March, 2018
2.12. Key Controls Tables

i. Source of Procurement

<table>
<thead>
<tr>
<th>Sr.</th>
<th>From Rs.</th>
<th>To Rs.</th>
<th>Source</th>
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<td>i.</td>
<td>1</td>
<td>25,000</td>
<td>Open market</td>
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<tr>
<td>ii.</td>
<td>25,001</td>
<td>200,000</td>
<td>3 Quotations</td>
</tr>
<tr>
<td>iii.</td>
<td>200,001</td>
<td>2,000,000</td>
<td>RFQ/RFP from minimum 3 pre-qualified supplier</td>
</tr>
<tr>
<td>iv.</td>
<td>2,000,001</td>
<td>Any amount</td>
<td>Invitation to Bid/Request for Proposal</td>
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ii. Financial Authority Matrix

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<th>To Rs.</th>
<th>Approving authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>i.</td>
<td>1</td>
<td>25,000</td>
<td>HOD/RH</td>
</tr>
<tr>
<td>ii.</td>
<td>25,001</td>
<td>200,000</td>
<td>RH/GM</td>
</tr>
<tr>
<td>iii.</td>
<td>200,001</td>
<td>2,000,000</td>
<td>GM</td>
</tr>
<tr>
<td>iv.</td>
<td>2,000,001</td>
<td>Any amount</td>
<td>GM/CEO</td>
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iii. Procurement Control Matrix

<table>
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<th>Approving Responsibility</th>
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<td>CEO/GM</td>
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<td>In-charge Procurement</td>
<td>Head of Administration</td>
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2.13. Definitions

A "contract" is any agreement between two or more parties which creates an obligation to perform or refrain from performing some act. Acceptance of a purchase order constitutes a contract.

"Cancellation" occurs when either party ends a contract because of a breach caused by the other. The cancelling party retains any remedy for breach of the whole contract or any unperformed balance.

When one party violates the terms and conditions of a contract the other party has the right to cancel the contract. The entire contract may be rolled back, payments previously made may be refunded, and any remaining obligations are immediately declared null and void.

“Termination” occurs when either party ends a contract for any reason other than a breach. Any parts of a contract that already have been completed will be left alone, but obligations for the future, not yet performed, will cease.
3. OBJECTIVE AND STRUCTURE OF PROCUREMENT DEPARTMENT
3.1. Objectives of Procurement Department

This manual outlines detailed procedures and principles to be followed by employees of NRSP during execution of their duties. The manual also includes samples of every principal reporting format and provides detailed instructions for their completion and use. In this regard, Procurement Department shall work to achieve the following objectives:

- To help the organization better manage their services, facility supplies and resources;
- To help employees in their efforts to organize and monitor NRSP operations;
- To provide data to organizational staff and to donors for planning, monitoring and evaluation.
- To identify reports along with their periodical submission timelines to assist the management in decision making;
- To identify the responsibilities of procurement personnel in respect of respective reporting responsibilities;
- To ensure that procurement personnel discharge their responsibilities in accordance with the guidelines provided in this manual; and
- To ensure that proper delegation of duties and authorities facilitates personnel in performing their due roles effectively.

3.2. Procurement Department Responsibilities

The Procurement Department of NRSP supports the procurement function regarding projects and departmental needs. Specific responsibilities of Procurement Dept. include the following:

- The Procurement Dept. is responsible for procurement planning.
- The Procurement Dept. is responsible for procurement of all equipment and supplies required.
- To ensure that a requisition is raised in accordance with the approved procurement plan.
- To advertise the RFP/RFQ where applicable.
- To solicit a quotation from the pre-qualified supplier when applicable.
- To manage the overall procurement function.
3.3. PROCUREMENT DEPARTMENT STRUCTURE

The functional organogram of the Procurement Dept. in HO is presented below, reflecting the reporting lines of all related positions:

- Chief Executive Officer
- General Manager
- Head of Administration
- Incharge Procurement
- Assistant Procurement Officer/Internee
4. PROCUREMENT PRINCIPLES
4.1. **Basic Principles**

The procurement of NRSP is based on three basic principles:

- Best value for money;
- Fairness and transparency through open competition;
- Economy and effectiveness; and

*i. Best Value for Money*

Best value for money principle implies that therein exist a trade-off between price and performance that provides greatest overall benefit under a specified selection criterion. Application of the best value for money principle in the procurement process means selection of the offer which presents the optimum combination of factors such as appropriate quality; timely delivery of goods/services; life-cycle costs and other parameters that best meet defined needs.

The principle of best value for money is applied throughout the procurement process in order to attract the offer that most effectively meets the stated requirements of the end user. In order to obtain best value for money, one should:

- Maximize competition;
- Simplify the tendering process while minimizing financial risk factors for the organization;
- Carefully establish the evaluation criteria (in order to select the offer with the highest expectation to meet user needs, in accordance with the evaluation parameters set in the tender documents);
- Consider all costs (including those other than the direct ones; e.g. life cycle costs, maintenance costs, sustainable procurement considerations);
- To ensure impartial and comprehensive evaluation of offers in a timely manner; and
- To ensure selection of the contractor whose offer has the highest degree of realism and whose performance is expected to best meet specified requirements at the lowest possible cost to the organization.

*ii. Fairness and Transparency through Competition*

Competition is the basis of fairness and transparency in procurement. No restriction should be placed on suppliers participating in competition and standard policies and procedures should be consistently applied across all alternatives. In addition, Request for Proposal (RFP) and evaluation criteria should not be biased towards a particular supplier. To achieve the best value for money, the procurement process must guard against collusion and be conducted on a basis of clear and appropriate regulations, rules and procedures that are applied consistently to all potential suppliers. The manner in which the procurement process is carried out must give all internal and external stakeholders of the organization assurance that the process is fair.
iii. 

_Economy and Effectiveness_

Economy and effectiveness refers to the extent to which NRSP is successful in carrying out its procurement operations, ensuring the right quantity and quality at the right time and at the right price, and also the extent to which overall costs of conducting the procurement process is minimized in the interest NRSP.
5. ETHICAL STANDARDS IN PROCUREMENT
5.1. **Objective**

Upholding ethical standards protects the integrity, fairness, and transparency of the procurement process.

i. **Conflict of Interest**

NRSP shall seek to treat all suppliers in a fair and equitable manner in line with the principle of fairness, integrity, and transparency in the procurement process.

Nothing should prevent suppliers from competing for NRSP business on a fair, equitable, and transparent basis. Therefore, personnel involved in procurement activities are responsible for protecting the integrity of the procurement process and maintaining fairness in the treatment of all suppliers.

All NRSP personnel and others involved in the procurement process on behalf of the organization must ensure that they abide by the following standards of conduct:

- During the pre-solicitation phase, no one must allow suppliers access to specific, privileged information on a particular acquisition before such information is available to the business community at large;
- During the solicitation phase, all suppliers must receive identical information. Any clarifications to the solicitation documents must be provided at approximately the same time, in writing, to all suppliers;
- Specifications should be linked to function and to performance as much as possible. Conformance specifications must only be used when necessary. They must not include conditions limiting competition nor be unnecessarily restrictive, as this may discourage competition;
- Individuals having a personal or financial interest in a supplier responding to a solicitation are prohibited from any involvement in the procurement process;
- During evaluation, the evaluation criteria specified in the solicitation documents must be applied in the same manner for each offer. Under no circumstances shall new evaluation criteria not mentioned in the solicitation documents be introduced during the evaluation process.

A conflict of interest occurs when NRSP personnel’s private interests, such as outside professional relationships or personal financial assets, interfere or appear to interfere with the proper performance of his or her professional functions or obligations. Within the procurement environment, a conflict of interest may arise in connection with such private interests as personal investments and assets, political or other activities and affiliations while in the service of NRSP, employment after retirement from NRSP service or the receipt of a gift that may place NRSP personnel in a position of obligation. A conflict of interest also includes the use of NRSP assets, including human, financial and material assets, or the use of NRSP office or knowledge gained from official functions for private gain or to prejudice the position of someone NRSP personnel do not favor. A conflict of interest may also arise in situations where NRSP personnel are seen to benefit, directly or indirectly, or allow a third party, including family, friends or someone they favor, to benefit from NRSP personnel’s decisions.
If any NRSP personnel believe that he/she may have a conflict of interest, he/she shall promptly and fully disclose the conflict to the NRSP Ethics Officer/HR department and shall refrain from participating in any way in the matter to which the potential conflict relates, until the conflict has been resolved satisfactorily by the Ethics Officer/HR department. In some cases, it may be determined that, after full disclosure to those concerned, NRSP’s interests are best served by participation of the individual, despite the conflict.

ii. **Confidentiality**

Procurement related information is considered confidential. This includes any documentation or information that is part of the procurement process, which is not publicly available, and where any disclosure of the documentation or information could:

- Place the vendor or the organization at a disadvantage;
- Provide an unfair advantage to a vendor; or
- Adversely reflect upon the reputation and integrity of the organization.

Staff shall not allow any vendor access to information on a particular acquisition before such information is available to the business community at large. Staff should not disclose any proprietary or source information directly or indirectly to any person other than the person authorized to receive such information. Disclosure of procurement related confidential information should not occur as it may seriously jeopardize the competitiveness of procurement, the principle of fairness, and the credibility of NRSP.

iii. **Competition**

All bidders and suppliers shall be treated with fairness and impartiality to avoid any situation that might prevent the effective operation of fair competition.

iv. **Business Gifts**

No employee shall accept business gifts from current or potential suppliers of the Procurement Department unless such gifts are of an intrinsically low or no commercial value such as a calendar or business diary.

v. **Hospitality**

All employees shall refrain from accepting any hospitality from current and potential vendors that might be seen to influence decision making.

vi. **Reporting**

All employees have a duty to report any unethical conduct by a colleague, a bidder or a supplier to their superiors or to auditors. Examples of unethical conduct include:

- Revealing confidential or “insider information” either directly or indirectly to any bidder or prospective bidder;
- Discussing a procurement with any bidder or prospective bidder outside the ambit of official rules and procedures for conducting procurements;
Favoring or discriminating against any bidder or prospective bidder in the drafting of technical specifications, standards or evaluation of tenders;

Destroying, damaging, hiding, removing or improperly changing any official procurement document;

Accepting or requesting any money, travel, meals, entertainment, gifts, favours, discounts or anything of material value from bidders or prospective bidders;

Discussing or accepting future employment with a bidder or prospective bidder;

Ignoring evidence that the Code of Ethics has been violated by a member of the PC, Bid Opening Committee or any other employee or representative of the Procurement Department; and

Ignoring illegal or unethical activity by bidders or prospective bidders, including any offer of personal inducements or rewards.
6. PROCUREMENT TYPES
NRSP’s procurement can be categorized into following types:

6.1. **Competitive Procurements**

- Routine Procurement
  - Procurement of Goods
  - Procurement of Services
- Project Procurement
  - Normal Procurement
  - Emergency Procurement

6.2. **Non Competitive Procurement**

- Direct Contracting Procurement

6.3. **Significant Procurement Policies**

Unless otherwise specifically agreed with the donor, the following shall be NRSP’s Policy. The Procurement of Goods will be divided in the following categories:

- Petty Procurements up to PKR 25,000;
- Procurements up to PKR 200,000;
- Procurements up to PKR 2,000,000; and
- Procurement exceeding PKR 2,000,000.

6.4. **Approving Authority**

Approving Authorities regarding value of the items to be procured will be as:

<table>
<thead>
<tr>
<th>Estimated Amount</th>
<th>Approving Authorities</th>
</tr>
</thead>
<tbody>
<tr>
<td>up to PKR 25,000</td>
<td>Departmental Head /RH</td>
</tr>
<tr>
<td>PKR 25,000 to 200,000</td>
<td>RH/GM</td>
</tr>
<tr>
<td>PKR 200,000 to 2,000,000</td>
<td>GM</td>
</tr>
<tr>
<td>Above PKR 2,000,000</td>
<td>GM / CEO</td>
</tr>
</tbody>
</table>

Note: Every change in policy/practice will require the specific approval from BOD.
7. PROCUREMENT METHODS
7.1. **PETTY PURCHASES**

All procurements that are of a routine nature and cannot be accurately budgeted for or predicted due to their recurring nature, including nominally priced items, are classified as petty procurements. This type of procurement includes the purchase of consumables, office stationary, minor repairs and maintenance etc. In case of these procurements, it is time consuming and cost ineffective to follow normal procurement procedures. Such procurements shall be exempt from the requirements of bidding or soliciting price quotations.

7.2. **NATIONAL SHOPPING**

In this method, sealed or open quotes, depending on the value and set limits, are obtained through pre-qualified suppliers for specific items. The process involves obtaining quotations, approval of quotations from the competent authority, preparation of evaluation report, issuing of PO and Updating roster etc.

7.3. **NATIONAL COMPETITIVE BIDDING (NCB)**

In this method, bids are called by advertising NRSP's requirement in local newspapers and issuance of bid documents. It is sub categorized as below:-

- **Single Stage – One Envelope Procedure**

Bidding procedure in which each bid comprises of one single envelope containing the financial proposal and technical proposal (if any). All bids received are opened and evaluated in the manner prescribed in the bidding document.

- **Single Stage – Two Envelope Procedure**

This is a bidding procedure in which a bid comprises of a single package containing separate envelopes for ‘technical proposal’ and ‘financial proposal’. Initially only envelope marked as ‘technical proposal’ is opened while the ‘financial proposal’ is retained in the custody of NRSP without being opened. ‘Technical proposal’ is evaluated independently of price of the proposal. After evaluating the ‘technical proposal’, the ‘financial proposal’ of technically qualified bidders is opened at a pre-announced date, time and venue whereas financial proposals of technically unacceptable bids are returned to suppliers unopened. No change in the content of a technical proposal is allowed during the technical evaluation. The financial proposal found to be the lowest responsive evaluated bid shall be accepted.

Where the single stage two envelope procedures is used, PC evaluates the bid based on technical proposal only in of **Section titled “Short Listing and Selection”**. After this, financial proposals are opened for the successful technical proposals and financial proposals for unsuccessful technical proposals are returned to suppliers. Financial proposals for technically successful proposals are evaluated for the purpose of short listing and Evaluation Sheet/Report in Step 8. The remaining procedure is the same as that for single stage one envelope procedure.
Two Stage – Single Envelope Procedure

This is the bidding procedure in which, during the first stage, the bidder submits only the technical proposal without price information. The Technical proposal is evaluated and discussed with bidder. Based on evaluation and discussion, bidders are permitted to revise the technical bid, whereas NRSP can revise, modify, delete and add any technical requirement or evaluation criteria. During the second stage, bidders submit the revised technical proposal along with the financial proposal which is opened at a pre-announced date, time and venue. Technical proposal and financial proposal are then evaluated in accordance with the evaluation criteria.

Where the two stage single envelope procedures is used, PC evaluates the bid based on technical grounds in procedures of Section titled “Short Listing and Selection” and discusses the technical proposal with the supplier. After discussion, PC grants a period of at least 15 days to suppliers to revise the technical proposal and financial proposal. The receipt and recording of bids at stage two is governed by procedures in Section titled “Short Listing and Selection”. Procedures of Section named “Short Listing and Selection” are repeated for bids at the second stage. The remaining procedure is the same as single stage one envelope procedure.

Two Stage – Two Envelope Procedure

This bidding procedure comprises of a single package containing separate envelopes for ‘technical proposal’ and ‘financial proposal’ respectively. Initially only the envelope marked as ‘technical proposal’ is opened while the ‘financial proposal’ is retained in custody of NRSP unopened. The ‘Technical proposal’ is evaluated independently of price and discussed with the bidder. Based on the evaluation and subsequent discussion, bidders are permitted to revise the technical bid. At the second stage, bidders submit the revised technical proposal along with a supplementary financial proposal, which are opened together with the original technical proposal at a preannounced date, time and venue and evaluated according to evaluation criteria.

Where the two stages two envelope procedure is used, PC evaluates the bid based on the technical proposal only as per procedure of Section titled “Short Listing and Selection” and discusses the technical proposal with supplier. After discussion, PC grants a period of at least 15 days to the suppliers to revise the technical proposal and submit a supplementary financial proposal. The receipt and recording of bids at stage two is governed by procedure of Section titled “Short Listing and Selection”. Procedure of Section titled “Short Listing and Selection” are repeated for bids at the second stage. Remaining steps of the procedure are the same as those for single stage one envelope procedure.

7.4. INTERNATIONAL COMPETITIVE BIDDING (ICB)

Where ever effective competition is nonexistent due to a lack or absence of domestic capacity, efforts shall be made to attract international competition. The reason for conducting ICB is that it provides all eligible and qualified prospective bidders with adequate and timely notification of requirements, so as to give them equal access and fair opportunity to compete for contracts for goods and services required.
7.5. Limited International Bidding (LIB)

LIB is essentially ICB by direct invitation without open advertisement. It may be an appropriate method of procurement where (a) there are only a limited number of suppliers, or (b) other exceptional reasons may justify departure from full ICB procedures. Under LIB, Procurement Department shall seek bids from a list of potential suppliers broad enough to assure competition; such a list includes all suppliers when the number of the same is limited. Domestic preferences are not applicable in evaluation of bids under LIB. In all respects other than advertisement and preferences, ICB procedures shall apply.

7.6. Direct Contracting

Direct Contracting is defined as contracting directly with a single supplier when only one supplier is able to meet the requirements due to either technical, legal or monopolistic reasons.

7.7. Emergency Purchases

The existence of an emergency condition may create an immediate and serious need for service, construction or purchases that cannot be met through normal competitive procurement methods, and the lack which of would seriously threaten the function of the operations/project, the preservation or protection of property, or the health and safety of any person. An emergency shall only apply to an unexpected and pressing situation which requires swift and immediate procurement action apart from regular procurement procedures and is “essential to public life, health, welfare, safety or continuity of operation/project”.

Requesting departments shall limit the quantity to be purchased to that extent which is necessary to meet the emergency condition. The process involves obtaining quotations, approval of quotations from the competent authority, preparation of evaluation sheet/report, issuing of PO and Updating roster etc.
8. PROCUREMENT AND BID OPENING COMMITTEE
8.1. **Charter of Procurement Committee (PC)**

**i. Objective of PC**

The followings are the objectives of PC:

- Reviewing and appraising the adequacy and effectiveness of NRSP’s purchasing system and its internal controls.
- Planning future requirements to aid in the efficiency and effectiveness of NRSP’s purchasing function.
- Ensuring NRSP maintains full statutory compliance and achieves value for money.
- Appraising the relevance, reliability and integrity of purchasing data and reports.
- Assessing the adequacy of established policy and procedures.
- Arranging investigations into any matter or activity affecting the purchasing function of the NRSP.
- Protect staff by minimizing the opportunities for corruption and code of conduct breaches.

**ii. Composition of PC**

**Procurement Committee - Central Level**

The CEO/GM shall nominate members who constitute the PC, which has the mandate to run and supervise procurement operations in NRSP. The PC will consist of the following members:

- GM; (Chair)
- Head of F&A;
- Head of Administration;
- In-charge Proc.(Secretary)
- Relevant Project Coordinator/ Authorized Representative of the user Dept.; and
- Technical Expert within or outside NRSP, if required and appointed by GM/CEO

**Procurement Committee - Regional Level**

PC will constitute the following members:

- RH; (Chair)
- Regional Finance Head;
- Regional In-charge (Admin) (Secretary); and
- Project Supervisor/ Authorized Representative of the user Dept.

**iii. TOR of PC**

PC will be responsible for the following:

- Developing criteria for evaluation of options based on user requirements;
- Development of provisional contractual framework in consultation with legal advisor, where necessary;
- Preparation of RFQ/Bid and bidding documents;
- Ensuring that Request for Bid/Quotation is circulated in accordance with approved policy;
- Timely response to queries of the suppliers intending to submit quotation/bid;
- Appointment of Bid Opening Panel if separate from PC;
- Evaluation of the bids/quotations against established criteria and preparation of short list of suppliers;
- Validation of bids/quotations through benchmarking, walkthroughs, etc;
- Review of Evaluation Sheet/Report prepared by Procurement Incharge for short listed suppliers;
- Conducting negotiation with selected supplier if necessary;
- Bids/quotations evaluation report;
- Selection of the supplier for procurement of an item based on evaluation and as well as approval of competent authority;
- Preparation of contract in consultation with legal advisor for procurement, where necessary;
- Ensuring transparency and fairness in all its responsibilities; and
- Such other responsibilities as are assigned by the GM.

iv. Quorum

- The quorum necessary for business shall be 60% i.e. presence of chair, secretary and user department is mandatory.

v. Frequency of Meetings

- The Committee shall meet normally, as a minimum, on a quarterly basis and at such other times as the Chair of the Committee shall require.

vi. Agenda & Minutes of Meetings

- Agenda & minutes shall be circulated by the secretary to all members

8.2. CHARTER OF BID OPENING COMMITTEE (BOC)

i. Objective of BOC

The objective of the BOC is to ensure that all the bids received are opened in transparent and reliable manner and no favor is given to specific supplier.

ii. Composition of BOC

BOC- Central Level

Bid Opening Committee will constitute the following members:

- Finance Representative;
- In-charge Proc.; and
- Relevant Procurement Coordinator/ Authorized Representative of the User Dept.
BOC - Regional Level

Bid Opening Committee will constitute the following members:

- Finance Representative;
- Admin Representative; and
- Project Supervisor/Authorized person from user department

iii. TOR of BOC

The BOC will be responsible for:

- Supervision of the bid/tender opening in presence of bidders.
- Authenticate the bids by signing them in presence of bidders.
- To announce the bid details.

- Recording Minutes of meeting regarding bid opening committee process which include the following:
  - Date and Time of Opening
  - Procurement Case Name/RFQ/RFP number etc.
  - Number of Bids received
  - Names of the bidders
  - Total Prices
  - Names and Signatures of Bid Opening Committee members

- Preparing Bid/quotation opening report that include the following particulars:
  - Name of supplier
  - Total price of the bid/quotation (indicating whether it is inclusive of transportation charges)
  - Price of alternatives offered, if applicable.
  - Discounts, if any, proposed by supplier.
  - Comments on incomplete quotations/bids by Bid opening panel.
  - Date and time of opening
  - Name and signature of suppliers present, if any.
  - Name and signature of each member of bid opening panel.

NOTE: In case any member of above mentioned committees is unable to attend meetings of the designated committee, the head of committee may decide to pick another person who will participate in the committee(s) meeting instead of the absent member.
9. PROCUREMENT OVERVIEW
9.1. PROCUREMENT PROCESS

- For the effective and efficient implementation of procurement processes, advance procurement planning is an important factor.
- Procurement planning is generally done in the following four steps/phases:
  
  - Step One: Needs Assessment
  - Step Two: Pre-Procurement
  - Step Three: Procurement
  - Step Four: Post-Procurement

- This section of the document briefly explains the four steps, whereas detailed processes, actions and decisions to be taken will follow in subsequent sections.
- Each step in the procurement process defined above consists of several activities, which are briefly outlined in this chapter.

i. Need Assessment

a) Identification of Goods and Services

Needs with complete specifications of all goods and services to be procured are identified and included in the Annual Procurement Plan after obtaining necessary approvals from the designated authority.

b) Planning for Procurement

This step entails procurement planning in accordance with quantities approved by the designated authorities with respect to availability of funds.

c) Procurement Request

In this step, procurement related requests are generated in accordance with the approved Procurement Plan.

ii. Pre-Procurement

After receiving procurement requests, PC will initiate the pre-procurement procedures as outlined hereunder:

a) Invitation for Bids/Quotations

Keeping in view the nature of requirements and estimated costs, In-charge Proc. shall invite multiple bids/quotations.
b) **Evaluation Sheet/Report**

Upon receipt of quotations from vendors, PC will ensure the preparation of Evaluation Sheet/Report in accordance with the laid down evaluation criteria outlining particulars of each bids received for the purpose of analysis.

c) **Evaluation and Selection of Bids/Quotations**

PC will evaluate the bids/quotations in accordance with criteria and specifications laid down in bidding documents.

d) **Approval & Authorization**

Approval and authorization of procurements rests with the PC.

iii. **Procurement**

After the selection of a vendor, executing procurement is the third step of the Procurement Cycle. The activities of this phase are given below:

a) **Purchase Order**

After the approval of the PC, the PO on appropriate forms shall be prepared and finalized with the vendor. The PO will contain all relevant terms and conditions that are applicable to a particular procurement transaction.

b) **Distribution of Purchase Order**

Copies of the PO will be distributed to all concerned Depts. for maintenance of records and recording of transactions.

c) **Order Cancellation**

In-charge Proc. will notify the vendor regarding cancellation of order upon request of the relevant Departmental Head; however, all such cancellations will be subject to review by the PC.

iv. **Post-Procurement**

The last step of the procurement cycle is known as “Post Procurement” and consists of the following activities:

a) **Monitoring**

Subsequent to placing the order, In-charge Proc. is responsible for monitoring and follow-up of all pending orders up till delivery of goods at designated sites.

b) **Inspection**

Inspection of goods received will be carried out by designated Admin Dept staff.
c) **Acceptance/Rejection**

The goods which are as per specification and requirements will be accepted and entered in GRN.

d) **Tax Exemptions and Legal Formalities**

If NRSP, under certain circumstances, is exempt from certain Local/Provincial/Federal Taxes, the exemption certificates/documents will be provided to the Vendor/Contractor.

e) **Clearance of Bills**

On clearance of goods received and delivery of vendor’s invoice, F&A Dept. will process the request for payment according to the terms agreed upon in the PO under guidance of the F&A Manual.

f) **Vendor/Contractor Appraisals**

The PC is responsible for ensuring that agreements entered with respect to goods/services are executed. Complete supporting documents for vendors who do not perform must be filed for further reference & legal proceedings, if any.
9.2. Process Flow Chart of Procurement

Procurement Process Flow Chart

Requiring Department

Start → Obtain necessary approvals → Purchase Requisition

Assessment of PR for further processing

Material/ Goods purchased as per PR

Requisition

Obtain quotation from minimum 3 pre qualified suppliers

Obtain RFQ/ RFP from pre qualified suppliers

Between Rs. 200,000 to Rs. 2,000,000

Between Rs. 2,500,001 to Rs. 20,000,000

Below Rs. 2,500,000

Above Rs. 2,500,001

Material/ Goods purchased as per PR

Publication of invitation to Bid/ RFP in English/ Urdu newspaper

Procurement Department

Evaluation of Bids

Award of contract to successful bidder

PO issuance to successful vendor/ supplier

Comparative statement/ Evaluation Sheet

Vendor

Receives order

Dispatch Goods/

Receiving/ Admin Department

Reconciliation of goods received with PO goods with

Goods accepted from vendor after quality inspection

Goods Receipt Notice → End
10. ANNUAL PROCUREMENT PLANNING
10.1. **Objective**

For efficient, effective, and timely implementation of NRSP operations with respect to availability of funds, advance procurement planning is essential.

10.2. **Policies**

- A complete set of records shall be maintained with respect to all procurements.
- The most efficient and effective options will be explored and considered for procurement.
- Only the best suitable options will be accepted.
- Each Departmental Head/RGM is responsible for determination of procurement needs for the upcoming financial year based on NRSP’s Annual Plan/Budget.
- Head of Administration shall ensure preparation of a Consolidated Annual Procurement Plan as per Annual Business Plan/Budget and present it to the CEO/GM for approval.
- The Annual procurement Plan shall be communicated to the Incharge Procurement for its timely execution.

10.3. **Approving Authority**

The Consolidated procurement plan shall be approved by the CEO/GM.

10.4. **Procedures**

<table>
<thead>
<tr>
<th>S. no</th>
<th>Procedure For Annual Procurement Plan</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Every Departmental/Project Head will provide his procurement needs in respect of goods before commencement of a financial year on <strong>Purchase Requisition Form “Annexure P-01”</strong> to Head of Administration for consolidation in Annual Procurement Plan.</td>
<td>Departmental/Project Head</td>
</tr>
<tr>
<td>2.</td>
<td>Head of Administration will ensure that departmental procurement needs are in line with the overall NRSP’s business plan/Annual Budget.</td>
<td>Head of Administration</td>
</tr>
<tr>
<td>3.</td>
<td>Incharge Procurement will translate procurement needs of individual Depts. into a consolidated Annual Procurement Plan along with relevant time lines in association with Head of F&amp;A.</td>
<td>Incharge Procurement.</td>
</tr>
<tr>
<td>4.</td>
<td>This Annual Procurement Plan will be reviewed by CEO/GM to ensure consolidation of overall organizational plans and coverage of all functions.</td>
<td>CEO/GM</td>
</tr>
<tr>
<td>5.</td>
<td>The Consolidated Annual Procurement Plan will be circulated to the following individuals:</td>
<td>Head of Administration</td>
</tr>
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<td></td>
<td>- CEO;</td>
<td></td>
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<td></td>
<td>- GM;</td>
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<td></td>
<td>- RHs;</td>
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<td></td>
<td>- Head of F&amp;A;</td>
<td></td>
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<tr>
<td></td>
<td>- Head of Administration; and</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Incharge Procurement.</td>
<td></td>
</tr>
</tbody>
</table>
6. Fifteen days prior to commencement of each quarter, all Departmental Heads will communicate their procurement needs for the up-coming month to Incharge Procurement by using an Indent Request Form “Annexure P-02”.

<table>
<thead>
<tr>
<th>Revision in Approved Procurement Plan</th>
</tr>
</thead>
</table>

1. In case a procurement need is identified during a year on account of a new project/change in the need /operational plan, the same will be presented to the CEO/GM through Head of Administration for approval.

| Head of Administration |

### 10.5. Process Flow Chart of Annual Procurement Planning

Start → HODs/RGMs determine procurement needs → Procurement needs on Purchase Requisition Form → Assessment of Purchase Requisition Form by HOD Administration → Annual Procurement Plan by Incharge Procurement → Review of Annual Procurement Plan by CEO/GM → Circulation of Annual Procurement Plan → End
11. PETTY PURCHASES
11.1. **Policies**

- Petty purchases up to Rs. 25,000 shall be made from the market without issuing a purchase order.

11.2. **Procedures**

<table>
<thead>
<tr>
<th>S. no</th>
<th>Procedures</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Relevant staff of user departments will seek approval from the Departmental head.</td>
<td>User</td>
</tr>
<tr>
<td>2.</td>
<td>Departmental head will ensure that items required for operations are backed with sufficient justification.</td>
<td>Departmental Head</td>
</tr>
<tr>
<td>3.</td>
<td>After seeking approval, the requisition will be sent to respective In-charge Proc.</td>
<td>Departmental Head/User</td>
</tr>
<tr>
<td>4.</td>
<td>The respective In-charge Proc. will ensure procurement of items.</td>
<td>In-charge Proc.</td>
</tr>
</tbody>
</table>
12. GENERAL PROCUREMENT
12.1. **OBJECTIVE**

- To ensure that procurement complies with the principles of transparency, effectiveness, and efficiency through competition, where necessary.

12.2. **POLICIES**

**Expression of Interest (EOI)**

- In cases where requirements cannot be quantitatively and qualitatively expressed in terms of specifications at time of solicitation of quotations or bids, Request for Information may precede the request for quotations or bids. In these certain cases, the organization may have identified a need, but has no clear idea of what technical specifications shall be included in describing the desired product, a number of vendors shall be requested to send brochures or other materials describing the product(s) in question. Issuing an expression of interest (EOI) can be a useful first step towards obtaining goods in rapidly evolving fields such as communication technology.

**Request for Quotation (RFQ)**

- An RFQ is a tender document that describes requirements quantitatively and qualitatively and requests prices and commercial terms from vendors for goods and works that meet neutral specifications and are usually readily available in the market. Whereas an RFQ is only used for procurements below the NCB threshold, its evaluation follows the same principles as that of competitive bidding. The terms of the accepted offer shall be incorporated in a purchase order or a brief contract. Refer to “Annexure P-03” for letter of Request For Quotation.

**Pre-Qualification**

- Prior to floating tenders, invitation to proposals or offers in procurement proceedings, NRSP may engage in pre-qualification of bidders for goods, services, civil works, and turnkey projects to ensure the engagement of financially and technically capable firms in the case of procurement of costly and technically complex equipment. Such pre-qualification shall be based upon the ability of interested parties to perform that particular work satisfactorily. Therefore, while engaging in pre-qualification, the following factors may be taken into consideration:
  1. Relevant experience and past performance;
  2. Capabilities with respect to personnel and equipment
  3. Registration with Tax Departments (NTN and GST).
  4. Physical Presence
  5. Registration with any other government department; if required
  6. Financial position;
  7. Appropriate managerial capability.

This also ensures that invitations to bid are extended only to those who have adequate capabilities and resources. The Head of Admin shall approve the use of pre-qualification processes.
Bidding Documents

- Preparation of bidding documents is an essential step to assist bidders in providing their bid submissions. Bidding documents shall clearly and precisely state the work to be carried out, the location of the work, the goods to be supplied, the place of delivery or installation, the schedule for delivery or completion, minimum performance requirements, and warranty and maintenance requirements, as well as any other pertinent terms and conditions. In addition, the bidding documents, where appropriate, shall define the tests, standards, and methods that will be employed to judge conformity with specifications of equipment as delivered, or works as performed. Drawings shall be consistent with the text of specifications and an order of precedence between the two shall be specified.

- Invitations via advertising must clearly describe the requirements of the entity, accurately, and completely. Unnecessarily restrictive specifications or requirements that might unduly limit the number of bidders are prohibited. The invitation includes all related documents (whether attached or incorporated by reference) prospective bidders will need for the purpose of bidding.

- PO is Mandatory for all Purchases above Rs.25,000/-. (Rs. Twenty Five thousand).

- For Procurements ranging between Rs. 25,000 to Rs.200,000, quotations are received from at least three suppliers.

- For Procurements ranging Rs.200,000/- to Rs.2,000,000 (Rs. two million), an RFQ/RFP is issued to pre qualified suppliers and sealed quotations are received from at least three suppliers.

- Procurements exceeding Rs.2,000,000/- (Rs. Two million) will require publication of Invitation to Bid/Request for Proposal in at least two daily newspapers (one English, One Urdu) having nationwide circulation. In the result if only one bid is received, PC may approve the procurement on this single bid.

- Any deviation in National Shopping and National Competitive Bidding will be covered in the Section titled “Direct Contracting”.

- Single stage one envelope bidding procedure shall ordinarily be employed in the main open competitive bidding procedure used for most procurement.

- Single stage two envelope bidding procedure shall be used where the bids are to be evaluated on technical and financial grounds and price is to be taken into account after the technical evaluation.

- Two stage single envelope bidding procedure shall be adopted in large and complex contracts where technically unequal proposals are likely to be encountered or where the procuring agency is aware of its options in the market but, for a given set of performance requirements, there are two or more equally acceptable technical solutions available to the procuring agency.

- Two stage two envelope bidding method shall be used for procurement where various possibilities exist, such as for certain type of machinery or equipment.

- Main purpose of the pre-bid meeting is to allow potential bidders to ask questions and request clarifications. Attendance at the pre-bid meeting is typically not mandatory. However, pre-bid meeting minutes which might include amendments to bidding documents (either to clarify or modify based on feedback) are distributed to all bidders that purchased the bidding documents including those who could not attend the pre-bid meeting. All participants are required to register (i.e., provide their name, position, company and contact details) to enable NRSP to subsequently distribute pre-bid meeting minutes.
It is helpful to start the discussion at the pre-bid meeting with a brief introductory presentation outlining main features of the project and key elements of the bidding process and bidding requirements.

### 12.3. Procedures

<table>
<thead>
<tr>
<th>S. no</th>
<th>Procedures</th>
<th>Responsibility</th>
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</thead>
<tbody>
<tr>
<td>1.</td>
<td>If an RFQ/bid is to be issued, PC will act accordingly. However, at that time the GM will consider whether direct contracting is applicable. If this is the case, he/she will use the procedures applicable to direct contracting.</td>
<td>PC/Incharge Proc.</td>
</tr>
<tr>
<td>2.</td>
<td>Where the list of approved suppliers list have been maintained as under Section titled “Approved Supplier List” then Letter Of Request for Quotation/Application “P-04” may be forwarded directly to approved suppliers.</td>
<td>Incharge Proc.</td>
</tr>
<tr>
<td>3.</td>
<td>PC will use the requirements of the user to develop criteria against which options are evaluated. Such criteria include:</td>
<td>PC/Incharge Procurement</td>
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<td></td>
<td>- Minimum business requirements</td>
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<td></td>
<td>- Evaluation Criteria:</td>
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<td></td>
<td>- Least Cost Selection (LCS);</td>
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<td></td>
<td>- Quality Base Selection (QBS); and</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Quality and Cost Base selection (QCBS).</td>
<td></td>
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<tr>
<td></td>
<td>- Procedures for measuring degree of fit to functional, technical and performance objectives.</td>
<td></td>
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<tr>
<td></td>
<td>- Manner in which supplier’s representation will be validated, e.g. walkthroughs and demonstrations, benchmarks, site visits of existing customers, etc</td>
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<tr>
<td></td>
<td>- Required financial and technical strength of supplier</td>
<td></td>
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<tr>
<td></td>
<td>- Weighting system that will facilitate assessment of relative strengths and weaknesses.</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>In case of high value purchase items, and specifically in purchases of items that commit NRSP to a long term relationship with a supplier, PC will develop the provisional contractual framework under which the items will be procured so as to provide reference at the time of negotiation with the supplier.</td>
<td>PC/Incharge Procurement</td>
</tr>
<tr>
<td>5.</td>
<td>PC will prepare the RFQ/bid, which will specify at the minimum:</td>
<td>PC/Incharge Procurement</td>
</tr>
<tr>
<td></td>
<td>- Requirements of the user</td>
<td></td>
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<tr>
<td></td>
<td>- Contractual conditions</td>
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</tr>
<tr>
<td></td>
<td>- Format of quotations/bids</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Time, place and manner of submission of bids/quotation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Contact person in NRSP</td>
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</table>

In case of invitation to bid, bidding documents shall, at the minimum, include the following:
| PROCUREMENT MANUAL |

- Invitation to bid
- Instruction to bidders
- Form of bid
- Form of contract
- General or special condition of contract
- Specifications and drawings or performance criteria
- List of goods or bills of quantities
- Delivery time or completion schedule
- Qualification criteria
- Bid evaluation criteria
- Format of all securities required
- Details of standards if they are to be used in assessing the quality of goods, works or services performed
- Any other details inconsistent with these rules that the procuring agency may deem necessary.

6. PC will forward the RFQ/bid to Procurement Dept. for circulation.

7. Procurement Dept. will circulate the RFQ/Bid in accordance with the policy, taking into consideration value, significance, and complexity of item being purchased. In case of Request for bid, Procurement Dept. will provide a set of bidding documents on request and payment (if any).
13. SHORT LISTING AND SELECTION
13.1 **OBJECTIVE**

- To ensure transparency and fairness in the selection of a supplier that provides products and services that ensure value for money.

13.2 **POLICIES**

- All bids received shall be kept confidential and secure.
- If an invitation for bids/quotations is cancelled, bids shall be returned to bidders.
- When samples are submitted, they shall be handled with sufficient care to prevent disclosure of characteristics before bid opening.
- Envelopes marked as bids but not identifying the bidder or the solicitation may be opened solely for the purpose of identification.
- If a sealed bid/quotations is opened by mistake (e.g., because it is not marked as being a bid), the envelope shall be signed by the opener and immediately resealed. The position of the opener should also be mentioned on the envelope.
- Date of opening of bids/quotations will be same as last date for the submission of bids/quotations. However, bid/quotations opening shall not be performed earlier than 30 minutes after deadline. Standard procurement procedures call for public opening of bids i.e. presence of bidders or their representatives at the time of bid opening to ensure transparency.
- A record of all proposals/quotations received against solicitations should be maintained.
- All bid opening committee meetings must be recorded through Minutes.
- All original copies of bids, proposals and quotations must also be signed by bid opening committee members so that no falsification or alterations can be made.
- In case of quotations/bids in foreign currency, bids will be translated into Pak rupees using selling exchange rate on the date of opening of bids as announced by State Bank of Pakistan. The evaluation criteria/method will be mentioned in the RFQ and invitation to bid as the case may be.

13.3 **PROCEDURES**

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<th>S. no</th>
<th>Procedures</th>
<th>Responsibility</th>
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<tbody>
<tr>
<td>1.</td>
<td>Having distributed the RFQ/Bid, PC will ensure that any queries from suppliers intending to make quotation/bid are answered in a transparent and timely manner.</td>
<td>PC/ Incharge Procurement</td>
</tr>
<tr>
<td>2.</td>
<td>PC will accept only the Quotations/Bids that are delivered in the manner stipulated in Request for Quotations/Bids; and, in case of quotations/bids submitted by hand, ensure that quotations/bids are sealed.</td>
<td>PC/ Incharge Procurement</td>
</tr>
<tr>
<td>3.</td>
<td>PC will ensure that the individual delegated with the task of receiving Quotation/Bid documents, the following particulars are checked:</td>
<td>PC</td>
</tr>
<tr>
<td></td>
<td>- Name of supplier;</td>
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<tr>
<td></td>
<td>- Address of supplier;</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Date of receipt of quotation/bid;</td>
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<tr>
<td>4.</td>
<td>PC will schedule the date and time for opening of quotations/bids, and ensure that all quotations/bids are opened at the same time and in the presence of the Bid Opening Panel (if not mentioned in the RFQ/RFP). In case a request for bid has been issued, bids will be publicly opened in the presence of suppliers submitting the bid.</td>
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<tr>
<td></td>
<td>PC</td>
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<tr>
<td>5.</td>
<td>PC will evaluate each quotation/bid against the requirement of the user and against selection criteria (financial and technical) and prepare a short list of suppliers.</td>
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<tr>
<td></td>
<td>PC</td>
<td></td>
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</tbody>
</table>
| 6. | In case items being purchased are complex in nature, of very high value or otherwise, PC can consider it necessary to validate the response by:  
   - Walkthroughs and demonstrations  
   - Visiting existing customers of the supplier, referred by the supplier  
   - Benchmarking comparison  
   - Touring vendor facility  
   - Investigating financial stability of the vendor (necessary where the procurement commits NRSP to a long term relationship) |
|   | PC |
| 7. | Where administrative difficulties are encountered after bid opening that may delay award beyond bidders’ acceptance periods, the lowest bidders should be requested, before expiration of their bids, to extend in writing the bid acceptance period in order to avoid the need for re-soliciting. |
|   | Incharge Procurement |
| 8. | Based on the short list of suppliers and validation of the suppliers, PC will review Evaluation Sheet/Report “Annexure P-04” of quotations/bids, recommend the supplier and also notify bidders/suppliers promptly in writing when their proposals are excluded or otherwise eliminated from the competition. Where the supplier selected is other than one offering the lowest price, PC will indicate the reason for such selection. The Evaluation Sheet/Report will be signed by all members of the PC to stamp their approval for supplier selected. |
|   | Incharge Procurement |
| 9. | Designated personnel will record the reason on the Minutes for PC meeting for selection of a supplier. Arguments of dissenting committee members will also be recorded in minutes of the meeting. |
|   | In-charge Proc. |
| 10. | PC will conduct negotiations (if necessary) with selected suppliers to arrive at the final terms and conditions of the purchase and intimate result of evaluation to suppliers participating in the process. |
|   | PC |
| 11. | Where necessary, PC will direct Incharge Procurement to prepare the contract for the purchase of items along with other related services (e.g. maintenance), specifying the following: |
|   | PC/Incharge Procurement |
13.3a Awards Disclosure & Feedback to Unsuccessful Bidders

Before awarding any award or contract NRSP shall disclose it and inform unsuccessful bidders accordingly as per below guidelines:

- In all the awards above PKR 200,000 but less than PKR 2 million where sealed quotes are invited, unsuccessful bidders shall be informed in writing.
  - Minimum 3 days should be given to unsuccessful bidders to send their grievance or if they need any further information.
- In all the awards above PKR 2 million in National Competitive Bidding or International Competitive bidding or Limited International Competitive Bidding, unsuccessful bidders shall be informed in writing and awards shall be uploaded on the NRSP website.
  - Minimum 5 days should be given to unsuccessful bidders to send their grievance or if they need any further information.

13.4. Risk Assessment

While selecting a vendor for ordering, certain risks should be evaluated in order to avoid any regulatory action, financial loss, litigation and damage to reputation or ability to conduct NRSP affairs efficiently. Some general risks to be evaluated are given below:

i. Strategic Risk

Strategic risk is the risk arising from adverse business decisions, or the failure to implement appropriate business decisions in a manner that is consistent with NRSP’s strategic goals. The use of a Vendor to acquire goods or services that do not assist to achieve NRSP Strategic Goals exposes to strategic risk.

ii. Reputation Risk

Reputation risk is the risk arising from negative public opinion. Vendor relationships that are not consistent with NRSP’s policies, inappropriate recommendations, security breaches,
resulting in the disclosure of information, and violations of law and regulation are all examples that could harm the reputation and standing of in community. Also, any negative publicity involving the Vendor, whether or not the publicity is related to NRSP’s use of Vendor, could result in reputation risk.

iii. **Technological Risk**

Technological risk is the risk that the vendor will not be able to provide latest equipment or adequate support services to keep the equipment working properly.

iv. **Operation Risk**

Operation risk is the risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events. Vendor relationships often integrate the internal processes of other Organizations with and can increase the overall complexity.

v. **Transaction Risk**

Transaction risk is the risk arising from problems with service or product delivery. A Vendor’s failure to perform as expected by NRSP due to reasons such as inadequate capacity, technological failure, human error, or fraud, exposes NRSP to transaction risk.

The lack of an effective business continuation plan and appropriate contingency plan increase transaction risk. Weak control over technology used in the Vendor arrangement may result in threats to security and the integrity of systems and resources. These issues could result in unauthorized transactions or the inability to transact business as expected.

vi. **Compliance Risk**

Compliance risk is the risk arising from violations of laws, rules or from non-compliance with internal policies or procedures of NRSP. This risk exists when the product or activities of a Vendor are not consistent with governing laws, rules and regulations, Policies, or ethical Standards. Liability could potentially extend to NRSP when Vendor violates laws, rules and regulations or other required practices.

vii. **Other Risk**

The types of risk introduced by NRSP’s decision to use a Vendor cannot be fully assessed without a complete understanding of the resulting arrangement. Therefore, a comprehensive list of potential risks that could be associated with a Vendor relationship is not possible.

Once a supplier is selected, the appropriate Purchasing, Technical Assurance, and/or designated members of the PC Committee shall work with the vendor to facilitate the specific qualification requirements for materials, components, etc. Supplier selection shall be based upon the stated ability to meet design specifications, as well as successful completion of the requirements. Continued business shall be awarded to vendors based on their quality, on-time delivery, cost, technological expertise and customer service record as decided by the PC Committee.
14. ORDER PLACEMENT AND RECEIPT
14.1. **Objective**

- To ensure that goods are ordered, received and recorded in a timely manner.

14.2. **Policies**

- POs shall be made for procurements exceeding PKR 25,000/-. However, when the procurement amount exceeds PKR 2,000,000/- the contract must be prepared and signed along with the PO.
- PO shall be signed by the In-charge Procurement or the designated personnel by GM subject to the approval of the PC.
- All goods should be received at NRSP HO, RO or DO after necessary inspection and must be recorded on the GRN, which would certify that the ordered goods have been received by NRSP HO or RO, as the case may be, from the supplier.
- Inspections should be conducted by designated personnel of Admin Dept., offering full guarantees of competence, ethics and security.
- At the time of inspection, the designated personnel of Admin Dept. may seek support from any representative of the user Dept. or designated personnel of the program.
- Equipment of a technical nature should be inspected and, if possible, tested before acceptance and shipping.
- Food consignments are subject to inspection of quality and packaging, usually including a laboratory analysis to certify that the food is fit for human consumption.

14.3. **Procedures**

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<th>S. no</th>
<th>Procedures</th>
<th>Responsibility</th>
</tr>
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<tbody>
<tr>
<td>1.</td>
<td>Procurement Dept. will ensure that the <strong>Purchase Order Form “Annexure P - 05”</strong> is reviewed by Head of Administration, make necessary arrangements for signing of contract by authorized personnel, and where necessary, issuance of contract to the supplier selected by PC. One copy will be sent to Administration Dept. and one will be retained for the record. A contract is mandatory for all procurements exceeding PKR Two million in addition to the Purchase Order.</td>
<td>In-charge Proc.</td>
</tr>
<tr>
<td>2.</td>
<td>Procurement Dept. will follow up with the supplier for timely delivery of goods/services as per time frame and terms &amp; conditions set in the contract/PO.</td>
<td>Procurement Dept.</td>
</tr>
<tr>
<td>3</td>
<td>Upon receipt of items, designated staff from Admin Dept. will obtain delivery challan and invoice from the supplier and will physically verify that the specifications of items received coincide with those mentioned in the contract/PO in the presence of the supplier’s representative (where applicable).</td>
<td>Admin Dept.</td>
</tr>
<tr>
<td>4</td>
<td>In case Goods received are as per ordered specification, then Admin Dept. will prepare a <strong>Goods Receiving Note “Annexure P – 06”</strong> The items rejected (if any) would be returned to the supplier.</td>
<td>Admin Dept.</td>
</tr>
</tbody>
</table>
5. If items are found defective during inspection by the designated staff of Admin Dept., these will be returned and replaced. In case the supplier fails to provide satisfactory goods, procurement will be made under the same procedure from the supplier who cited the next lower price.

<table>
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<tr>
<th>Procurement Department</th>
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| 6. In the event of non-conformity with PO specifications, goods shall be returned to the supplier and the supplier should correct discrepancies and present the goods for re-inspection. Any such additional inspection is at the expense of the supplier. With respect to rejected goods, designated staff from Admin Dept. will mention them in the GRN and get approval from competent authority. |
| Admin Dept. |
15. PAYMENT TO VENDORS
15.1. OBJECTIVE

- To ensure that payments to suppliers are made on timely basis and within the prescribed time period, as mentioned in the PO/Contract.

15.2. POLICIES

- Unnecessary delays should be avoided in making payments to supplier as such delays are of nuisance value and engender a lack of motivation for future transactions. The Finance Department will release payment in accordance with goods receipt only.
- The payment shall be made within the time line as mentioned in the PO/Contract or as agreed between NRSP and supplier.
- The Finance Department may suspend payment to the designated supplier on recommendation of In-charge Proc., if he/she has a valid reason for it.

15.3. PROCEDURES

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<th>S. no</th>
<th>Procedures</th>
<th>Responsibility</th>
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<tbody>
<tr>
<td>1.</td>
<td>Procurement Department shall forward the supplier’s invoice and GRN with other supporting documents to Finance Department for processing the payments to supplier as per terms of contract/PO</td>
<td>Procurement Department</td>
</tr>
<tr>
<td>2.</td>
<td>Finance Dept. will make payment in accordance with the F&amp;A Manual.</td>
<td>Finance Dept.</td>
</tr>
</tbody>
</table>
16. APPROVED SUPPLIERS LIST
16.1. **OBJECTIVE**

- To expedite the procurement process while maintaining transparency and effectiveness.

16.2. **POLICIES**

- NRSP shall maintain an approved list of suppliers for different items in order to save costs associated with competitive purchase and ensure supplier reliability.
- Extend invitations to suppliers for selection shall be advertised in at least two daily newspapers (one Urdu and one English) having a wide circulation in the country.
- Procurement Dept. will maintain a permanent file for approved suppliers containing details of items offered and other documents, including registration certificates obtained from suppliers in their capacity as approved suppliers.
- The Approved Supplier list will be revalidated every two years. Addition of any new supplier during the time period of two years would be made with approval of PAEC.
- Selection of supplier as approved supplier will require approval of CEO/GM.
- The items for which NRSP maintains an approved supplier list, an RFQ may only be issued to approved suppliers.
- The items for which NRSP does not maintains an approved supplier list, RFQ may be issued to supplier other then the supplier list or may advertise the requirement.

16.3. **PROCEDURES**

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<th>S. no</th>
<th>Procedures</th>
<th>Responsibility</th>
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<tbody>
<tr>
<td>1.</td>
<td>Procurement Dept. will identify the item for which the list of approved suppliers is desirable based on frequency and value of purchase, need for reliable supplier and other relevant factors, and forward the proposal to Head of Administration for further approval from GM.</td>
<td>Procurement Department</td>
</tr>
<tr>
<td>2.</td>
<td>GM will review the Proposal and approve to initiate the process of Prequalification</td>
<td>GM</td>
</tr>
</tbody>
</table>
| 3.    | Procurement Dept. will prepare criteria for evaluation of supplier based on items, including at the minimum:  
  - Sales tax and income tax registration, and in case of exemption, exemption certificate.  
  - Product Quality Assurance certifications  
  - Long term financial stability  
  - Other reputiable corporate customers  
  - Duration of experience in industry  
  - Size of the organization and implication for maximum quantity that can ordered  
  - Government Contract executed  
  - Black listing by any corporate organization, government or any donor of NRSP  
  - Pending litigations against supplier and impact of such litigations | In-charge Proc. |
Sample criteria for evaluation have been enclosed as **Supplier Registration Form “Annexure P – 7”**.

### 4. Procurement Dept. will prepare application to be submitted by participating suppliers. Such documents, at the minimum, specify the following:

- Format of application;
- Instruction to applicants;
- Criteria for evaluation of applicants;
- Items for which suppliers are being selected/SOW; and
- Procedure for selection of suppliers.

The format of application included in documents should, at the minimum, require the following information:

- Name and legal status of supplier along with address and contact person;
- Sales tax and income tax registration status;
- Length of experience in industry;
- Membership of relevant professional organization;
- Other corporate customers, including government contracts that supplier has;
- Blacklisting as supplier by any organization;
- Audited accounts for last completed year;
- Pending litigations and their nature;
- Any history of non-compliance for any contract;
- Current major commitments with other customers, if they affect supply to NRSP;
- Qualification and experience of senior personnel who will be engaged in services to NRSP;
- Quality Assurance certifications; and
- Supporting documents, where necessary to support information included in the application.

### 5. Procurement Dept. will prepare an advertisement inviting suppliers to participate in the selection process, including, at the minimum, the following particulars:

- Background and legal status of NRSP;
- Nature of items for which suppliers will be selected/SOW;
- Procedure and cost of obtaining documents and application for participation;
- Last date for submission of application; and
- Contact address and contact person in NRSP.

### 6. Head of Administration will approve the advertisement for circulation in accordance with policy.

### 7. CEO/GM will discuss the approved suppliers recommended by the PAEC and grant final approval, amending it as considered necessary.

### 8. Procurement Dept. will enter the name of approved suppliers in the **Approved Supplier List “Annexure P – 8”**.
16.4. CHARTER OF PAEC

i. Objectives of Committee

The objective of the PAEC is to select most appropriate, reliable and competent supplier for NRSP in the most transparent manner.

ii. Composition of PAEC

The GM will constitute PAEC. The committee will consist of the following members:

- Head of Administration.
- In-charge Procurement.
- One representative from Finance Department.
- And representatives, not below the rank of SPO, from Depts. who are likely to use the items mostly supplied by suppliers.

iii. TOR of PAEC

The TOR of PAEC are followings:

- PAEC will ensure that applications received till final day of submission are received in accordance with prescribed policy for receipt of bid, applications are opened only after expiry of deadline for submission and in the presence of at least three members of PAEC.
- PAEC will evaluate applications submitted by suppliers against established evaluation criteria thereby eliminating suppliers who do not meet minimum requirements. Financial evaluation will be performed by a representative of the Finance Dept.
- PAEC will forward details of pending litigations against suppliers, legal status of the suppliers, Sales Tax and Income Tax and similar matters to the legal advisor for his advice and evaluation. Similarly, financial evaluation of suppliers shall be forwarded to Head of F&A for his review and approval.
- Based on evaluation of suppliers, PAEC will recommend the supplier for inclusion in the approved supplier list and forward it to GM for his approval.

16.5. REMOVAL OF SUPPLIER FROM APPROVED SUPPLIER LIST

- Any department may initiate the request for removal of supplier from approved supplier list. Mentioning the reason the request shall be approved by Head of Department requesting. The request shall be sent to PAEC.
- Other than request from any department the PAEC shall review the Approved Supplier List once a year.
- The PAEC shall remove supplier from the Approved Supplier List on the basis of following reasons:
  - Inability or unwillingness of the supplier to fulfill the requirements documented on the Supplier Screening Form.
  - Changes become necessary in the business relationship on behalf of the company or the supplier that cannot be agreed upon.
- Purchase of the product or service is no longer necessary.
- Supplier has discontinued its business operations.
- Supplier is in violation of any regulatory requirement
- Supplier is banned by any donor agency due to any reason
- Supplier could not fulfill its contractual obligations with NRSP.
- Any other reason PAEC deem appropriate to remove supplier from Approved Supplier List.
17. PROCUREMENT AT REGIONAL LEVEL
17.1. **Objective**

- To meet project needs in a timely manner by authorizing regional heads to procure items valued within a certain limit.

17.2. **Policies**

- Regional Heads are authorized to procure office supplies, stationery etc required for running operations. Procurement of material under projects shall be done in the line with project requirements e.g. some projects involve more than one region; in this eventuality central procurement is cost effective and conducive to smooth operations.
- RHs are authorized for procurements valued up to Rs 200,000/- however the items procured must be part of the approved Project. GM's prior approval is required, if procurement exceeds Rs. 200,000.
- Where items are not part of the Approved Annual Procurement Plan, procedures for amendment in procurement plan must be followed.
- General conditions regarding procurement valued up to Rs. 200,000/- will be applicable to this procurement.
- CEO/GM may specifically waive any condition including relaxation in upper limit up to a certain amount, applicable in case of disaster/emergency/or the project is of regional level for which the procurement is being made.

17.3. **Procedures**

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<th>Procedures</th>
<th>Responsibility</th>
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<tbody>
<tr>
<td>1.</td>
<td>Requisition of an amount up to PKR 15,000 will be procured directly from the market by Regional In-charge (Admin).</td>
<td>Regional In-charge (Admin)</td>
</tr>
<tr>
<td>2.</td>
<td>Regional In-charge (Admin) shall ensure that relevant PS/Departmental head have approved the requisition.</td>
<td>Regional In-charge (Admin)</td>
</tr>
<tr>
<td>3.</td>
<td>If a requisition for an amount greater than PKR 15,000 is raised, an RFQ will be issued to appropriate suppliers by Regional In-charge (Admin).</td>
<td>PC at designated region level</td>
</tr>
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</table>
| 4.    | PC at designated region level will prepare the RFQ/bid. RFQ specifies at the minimum the following:  
  - Requirements of the user;  
  - Contractual conditions;  
  - Format of quotations/bids;  
  - Selection criteria;  
  - Time, place and manner of submission of bids/quotation; and  
  - Contact person in the designated region. | PC at designated region level |
| 5.    | Regional In-charge (Admin) will prepare a Evaluation Sheet/Report for all quotations received. | Regional In-charge (Admin) |
| 6.    | PC at the designated region will review the Evaluation Sheet/Report. Factors to consider are the following:  
  - Price quoted; | PC at designated region level |
- Suppliers' previous record and performance;
- Ability of the supplier to render satisfactory service; and
- Other factors keeping in view of designated project/ Dept. need.

7. Designated staff will record the reason on the minutes of the meeting of PC at designated region regarding selection of a supplier. Arguments of dissenting committee members will also be recorded in the minutes. **Regional In-charge (Admin)**

8. All members will sign the minutes. Relevant RH will give final approval on recommendation of the PC at the designated region. **RH**

9. Regional In-charge (Admin) will prepare PO which will be counter signed by the relevant RH. **Regional In-charge (Admin)**

10. Regional In-charge (Admin) will circularize the PO as follows;
- Original copy will be send to the supplier.
- A copy will be send to the Admin Dept. at the Designated Region. **Regional In-charge (Admin)**

11. At the time of receipt of items to be procured at the designated region, Regional In-charge (Admin) will ensure arrangements for inspection of the goods. **Regional In-charge (Admin)**

12. During inspection he may get support from designated personnel of project or any representative from the user Dept. **Regional In-charge (Admin)**

13. Regional In-charge (Admin) will ensure that goods are as per specifications. In case goods are not as per required specification they will be returned and replaced. **Regional In-charge (Admin)**

14. In case the supplier fails to provide satisfactory goods, procurement will be made under the same procedure from the supplier with the next lowest bid. **PC at designated region level**

15. If goods are as per required specification, then Regional In-charge (Admin) will prepare a GRN. **Regional In-charge (Admin)**

16. Regional In-charge (Admin) will forward the GRN along with the supplier invoice to F & A Dept. (Designated Region Level) for payment accordingly. **Regional In-charge (Admin)**
18. PROCUREMENT OF SERVICES
 Procurement of services is generally categorized under the procurement function of an organization; however, keeping in view its significance, it has been presented as a separate policy framework.

18.1. Policies

- Procurement of services will be carried out by the PC in accordance with the selection criteria provided in this document.
- All terms and conditions pertaining to services will be clearly mentioned in the agreement entered into between NRSP and the service provider.
- The Service Provider will be bound to deliver services as per the agreed terms and conditions, which shall be monitored by the PC on a continual basis.
- The Service provider may include organizations or individuals having requisite areas of expertise and skill development.

18.2. Procedures

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<tr>
<th>S. no</th>
<th>Activity Planning</th>
<th>Responsibility</th>
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</thead>
<tbody>
<tr>
<td>1.</td>
<td>The relevant Departmental head/ RH will identify his departmental/projects needs in respect of particular services and provide it to Head of Administration for inclusion in the Procurement Plan.</td>
<td>Departmental head/ RH</td>
</tr>
<tr>
<td>2.</td>
<td>Head of Administration will ensure that departmental procurement needs are in line with NRSP’s overall business plan/Annual Budget.</td>
<td>Head of Administration</td>
</tr>
<tr>
<td>3.</td>
<td>In-charge Proc. will translate the procurement needs of individual Depts. into a consolidated Procurement Plan along with relevant time lines in association with Head of F&amp;A.</td>
<td>In-charge Proc.</td>
</tr>
<tr>
<td>4.</td>
<td>This Annual Procurement Plan will be reviewed by the GM to ensure that the consolidated overall organizational plan covers all functions.</td>
<td>GM</td>
</tr>
<tr>
<td>5.</td>
<td>The CEO will approve procurement needs identified by different Depts. according to the Annual Procurement Plan and budget availability.</td>
<td>CEO</td>
</tr>
</tbody>
</table>

Procurement of Services

1. Those activities that require the assistance of specialized service providers will be sorted and TORs will be prepared by the concerned Departmental Head/ RH or any other person designated by PC.

2. Procurement and selection of a service provider will be done in the following steps:

- Preparation of SOW / TOR including evaluation/selection criteria;
- Preparation of budget/cost estimates in respect of services;
- Communication of EOI;
- Short listing of service providers;
- Issuance of RFP;
- Evaluation of proposals; and
- Negotiations and Award of Contract.

Each of the abovementioned steps are further elaborated as follows:

### Preparation of Scope of Work (SOW) / Terms of Reference (TOR) including evaluation/selection criteria

1. The Dept. or Region requiring services of an external service provider will draft a basic SOW / TOR for presentation to the PC. Relevant Dept. or Region

2. PC will review the SOW / TOR and appoint any person from within or outside NRSP having relevant expertise to finalize the SOW / TOR. PC

3. SOW / TOR will contain at least the following information:
   - Background information of NRSP;
   - Project description;
   - Purpose of services to be hired;
   - Scope of services;
   - Tentative timelines;
   - Expected deliverables;
   - Obligations of the parties;
   - Reporting requirements;
   - General terms and conditions of contract and any specific requirements; and
   - Evaluation Criteria. PC

4. Proposals may be evaluated using the following considerations

<table>
<thead>
<tr>
<th>Criteria Item</th>
<th>Scoring in Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specific experience of the Service Provider</td>
<td>25</td>
</tr>
<tr>
<td>Adequacy and appropriateness of proposed work plan and methodology</td>
<td>25</td>
</tr>
<tr>
<td>Qualification and competence of proposed key staff</td>
<td>20</td>
</tr>
<tr>
<td>Proposed Cost (If cost is to be included in the selection criteria).</td>
<td>30</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Criteria Item</th>
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<tbody>
<tr>
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<td>25</td>
</tr>
<tr>
<td>Qualification and competence of proposed key staff</td>
<td>25</td>
</tr>
</tbody>
</table>
Proposed Cost (If cost is to be included in the selection criteria).

(Above mentioned criteria’s are subject to revision on the basis of project requirements and specifications. The basis of evaluation will be either 80% technical & 20% financial or 70% technical & 30% financial depending upon the requirements and specification and shall be approved by PC)

### Determination of Budget/Cost Estimates for the Services

1. Keeping in view the degree of urgency, magnitude of SOW/TOR, estimated time and availability of funds relating to the proposed service activity, a realistic budget may be prepared by the F&A Dept. and presented before the PC to seek approval. Following categories of costs may be considered by F&A Dept. while preparing the budget:
   - Proportionate allocation of salaries and benefits of staff to be assigned to the project;
   - Estimated fee (Service related fees, e.g., licensing, consulting fees, etc.);
   - Proportionate overhead costs such as logistical and other organizational costs;
   - Reimbursable expenses over and above the agreed upon fee, like traveling, boarding and lodging expenses; and Contingencies, if any.

### Communication of Expression of Interest (EOI)

1. An EOI may be advertised in a daily newspaper by the In-charge Proc. subject to review by Head of Administration or circulated to well-known service providers in a particular field, per thresholds of the procurement.

2. EOI may contain the following information:
   - Brief description of Project/Organization including its functions.
   - Purpose and intention of the EOI.
   - Brief description of services to be hired.
   - Details of pre-qualification criteria including:
     - Specific experience of the Service provider;
     - Audited financials for the last three years, if relevant;
     - Management capability including staff strength and geographical presence; and
     - Registration with relevant authorities, if any.
   - Date, time, address for the submission of EOI.
   - Time frame for pre-qualification of EOI and issuance of RFP.
In case of necessity of site visits, identification of mechanism in respect of available facilities.

Any other pertinent information, which may help the interested firms submit a responsive application for pre-qualification

A statement demonstrating reservation of any rights such as acceptance/rejection of the applications.

Note: RFP can be called directly by passing the EOI to speed up the process

### Short Listing of Firms

1. A committee of at least 3 representatives of concerned department will evaluate EOIs in light of published evaluation criteria and present names of shortlisted service providers along with respective particulars to the PC.

<table>
<thead>
<tr>
<th>Concerned Department</th>
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<tbody>
<tr>
<td>In charge procurement will prepare the financial evaluation of the offers and final score (Technical &amp; Financial) and present to the PC.</td>
</tr>
<tr>
<td>Incharge Procurement</td>
</tr>
</tbody>
</table>

2. PC shall review and approve the shortlisted service providers for onward processing.

   | PC |

### Request for Proposal

1. Bidding documents shall, at minimum, include the following:

   - Invitation to bid;
   - Instruction to bidders;
   - Form of bid;
   - Form of contract;
   - General or special condition of contract;
   - Performance criteria;
   - Delivery time or completion schedule;
   - Qualification criteria;
   - Bid evaluation criteria;
   - Format of all securities required;
   - Details of standards if they are to be used in assessing the quality of services performed; and
   - Two types of proposals, Technical and Cost proposals will be required for submission in separately sealed envelopes, should be mentioned in the bidding document.
   - Any other details not inconsistent with these rules that the Procurement Dept. may deem necessary.

   | PC |

2. PC will forward the RFP to Procurement Dept. to issue it to shortlisted service providers. An RFP containing SOW/TOR will be issued to "shortlisted" service providers to enable them to submit their proposals.

   | Procurement Dept. |
3. A pre-bid conference may be arranged to facilitate service providers in understanding the SOW/TOR and responding to any queries that they may have. | Admin dept.

4. All proposals once submitted will be considered final and no subsequent alteration will be allowed. | PC

**Evaluation of Proposals**

1. Having distributed the RFP, PC will ensure that any queries raised by vendors intending to bid are answered in a transparent and timely manner. | PC

2. Bid opening committee will accept only the bids that are delivered in the manner stipulated as per RFP and in case of bids submitted by hand, ensure that bids are sealed. | Bid Opening committee

3. Bid opening committee will ensure that the individual delegated with the task of receiving Bid documents will check for the following particulars:
   - Name of vendor;
   - Address of vendor;
   - Date of receipt of bid;
   - Name and signature of the person delivering bid; and
   - Name and signature of the personnel receiving bid. | Bid Opening committee

4. PC will appoint the time for opening of bids, and ensure that all bids are opened at the same time and in the presence of the Bid Opening Committee. In case an RFP has been issued, bids will be publicly opened in the presence of vendors who submitted bids. | PC

5. Minutes regarding Bid Opening Committee meetings should record the following:
   - Date and Time of Opening;
   - Procurement Case Name RFP number etc;
   - Number of Bids received;
   - Names of the bidders;
   - ; and
   - Names and Signatures of Opening Committee members. | Bid Opening Committee

6. Bid/quotational opening report should be prepared that include the following particulars:
   - Name of vendor;
   - Total price of the bid;
   - Price of alternatives offered, if applicable;
   - Discounts, if any, proposed by vendor;
   - Comments on incomplete bids by Bid Opening Committee;
   - Date and time of opening;
   - Name and signature of vendors present, if any; and
   - Name and signature of each member of Bid Opening Committee. | Bid Opening Committee
7. For the evaluation of received proposals, one of the following two methods may be used by the PC. The RFP shall indicate which method is to be used for selection.

**Quality and Cost Based Evaluation.**

Under this method, in addition to technical score, a certain weight is given to cost. The applications are first evaluated for quality without making any reference to cost. The calculated cost score is then added to the technical score thereby generating an aggregate score which is used to determine final ranking.

**Evaluation of Quality**

Each technical application shall be evaluated on the basis of its responsiveness to the SOW/TOR.

- If an application does not get the minimum score mentioned in the RFP it would be rejected at this stage.
- A detailed evaluation report describing relative strengths and weaknesses of each proposal shall be prepared by the PC.
- All records relating to the evaluation, like individual score sheets, rough notes etc, shall be retained for audit purposes.
- The entire process of technical evaluation shall be kept confidential.
- The PC, after completing the evaluation of all technical applications, shall prepare a negotiation memorandum which shall state the:
  - Evaluation criteria;
  - Ranking of applications according to evaluation criteria;
  - List of all participating service providers;
  - List of all proposal declared/considered acceptable in the order of ranking;
  - Detailed discussion on merits and weaknesses of each proposal;
  - Weaknesses of proposals not considered acceptable; and
  - Conclusion/reasons for selection of a service provider.

8. Where administrative difficulties are encountered after bid opening which may delay award beyond bidders’ acceptance periods, lowest bidders should be requested before expiration of their bids to extend, in writing, the bid acceptance period in order to avoid re-solicitation.

9. Further to the Technical Evaluation, Incharge procurement will prepare the Financial Evaluation and then the final score sheet, PC will review all the three sheets i.e Technical Evaluation, Financial Evaluation and Final Evaluation sheets of vendors prepared by procurement Incharge and recommend a service provider.

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provider. Where the vendor selected is other than one offering the lowest price, PC will indicate the reason for such a selection. The Evaluation Sheet/Report will be signed by all members of the PC to stamp their approval for the supplier selected.

10. Designated Staff will record the reason on the Minutes for PC meeting for selection of a vendor. Arguments of dissenting committee members will also be recorded in the minutes

11. PC will conduct negotiations (if necessary) with selected vendors to arrive at the final terms and conditions of purchase and intimate result of evaluation to vendors participating in the process.

Note: For the purpose of procedural guidelines regarding selection of bids, the user is referred to Section titled “short listing and selection”.

Award of Contract

1. The selected service provider will be invited to sign the contract containing such terms as per procedures laid down in the applicable section(s) of this manual.

Debriefing to Unsuccessful Firms

1. In case an unsuccessful applicant requests a debriefing on its unsuccessful bid, NRSP will inform such an applicant as per defined policy.

18.3. Revision Of TOR’s

i. Need for Revision

The TOR may need to be revised in following circumstances before the submission closing date:

- Previously issued TOR’s are not adequate or completely address the nature of services to be procured.
- There is some addition in scope of work.

ii. Approval of Revision

- The revision of the TOR’s shall be approved by PC and Head of User Department. The user department will be the department requiring services.

iii. Communication of Revision

- The previously issued TOR shall be immediately replaced from website of NRSP with revised TOR’s after approval. And if the medium of communication is not website than whichever is the medium, the revised TOR’s shall be issued immediately after approval on the same medium through which previous TOR’s were issued.
- The changes made shall be specifically highlighted.
19. DIRECT CONTRACTING
19.1. **Objective**

- To simplify and expedite the procurement process where competitive procurement conflict with basic principles of efficiency and effectiveness and also, the urgency of the situation.

19.2. **Policies**

- Direct contracting is only used when one of the following conditions is satisfied:
  
  - Procurement relates to the acquisition of spare parts or supplementary services from the original manufacturer or supplier and those spare parts and supplementary services are not available from alternative sources;
  - Only one manufacturer or supplier exists for the required procurement;
  - Where material supplied by other supplier have different technical specifications or characteristics and would be technically incompatible for maintenance purposes;
  - The procurement is a repeat order for an amount not exceeding fifteen per cent of the original procurement;
  - For reasons of extreme urgency, emergency or events unforeseen by the organization, the time limits specified for open and limited bidding methods cannot be met. Circumstances invoked to justify extreme urgency must not be attributable to the organization; **Note:** “Emergency” means natural calamities, disasters, accidents, war and operational emergencies which may give rise to an abnormal situation that requires prompt and immediate action to limit or avoid damage to person, property or the environment.
  - When the price of goods and services is fixed by the government or any other authority, agency or body duly authorized by the Government on its behalf;
  - Purchase of motor vehicle/motor cycles from local original manufacturers or authorized agents of a manufacturer at manufacturer’s price;
  - Procurement relates to an item that was purchased within the year preceding the date, a procurement process was initiated using appropriate competition and market price of the item that has not been subject to major adjustments; and
  - Any other situation in which the competent authority believes that cost of competitive purchase exceeds the benefit of competitive price expected to be obtained, as such approves to resort to Direct Contracting.

- Specific approval of CEO/General Manager will be required for purchase through direct contracting. However, in case of items regularly procured in the normal course of business, CEO/GM may approve any procurement of such an item for a period of up to one year.
### 19.3. Procedures

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<thead>
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<th>Procedures</th>
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</table>
| 1.    | Procurement Dept. will analyze the requirements of the user in accordance with applicable procedures and consider whether direct contracting is applicable and the grounds on which it is applicable.  
       | In case where direct contracting is applicable, he/she will give reference of grounds on which he/she considers that direct contracting is applicable and give his approval for direct contracting and forward the proposal for direct contracting to CEO/GM. |
| 2.    | In accordance with applicable procedure and approval limits, Procurement Dept. will obtain the approval for the purchase of items.                                                                    |
| 3.    | CEO/GM will review the proposal and, having satisfied himself that direct contracting is applicable in circumstances, grant approval of the purchase through direct contracting. |
| 4.    | Procurement Dept. will enter into negotiation for procurement with selected supplier, depending on grounds on which approval is obtained.                                                             |
| 5.    | Once negotiations have been finalized, Procurement Dept. will seek approval of the PC.                                                                                                                     |
| 6.    | After getting approval from PC, place an order by sending a PO and follow other procedures that are applicable to procurement.                                                                               |

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<tr>
<th>Responsibility</th>
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<tbody>
<tr>
<td>Procurement Dept.</td>
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<tr>
<td>CEO/GM</td>
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<td>Procurement Dept.</td>
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20. PROCEDURES FOR ADDRESSING GRIEVANCE
20.1. OBJECTIVE

- To ensure that any grievance of raised by a bidder is resolved in a transparent and expedient manner.

20.2. CHARTER OF PROCUREMENT GRIEVANCE COMMITTEE (PGC)

i. Objective of PGC

The objective of the PGC is to ensure that complaints and disputes are settled in an effective and reliable manner according to the policy of NRSP.

ii. Composition of PGC

There PGC will consist of

- A senior management personnel nominated by GM
- Administrative Officer
- A representative from Finance Dept.
- A representative from User Dept.

The both representatives (Finance and User Dept.) are not otherwise involved in the procurement process, appointed by GM to address grievances and complaints of bidders that may occur prior to the entry of force of the procurement contract.

iii. TOR of PGC

- The PGC shall investigate and settle cases of disputes or other complaints and submit the report to GM.

20.3. COMPLAINT PROCEDURE

Any bidder feeling aggrieved by any act of NRSP after submission of his bid may lodge a written complaint concerning his grievances to the Procurement Grievance Committee not later than fifteen days after announcement or intimation of results of the bidding process. However, mere fact of lodging a complaint shall not warrant suspension of the procurement process. The complaint must be a written objection by the aggrieved party to any of the following:

- A solicitation or other request by an agency regarding offers for a contract for the procurement of property or services.
- The cancellation of a solicitation or another request.
- An award or proposed award of a contract.
- A termination or cancellation of award of a contract if the written objection contains an allegation that the termination or cancellation is based wholly or in part on improprieties concerning award of contract.
- Interpretation of terms of the contract
- Delay in delivery/completion of works
- Delay in release of payment
Independent laboratory test results
- Design/specification issues
- Condition of items after delivery or consignment release

20.4. Resolution of Complaints

- The committee shall investigate and decide upon the complaint within fifteen days of receipt of complaint.

20.5. Resolution of Disputes- Conciliation

One method to resolve disputes would be to appoint a mutually agreed upon (by both parties) conciliator. Conciliation, a form of alternative dispute resolution, is an approach that is utilized when two disputing parties agree to the use of a conciliator who meets each party individually to resolve their differences. The conciliator passes no legally binding judgment or award as in arbitration, nor does he guide parties as to what to do to optimize both parties’ needs as in mediation.

20.6. Resolution of Disputes- Arbitration

Any dispute arising during the execution of any procurement contract or in connection to it, could also be settled by reference to arbitration by a sole arbitrator appointed by mutual consent of both parties or if the parties cannot agree on the appointment of a sole arbitrator, to the arbitration of two arbitrators, one to be appointed by each party and in case of disagreement between them to the arbitration of an Umpire who shall be appointed by the said two arbitrators before entering on the reference. The venue of arbitration shall be at Islamabad and shall be held in all respects in accordance with the Arbitration Act 1940 and any statutory modification or re-enactment thereof.

20.7. Litigation

In order to deal with the cases being registered by suppliers in the court of law, NRSP will be represented in court by legal consultants/ advisors, having sufficient experience of handling similar cases. Appointment of all such legal consultants would be made with prior written approval of CEO of NRSP.
21. DOCUMENT RETENTION
21.1. **Objective**

- To maintain accountability of procurements made for NRSP.

21.2. **Document Retention Policy for Procurement**

NRSP Procurement department at head office and regional offices shall retain the following documents relating to procurement in the shape of scanned copy which will be accessible to procurement staff as the original is submitted to finance for payment purpose due to tax and financial requirements.

- Brief description of the goods procured or of the procurement need for which the Procurement Dept. requested a proposal or offer;
- The names and addresses of suppliers or contractors that submitted bids, proposals offers or quotations and name and address of supplier or contractor with whom the procurement contract is entered into and the contract price;
- The names and address of suppliers or contractor who were pre-qualified or selected and invited to submit bids or technical proposals;
- Information related to the qualifications or disqualifications of suppliers or contractors who have submitted bids, proposals, offers or quotations;
- The price or the basis for determining the price and a summary of other terms and conditions of each bid, proposal, offer or quotation and procurement contract stipulated by the procuring agency;
- Evaluation report for the proposals received;
- In case of rejection of bids, its complete record;
- In case of any other method of procurement, except by open competitive bidding which does not culminate in a procurement contract, a statement to that effect and the reasons thereof; and
- A summary of any requests for clarification of pre-qualification or solicitation documents, the response thereto, as well as a summary of any modification to those documents.

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3 Revised vide 80th board meeting dated 7th March, 2018
22. CANCELLATION / TERMINATION GUIDELINE
The purpose of this section is to provide guiding principles and sample framework for managing the cancellation/termination of contracts.

22.1. **AUTHORITY**

CEO/GM

22.2. **SCOPE**

- To establish guidelines to be used in determining when a contract may be ended before its scheduled time
- To establish a procedure to follow in cancellation or termination of a contract

22.3. **TYPES OF CANCELLATIONS**

- **Cancelling For Cause/Breach Of Contract**

  An actual breach occurs because of the failure of one of the parties to perform at the time and in the manner required by the terms and conditions of the contract.

- **Cancelling For An Anticipated Breach**

  A situation may arise where there has not as yet been a failure of performance. However, there is strong reason to believe that one of the parties to the contract will not be fulfilling their obligations. The burden of proof is upon the party potentially being harmed who must show convincing evidence of the anticipated breach and good reasons as to why they must go elsewhere to seek performance or take some other course of action. If any damages are involved, usually they are limited to the costs of the contract incurred to date, when alternate procurement is necessary.

Examples of the type of violations that may cause a breach of contract include, but are not limited to:

- Non delivery or late delivery of a product or service.
- NOTE: Caution must be exercised because if the failure to deliver or late delivery was caused by factors beyond the contractor's control (e.g., labor strike, fire, floods, act of God, etc.), the contractor is usually protected. Also, if there is a history of acceptance of late deliveries, the buyer's right to cancel may be challenged.
- Failure to supply a product or service meeting agreed upon specification or quantities.
- Improper invoicing or imposition of terms different from those agreed upon.
- Seller unable to maintain or to provide parts and repair services, or to honor warranty on equipment or products sold.
- Unwillingness of seller to submit an acceptable affirmative action plan.
- Disclosure of collusion or price-fixing involving the successful bidder after the contract has been awarded.
- Violation of state statutes (e.g., failure to supply information concerning hazardous materials or substances).
22.4. **Liquidated Damages**

When it is difficult to determine exact reimbursement costs in advance, liquidated damages may be used as a method to assess damage incurred due to failure to perform. It is an effort by both parties to agree on a reasonable estimate of otherwise hard-to-determine damages at the inception of the contract in the event that performance is not forthcoming. Liquidated damages are not a penalty. They must be outlined in detail in the bid, contract or other written agreement.

22.5. **Procedures For Cancellation Of Contracts**

Since a great deal of time and effort has been invested in a contract, usually it is in the best interests of all parties to work together to resolve differences.

- When a problem arises, the Procurement Dept. should immediately notify the contractor. If verbal communication is made, written confirmation should always follow.
- All costs should be evaluated; if it is determined that the contract cannot be salvaged, or that it is more cost effective to bring it to a conclusion, cancellation proceedings should be initiated. It is a good precautionary procedure to incorporate cancellation procedures into the special conditions at the time bids are solicited. Depending upon the type of product or service under contract, and its relative importance to the operations, conditions may vary. When writing the bid, the language used to define cancellation in the bid document should be considered. Products such as food, hospital and medical supplies, heating fuels, etc., are so necessary and vital to human needs that a single violation may be cause for immediate cancellation and subsequent search for a new source. Sample language to include may be: “late delivery of required medical supplies by more than 24 hours shall result in immediate cancellation of this contract.” Or, in the instance where insurance is vital the language may read: “lack of insurance by the bus company shall result in immediate cancellation of this contract.” Other products or services that merely cause inconvenience to the organization if not delivered in a timely manner may allow for more leniency and one, two, or even three warnings may be allowed before cancellation proceedings begin. If any procedures were written into the original contract, they should be followed closely.
- If a definite time period for notification is not explained in the original contract, specific circumstances usually will dictate the time interval to be used. In most situations, 30 days notice should be the minimum period allowed. The exception to this rule is the example of a seller making a late delivery of a purchase order where time is an important element of the contract. Unless it is desirable to extend the delivery date, the order should be cancelled immediately and placed elsewhere. In those situations where new bids will have to be solicited, but where it is impossible to do without a product or service in the interim period, a weak or even a bad contract may be the better alternative than none. In this instance, 60 or even 90 days notice may be required to keep the old contract in place while a new one is being developed.
- Documentation of all events is the most important aspect of good contract administration. If verbal warnings are issued, they always should be confirmed in writing as soon as possible. A
complete historical record is the best policy to minimize NRSP's liability and support evidence in damage claims.

- All bids should include elements that will result in cancellation should they occur. Each bid must be customized to reflect the appropriate criteria.

### 22.6. TERMINATING A CONTRACT

The grounds for termination of a contract will depend on the terms and conditions of the individual contract. The following notes provide guidance on typical grounds for termination of a contract, but it is essential that the Procurement Dept. should be guided by the contract document itself:

- **Termination for convenience**: Most contracts include a condition which enables NRSP to terminate the contract for its own convenience, without any default by the supplier. Where NRSP terminates for its own convenience, it must make payment for all goods and services satisfactorily completed prior to termination and any other expenses incurred by the supplier.

- **Termination for default**: The contracts must include a condition which enables NRSP to terminate the contract where the supplier has failed to perform its obligations under the contract or to comply with an agreement reached through arbitration or any other dispute resolution mechanism. The contract will often specify a procedure by which the Procurement Dept. must formally notify the supplier of the default and give them time to correct the default before actually terminating the contract. Where NRSP terminates because of the supplier defaulting, it is normally permitted to procure the goods and services from another source and charge the original supplier for any additional costs incurred.

- **Termination for corrupt practices**: Most contracts include a condition which enables NRSP to terminate the contract, where the supplier has engaged in corrupt or fraudulent practices in competing for or implementing the contract. As with termination for default, it is normally permitted to procure the goods and services from another source and charge the original supplier for any additional costs incurred.

- **Termination for insolvency**: Most contracts include a condition which enables the procuring agency to terminate the contract, where the supplier has become bankrupt or insolvent. In such cases, there is normally no compensation due from the supplier.

- **Termination for force majeure**: Most contracts include a condition which enables NRSP to terminate the contract, where the supplier has been unable to perform the contract for a specified period of time, due to an event of force majeure. In such cases, NRSP must normally make payment for all goods, works or services satisfactorily completed prior to termination and any other expenses incurred by the supplier.

NRSP should note that a contract will also give the supplier grounds for termination, which normally include failure by NRSP to make payments which are overdue by a specified period of time, force majeure or failure of NRSP to comply with an agreement reached through arbitration or any other dispute resolution mechanism.

### 22.7. PROCEDURES FOR TERMINATION OF CONTRACTS

- **Verification**
Upon receipt of a written report of acts or causes which may constitute ground(s) for termination as aforementioned, or upon its own initiative, the Procurement Dept. shall, within a period of seven (7) calendar days as maximum, verify the existence of such ground(s) and execute a Verified Report subject to review by Head of Administration, with all relevant evidence attached.

- **Notice to Terminate**

Upon recommendation by the Admin Dept., the CEO/GM shall terminate contracts only by a written notice to the Supplier/Contractor conveying the termination of the contract. The notice shall state:

- that the contract is being terminated for any of the ground(s) afore-mentioned, and a statement of acts that constitute the ground(s) constituting the same;
- the extent of termination, whether in whole or in part;
- an instruction to the Supplier/Contractor/Consultant to show cause as to why the contract should not be terminated; and
- Special instructions of NRSP, if any.

The Notice to Terminate shall be accompanied by a copy of the Verified Report.

- **Show Cause**

Within a period of seven (7) calendar days from receipt of the Notice of Termination, the Supplier shall submit to NRSP a verified position paper stating why the contract should not be terminated.

If the Supplier fails to show cause after lapse of the seven (7) day period, either by inaction or by default, the CEO/GM shall issue an order terminating the contract.

- **Rescission of Notice of Termination**

The CEO/GM may withdraw notice at any time before receipt of the Supplier’s verified position paper to withdraw the Notice to terminate if it is determined that certain items or works mentioned in the notice had been completed, delivered, or performed before Supplier’s receipt of the notice.

- **Decision**

Within a non-extendible period of ten (10) calendar days from receipt of verified position paper, the CEO/GM shall decide whether or not to terminate the contract. CEO/GM shall serve a written notice to the Supplier of its decision and, unless otherwise provided, the Contract is deemed terminated from the time of receipt of the notice. The termination shall only be based on the ground(s) stated in the Notice to Terminate.
▪ **Procurement Committee**

PC may assist in discharge of their duties under these Guidelines. All decisions recommended by the PC shall be subject to the approval of the CEO/GM.

▪ **NRSPs Options in Termination for Convenience in Contracts for Goods**

The goods that have been performed or are ready for delivery within the stipulated timeline in the procurement contract after the Supplier’s receipt of Notice to terminate may be accepted by NRSP at the contract terms and prices. For goods not yet performed or ready for delivery, NRSP may elect:

- To have any portion delivered or performed and paid at contract terms and prices; and/or
- To cancel the remainder and pay to the Supplier an agreed upon amount for partially completed or performed goods and for materials and parts previously procured by the Supplier.

If the supplier suffers loss in its initial performance of the terminated contract, such as purchase of raw materials for goods specially manufactured for NRSP which cannot be sold in open market, it may be allowed to recover partially from the contract, on a quantum meruit basis. Before recovery may be made, the fact of loss must be established under oath by the Supplier to the satisfaction of NRSP.

**Quantum Meruit:** In the law of contracts, a doctrine by which the law infers a promise to pay a reasonable amount for labor and materials furnished, even in the absence of a specific legally enforceable agreement between the parties.

▪ **Notice by Contractor/Consultant**

The Contractor/Consultant must serve a written notice to NRSP of its intention to terminate the contract within the stipulated time as mentioned in the termination clause of the contract before its intended termination. The Contract is deemed terminated if it is not resumed within the stipulated time after receipt of such a notice by NRSP.
23. OUTSOURCING / SUBCONTRACTING GUIDELINE
23.1. PURPOSE

The purpose of this section is to provide guidelines for identifying, justifying, and implementing outsourcing / subcontracting arrangements with respect to NRSP operations. Decisions to outsource material business activities should be approved or endorsed by the Board.

The outsourcing / subcontracting arrangements must be performed in the most effective and efficient manner, where NRSP finds it advantageous to outsource / subcontract (use outside contractors for) certain functions.

Senior management is required to ensure that internal audit mechanisms exist to monitor and measure compliance with this policy. The procedural details relating to procurement of outsourcing/subcontracting services may be viewed in the ‘Procurement of Services’ Section of this Procurement Manual.

23.2. ROLE OF BOD

The BOD shall be responsible for:

- Approving all outsourcing arrangements of material business activities, such as security services outsourcing;
- Reviewing and approving risk management policies with respect to outsourcing, including ensuring that an appropriate exit strategy is in place;
- Regularly reviewing compliance with the outsourcing policy; and
- Regularly reviewing reports on outsourcing arrangements and being informed on the performance of the contractor.

23.3. ROLE OF PC

The PC shall be responsible for:

- Developing a risk management framework in respect of outsourcing arrangements in light of BOD guidelines.
- Carrying out the due diligence process, evaluating and selecting potential service providers.
- Establishing and implementing an oversight process that ensures that outsourcing arrangements and outsourcing of material business activities in particular, are reported to the Board prior to implementation.
- Ensuring that, for each outsourcing arrangement, there is a formal evaluation of the service provider, that a contract with appropriate Service Level Agreements (SLAs) is in place, and that confidentiality provisions and security needs are adequately addressed.
- Ensuring that appropriate reporting is in place to enable effective management and control of outsourcing arrangements and to identify potential problems at an early stage.
- Considering whether to establish an Outsourcing Team, consisting of individuals from both business areas proposing the outsourcing arrangement and the Procurement Dept., who have the skills necessary to assess risks involved in outsourcing. This consideration may also include specialists (external experts) in the relevant risk areas as part of the proposed outsourcing team.
- Ensuring that the Outsourcing Team follows approved outsourcing policies, evaluates outsourcing options and makes recommendations to the PC and the Board.
• Preparing a detailed business case, indicating potential costs, benefits and risks associated with the proposed outsourcing arrangement by the outsourcing team.
• Recommending a due diligence process prior to final decision making to determine whether or not to outsource a material business activity. The due diligence process should, at minimum, assess financial ability, technical ability and capacity of the service provider to deliver required services particularly, under situations of stress,
• Ensuring all material outsourcing arrangements must be undertaken using a written, legally binding agreement. The agreement must document all components of the outsourcing arrangement between the parties. NRSP should obtain legal advice in assessing the contract.

23.4. **Requisites Clauses of Outsourcing / Service Level Agreements**

NRSP should add the following provisions in the outsourcing agreement (including but not limited to):

• The agreement should be for a specified period and contain both start and completion dates. There should also be a clause allowing for periodic review of the agreement within the term of the contract and renegotiation if appropriate. The contract should specify the content, frequency and format of the service being provided. It should state timelines for receipt and delivery of work, including specifying priorities. It should contain performance benchmarks, including default benchmarks which, if not met, would result in penalties being applied or, in the extreme, termination of the agreement. The agreed service levels should be specified in the Service Level Agreements;
• The contract should specifically cover any subcontracting or outsourcing by the service provider, including any specific rules or limitations to such arrangements (for example notification to NRSP prior to entering into a subcontracting arrangement). In particular, the same standards that apply to the service provider in respect to security and confidentiality of information, off-shoring, compliance with relevant legislation and regulations and NRSP access to information should apply to subcontractors or outsourcing arrangements by the primary service provider;
• The contract should clearly set the procedures in place to allow NRSP to effectively monitor the performance of the service provider. This would include the extent to which NRSP's internal or external auditors can obtain sufficient information (including on-site inspections or the appointment of an external party) to satisfy the adequacy of risk management systems;
• Consideration should also be given to contract provisions requiring an annual review of the service provider’s internal control systems by an independent expert;
• The contract should include clauses enabling NRSP to access documentation related to the outsourcing arrangement, and to conduct on-site visits to the service provider. This should include arrangements for NRSP to meet directly with the service provider, and for the service provider to cooperate with NRSP’s requests for information and assistance;
• The contract must ensure that acceptable service levels are maintained in the event that problems occur with the service provider. The contract should also ensure that this requirement applies to any sub-contracting or outsourcing by the service provider;
• With respect to default arrangements, the contract should clearly specify what constitutes a default event, identify how these are to be rectified and specify any indemnity provisions;
• The circumstances that would lead to a termination of the outsourcing arrangement should be clearly specified in the contract. It should set out possible reasons for terminating the arrangement and procedures to be followed in the event of termination, including notice
periods, the rights and responsibilities of the respective parties and transition arrangements. The latter would address access to and ownership of documents, records, software and hardware. Termination clauses should also specify the time period over which business activity continues to be undertaken by the service provider and its role in transitional arrangements should the activity be brought back in-house within NRSP or outsourced to another service provider;

- The contract should set out explicit pricing arrangements, covering issues such as frequency of payment, invoicing and payment procedures;
- Formal dispute resolution mechanisms should be incorporated into the contract. These mechanisms would define procedures for managing disputes. They would enable continued operation of the outsourced activity while specific issues are being dealt with including conciliation and arbitration arrangements; and
- The contract should specify the extent of liability in respect of each party and, in particular, whether liability for negligence is limited. It should specify any indemnities and provide details of any insurance arrangements.

23.5. **Other Considerations**

- The contract should include specific provisions for outsourcing to service providers conducting the outsourced activities outside Pakistan.
- Specify in the contracts under which particular jurisdiction contractual disputes will be resolved. The due diligence process should include an examination of relevant overseas legislation and regulations by a suitably qualified expert to ensure that contractual provisions are recognized by the overseas jurisdiction and are able to be enforced in the chosen jurisdiction.
- Ensure that contractual provisions in relation to data are of the same standard as those required of a domestic service provider and in accordance with relevant donor requirements and Pakistan’s legislation and regulations. Contracts should also ensure that all information forwarded to the service provider by NRSP (as well as any information forwarded by the service provider to third parties in the course of providing that service, such as to a back-up disaster recovery provider) remains the property of NRSP.
- Any agreement with a service provider should not restrict access to information by NRSP or external auditors, independent third parties or representatives of NRSP for the purposes of confirming the performance of the risk management systems. Legal due diligence undertaken prior to the execution of the contract should also ensure that there are no legal impediments to NRSP's access to information and/or relevant persons employed by NRSP or service provider for the purposes of examining the organization in relation to the regulation of NRSP's activities.

23.6. **Monitoring and Evaluation of the Outsourcing/Subcontracting**

- Monitoring process could involve the use of internal (or, where considered relevant or more appropriate, external) audit to ensure compliance with outsourcing policies and procedures. The audit function can be used to:
  - Ensure compliance with risk management policies and procedures;
  - Ensure appropriate internal controls are in place; and
  - Ensure that reporting is adequate, accurate and timely.
NRSP should ensure that records held by the service provider are adequate for audit trail purposes. Records should be maintained by NRSP which will include (but not be limited to):

- A copy of the contractual agreement;
- A copy of the due diligence assessment, if any; and
- Copies of financial statements, reports and any other information NRSP considers critical to the ongoing monitoring and control of the outsourcing arrangement with the service provider.

23.7 Procedure, Guidelines and Methodologies for Overseeing, Assessing and Review the Procurement Procedures of NRSP’s Beneficiary Institutions:

NRSP’s beneficiary institutions include (Category-1) local NGOs/provincial/regional RSPs engaged as sub grantees or contractors (Category-2) Community Institutions as a partner with NRSP ie COs, VOIS, LSOs, special committees/forums, established under the CO, VO, LSO or as a partner of CO, VO and LSO.

For each beneficiary institution under category-1 NRSP shall specify the required policies and procedures for procurement of good and services depending on the nature of project and/or funding volume. The broad guidelines are as under:

The grantee shall procure goods and/or services while adhering to its established procurement policies and procedures and the guidelines provided by NRSP’s Grant Management Unit. The grantee shall ensure that procurement is in line with nationally and internationally accepted procurement standards. The following principles should govern the procurement of goods and/or services:

- Buying in accordance with organization’s documented and approved procurement policies;
- Buying quality materials, items and services economically from reliable sources;
- Ensuring timely delivery through the selection of capable and efficient suppliers;
- Identifying the most reliable sources of supply through either open tender, multi-stage tendering and limited tendering;
- Estimating, positioning and monitoring appropriate levels of stocks based on estimated needs, operational policy of the grantee organization, objectives and priorities of NRSP’s Grant Management Unit, estimated time for replenishment and availability of funds; and
- Procuring goods and/or services in line with the specifications and principles approved by the relevant/associated donors (if applicable).

In case the Grantee’s Procurement Policy does not cover procurement of specific goods and/or services or the procurement procedures are in clash with NRSP’s procurement requirements, the procurement requirements of NRSP shall prevail. The Grantee shall seek additional guidance from NRSP on case by case basis.

The Grantee shall follow below given generally acceptable procurement thresholds to decide the procurement process:

<table>
<thead>
<tr>
<th>Type of Procurement</th>
<th>Timeline</th>
<th>Limits/Thresholds – PKR</th>
</tr>
</thead>
</table>

* New addition vide 80th board meeting dated 7th March, 2018
Petty Cash Purchases | Not Applicable | 1 – 9,999
--- | --- | ---
Single Open Quotation | Provision of 3 days for submission of Quotation | 10,000 – 14,999
Minimum Three Quotations | Provision of 7 days for submission of Quotation | 15,000 – 99,999
Minimum Three Sealed Quotations | Provision of 7 days for submission of Quotation | 100,000 – 999,999
Tendering * | Provision of 15 days for opening tenders | 1,000,000 and above

* NRSP shall observe the procurement process and shall undertake pre-audit of the selected vendors/firms on case to case basis.

Single source procurement is not a preferred option and it should be avoided to the extent possible. However, in exceptional circumstances and on case by case basis where direct procurement is the only available option, NRSP shall consider the direct procurement requests of the grantee organization(s). The direct procurement, if any, should be made only after the prior approval of NRSP.

A. Procurement through Quotations

A.1. Procurement Request
- Procurement committee to decide the procurement of goods and/or services as the case may be
- Use specified format (to be initiated by requester)
- Providing detail specification of goods/services to be procured

A.2. Approval from relevant authority
- Approval to be acquired from competent authority (by GM, CEO or BOD)

A.3. Market Survey
- The procurement committee should visit the potential markets to assess the availability of potential vendors for the above procurement.

A.4. Request for Quotations (RFQ)
- RFQ will be issued (in writing) to all the potential suppliers as per the specification of procurement.

A.5. Receipts of Quotations
- Ask suppliers to provide Quotations through mail/email on office address.
- Should be a sealed quotation as per the threshold
- The quotation must cover specification of goods or terms of services

A.6. Comparative Statement
- After receipt of quotations, Procurement Committee will review the quotes and see if all the details are provided along with price.
- Prepare a comparative statement
- The procurement committee will review and sign all the quotations and will recommend the best quotes for the approval.
- In case of any vagueness in specification or delivery, clarification can be made from supplier.
A.7. Purchase Order (PO)

- After the finalization of supplier, Procurement officer will issue PO on standard format covering reference of quotation, specification, quantity and delivery date and place.

A.8. Delivery Challan & Invoice

- Upon receipt of items, inventory officer/logistic officer will obtain delivery challan and invoice from the supplier and will physically check the specification of items received with that of PO in presence of supplier’s representative.
- If items are defective or not according to the specification and/or agreed upon quality standards, the goods will be returned to supplier for replacement.
- In case, the short-listed supplier fails to provide goods of required specifications and quality, the short-listed supplier will be rejected through a written notification.
- The organization will consider the supplier citing next lower price.

A.9. Goods Receipt Note (GRN)

- Upon receipt of goods, Goods Receipt Note will be prepared on pre-numbered specified format with at least 2-carbon copies. (one copy each for store, finance section & admin record.)

A.10. Payment to the Vendor

- Upon completion of delivery, the original invoice along with goods request note, approval, quotation, comparative statement, purchase order, delivery challan and Goods Receipt Note will be forwarded to Finance department for payment.
- Finance department will scrutinize the whole documents, and if found satisfactory will release the payment through cross cheque after deducting the withholding tax as per tax rate applicable.

A.11. Payment Acknowledgement by the Vendor

- Proper acknowledgment of the payment made to the vendor will be made and placed in the records.

B. Procurement through Tender

In case of heavy procurement which calls for tendering, the following steps will be required before issuing the purchase order:

B.1. Advertisement in local newspaper

- Through newspaper advertisement, the tender should contain details of specification(s), applicable terms/conditions, process of application and information about tender opening etc.

B.2. List of applicant vendor

- Procurement officer will prepare a list of all the competitors.

B.3. Bid opening ceremony

- Bid opening ceremony will be held on the date provided in the advertisement. (Organization shall ensure documentary evidences such as pictures of the bid opening ceremony, minutes etc.)

B.4. Meeting of Procurement Committee

- Procurement committee will meet after the bid opening to evaluate the bids.
• Bid evaluation summary will be prepared and the most suitable vendor will be selected for the procurement with the consensus of the procurement committee members.

B.5. Agreement with Vendor
• The vendor will be selected on the recommendation of Procurement committee and the organization shall enter into an agreement with vendor which should cover all possible details and term & conditions.

B.6. Issuance of Purchase Order
• Purchase order will be issued to the selected vendor on specified format on the letterhead of the Grantee organization

Rest of the procurement steps would be identical to that of procurement through quotations (as cited above).

For the beneficiary institution under Category-2 following procurement procedure shall be applicable:

• A committee comprising the designated three office bearers of the institution shall be responsible for ordering and receiving good and services on behalf of the institution. Depending on the nature of the project/donor requirements an NSRP representative can be included in the purchase committee as an observer.
• The community institutions are generally engaged for the purchase of agriculture products, livestock and stock used in petty businesses; hence the committee shall do a market survey and get at least 3 quotations to procure goods at most competitive price in a transparent manner.
• In case the community institution is engaged as a sub-recipient/sub-grantee under a formal contract and not under TOP, the procedure described in (a) shall be applicable
• In order to increase women’s participation in procurement, the COs/VOs/LSOs shall be encouraged to nominate at least one women for the purchase committee

Organizational Resources
For each sub-contract/sub-grant NRSP requires dedicated resources for procurement services as part of the grant budget. Example given, Procurement Officer etc. For the community institutions as a partner NRSP requires a specific purchase committee within the institution to manage the procurement function. NRSP also imparts training to the office bearers of the community institutions. At NRSP level where any project requires purchases of goods and services by sub-contractors/ grantees and community institutions; NRSP provides adequate paid staff at district/tehsil/cluster levels depending on the volume of procurement to implement the procurement plans efficiently in a transparent manner.

Oversight Function
Depending on the volume of the procurement by the sub-grantee/contractors/community institutions, NRSP's Head of Procurement issues specific and relevant guidelines to manage and monitor the procurement to ensure transparency and cost effectiveness.

24. ANNEXURES
<table>
<thead>
<tr>
<th>Document title</th>
<th>Annexure Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Purchase Requisition Form</td>
<td>P-01</td>
</tr>
<tr>
<td>2. Indent Request Form</td>
<td>P-02</td>
</tr>
<tr>
<td>3. Letter Of Request for Quotation</td>
<td>P-03</td>
</tr>
<tr>
<td>4. Evaluation Sheet</td>
<td>P-04</td>
</tr>
<tr>
<td>5. Purchase Order Form</td>
<td>P-05</td>
</tr>
<tr>
<td>6. Good Receiving Note</td>
<td>P-06</td>
</tr>
<tr>
<td>7. Supplier Screening Form</td>
<td>P-07</td>
</tr>
<tr>
<td>8. Approved Supplier List</td>
<td>P-08</td>
</tr>
<tr>
<td>9. Fixed Assets/Capital Assets Approval Form</td>
<td>P-09</td>
</tr>
<tr>
<td>10. Code of conduct and Ethics 5 (Non-Employee, consultants, vendors and third parties)</td>
<td>P-10</td>
</tr>
</tbody>
</table>

* New addition vide 80th board meeting dated 7th March, 2018
### 24.1. Annexure P-01 Purchase Requisition Form

#### NRSP

**OFFICIAL FORM NO GA 101**

**PURCHASE REQUISITION FOR GOODS & REPAIR SERVICES**

<table>
<thead>
<tr>
<th>SUPPLIES/REPAIR/MAINT.</th>
<th>REQ. ID. #</th>
</tr>
</thead>
<tbody>
<tr>
<td>FIXED ASSET:</td>
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</table>

**PURPOSE:**

**LOCAL/IMPORT:**

**REQUESTING OFFICE/SECTION:**

**LOCATION:**

**REQUESTER NAME:**

**PROJECT NAME:**

<table>
<thead>
<tr>
<th>Serial No.</th>
<th>Name and Other Specifications (Name of Goods/Description of Services)</th>
<th>UOM</th>
<th>Quantity</th>
<th>Estimated Unit Cost</th>
<th>Estimated Total Cost</th>
<th>Required Date</th>
</tr>
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<tbody>
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Quotations / Tenders must be invited for all items in accordance with Purchase Policy. Where quotations / Tenders cannot be invited, a justification for avoiding competition must be provided and attached with the requisition.

**REQUESTED BY**

<table>
<thead>
<tr>
<th>CLEARANCE FORM STORES</th>
<th>CLEARANCE FROM FINANCE FUND ARE PROVIDED IN OFFICE BUDGET</th>
</tr>
</thead>
<tbody>
<tr>
<td>STORE KEEPER/ADMIN. OFFICER</td>
<td>FISCAL OFFICER/ACCOUNTANT</td>
</tr>
</tbody>
</table>

**REMARKS**

**FOR PROCUREMENT OFFICE USE ONLY**

**ENTERED IN LOG** PAGE NO. ______________ INITIAL ______________ REMARKS for status

---

*Requested by PM/Incharge of sector at H/Q or at regional office.

*Approved according to Delegation of financial and Administrative Power.
24.2. ANNEXURE P-02 INDENT REQUEST FORM

<table>
<thead>
<tr>
<th>Department:</th>
<th>Date:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Requesting Delivery Date:</td>
<td>Indent No:</td>
</tr>
<tr>
<td>Margin in Days:</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SR. #</th>
<th>Description/Specification</th>
<th>Quantity Required</th>
<th>Reference of Procurement Plan</th>
</tr>
</thead>
<tbody>
<tr>
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<tr>
<th>Action</th>
<th>Title</th>
<th>Date</th>
<th>Signature</th>
</tr>
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<tbody>
<tr>
<td>Prepared By</td>
<td>Department Head</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Approved By</td>
<td>GM</td>
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<td></td>
</tr>
</tbody>
</table>
24.3. ANNEXURE P-03 LETTER OF REQUEST FOR QUOTATION

Date:

Mr. XYZ

ABC (Pvt.) Limited

Subject: Request for Quotes

Dear Sir,
You are invited to quote for the supply of the following:

Specification:
Quantity:
Delivery Deadline:
Deadline for Submission of Quotes:

Please Note that:
- Quotes must be sealed in envelope.
- Fax quotes or quotes received after last date will not be accepted.
- NRSP reserves the right to reject any quotation(s) without assigning any reason.
- Please specify the validity of your quotes, along with any other terms and conditions.

Sincerely yours

________________________________________________________________________

Name & Signature:

(In-charge Proc.)
### 24.4. ANNEXURE P-04 EVALUATION SHEET

<table>
<thead>
<tr>
<th>Suppliers Name</th>
<th>Supplier A</th>
<th>Supplier B</th>
<th>Supplier C</th>
<th>Supplier D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sr #</td>
<td>Description</td>
<td>Qty</td>
<td>U. Price</td>
<td>Total Price</td>
</tr>
<tr>
<td>Grant Total</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Taxes</td>
<td></td>
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<tr>
<td>Transportation</td>
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</tbody>
</table>

Date: xxxxxxxxxxxxxxxxxxxx

Evaluation Sheet for (---------------------------)

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Page | 100
### Recommendations:

1. 
2. 
3. 
4. 

Prepared By:

__________________

**Name**

**Incharge Procurement**

Recommended by Procurement Committee
<table>
<thead>
<tr>
<th>Name</th>
<th>Name</th>
<th>Name</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incharge Admin</td>
<td>Project Manager/Coordinator</td>
<td>Technical Member (if any)</td>
<td>SPM/RP F&amp;A</td>
</tr>
</tbody>
</table>

Approved By

Name
CEO/GM/RGM
24.5. ANNEXURE P-05 PURCHASE ORDER FORM

**NRSP**
National Rural Support Programme
Licensed under Section 42 of the Companies Ordinance 1984
46, Agra Khan Road, Sector F-6/4, Islamabad. Ph: (051)2822319, 2822324 Fax: (92-51) 2822779

**Contract/Purchase Order**

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Description</th>
<th>UOM</th>
<th>Quantity</th>
<th>U.Price</th>
<th>Total Price (Inc. all)</th>
</tr>
</thead>
</table>

**Sign:** ____________________________  
**Name:** ____________________________  
**Design:** ____________________________  
**For NRSP**

**Supplier:** M/s ABC, Islamabad  
**Ship/Deliver to:** NRSP HO, Islamabad  
**Region:** Head Office  
**Sector:** YYY  
**Payment:** xxx Weeks  
**Delivery:** xxx Weeks  
**Freight:** Included in cost  
**Project:**  

**Terms & Conditions:-**
1. NRSP will deduct WHT at source as per prevailing rules of Govt. of Pakistan.
2. NRSP team will inspect the quality of the material and will be authorized to reject sub-standard items without bearing any compensation or loss.
3. Purchase Order number should be mentioned on the Invoice, Delivery Note and all other related documents.
4. Quantity should have the NTN and GST clearly mentioned.

Special Instructions (if any):-

**Sign:** ____________________________  
**Name:** ____________________________  
**Design:** ____________________________  
**For Official Use Only**  
**MRN#** ____________________________  
**Supplier Acceptance**  
**MR#** ____________________________  

**Total:-** PKR 000
24.6. ANNEXURE P-06 GOOD RECEIPT NOTE

### National Rural Support Programme

**Material Received Note (MRN)**

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Item Code</th>
<th>Source</th>
<th>Supplier</th>
<th>Item Description</th>
<th>Unit No./Kg/Tons</th>
<th>Quantity Ordered</th>
<th>Quantity Received</th>
<th>Quantity Rejected</th>
<th>Quantity Accepted</th>
<th>Unit Cost</th>
<th>Total Amount Rs.</th>
</tr>
</thead>
<tbody>
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<td>1</td>
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</tbody>
</table>

TOTAL Amount In Words (Rupees)

**RECEIVED BY**

**INSPECTED BY**

**ENTERED BY**

### FOR FINANCE AND ACCOUNT SECTION ONLY

- Account Code: [Box for Document Check]
- Head Of Account: [Requisition]
- Voucher Reference: [Purchase Order, Delivery Challan]

Verified By:
# 24.7. Annexure P-07 Supplier Screening Form

<table>
<thead>
<tr>
<th>S. no.</th>
<th>Criteria</th>
<th>Supplier Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Name, address and location</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Status of organization (company, partnership, etc)</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Number of years in business/industry</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Reputation in business</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Quality of employees and strength of management</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Other corporate customers</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Government contracts undertaken</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Income Tax and Sales Tax Registration</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Product range</td>
<td></td>
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<tr>
<td></td>
<td>Financial strength/stability:</td>
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<tr>
<td>10</td>
<td>Current ratio</td>
<td></td>
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<td></td>
<td>Quick ratio</td>
<td></td>
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<tr>
<td></td>
<td>Stock turnover</td>
<td></td>
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<tr>
<td></td>
<td>Gearing Level</td>
<td></td>
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<tr>
<td></td>
<td>Cash Flow</td>
<td></td>
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<tr>
<td></td>
<td>Other measures</td>
<td></td>
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<tr>
<td>11</td>
<td>Previous experience with the supplier</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>System of quality control, including ISO certifications</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>Ability to meet demand based on current capacity</td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>General price level</td>
<td></td>
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<tr>
<td>15</td>
<td>Post sales service and support and general responsiviness</td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>Policy for warranty (period and nature)</td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>General compatibility of products with existing system</td>
<td></td>
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<tr>
<td>18</td>
<td>Particular of litigations pending against the supplier, particularly with the customers</td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>History of being black listed by any company, public international organization(e.g. UNO, USAID,etc) or government organisation</td>
<td></td>
</tr>
</tbody>
</table>
24.8. ANNEXURE P-08 APPROVED SUPPLIER LIST

Updated on:
xxxxxxxxxxxxx

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Name of Supplier</th>
<th>Status</th>
<th>Category</th>
<th>Sub Category</th>
<th>Contact Person</th>
<th>Mobile Number</th>
<th>NTN</th>
<th>GST Number</th>
<th>Address</th>
<th>City</th>
<th>Telephone Nos.</th>
<th>Fax No.</th>
<th>E-mail</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
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</table>
### Annexure P-09 Fixed Asset/Capital Asset Approval

<table>
<thead>
<tr>
<th>Specifications of item</th>
<th>Budget</th>
<th>Quantity</th>
<th>Expected</th>
<th>Expected Mont</th>
<th>Purpose</th>
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<tbody>
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</table>

**Remarks**

**Delivery**

<table>
<thead>
<tr>
<th>Prepared</th>
<th>Approved</th>
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</table>
24.10. ANNEXURE REFERENCE P-10 CODE OF CONDUCT AND ETHICS

(NON-EMPLOYEE, CONSULTANTS, VENDORS AND THIRD PARTIES)

Upholding ethical standards protects the integrity, fairness, and transparency of the procurement process.

As a consultant/Vendor professional objective is to assist NRSP to add value to their enterprise, whether that enterprise takes the form of a business, a not-for-profit organization or any element of government.

As a consultant/vendor requires adherence to this Code of Conduct and Ethics as a condition of relation. All consultants/vendors have pledged to abide by the NRSP’s Code of Conduct and Ethics and their voluntary adherence to the Code signifies the self-discipline of the profession. All individuals (non-employees) contracted or functionally related to NRSP, including executing entities and third-party vendors:-

1. Will serve NRSP with integrity, competence, objectivity, independence and professionalism.
2. Will only accept assignments that they are competent to perform; and will only assign staff or engage colleagues with knowledge and expertise relevant to the assignment.
3. Before accepting any assignment will establish with NRSP realistic expectations of the objectives, scope, expected benefits, work plan and fee structure of the assignment.
4. Will treat all confidential NRSP information appropriately; will take reasonable steps to prevent access to confidential information by unauthorized people and will not take advantage of proprietary or privileged information, for use by them or others, without the NRSP's permission.
5. Will avoid conflicts of interest, or the appearance of such, and will disclose to NRSP immediately any circumstances or interests that they believe may influence their work, judgment or objectivity.
6. Will not contact NRSP during the any pre-solicitation or evaluation phase in which participated, unless NRSP contact for any information.
7. Will offer to withdraw from assignment when they believe their objectivity or integrity may be impaired.
8. Will inform NRSP immediately if there is any change is contact person, email, address, directors, release of any of his/her employee or any such information which could be necessary for NRSP record.
9. Will represent the profession with integrity and professionalism in their relations with NRSP, colleagues and the general public.
10. Will report to appropriate authorities within or external to NRSP organization any occurrences of malfeasance, dangerous behavior or illegal activities discovered during the course of an assignment.
11. Will not offer commissions, gift, bribe, remuneration, or other benefits from himself or from a third party in connection with any assignment to NRSP, and will disclose in advance any financial interests.
12. Will promote adherence to the Code of Conduct and Ethics by all other staff working on their behalf.

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*New addition vide 80th board meeting dated 7th March, 2018*
13. Strive to treat all persons of NRSP with respect and courtesy in accordance with applicable international and national conventions and standards of behavior;
14. Never intentionally commit any act or omission that could result in physical, sexual or psychological harm to the beneficiaries we serve, or to their fellow workers;
15. Not condone or intentionally participate in corrupt activities or illegal activities. While respecting and adhering to these broader frameworks of behavior,
16. Shall not harass, discriminate, or retaliate against any other consultant/vendor or any member of society.
17. Shall make themselves available and fully participate in all administrative inquiries with completely honesty.
18. No NRSP employees shall solicit anything of value from a citizen or business for services that the NRSP is expected to provide.
19. Shall not remove NRSP property from its assigned place for personal use. Defacing or destroying NRSP property is vandalism and shall be dealt strictly.
20. Will not permit considerations of race, gender, nationality, religion, politics, sexual orientation or social status to influence professional behavior or advice.
21. Will be respectful of those whose wellbeing may be contingent. Will diligently apply objective judgment to all consulting assignments, based on the best information available. Will conduct independent research and analysis where possible, and will consult with colleagues and others who can help inform the judgment.
22. Will not use any services, goods, materials, technology and/or equipment provided by or paid for by NRSP for illegal, inappropriate, or otherwise disruptive activities, or in support of such activities.
23. Shall not place or display non-official notices in NRSP premises without prior written approval from the appropriate authority.
24. Shall not possess unauthorized weapons, illegal drugs, or alcohol on NRSP premises.
25. Shall strictly follow the NRSP’s workplace policies while on any NRSP premises.

This Code of conduct is not exhaustive and may not anticipate every situation which may morally, ethically, professionally, legally compromise the employees or NRSP interests. In this regard NRSP expects to use sound judgment. However, compliance with this Code is a mandatory obligation owed by all consultants, third party vendors etc. Breach of this Code or any requirements mentioned in these Rules will result in disciplinary action and may lead up to cancellation of work order/registration including legal action or other appropriate disciplinary actions.