



FOCUS Mizoram

Community Procurement Guidelines

**Developed by Society for Climate Resilient Agriculture in
Mizoram (SCRAM) based on template provided by IFAD**

Community participation Procurement Guidelines

What is a Community Organization?

A community organization is a legally registered or informal grouping to plan, execute, implement activities at Village level receiving government funds or specific project funds.

Types of Community Organization

Village Development Committees, Gram Sabha Project Execution Committees, Farmer Interest Groups, Activity Groups, Livelihood Collectives, Farmer Producer Organizations are some of the examples of the community organizations.

Using the government funds and project funds, the community organizations will implement activities, which will improve the livelihood options and household income levels.



What is Community Procurement?

Community procurement means procurement of works, goods and services following principles of procurement at community level. It involves participatory process in need assessment/identification, consensus decisions making process and maintaining proper books of records.



Participatory planning

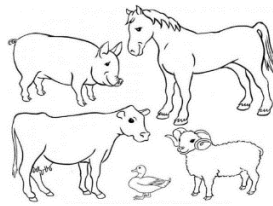


Steps



1. Identify the activity
2. Identify the Quantity (Numbers)
3. Whether the budget has been transferred to CBO?
4. Timeline for completing the activity
5. How many members will benefit
6. What is required to complete the activity
7. Who will be the users?
8. What help is required from the project

What are the types of procurement needs at the Community?



Need Assessment template

For agricultural inputs requirements

| |
|-------------------------------|
| Name of Activity: |
| Seed varieties |
| Quantity (kg) |
| Total area |
| No. of households |
| Source of supply: |
| i) Progressive farmer |
| ii) Govt. nursery/seed |
| iii) Private nursery/seed |
| Budget per hh |
| Any beneficiary contribution? |
| Whether BC received? |
| When required? |

For Livestock

| |
|-------------------------------|
| Name of Activity: |
| Breed varieties |
| Quantity (Nos) |
| Total area |
| No. of households |
| Source of supply: |
| i. Progressive farmer |
| ii. Govt. farm |
| iii. Private farm |
| iv. Village market |
| Budget per hh |
| Any beneficiary contribution? |
| Whether BC received? |
| When required? |

Identifying Purchase Committee

Each community organization has to form a Purchase Committee with a minimum of 3 members and maximum of 5 members. The President or Secretary of the CBO **will not be** members of the Purchase Committee.

Thresholds for Community Participation in the project (Include the thresholds from the Letter to the Borrower, INR figures only)

As stated in the Letters to Borrowers- F/Procurement/(d), regarding procurement through community participation;

Procurement for goods and works involving community participation: Communities and community groups would be empowered to undertake procurement as a service provider or an implementing unit through the existing or to be established under a legal framework or village committees up to a threshold of USD 20 000 equivalent through direct contracts or local shopping.

Goods

| Currency | INR |
|--------------------|---------------------------|
| Threshold | Up to 13,60,000/- |
| Direct Contracting | Up to 1,36,000/- |
| Local Shopping | 1,36,000/- to 13,60,000/- |

Civil works (construction/renovation)

| Currency | INR |
|--------------------|---------------------------|
| Threshold | Up to 13,60,000/- |
| Direct Contracting | Up to 1,36,000/- |
| Local Shopping | 1,36,000/- to 13,60,000/- |

Definitions:

Direct Contracting (DC): The community may undertake procurement activities to a particular/single supplier for procurement.

Local Shopping (LS): The community has to issue a Request for Quotation (RFQ) to at least three (3) suppliers and prepare a comparative statement before issuing a supplier order to the lowest bidder.

Purchase of agricultural inputs (seeds, saplings, planting materials, fertilizer and pesticides)

For larger quantities or if the activity is to be implemented across the project, the PMU will identify the suppliers (Government agency or private suppliers) and issue a Rate Contract. In this case, the community organizations will submit the area details and number of beneficiaries to PMU. PMU after the procurement process, advise the community organizations to make the order as per the requirements (OR) the inputs will be supplied to the farmers.

If inputs are supplied by PMU or the identified supplier

Steps



1. Identify the households (name, area to be cultivated).
2. Collect beneficiary contribution and pay to PMU or the Supplier (as the case may be).
3. When informed, go to the distribution point, collect the materials and sign the receipt.
4. After planting, inform PMU/DMU about the quality of germination.
5. Use only recommended quantity and type of fertilizer/pesticide.

If inputs are to be purchased from another farmer/FIG from nearby areas

Steps



1. Identify the households participating in the activity.
2. Check the budget allocation for the activity
3. Collect beneficiary contribution from the households.
4. Put the requirements of agricultural inputs in the notice board of the community organization and other public places within the village.
5. Constitute a Procurement Committee consisting of (i) 1-2 of the office bearers; (ii) 1 of the representative of the beneficiary households
6. Procurement Committee will visit the sources of supply within the village or nearby villages to check the quality, price and available quantity.

7. PC may seek guidance from DPMU/FNGO on the quality considerations to check.
8. Procurement Committee will record the observations and price quoted for each of the farmer or FIG.
9. Procurement Committee will recommend the farmer/FIG who has quoted the lowest price for the required quality. All members will sign on the register.
10. President and Secretary will sign on the register approving the decision.
11. Inform the selected farmer/FIG to deliver the required quantity.
12. Sample check the quality received and the numbers. Return the defective quality for replacement.
13. Make payment to the Farmer/FIG as per agreed mode. It is a good practice to make payment through cheque.
14. Next meeting of the community organization, inform every member about the procurement (quantity procured, price paid, name of the farmer/FIG and the quality).

Type of advertisement/notice (Insert)

Activity → :

Type of inputs:

No. of households benefitting from the activity:

¶

| S. No. | Agricultural inputs/materials | Farmer/FIG | | | Lowest Amount Rs. | Any other criteria | Remarks |
|--------|-------------------------------|-----------------------------|-----------------------------|-----------------------------|----------------------|--------------------|---------|
| 1. | | Name _____ (Rate quoted) | Name _____ (Rate quoted) | Name _____ (Rate quoted) | | | |
| 2. | | | | | | | |
| 3. | | | | | | | |
| 3. | | | | | | | |

¶

We have visited the farmers/FIG, checked the quality, price and availability and recommend that the materials may be purchased from the below recommended farmers/FIG on the lowest rate above, subject to the approval of President and Secretary of _____.

| Members of CPC for the procurement | | |
|------------------------------------|------|-----------|
| S. No. | Name | Signature |
| 1. | | |
| 2. | | |
| 3. | | |

Procurement of poultry birds, cattle and livestock at local level

Planning process

When PMU has already identified the supplier (Government agencies/Government Animal Farm/Private Supplier), prepare the requirement of quantity and issue purchase order at the rates identified and specify the delivery address. In case, the community organization has to transport the poultry chicks, cattle or livestock from the Government animal farms/private supplier, ensure the following:

Steps



1. Identify the transport vehicle with sufficient space.
2. Ensure minimum feed/water during the transport.
3. Check the birds/animals are in good health and no apparent discomfort/disease is observed.
4. Confirm whether the minimum vaccinations have been provided.
5. Beneficiary has to report within two days, the health condition of the birds/animals.

When the animals are purchased in Village Haats

Steps



1. Identify the beneficiaries
2. Visit the Haat along with Village Livestock worker.
3. Inspect the herd and check the price from different supplier for the same breed and age
4. Confirm the good health conditions with the help of VLW
5. Check from the trader the vaccinations done
6. Agree on the most competitive price comparing different traders' price.
7. Get the sale receipt signed by the trader and obtain permit for transportation from the Market Committee or other authority.
8. Identify the transport vehicle with sufficient space
9. Ensure minimum feed/water during the transport
10. Check the birds/animals are in good health and no apparent discomfort/disease is observed
11. Beneficiary has to report within two days, the health condition of the birds/animals

Procurement of materials for small infrastructure works, irrigation channels, earth work

Steps



1. Community will identify the priority works and inform DPMU/SPMU.
2. DPMU (with the help of FNGO or own technical staff) will prepare design and cost estimate for such works. Cost estimate will have clear break up for labour and material cost. Beneficiary may be an individual (for example for a well) or a group (for example for a water channel). After approval, this work will be part of approved AWPB and procurement plan.
3. Check the budget allocation for the activity.
4. Collect technical estimates from DPMU with breakup of material, labour component to be provided through MNREGS or project.
5. Collect beneficiary contribution from the households/group.
6. Get part payment transferred from DPMU to community bank account
7. If it is decided to carry out the work with own labour resources, community will plan the phased requirement of material in consultation with DPMU/FNGO. If supply and works is to be performed by the contractor, bill of material will be made out. This requirement will also be put up on the notice board of the community organization and other public places within the village.
8. RFQ will be issued to identified potential bidders.
9. Constitute a Procurement Committee consisting of (i) 1-2 of the office bearers; (ii) 1 of the representative of the beneficiary households
10. Procurement Committee will visit the sources of material supply/labour within the village or nearby villages to check the quality, price and past work/available quantity.
11. PC may seek guidance from DPMU/FNGO on the quality considerations to check.
12. Procurement Committee will open bids, record the observations and price quoted for each of the contractor.
13. Procurement Committee will recommend the supplier who has quoted the lowest price for the required quality. All members will sign on the register.
14. President and Secretary will sign on the register approving the decision.
15. Inform the selected contractor to start work and hand over the site.
16. Check the quality of work, measure the quantity and status of work as per agreed schedule.
17. Make payment to the contractor as per agreed mode. It is a good practice to make payment through cheque.
18. Next meeting of the community organization, inform every member about the procurement (works procured, price paid/to be paid, name of the contractor).
19. In case, work has been performed by the community with own labour resources, Community will maintain muster roll for labour input which will be counter signed by CRP, Secretary/President, JE.
20. Junior Engineer of the District Unit or with FNGO will provide technical guidance on construction activities from time to time.

DOCUMENTATION REQUIREMENTS

The Purchasing entity is required to keep the following documents:

1. The Community Institutions/FIGs shall maintain a book of records for procurement including the list of items purchased.
2. Invoice/Receipt/Bills/Vouchers against purchase of goods duly signed by the receiver.
3. Agreements (if any)

These documents shall be made available for audit and future references.

Request for Quotation Template

Date: _____

To,

Dear Sirs,

Sub: Request for Quotation for supply/work of _____

1. You are invited to submit your most competitive quotations for carrying out works for _____

| S. No. | Brief Description of the works | Specifications | Unit of measurement | Quantity of Works (Earth work or other bill of material item) as per technical estimate | Delivery Period/ Period for completion of work | Place of Delivery/ Work | Other requirements |
|--------|--------------------------------|----------------|---------------------|---|--|-------------------------|--------------------|
| 1 | | | | | | | |
| 2 | | | | | | | |
| 3 | | | | | | | |
| 4 | | | | | | | |

2. The contract shall be for the full quantity for each item as described above.

3. All the duties, taxes and other levies payable by the supplier/seller shall be included in the total price.

4. The rates quoted shall be fixed for the duration of the contract and shall not be subject to adjustment on any account.

5. No advance payment will be made. Payment will be made within _____ days from completion of works/goods received certified by the engineer/FIG.

5. The last date and time for submission of the quotation is _____, 4.00 PM and the quotation shall remain valid for a period of _____ days after the last date for submission.

6. The quotation should be submitted on printed letterheads of the dealer/firm bearing the GST no. and preferably the PAN no. allotted under the Income Tax Act, 1961. Bidders should quote as per the format attached with this RFQ.

7. Contract will be awarded to the bidder complying with the specifications and other requirements, quoting lowest price. Price for the purpose of evaluation shall be all inclusive price including all taxes and transportation charges.

We look forward to receiving your quotations and thank you for your interest in the Project.

Signature of the Secretary/President

Address _____

Date _____

Template for bid form

(To be submitted by bidder on their letter head or to be signed and stamped)

To,
The President
(Name of the Community Organization)

Sub: Request for Quotation for carrying out work of _____

Dear Sirs,

With reference to your request dated _____ for supply/work of _____
we submit our most competitive offer given below-

| S. No. | Brief Description of the works | Specifications | Unit for quantity | Quantity as per technical estimate | Period for completion of work | Place of Work | Unit Price | Total amount |
|--------|--------------------------------|----------------|-------------------|------------------------------------|-------------------------------|---------------|------------|--------------|
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |

1. We agree with terms and conditions provided in your RFQ. We confirm that works will be performed strictly as per specifications.
2. Any other charges -
3. Payment terms-

Signature of bidder

Name of the firm _____

GST registration No. _____

PAN No. _____

Stamp _____

Template for Purchase Order

Name of the Community Organization

Address

TO: *Name and address of Successful Supplier*

Date: _____

SUBJECT: *Purchase Order for the Supply of _____*

Dear Sir/Madam,

We are pleased to accept your offer of the below goods as per the below detail and as per your attached quotation No _____ dated _____ **for** the sum of INR _____ and we agree that you supply these goods / on the following conditions:

1.

| Item No | Description of Goods | Quantity | Unit of Measure | | | Unit Price | Total Price |
|---------|----------------------|----------|-----------------|--|--|------------|-------------|
| | | | | | | | |
| | | | | | | | |
| | GST | | | | | | |
| | Transport costs | | | | | | |
| | Total | | | | | | |

2. Delivery conditions: Good must be delivered at the above specified address on or before _____

3. GST Invoice should be provided. In case registered under Composition, please indicate.

4. Terms of Payment:

1. Advance along with the Purchase Order

2. Balance at the time of delivery

5. Defective/sub-standard materials have to be replaced, when reported to the supplier.

Signature with stamp

Accepted for supply (Signature and stamp of the Supplier)