

COAST Foundation
Procurement Policy – October 2022

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A. Introduction

- 1. Policy Statement:** The term “Procurement” refers to the process by which goods, services and works are acquired from third parties. All procurement of goods, services and works should provide value for money and should be conducted in accordance with key principles, including being ethical, competitive, fair, transparent, appropriate, properly approved and in compliance with donor rules (as per requirement) and applicable laws of the country.
- 2. Objective:** The overall purpose of procurement policy is to ensure,
 - Correct and highest quality of desired goods and services as per specification at the best price possible.
 - The process is in line with adequate internal control systems to avoid the risk of fraud and ensure transparency.
 - Staff are engaged in the procurement process for all types of procurement for goods and services with an ethical and efficient manner.
 - The product and services that acquire are the results of transparent, time and cost-effective decision
 - The procurement of all goods and services by the Organization is based upon value for money.
 - COAST Foundation undertakes procurement of goods and services based on established principles and procedures.
 - To ensure PSEAH (Protection from Sexual Exploitation, Abuse, and Harassment), human rights and child labor as per law of the country.
- 3. Who must follow this policy:** All COAST Foundation Staff, its development projects, and network members must follow this policy. If there remains any instruction from donor to follow their policy, then COAST will follow their policy.

B. Procurement Principles

Procurement is undertaken on the basis of the following principles:

- Best value for money
 - Fairness, Integrity and transparency; and
 - Effective competition
 - Promoting Local Entrepreneurs / Business
- 1. Best value for money:** It is the achievement of a desired procurement outcome at the best possible price - not necessarily the lowest price - based on a balanced judgement of financial and non-financial factors relevant to the procurement. COAST Foundation will ensure best value for money.
 - 2. Fairness, Integrity and Transparency:** The procurement process shall be performed in a fair and transparent manner, free from fraud, corruption and other unethical practices. COAST Foundation will follow a fair process that is free from favoritism, self-interest or preference in judgement, and ensures equal opportunity and treatment for all vendors. It tries to ensure highest standard of ethics during the procurement processes and in the execution of contracts.
 - 3. Effective Competition:** To ensure adherence to competitive procurement methods turns out the starting point to obtain best value for money in public procurement. COAST Foundation creates an environment to engage highest number of bidders.
 - 4. Promoting Local Entrepreneurs / Business:** In respect of procurement or selecting supplier/vendor, COAST will give highest priority to the local businessman/entrepreneurs for supplying product or materials with an objective to stimulate the local economy and keep business booming and creates job at the local region.


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C. Code of Conduct:

Engaging vendors and employees for the procurement of goods and services is an activity that is potentially vulnerable to fraud and or corruption. To prevent fraud and corruption in procurement, organization follows some rules and imposes instructions for vendors/supplier and employees.

1. Code of Conduct for Procurement Committee

- a. **Avoiding Conflict of Interest:** A conflict of interest means when a person has a private, financial or professional interest that can influence or be perceived as influencing the impartiality or loyalty. Such interests may result notably from personal relations, financial participation, or public or private involvement of the person or his/her close relatives. When dealing with suppliers, potential conflicts of interest may arise.

To avoid conflict of interest, no procurement will be made from any vendor/supplier who are the relatives (like Father, Mother, Brother, Sister, Uncle, Aunt, Cousin, Nephew, Brother in law, Sister in law, Father in law, mother in law), friends and neighbors of any COAST Staff or any other member of General Council (GC) of the COAST. In this regard, the staff (committee member) will give a declaration that there are no any relation (either relatives or friends) with the supplier (vendor) before giving the Work Order (WO). [Annex-4]

Staff from Accounts (Directly involved in the financial transaction) and Internal Audit department will not be any part of any procurement of goods and services. Also the Head of the respective section/Projects cannot be the part of any procurement committee for their own section/Projects. Nevertheless, the ED (**Executive Director**)/DED (**Deputy Executive Director**) with a permission of ED may include any of them for any special reason or circumstances.

- b. **Gifts and hospitality:** As the Committee is involved with the procurement process, so they shall not take any kinds of gifts and hospitality or other similar considerations from vendors/suppliers/beneficiaries/stakeholders. If it is happen then COAST will follow zero-tolerance to them and it will be treated as misconduct as described in Human Resource Policy.
- c. **Business Document:** Committee shall be strict on required business documents [**Clause: D/3/b/ix**] from vendors in the procurement process. Staffs are prohibited to consider vendors without proper business document/ fake document/expired document/fewer documents. Here documents means Existence of business address, valid trade license, TIN (Tax Identification Number) certificate, latest Income Tax return slip from NBR (National Board of Revenue), VAT (Value Added Tax) registration with BIN (Business Identification Number), business profile with experience, any business certificate etc.
- d. **Confidentiality:** Staff/Committee who are in the procurement process are strongly prohibited to share any information about price, quotation, and specification of the goods and services (provided by vendor) with anybody even not with other vendors/suppliers from whom other quotations have been taken for the same goods/services.
- e. **Coordination and Responsibility:** In a procurement process, a separate procurement committee will be formed and more than one staff will be involved and shall have coordination among them. A single employee cannot engaged with any procurement procedure. No employee can ignore or disobey his/her responsibility in the procurement process.
- f. **Respect the Reputation of COAST:** Staff shall not engage with any conduct, either professional or personal, which would bring the profession or organization (COAST) into disrepute.


2. Code of Conduct for Vendors (Contractor/Supplier/Consultant/Sub-partners):

- a. COAST expects its vendor will conduct their business in accordance with the highest ethical standards and in compliance with all applicable laws, rules and regulation of government of Bangladesh.
- b. The Vendor will be abide by the terms and condition of the RFQ (Request for Quotation) and Work Order (WO) issued by COAST and agreed by the Vendor with both party signature.


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- c. The vendor will submit the following documents with **original bill** to the Accounts section for payment.
- i. A copy of the WO (Work Order) duly signed by both party.
 - ii. An original Challan of goods/materials delivery.
 - iii. A copy of GRN (Goods Receiving Notes) duly signed by Purchase Committee.
- d. **Termination in default:** COAST may terminate this contract in whole or in part by giving notice (either written or by email) to the default address (business address, Email-ID) of vendor, and the vendor will be bound to admit this:
- i. If the vendor fails to deliver any or all of the Goods (as per description and specification) within the period(s) specified in the contract, or within an extension thereof granted by the purchaser pursuant to written request: or
 - ii. If the vendor fails to perform any other obligation(s) under the contract.
- e. **Labor:**
- i. **Freedom of Collective Bargaining:** COAST expects its vendors to recognize the freely-exercised right of workers, without distinction, to organize, further and defend their interests and to bargain collectively and also to prohibit forced or compulsory labor in all its forms.
 - ii. **Child labor:** COAST discourage child labor. No purchase will be made if the vendor appoint any staff below 18years as regular/volunteer/contractual. According to the law of Bangladesh, those who are under age of 18 years, they will be treated as "Children". In this regard the vendor shall submit a declaration that they are not even not employ any Child Labor at any stage of their business.
- f. **Discrimination:** COAST prohibits discrimination and expects from its vendors to ensure equality of opportunity and treatment in respect of employment and occupation without discrimination on grounds of race, color, sex, religion, political opinion, national extraction or social origin and such other ground as may be recognized under the national law of the country or countries where the performance, in whole or in part, of a contract takes place
- g. **Health and Safety Environment:** COAST expects its vendors to ensure that the workplaces, machinery, equipment and processes under their control are safe and without risk to health.
- h. **Human Rights and PSEAH:**
- i. COAST expects its vendor to obey, respect, support & prioritize the human rights and PSEAH (Protection from Sexual Exploitation, Abuse, and Harassment). Also expects the supplier will refrain from doing anything, which is the violation of human rights and PSEAH.
 - ii. COAST expects its vendors to create and maintain an environment that treats all employees with dignity and respect and will not use any threats of violence, sexual exploitation or abuse, verbal or psychological harassment or abuse.
 - iii. COAST expects its vendors will create and maintain dignified and respectful environment for all COAST employees, program participants, and beneficiaries; and no one will be sexually exploited and abuse or harassed by any of their staff/ labor/ workers. Even the vendor will not act any threats of violence, fear and harmful for anyone.
 - iv. The vendor shall be committed to abide by COAST human rights and PSEAH (Protection from Sexual Exploitation, Abuse, and Harassment) policy and will take immediate actions and measures if any incident happens. COAST expects the vendor will provide orientation and training their staff/worker/labor/volunteer about COAST PSEAH policy.
- i. **Environment:** COAST expects its vendor become environment friendly in whole procurement process including in its all production, using materials (Chemical and Hazardous Materials), waste management (wastewater and solid waste process), cleanliness, air emission, packaging and delivery.


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j. **Ethical Conduct:**

- i. **Corruption:** COAST expects its vendors to follow the highest standards of moral and ethical conduct, to respect laws in land and not engage in any form of corrupt practices, including but not limited to extortion, fraud, or bribery.
- ii. **Conflict of Interest:** COAST expects its vendors to disclose to the organization if any COAST staff found related with conflict of interest like involvement with supplier's business, relatives or neighbors, any kind of economic ties (like commission) etc. If anything found that, supplier hide this kind of information, the organization has the authority to dismiss the contract.
- iii. **Gift and Hospitality:** COAST expects its vendors not to offer any benefit such as free goods or services, employment or sales opportunity to COAST staff or to purchase committee members. The organization will not accept any invitation to sporting/cultural events, offers of holidays/other recreational trips, transportation or invitations to lunches/dinners. If anything found that, supplier has concealed the information, the organization has the authority to dismiss the contract.
- iv. **Legal Dispute:** COAST expects its vendors not engaged with any illegal activities like money laundering, terrorist financing, illegal drug & arms business, smuggling, human trafficking or any other illegal activities, etc.

D. **Segregating of Duties:**

1. **Procurement Unit Structure and ToR of Focal Person of Procurement :**

- a. The organization shall have a Procurement Unit headed by **Deputy Executive Director (DED)** and other one will be **Central Procurement Focal (CPF)** for ensuring procurement compliances.
- b. The DED will form procurement committee consisting 03 members for all region (Dhaka, Cox'sbazar, Chittogram, UROC-Ukhia, Bhola, Barisal, Noakhali and others) at least for 06 months period who will be responsible for maintaining all procurement compliances and process in due time. If needed the DED may change the committee or any member of the committee for any procurement/services.
- c. The Central Procurement Focal (CPF) will monitor the activities of procurement committee and will check the procurement procedures and its documents before issuing Work Order (WO) by DED/ED. He/she will collect the procurement documents from respective committee.
- d. The CPF will collect quarterly advance procurement plan from all sectors including donor projects and will collect the procurement report of previous quarter (faults, gap, learnings, challenges, treats, undue pressure, non-compliances, etc.) from respective Accountant and Team Leader (TL) or Program/Project Coordinator/Manager (PC/PM).
- e. The CPF will review the report with committee members, accountant and TL/PC/PM for getting learnings from previous procurement. The CPF will prepare a meeting minutes on it and will submit it to the head of central Finance (**Director-FCC&EA**), head of Internal Audit (**Director-ME&IA**), DED (**Deputy Executive Director**) and ED (**Executive Director**) for possible next course of actions.
- f. CPF will be responsible for the vendor enlistment at all regions with the cooperation of respective staff either TL/PC/PM/others. In this regard, he/she will take all necessary actions for its execution.
- g. CPF will take final approval from DED on vendor enlistment. Before that the process will be reviewed by Internal Audit section (**Director-ME&IA**) and the Central Finance section (**Director-FCC&EA**).

2. **Purchase Requisition and Budget approval:**

- a. Purchase requisition and a sufficient budget is needed for every procurement. Purchase requisition has to be sent to the concern Accounts department to confirm the budget availability. Before submitting the requisition, the "Purchase Request by" or concern authority will verify the market price. **[Purchase Requisition Format: Annex-1]**


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- b. The purchase requisition has to be submitted by the respective person of the respective section/ project/ program. One cannot submit any requisition for other section/project/program.
- c. After that, the concern Accountant will send it along with his/her recommendation to Approval Authority for approval.
- d. The concern applicant will take recommendation from his/her First supervisor. In respect of IT (Information Technology) related products and services, the recommendation has to be taken from the **Head of IT department**.
- e. If the purchase requisition is within the approved budget, then the respective person (budget holder) can approve this requisition for its purchase. If the requisition is not within the budget, then additional budget approval has to be taken from the respective authority (**ED/DED**).
- f. In case of out of budget, the **DED (Deputy Executive Director)** will give approval up to Tk.3,00,000 (Three lakh only) and if it is exceed then approval shall be taken from **ED (Executive Director)**.
- g. If any goods/services is purchased for any staff or individual department, then the users' name (person or office or project) has to be written clearly in the purchase requisition.
- h. Approval of Budget, Requisition and Issuing Work Order (WO) Authority :

Designation	Approval Limit
PC (Program/Project Coordinator)/RPC (Regional Program Coordinator) /PM (Program/Project Manager)/TL (Team Leader)/RTL (Regional Team Leader).	Up to Tk.30,000 for Requisition and budget approval. If exceed Tk.30,000 then needs approval from DED.
Deputy Executive Director (DED)	Tk 30,001 to Tk 30,00,000 for Requisition, budget, and WO
Executive Director (ED)	Tk 30,00,001 to Tk 50,00,000 for Requisition, budget, and WO
For above Tk 50 lakh, the ED (Executive Director) will give approval with the prior consent of the Treasurer of the EC (Executive Committee).	
<u>For Microfinance procurement (purchase/service/maintenance/etc.):</u>	
i. The chief of MF (Director- Core Program) can be approved the budget, requisition and also be issued work order for all sorts of procurement related to MF from Tk 30,001/- to Tk 2,00,000/- .	
ii. From above Tk 2,00,000/- the DED will approve the budget, requisition and also be issued work order for MF procurement.	
iii. If procurement budget is not available then the DED will approve the budget, requisition and also be issued work order for MF procurement.	

3. Procurement Committee Formation and its Responsibility:

a. Procurement Committee Formation

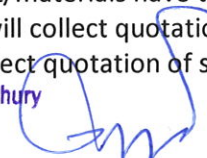
- i. Goods can be purchased up to Tk.30,000 (Thirty thousand only) without quotation and in that case, 02 (two) staff have to go to the market/spot jointly for its purchase.
- ii. If the purchase requisition is above Tk.30,000 then the DED (Deputy Executive Director) will form a committee consisting more than one staff/employee, or the committee which has already declared will take the responsibility.

b. Committee Responsibility/ToR:

- i. Procurement committee will conduct a meeting with committee members and will prepare meeting minutes on it. In the minutes, the following issues (in applicable cases) shall be discussed.
 - Description of the item (Brand name, specification, country of origin, model no, Quantity, etc.)
 - Distributor's information. If any products/goods have more than one distributors, then the committee will have to collect quotation from different distributors/vendors. If the product/materials have the certified sole distributor or have independent showroom then the committee will collect quotation from them for selection. In this regard, the committee will give emphasis to collect quotation of sales


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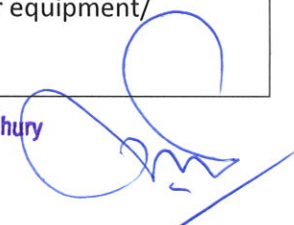

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center or showroom other than distributor. The justification of selection has to be mentioned in the minutes.

- VAT and Tax deduction instruction as per Government rules.
 - Payment mode, Delivery Place, Carrying cost (own/or by vendor), Work completion date.
 - Per day late fee if fail to delivery in due time.
 - Warranty, Guarantee, after sales service (For non-warranty items, it is not applicable).
 - RFQ (Request for Quotation) or tender process where all vendors will sign with seal.
 - Online vetting report of bidders [web link of the [Bangladesh Financial Intelligence Unit \(BFIU\)](https://www.bb.org.bd/bfiu/sanction_list.php), Web Link: https://www.bb.org.bd/bfiu/sanction_list.php
 - In terms of donor projects, the committee will follow the donor's guideline.
- ii. In respect of quotation collection through E-mail, the committee will send the RFQ (Request For Quotation) separately (one to one) to the vendor's individual E-mail ID or may send one email by keeping all vendors in **bcc** instead of **To or CC** in the email, so that the vendors cannot able to create any syndicate.
 - iii. The committee will give priority to the local businessman/entrepreneurs for supplying product or materials with an objective to stimulate the local economy and keep business booming and creates job at the local level in order to promote local entrepreneur/business.
 - iv. The purchase committee will fulfill the code of conduct of both "Purchase Committee" and "Vendor". In this regard both party will submit a declaration letter as per **Annex-3 (Vendor's Declaration)** and **Annex-4 (Purchase Committee Declaration)** during quotation collection.
 - v. Committee will prepare a vendor's comparative analysis.
 - vi. The committee will take intimate to issue work order through proper channel.
 - vii. Procurement threshold to be followed by Procurement Committee:

Threshold	Required documents/Process
Up to Tk.30,000	- Approved Requisition and Budget
Tk.30,001 to Tk.50,000	- Approved Requisition and Budget - Approved Purchase committee - Two (02) price quotations from spot - Online vetting report of vendors - Declaration (both Vendor and committee members) - Comparative price statement - Work order
Tk.50,001 to Tk.3,00,000	- Approved Requisition and Budget - Approved Purchase committee - Three (03) price quotations from spot or through E-Mail - Online vetting report of vendors - Declaration (both Vendor and committee members) - Comparative analysis, technical analysis (for equipment/service) - Work Order/ Written Agreement
Tk.3,00,001 to Tk.15,00,000	- Approved Requisition and Budget - Approved Purchase committee - RFQ (Request For Quotation)/Tender invitation - Receiving vendor's acknowledgment in RFQ - Minimum three price quotations - Online vetting report of vendors - Declaration (both Vendor and committee members) - Tender opening minutes with all vendors signature - Comparative analysis, technical analysis (for equipment/ construction/ consultancy service) - Work Order/ Written Agreement


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Tk. 15,00,001 to above	<ul style="list-style-type: none"> - Approved Requisition and Budget - Approved Purchase committee - Paper cutting of published RFQ [<u>Open tender/RFQ has to be published in national newspaper (in the case of Dhaka) or in a local newspaper (other than Dhaka)</u>] - RFQ/ Tender schedule and vendor's acknowledgment in RFQ - Minimum three quotations - Online vetting report of vendors - Declaration (both Vendor and committee members) - Tender opening minutes with all vendors signature - Comparative analysis, technical analysis (for equipment and construction and consultancy service) - Work Order/ Written Agreement
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viii. After completion of work, the committee will provide Goods Receiving Note (GRN) to vendor.

ix. The committee will submit the following documents to respective accountant for checking :

<ol style="list-style-type: none"> 1. Approved Purchase requisition 2. Approved Budget for procurement 3. Committee formation letter 4. Signed Committee meeting minutes 5. RFQ with receiving signature/Dt/seal of vendors 6. Quotation of vendors 7. Declarations of Vendors and Committee 8. Comparative analysis with comments. 	<ol style="list-style-type: none"> 9. For open tender, the committee will submit a minutes where all bidding participants will put their Signature, Date and Seal. 10. Vetting report of bidders through online 11. Original Bill, Challan and Work Order (WO) including vendor's WO copy. 12. GRN (Goods Receiving Note) 13. Vendor wise separate RFQ where vendors given their receiving signature, seal, and date.
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x. If there have any political unrest or unforeseeable pressure created then RFQ (Request For Quotation) can be collected instead of publishing in newspaper. For this reason a written approval has be taken from ED (Executive Director).

xi. The committee will take advance 3months procurement plan from respective office/ project/ program, so that they can give quality time for procurement beyond their sectional work.

xii. If in any case, if it is not possible to collect sufficient quotations as described in the procurement threshold then the purchase committee will prepare a written justification note with a description of the situation. Director-Finance and Director-Internal Audit will verify the justification, and will put their comments on it and later on be submitted to the ED for approval.

4. RFQ (Request For Quotation)/Tender Call activities:

- a. Procurement committee will call for RFQ for quotations collection from different vendors for bidding process. The vendors shall have the existence of valid address of the business/institute.
- b. The committee will ensure vendor's signature, date, seal, and mobile no in to the individual RFQ at the time of RFQ distribution as a part of acknowledgement and the committee will keep it. The committee will not collect acknowledgment signature in one RFQ for ensuring confidentiality.
- c. The Tender box has to be opened in front of all vendors or their representatives who are in presence. After opening the tender box, the committee will prepare a minute where vendor's name, quoted value, date and their signature will be kept-up. For spot collection, it is not applicable, but to ensure comparative analysis.
- d. The Vendor shall submit the quotation by using their valid and printed office pad mentioning the business address, phone/fax, and E-mail ID for communication. No photocopy of the office pad will be allowed in respect of quotation submission.


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- e. The Vendor shall have a valid and updated trade license, and bank account in the name of the proprietor/business/company. The vendor should have VAT (Value Added Tax) registration with BIN (Business Identification Number) and TIN (Tax Identification Number). If any vendor who have no any trade license, then prior approval has to be taken from ED or DED (Deputy Executive Director) with a permission from ED for their participation in the Procurement process.
- f. Price quotation in the white paper (without official pad) will not be accepted and the quotation shall be submitted in the business/company official pad. For casual/daily labor, it can be relaxed subject to the approval of "Committee Formed by" person.
- g. All quotations will be included VAT and Tax, which will be deducted at the time of final payment. If the vendor has the BIN no and do deposit VAT to the Treasury; then they shall submit the VAT challan to COAST where COAST name and amount will be appeared clearly. The committee has to be ensured it.
- h. RFQ/Tender Invitation will to be included the followings:
 - i. Description of the item(s) like, Technical specification, Brand name, Model no, Country of origin,
 - ii. Warranty/Guarantee and After sales service
 - iii. Quantity, Price, VAT & Tax deduction, Mode of payment,
 - iv. Place of delivery, Carrying cost (who bear the cost),
 - v. Work completion date or period
 - vi. A clause has be mentioned in the RFQ that, if the vendor failed to deliver the goods/services on time with good condition or failed to deliver the materials as per description then the committee has the right to stop or cancel the work order and payment. And if any payment is being paid to vendor as advance then the vendor will be bound to refund the money.
 - vii. The committee has the right to cancel or change the bidding process without any prior notice and the bidders cannot claim any compensation in this regard.
 - viii. Declaration from vendor (**As per Annex-3**) regarding compliances, laws and rights issues.
 - ix. **Others:** In respect of construction/maintenance of building, school or any other establishment, the committee at first will visit the place before call for RFQ, so that the vendor would not get any scope for increasing the price beyond the earlier quoted price.

5. Competitive Bidding and Vendor Evaluation:

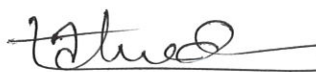
- a. Before awarding any vendor, a proper vetting shall be completed through the web link of the Bangladesh Financial Intelligence Unit (BFIU): https://www.bb.org.bd/bfiu/sanction_list.php and the result has to be been affixed with the meeting minutes.
- b. Format for RFQ/Tender calling:

SL No	Details about product (Brand name, Technical Specification, model)	Total quantity	Unit Price (Tk)	Total price (Tk)
01	02	03	04	05

- c. Purchase committee will open the tender box on the scheduled date in front of all supplier/vendor for getting the lower bidder. If the purchase committee assumed that quoted price is not satisfactory then the committee may cancel the tender.

If the committee assumed that the lowest bidder is not capable (in respect of technical, financial and work experience) or may not maintain the deadline or other matters that may hamper the supply or work completion then the committee may propose the name of 2nd or other bidder subject to the submission of proper valid reason for getting approval from the ED or DED (as per consent of ED).

In that cases, the bidder will not file or submit any complaint or compensation. In this context, the committee may send an E-mail to the concern vendor(s) by mentioning the reason of cancelation of bidding or reason of not selection. (This condition will be mentioned in RFQ during tender calling).


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- d. Committee will review all documents and analyze all quoted prices then prepare a comparative statement (as per following table/format). After that, the committee will recommend the name of the vendor for issuing Work Orders (WO).

Format of comparative statement:

SL No	Goods / Service Details	Name of the Vendor			Comments
		Vendor-1 (Name)	Vendor-2 (Name)	Vendor-3 (Name)	

- e. In the comparative statement, the committee will provide recommendation for awarding vendor and will send all documents to the CPF (**Central Procurement Focal**) for checking the process.
- f. Checking stages of Procurement before issuing Work Order (WO):

Designation	Approval Limit	Checked by person
Director-Core Operation (For Microfinance Operation)	From Tk.30,001/- to Tk.2,00,000/-	1 st : <u>Project/Program/Other office Accountant</u> will check and recommend 2 nd : <u>Central Finance section</u> will check and recommend 3 rd : <u>Internal Audit (IA) section</u> and recommend 4 th : <u>Central Procurement Focal</u> will check and recommend and then send to Director-CP for WO approval.
Deputy Executive Director (DED) for all sectors and donor projects	From Tk.30,001/- to Tk.30,00,000/-	1 st : <u>Project/Program/Other office Accountant</u> will check and recommend 2 nd : <u>Central Finance section</u> will check and recommend 3 rd : <u>Internal Audit (IA) section</u> will check and recommend 4 th : <u>Central Procurement Focal</u> will check and recommended and then send to DED for WO approval.
Executive Director (ED)	From Tk.30,00,001/- to Above	1 st : <u>Project/Program/Other office Accountant</u> will check and recommend 2 nd : <u>Central Finance section</u> will check and recommend 3 rd : <u>Internal Audit (IA) section</u> will check and recommend 4 th : <u>Central Procurement Focal</u> will check and recommend and then send it to DED for checking and recommendation. 5 th : <u>DED</u> will send it to ED for WO approval.

Note: Central Finance means "Head of Central Finance i.e., Director-FCC&EA or his designated person.

6. Awarding vendor without competitive bidding process

Competitive bidding is the general rules of COAST Foundation. Exceptions may apply in the following cases, subject to the provision of the necessary justification for awarding a contract to a vendor without a competitive process:

- Where an agent, licensee, or franchisee holder has sole rights to supply a service or product. In that case, an updated sole agent certificate has be provided by vendor.
- Where there is only one suitable qualified specialist in the relevant field.
- Where a particular service provider possesses a special advantage due, for example,
 - Have the latest research work/exclusively carried out in a particular area, or
 - Has exclusive data or information required to perform a particular task.
- Where only one proprietary agency or institute can meet requirements.
- When there is no competitive marketplace for the requirement or hardly to collect quotation.
- When the proposed procurement contract is for the purchase or lease of real property and the market conditions do not allow effective competition.
- Where due to raising any urgency, a bidding process could not be undertake. Factors giving rise to urgency shall be serious, unforeseeable, and in the most exceptional circumstances (for example, urgent public safety & support, natural and men-made disaster, or the like).
- Where due to raising any urgency, a competitive process cannot be undertaken in the time available.
- For all above issues (**a to h**), a proper justification note shall be prepared where all the committee members will put their recommendation and send it to the **Director-FCC&EA**. After getting feedback from the **Director-FCC&EA**, the Internal Audit section will check and verify the whole process and documents and will submit it to the **Executive Director** with their comments for approval.


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Chairperson
COAST Foundation

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Executive Director
COAST Foundation

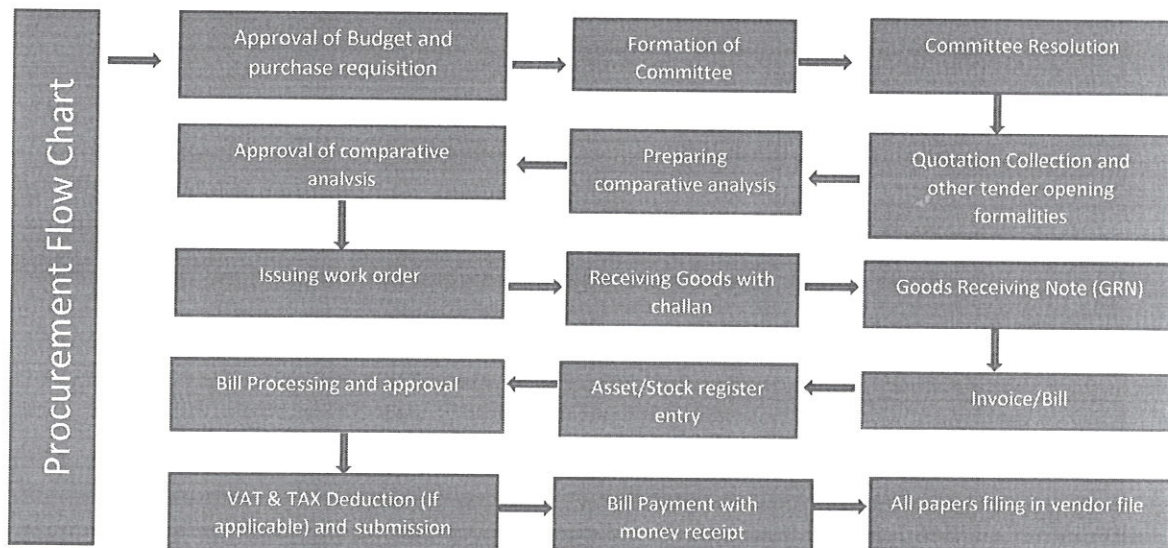
- j. The authority reserves the right to cancel any work order without showing any reason. For that reason, no complain or objection will be accepted, and no legal case would be sued in this regard. This condition will be mentioned in every tender invitation letter.

7. Pre-procedures for Bill payment:

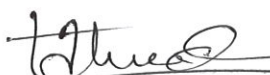
- a. The Accountant will ensure the following documents at the time of final payment to vendor.

1. Budget and purchase requisition approval	8. Signed Work Order
2. Approved Purchase Committee	9. Invoice & Challan
3. Committee Resolution	10. Goods Receiving Note (GRN) [Annex-2]
4. Request for Quotation (RFQ)	11. Stock/Asset register entry
5. Approved Comparative Analysis along with signature of Check and Review by person	12. 2 nd Committee report for construction work
6. Tender opening documents, minutes, etc.	13. Bill process and approval
7. Vetting report of bidders through online	14. VAT/Tax deduction as per condition of WO
	15. Photocopy of Account Payee cheque, etc.

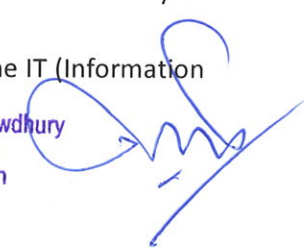
- b. After checking following steps, the approval authority will either approve or may cancel the bill.



- c. Vendor shall submitted the bill, challan, signed copy of work order, a copy of GRN to COAST by next 30 days after completion of work, otherwise COAST has the right to cancel the bill. If needs time extension then the vendor needs written approval from concern authority subject to submission of application.
- d. In respect of construction/maintenance of building, school or other establishment, earthwork, the DED will form a **Second** committee including an expert like civil or relevant engineer or who have vast experiences in this field to review the whole work and will give a 2nd GRN after giving the **GRN** by **First** Procurement Committee. The respective Accountant must collect the report from **Second** Committee before processing the final payment.
- e. A proceeding sheet will complete the final bill process [**Payment Proceeding Sheet: Annex-5**]. In the proceeding sheet the concerned Purchase committee, Estate Affairs (In case of Asset purchase), Accounts department and Internal Audit department (if required) will put their comments and recommendations for its process. The Accountant will mention the deductible VAT & Tax and the net payment (after deducting VAT/Tax, Advance, etc.) in the proceeding sheet.
- f. Accounts department will check/verify whether the activities of the purchase committee are in accordance with the policy and will provide comments on the bill proceeding sheet.
- g. For purchasing Land, Property, and vehicle, the Estate Affairs section will ensure the authenticity of assets, ensure assets ID No and its record in assets register.
- h. In case of IT products, the clearance certificate shall be collected from the Head of the IT (Information Technology) department in Principal office.


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 Chairperson
 COAST Foundation

Rezaul Karim Chowdhury
 Executive Director
 COAST Foundation



- i. Bills will be paid through an Account Payee cheque in the name of the business/company. Account payee cheque can be issued in the name of Proprietor and in that case the concern vendor will submit an application in favor of the procurement committee and the committee will take approval from DED (Deputy Executive Director) after putting with their recommendation in the application.
- k. Advance can be given to the supplier based on the application of the vendor. In this regard the committee will put their recommendations for taking approval from ED or DED (with a concern of ED). The committee must not submit any application for advance on behalf of vendor.
- l. In case of bill payment, the accounts section will pay full bill after completing of full (100%) work by the vendor as per work order and its conditions.
- m. After receiving the goods, it will be recorded in the store/asset register. In the case of assets, the asset ID number has to be recorded both in the asset register and on the body of assets.
- n. After ensuring all procedures (**Sl: a to n**) the respective Accountant will prepare a bill proceeding sheet (**as per Annex-5**) where vendors information, bill amount, deducted Vat and Tax amount, and net bill amount will be recorded.

E. Cash Payment for Emergency Purpose:

A single cash payment of up to BDT 30,000/- may allow only for projects and activities where immediate financial assistance, other goods, and services are required to address urgent needs such as disaster relief, humanitarian crises, or other time-sensitive situations. In this regard pre-approval has to be taken from DED/ED subject to the recommendation of head of Finance and head of Procurement.

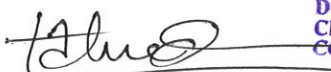
1. Cash payment only be made when the demands are justifiable.
2. Adequate security should be confirmed during cash handling, transportation, and distribution.
3. If any cash payment is made through advance taken, then respective staff will be liable for adhering to the security of cash amount.
4. Any breach, loss, or hijack should be reported to the immediate supervisor immediately.
5. All cash payments must be supported by relevant supporting documents, purpose, recipient details, and acknowledgment.

F. Vendor/ Supplier file management:

1. An individual file to be maintained for each vendor
2. After paying the bill, a photocopy of bill, Challan, GRN, money receipt, cheque, copy of VAT & Tax challan, and bill proceeding sheet will be kept in the vendor file. All original copies will be kept with the accounting voucher.
3. Vendor's file should have a top sheet where the summary of all details information will be recorded, like work order value, Bill amount, VAT & Tax, etc.

G. Select Annual Vendor :

1. Vendors can be selected in Division/District and Upazila levels minimum for 06 (Six) months for Retail products, Assets purchase, and Other Services.
 - i. **Retail product means:** Fuel, photocopy, stationaries, IT products (like cartage, keyboard, storage device, mouse, pen drive, Laptop charger, and battery, etc.), Office supplies & crockeries.
 - ii. **Assets means:** Computer, laptop, furniture, Machinery item (Photocopy, Printer, Fax, generator, AC, IPS, UPS, Fan, Transmitter, Sound system, etc.), Motorcycle & Vehicles, Land purchase, etc.
 - iii. **Other service means:** Consultancy, Construction work (any kind of), Renovation, Repair & maintenance, etc.
2. The Deputy Executive Director will form a committee consisting **Three (03)** members and they will select vendors/suppliers in case of purchasing retail products, assets and other services.
3. The committee will invite the "Expression of Interest for Enlistment" for selecting the vendor
4. The vendor shall have experience in relevant business/field and have his own updated trade license and own business entity/shop.


 Dr. Tofail Ahmed
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 Executive Director
 COAST Foundation

5. The vendor shall have TIN and BIN (VAT) certificate and shall have updated Income Tax return and its acknowledgement slip from NBR (National Bureau of Revenue) of government of Bangladesh.
6. The vendor's shall have to signed declaration (code of conduct) as per **Annex-3** of Procurement Policy.
7. The committee will prepare a meeting minutes and proposal after reviewing all process and compliances (stated above) and will provide to the central finance section for their comments. If required, the central finance section will take comments from Internal Audit section or otherwise will provide it to the Deputy Executive Director (DED) for final approval for enlistment.
8. COAST Foundation has the right to cancel the vendor enlistment by giving 07-days prior notice to the respective vendor(s).

H. VAT & Tax deduction and deposit

1. VAT & Tax has to be deducted as per the government law and accordingly will have to deposit in the government treasury within the time limit. Deducted VAT and Tax can be deposited either cash/pay order/account payee cheque. For above Tk.10,000/- it will be either pay order/account payee cheque.
2. After deduction of VAT/Tax from the supplier, VAT and Tax both has to be deposited within 15 days to Bangladesh Bank/Sonali Bank/other designated bank by Govt. through Treasury Challan. The main copy of the challan will preserve in the VAT/Tax file and a photocopy attached with the accounting voucher.
3. Central Finance section will circulate the latest amendment VAT/Tax rates to all concerned.

I. Supply and Receipts Documentation

All procurement actions shall be fully and transparently documented. This means that each procurement shall be supported with a fully cross-referenced "stand alone" file with the complete and accurate documentation and will be required if any disputes arise or if any claims are made. All supporting documents shall be kept at least for 06 (Six) years for audit or other purposes. Documents shall be filed by contract number and tender document number.

J. Procurement Reporting and Review

1. All sectors (Operation, Development Projects, and Microfinance, etc.) will prepare a report on previous quarter procurement (3months) and will provide a plan for next quarter for procurement to the Central Procurement Focal (CPF). The respective accountant and TL/PC/PM shall ensure it.
2. The central procurement focal (in central office) will collect a quarterly report from all sectors regarding its procurement process highlighting:
 - i. Whether the procurement has been made as per policy and compliances or not? Or
 - ii. Any grievance in respect of budget approval process, quotation collection and its write-up, vendor selection process, RFQ and GRN status, work order process, delivery date line maintain, Bill and Challan, Proceeding sheet, VAT and Tax deduct and deposit status, Mode of payment, etc.
3. Whether quotation collection has been made from enlisted vendors?
4. Whether same vendor is getting work order frequently or not?
5. Maintaining code of conduct both committee and vendor as per **Clause- C/1 and C/2**
6. Learnings from procurement and next course of action.
7. The concern sectors will send a plan of procurement for next quarter to the Central Procurement Focal (CPF) for reviewing and planning with the procurement committee.
8. The CPF and the declared procurement committee will conduct a quarterly meeting and will prepare minutes on quarterly basis and will submit to the ED and DED.
9. Procurement report and its review will be complied as per donor's requirement.

K. 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:


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 COAST Foundation


Rezaul Karim Chowdhury
 Executive Director
 COAST Foundation

1. Place a vendor or the Organization at a disadvantage or;
2. Provide an unfair advantage to a vendor or;
3. Harmfully reflect upon the reputation and integrity of the Organization.

So, confidentiality will be maintained in every steps of procurement.

L. Conclusion:

1. This policy will be effective immediately in all offices of the organization.
2. In the case of implementing a donor project, the procurement policy of the respective donor will be followed. But for the interest of implementation of the donor project any part of this policy can be changed with the approval of DED (DED will take prior permission from ED in this regard).
3. If any employee of the organization or any member of the purchase committee would violet this policy will be considered as "Misconduct" and disciplinary action will be taken against him/her as per Human Resource policy.
4. If the government or organization proclaims any area as a disaster area then any part of this policy can be relaxed with the approval of the ED or DED (in absence of ED with a permission of ED).
5. The custodian of the Procurement Policy is the head/Director of Finance section in Principal office.
6. The revised procurement policy was primarily discussed in the 115th Executive Committee Meeting (ECM) held on 24th June 2022 and is finally approved in 116th ECM held on 30th September, 2022 and **the policy will be effect from 5th October 2022**. The policy will be reviewed again in June 2025. If required, the revision can be made before that subject to approval of EC.



Rezaul Karim Chowdhury
Executive Director,
COAST Foundation

Rezaul Karim Chowdhury
Executive Director
COAST Foundation

----- x -----

5th October, 2022



Prof. Tofail Ahmed, PhD
Chairperson,
COAST Foundation

Dr. Tofail Ahmed
Chairperson
COAST Foundation

Annex-1

PURCHASE REQUISITION FORM

Purchase request by : Designation :						
Name of Sector/Project : Within approved budget : Yes / No / Need extra budget						
SL #	Budget code/ Charging Head	Description with specification	Stock in hand (Qty)	Required Qty	Estimated Unit Price	Total Estimated Amount
1						
2						
..						
..						
Total						-
Amount in word :						
Special Instructions (if any):						
Prepared By----- Seal ----- Date-----/-----/-----						
Checked By ----- Seal ----- Date-----/-----/-----						
Recommended By ----- Seal ----- Date-----/-----/-----						
Approved By ----- Seal ----- Date-----/-----/-----						

Annex-2

Goods Received Note (GRN)

Supplier's Information :		Serial No		
		Work order No		
Receiver Information :		Work order Date		
		Work order amount		
PO/ Project name and location				
SL #	Goods/Items Name (description with specification and product serial No.)	Ordered Quantity	Received Quantity	Comments
01				
02				
03				
04				

Declaration:

The vendor has performed the whole work as per description and specification mentioned in the given Work Order (WO) and has maintained the Vendor's code of conduct/declaration properly. We the committee members have no any objection in this regard and therefore may give the final bill in favor of the vendor.

If found negative or any objection then please write the reason:
.....
.....

Signature, date and seal

1. Procurement Committee (TL)
2. Procurement Committee-2
3. Procurement Committee-3

Stock entered	Yes / No
Page No	


Dr. Tofail Ahmed
Chairperson
COAST Foundation


Rezaul Karim Chowdhury
Executive Director
COAST Foundation

Annex-3


Declaration by Vendor/Supplier/Consultant/Contractor

To : The Team Leader of Procurement Committee
Dhaka/Bhola/Cox'sbazar/UROC/....., COAST Foundation

1. Vendor's name :
2. Address :
3. BIN (VAT) Reg No. TIN:
4. Trade Licence No. Licence Expire on:
5. Duration of business/Experience:
6. Purpose of RFQ/Quotation :
7. Expense under Project/Office/Sector Name:

We refer to Vendor and their worker/staff/labour and on behalf of the Vendor, I hereby declare that:

1. We are committed to conduct our business in accordance with the highest ethical standards and in compliance with all applicable law, rules and regulation of government of Bangladesh; also not engage in any form of corrupt practices like extortion, fraud, or bribery.
2. We have no financial or other personal interest, relation, direct or indirect, with any staff of COAST Foundation and Procurement Committee.
3. We are not offering, directly or indirectly, any gift, favour, entertainment, loan or anything of monetary value or for any improper business advantage to COAST staff. We shall not provide any inappropriate fees, favour, or other compensation, including travel and entertainment, that are intended to influence, or may appear to influence a business decision.
4. We have no relatives (Mother, Father, Brother, Sister, Uncle, Aunt, Cousin, Nephew, Brother-in-law, Sister-in-law, Father-in-law, mother-in-law) in the COAST procurement committee and with other staff of COAST.
5. We will protect confidential information of COAST Foundation. We will maintain process to provide reasonable protection for personal, proprietary and confidential information that we access, receive or process on behalf of COAST and other personal purpose.
6. We will comply the PSEAH (Protection from Sexual Exploitation, Abuse, and Harassment) policy and will not violate any human rights. We will take immediate actions and measures if any incident happens in this regard.
7. We will create and maintain dignified and respectful environment for all COAST employees, its program participants, and beneficiaries. We will not be engaged with any act like sexually exploitation and abuse or harassed even will not act any threats of violence, fear and harmful for anyone of COAST.
8. We abide by child labour laws of Bangladesh. We will not recruit/engage any worker/ labour/ volunteer/ staff who are below 18 years.
9. We or our subcontractor not engage with any illegal activities like money laundering, terrorist financing, illegal drug & arms business, smuggling, human trafficking or any other illegal activities, etc.
10. We shall abide by the terms and condition of the RFQ (Request for Quotation) and Work Order (WO) issued by COAST (Purchaser) that agreed by the Vendor with both party signature.
11. All documents are valid and true, which we attached with quotation (business address, updated trade license, TIN (Tax identification Number) certificate, latest tax return slip from NBR (National Board of



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Revenue), VAT (Value Added Tax) registration with BIN (Business Identification Number), business profile, experience certificate etc.

12. We also declare that our business/company/institution is not under blacklisted by the government or UN Agencies.
13. We will ensure, so far as is reasonably practicable, that the workplaces, machinery, equipment and processes under our control are safe and without risk to health.
14. We are environment friendly in respect of production, using materials (Chemical and Hazardous Materials), waste management (wastewater and solid waste process i.e. minimizing waste and maximize recycling), cleanliness, air emission, packaging and delivery.
15. We will submit (i) Original Bill/Invoices, (ii) Signed Work Order copy, (iii) Original Challan of materials delivery, and (iv) GRN (Goods Receiving Note) by the committee to Accounts section for payment.
16. We will ensure equality in respect of employment and occupation without discrimination on grounds of race, color, sex, religion, political opinion, national extraction or social origin and such other ground under the law of the country.
17. We shall provide a safe and healthy working environment that minimizes health and safety risks, and ensures the health and safety of all personnel and not all others are affected by our activities.
18. COAST may terminate this contract in whole or in part by giving notice (either written or by email) to the default address (business address, Email) of supplier, and the Supplier will be bound to admit this:
 - a) If the supplier fails to deliver any or all of the Goods (as per description and specification) within the period(s) specified in the contract, or within an extension thereof granted by the purchaser pursuant to written request,
 - b) Or, if the supplier fails to perform any other obligation(s) under the contract.
19. We shall comply the above commitments and terms at all times. We have submitted the quotation by examining all factor and cost and shall not be increased. Failure to comply with or giving false information to COAST shall constitute grounds for immediate termination of agreement or may take any legal actions against me/business. In this regard, no further payment will be made as violation of agreement, even will not submit any complaint or compensation to COAST.

We carefully read, agreed and sign the code of conduct and comply all conditions stated above.

Vendor's Signature, Date and Seal:



Dr. Tofail Ahmed
Chairperson
COAST Foundation



Rezaul Karim Chowdhury
Executive Director
COAST Foundation

Annex-4

Procurement Committee Declaration

Assignment Name:

Project/Office Name:

Committee Formed by:, Position:

Date of Committee Formation: Budget amount: Tk.

We the committee member hereby declare that:

1. We have no financial or other personal interest, direct or indirect, with vendors/suppliers who were submitted quotation(s).
2. We have no any engagement regarding any offering, directly or indirectly, any gift, favor, hospitality, entertainment, loan or anything of monetary value to vendors.
3. We vendors are not our relatives (Mother, Father, Brother, Sister, Uncle, Aunt, Cousin, Nephew, Brother-in-law, Sister-in-law, Father-in-law, mother-in-law) and or friends We have no connection in this regard.
4. We are not share any information about price, budget, quotation, and specification of the goods and services (provided by vendor) with anybody even not with other vendors/suppliers from whom other quotations have been taken for the same goods/services.
5. We will ensure the declaration of vendors at the time of quotation collection.
6. We never be engaged with any conduct, either professional or personal, which would bring the profession or organization (COAST) into disrepute.
7. We will complete the procurement process without having any biasness and maintaining integrity and honesty.
8. We follow the other code of conduct rules of Procurement Committee mentioned under the **Clause: C-1** of Procurement Policy.
9. If we break any rules of the code of conduct then it will be treated as "Misconduct" and management has the right can take any disciplinary actions against me/us.

Procurement Committee's Signature, date and seal:

1. Signature, Date and Seal:

2. Signature, Date and Seal:

3. Signature, Date and Seal:



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COAST Foundation

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Executive Director
COAST Foundation



Annex - 5

Proceeding Sheet of Payment for Procurement

Subject	
Name of Vendor	
Dat. of Work Order _____, WO Value: Tk. _____ Bill Submission Dt: _____	

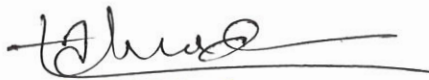
1. Comments from Accountant with signature/Dt/seal:

[For Example: Procurement has been made as per Procurement policy. All materials/services has been supplied as per Work Order and in good manner. Recommended to approve the net amount Tk..... in favor of ----- (Vendor Name) -----.]

Total Bill Amount	: Tk...../- (including VAT and Tax)
(-) VAT	: Tk...../- (as per rules)
(-) Tax	: Tk...../- (as per rules)
(-) Advance	: Tk...../-
(-) Other liability	: Tk...../-

Net Payment Amount	: Tk...../-

- 2. Comments by Procurement Committee with signature/Dt/seal:
- 3. Comments by Central Finance Focal or Section with signature/Dt/seal:
- 4. Comments by Internal Audit Section with signature/Dt/seal:
- 5. Comments by Central Procurement staff (AD designated) with signature/Dt/seal:
- 6. Comments & Approval by Deputy Executive Director (DED) with signature/Dt/seal:
- 7. Comments & Approval by Executive Director (ED) with signature/Dt/seal:


Dr. Tofail Ahmed
Chairperson
COAST Foundation


Rezaul Karim Chowdhury
Executive Director
COAST Foundation