

PROCUREMENT POLICY (2022)

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PREFACE

BITS BioCyTiH Foundation is an autonomous, Section 8, nonprofit company, an initiative of Birla Institute of Technology and Science, Pilani, seed funded by the Department of Science & Technology, Government of India.

The company was created with a vision “To foster research, innovation, skill development and training in the interdisciplinary area of Bio Cyber Physical Systems (Bio-CPS) through mentoring and nurturing startups and entrepreneurs, and industry & academia collaborations to undertake cutting edge research and provide affordable solutions in the areas of healthcare, agriculture, water and environment ”

BITS BioCyTiH Foundation (henceforth referred interchangeably as the Foundation or the Company) is a new company with a limited number of full-time employees, the rest being consultants/ advisors. Since the requirement of the company is in the interdisciplinary area of Bio-CPS which is a niche and emerging area and limited to only a few, this policy is framed to guide in the process of transparent, quick and an easy procurement due to the dynamic environment in the emerging sector.

The aim of this policy is to provide a framework within which the company procures its requirement in a financially prudent manner without compromising its flexibility to deal with varied and contextual situations.

This procurement policy shall facilitate efficiency rather than create impediments in smooth and timely procurement, while following principles of accountability and procedures of financial propriety and due diligence.

This policy shall be reviewed and revised periodically based on the ever-changing nature of requirements in a niche technology sector.

PROCUREMENT POLICY

1. Introduction: BITS BioCyTiH Foundation is a not-for-profit company registered under section 8 of the Companies Act, 2013. The company envisages research and development of Bio-CPS technologies, novel diagnostics, tools, devices, bio-sensors, biomarkers, Internet of Things (IoT) platforms, data security, CPS systems, prototypes and transferring these technologies with application in the areas of healthcare, agriculture, water and environment, thereby contributing to various sustainable development goals, national policies/ programmes and other development objectives etc. Additionally, the aim is to create a strong foundation and a seamless ecosystem for Bio-CPS technologies by coordinating and integrating nationwide efforts encompassing knowledge generation, translation research, technology and product development, technology transfer, human resource development, skill development, innovation and international collaborations. This entails development and implementation of various projects to fulfill the company's objectives. The organization utilizes its resources for procurement of goods, processes, services, technology, etc. to create products for which it was envisaged.

2. Procurement Policy: Procurement policy is a framework designed to provide for procurement of high standard goods, services, technology, processes at reasonably competitive cost, terms and conditions. Timely availability of material to projects is of prime importance for carrying out meaningful scientific research as well as for meeting the targets set for completion of various in-house & sponsored projects. The aim of the Procurement process would be to *procure best product/Process/ Service at most reasonable price in a time-bound manner.*

BITS BioCyTiH Foundation is focused on supporting "translational R&D projects" conducted by R&D researchers in academia, startups and industry including providing support programs for translation by Foundation's own operational, financial, administrative and technical team (that would remain extremely lean). Since the Foundation's own team would have very limited time available to devote to procurement, this policy shall serve for speedy procurement through simplified and standardized procedures. In exercise of its powers and to facilitate procurement of its requirement, the company has formulated the following procurement policy which has been ratified by the Hub Governing body (HGB). This policy shall govern all procurement of goods, processes and services both within the country and from abroad.

3. Principles of Procurement: Procedures for procurement of Goods, services and processes by BITS BioCyTiH Foundation would follow the principles of *Accountability, Reasonableness and Transparency*. The principles of procurement would be adhered to all times: -

a) **Standards of Financial Propriety.** Every authority incurring or authorizing expenditure from public monies should be guided by highest standards of financial propriety. They should also enforce financial order and control systems as well as and strict economy and see that all

relevant financial rules and regulations are observed, by his own office and by subordinate disbursing authorities. They should exercise the same vigilance in respect of expenditure incurred as a person of ordinary prudence would exercise in respect of expenditure of his/ her own money. The expenditure should not be prima facie more than the occasion demands and should neither be directly or indirectly to his/her own advantage nor benefit a particular person or a section of the people.

b) **Responsibility of Financial Authorities.** The authorities delegated with the financial powers shall be responsible and accountable for bringing in efficiency, economy, and transparency in all matters relating to procurement.

4. Implementation of Principles of Procurement. In order to implement the Principles of Procurement, following procedures would be used: -

- a) The procedures adopted for inviting offers should be fair and transparent.
- b) The Authorities shall satisfy themselves that the price of the selected offer is reasonable and consistent with the quality required.
- c) All Purchases shall be made in a fair manner and as far as possible on competitive basis, to secure best value for money.
- d) Specifications in terms of quality, type etc., as also quantity of goods to be procured, should be clearly spelt out keeping in view the specific needs of the company. The specifications so worked out should meet the basic needs of the organization without including superfluous and non-essential features to preclude unwarranted expenditure.
- e) At each stage of procurement, detailed considerations/ decision shall be placed on record, in a precise manner.
- f) Procurement of goods, etc. shall not be split up so as to avoid the sanction of higher authority.
- g) Savings under one major head or sub head of account can be re-appropriated for procurement of items under another sub-head in case of exigencies with due approvals.

5. Items of Procurement: The items required to be procured under the ambit of the rules & procedures outlined in this policy shall mean and include goods, services and processes as below (inclusive and not exhaustive): -

- a) Biological and Biochemical materials: The Biological and Bio/chemical materials or services, would include proteins, enzymes, antibodies, DNA, RNA, genes, aptamers and other bio/chemical materials alongside chemical cross linkers, modifiers, sequencing services and other such items meant for research and development both standard and non-standard etc.
- b) IT (Information Technology) related products: IT products or services, would include computer hardware, software, electronics, semiconductors, internet/ telecom equipment, etc.,

Technology in the field of information is fast changing and obsolescence is very fast, hence expeditious procurement may be necessitated in such types of procurements.

c) **Procurement of Innovation:** The Company can procure innovation by seeking and encouraging innovative ideas and plans relating to the objectives of the company. Procurement of innovation shall also include process of innovation – research and development services - which create or develops ideas, processes which do not exist. These processes after development shall result in solutions. The company may describe its needs, prompting potential researchers to develop innovative products, services, or processes to meet the company's needs. The company may act as an early adopter or a facilitator of a startup or an entity and procure any product, process or service either within its sphere of activity or in related sphere of activity. Such product, process or service may be new to the market or still not yet reached the market and contain substantially novel or innovative characteristics. The idea is to buy innovative new and early-stage goods, services or processes. While procuring innovation the company shall ensure that process/service suppliers play a more proactive role in development and delivery. Procurement of innovation can result in gain-sharing and exclusive rights agreements.

d) Articles, material, commodities, general furniture/ laboratory furniture, fixtures, raw material, glassware, chemicals, plasticwares, general laboratory wares, spares, instruments, machinery, equipment, stationery, and any other item meant for Research & Development (as well as for operation of the Foundation) both standard and non-standard.

e) **Annual Maintenance Contracts** of goods and equipment purchased or otherwise acquired for the use of the company.

f) **Procurement of Services.** Specific Scientific & Technical Services viz, Professional consultant services, Computer & Network management, Software & web design Development services, Communication facilities etc.

6. Procurement Committee (PC): To expedite procurement and to ensure quality and standard of goods, the Chief Executive officer (CEO) may also appoint a procurement committee. The PC would gather market intelligence, and explore options of scale economy for securing better prices. The PC may also consider possibilities of outsourcing part of procurement under a project to a vendor who may secure better deals through market networks and tie-ups.

A. For procurement cases where sanction would need to be accorded by the CEO or by authorities delegated by CEO, the PC will comprise of at least three-members: a senior expert (as Chair of PC) designated by the CEO, the other two members being a Financial Advisor and the Project Director. If the Project Director is nominated to Chair the PC, then an additional member has to be nominated in the PC by the CEO.

B. For procurement cases where sanction would need to be accorded by the Chairman Board of Directors or a nominee of the Chairman in the Board of Directors, the PC will comprise at least five members: CEO as the Chair of the PC, Project Director, Financial Advisor and two senior experts nominated by the CEO. In order to bring uniformity and consistency along with due diligence in the process, the PC may be assisted by a designated Administrative officer from the Finance/Administration department for clerical works like preparation of and compliance with standard conditions of RFP, opening of and scrutiny of the bid documents, preparation of comparative statement of tender, etc.

The PC shall have the power to take decisions and place their recommendations to the sanctioning authority. Following activities will be performed by PCs in various stages of procurement once Acceptance of Necessity (AoN) has been accorded by Sanctioning Authority:

- a) Preparation / finalization of Tender
- b) Issue /Amendments to Tender
- d) Extension of Bid opening date
- d) Establishing bench-marking cost for Price bids
- e) Opening of Price Bids
- f) Preparation of Comparative Statement of Bids (CSB) and Declaration of selected Bidder
- g) Cost analysis of quoted rates/ negotiations with selected bidder
- h) Submission of Report containing recommendations of Financial Advisor
- j) Preparation and finalization of draft Contract / Supply Order

7. Technical Committee (TC): The CEO may also appoint a Technical Committee of not less than four members to technically evaluate Bids received in response to a Tender on a case to case basis. The Project Director would normally be Chair of the Technical Committee and at least three other suitable members drawn from Foundation supported Project Investigators (PIs)/Technical Staff, Foundation's senior staff, would be the members of TC to evaluate technical compliance of the Bids with respect to the requirements projected in the Tender document.

8. Prioritization for Purchase: The Purchase Committee will consult various heads of Divisions/Units, get their requirements for the year and prioritize the list of purchases to be made in the following year in synchronisation with the budget allocation. This document shall be named as Annual Procurement Plan (APP). All Purchases that are made during the year will be in accordance with the APP as far as feasible. However, depending upon the exigencies of requirement, the priority list for purchase may be amended with the approval of the Sanctioning Authority as mentioned in delegation of power. **Expenditure on Projects which**

have commenced/ committed or are deemed strategic should take priority in allocation of funds (unless abandoned).

9. Budget Provision: Procurement of material shall be based on Budget Provision and prioritization based on company's needs and priorities. In order to meet emergency requirements and purchases within the powers delegated, a certain amount in the budget may be kept as a reserve. Such purchases should be made from within this reserve. Unspent balances under this head may be re-appropriated for regular procurement.

10. Delegation of Procurement Powers: In order to bring expediency in the Procurement process, financial powers may be delegated by the CEO in consultation with the Chairman of Board of Directors of the Company. The extent of powers to be exercised in procurement shall be as defined in a supplementary document. Due to the dynamic environment of the sector and to enable the company to achieve its objectives, the powers delegated in this supplementary document would be subject to revision on as required basis as ratified by the HGB.

11. Modes of Procurement: The Company may adopt any of the following modes of procurement (limits as laid down in the supplementary document):

a) **Purchases without quotation:** Purchase of low value goods on each occasion may be made without inviting quotations or bids.

b) **Request for Quotation (RFQ):** The Purchase of medium value goods shall be made by obtaining written quotations from at least 3 suppliers through a Request for Quotation.

c) **Tendering:** The Purchase of high value goods shall be made by obtaining written quotations from at least three suppliers through a Request for Quotation. Tendering process would use one of the following routes for procurement: -

- i) **Open/Limited/Global Tender Enquiry (OTE/LTE/GTE):** OTE must be adopted for high value purchases by advertising. Limited Tender Enquiry (LTE) may be adopted instead of OTE on each occasion based on the recommendations of Purchase Committee as per requirements of speed of procurement, and/or sources of supply being definitely known and possibility of fresh source(s) beyond those being tapped is remote, and/or nature of item to be procured is such that pre-verification of the competence of the firms and their registration is essential. Normally, the number of supplier firms in Limited Tender Enquiry should be at least three. In case of LTE, copies of the bidding document should be sent directly by speed post/registered post/courier/ email to firms which are approved by the Sanctioning authority for procurement of the goods in question. Global Tender Enquiry (GTE), which is essentially the same as open tendering, is to be resorted for items of foreign origin, where competition from more than one source from different countries is envisaged. In case of GTE, copies of the tender enquiry may be sent to the Indian embassies abroad as well as the foreign embassies in India.

- ii) **Single Tender Enquiry (STE):** On occasion the materials or the technology might be so specialized that there might be only one potential vendor, procurement from a Single Tender Enquiry may be resorted to in such cases with due justification of requirement by the PC.
- iii) **Purchases on Proprietary basis:** Purchase of items having unique feature which is essential for R&D activity and which is not available in any other similar equipment or solution in the market, procurement may be resorted to from the entity holding the Proprietary Article Certificate (PAC) in India or abroad without the need for following Tendering process with due justification of requirement by the PC
- d) **Emergency Purchases:** Unforeseen purchases required to be made at short notice in the event of a breakdown or crisis. Such purchase may be regarded to be a crisis purchase of minimum escapable value without the need for following Tendering process as laid down but rather with justified expediency in procurement process as well as with due approval processes.

12. Other Major Aspects of Procurement Process. Some of other major aspects of procurement are as follows: -

- a) **Single and Two-Stage Bidding:** For stores available commercially off-the-shelf (COTS), where qualitative requirements and technical specifications are clear, non-complex, single commercial bid system may be followed. For purchasing high value goods processes or services of a complex and technical nature, the company shall invite bids through advertised tender which may be processed in two stages as under:
 - (i) **Stage 1.** Technical bid consisting of all technical details along with commercial terms and conditions
 - (ii) **Stage 2.** Commercial bid indicating item-wise price for the items mentioned in the bid (To be opened only for technically qualifying firms).
- b) **Benchmarking:** Before scheduled negotiation, wherever considered necessary, it would be advisable to work out the estimated reasonable rate or the benchmark, to judge acceptability of the offer based on available information about same/ similar product/service/process.
- c) **Quality and Cost Based Selection (QCBS):** QCBS is to be used for Procurement of consultancy services. In QCBS, initially the quality of technical proposals is scored as per criteria announced in the RFP. Only those responsive proposals that have achieved at least minimum specified qualifying score in quality of technical proposal are considered further. After opening and scoring, the financial proposals of responsive technically qualified bidders, a final combined score is arrived at by giving predefined relative weight ages for the score of quality of the technical proposal and the score of financial proposal. The RFP shall specify the minimum qualifying score for the quality of technical proposal and also the relative weightages to be given to the quality and cost (determined for each case depending on the relative importance of quality vis-a-vis cost aspects in the assignment, e.g. 70:30, 60:40, 50:50 etc.). The proposal with the highest weighted combined score (quality and cost) shall be selected. The

weight age of the technical parameters i.e. non- financial parameters in no case should exceed 80 percent.

d) Lack of competition: Lack of competition shall not be determined solely on the basis of the number of bidders. Even when only one bid is submitted, the process may be considered valid provided following conditions are satisfied:

- i) the procurement was satisfactorily advertised and sufficient time was given for submission of bids.
- ii) the qualification criteria were not unduly restrictive; and
- iii) prices are reasonable in comparison to market values

When an OTE/LTE/GTE results in only one effective offer, it shall be treated as a Resultant Single Vendor Situation (RSVS) which can be pursued with due justification and approval by the sanctioning authority depending upon how well the Tender was advertised/ received by the Bidders, how broad-based were the technical requirements and how time-critical is the procurement.

e) Advance payment to supplier: Ordinarily, payments for services rendered or supplies made should be released only after the services have been rendered or supplies made. However, it may become necessary to make advance payments in certain cases. The powers to sanction advance payment to suppliers shall vest with the Sanctioning authority on the recommendations/ justifications by the Purchase Committee and as per limits laid down from time to time.

f) Use of Facilitator for Procurement. The company may approach the original supplier of goods or equipment to act as a facilitator for procuring the required original equipment spares or parts and supply to the company. The company may adopt such method if it results in better price, quality or time saving vis-à-vis process of tendering.

g) Need for Expeditious Processing: It is imperative that the procurement process is fully responsive to the needs of the Company and facilitates expeditious procurement so that requirements are met on time. It is, therefore, essential that all prescribed activities are undertaken expeditiously and advice rendered within a specified time frame.

13. Code of Integrity: No official of the company or a bidder shall act in contravention of the following which includes:

a) Prohibition of

- i) making offer, solicitation or acceptance of bribe, reward or gift or any material benefit, either directly or indirectly, in exchange for an unfair advantage in the procurement process or to otherwise influence the procurement process.
- ii) any collusion, bid rigging or anti-competitive behavior that may impair the transparency, fairness and the progress of the procurement process.

iii) any financial or business transactions between the bidder and any official of the company connected to tender or execution process of contract which can affect the decision of the Purchase Committee directly or indirectly.

iv) making false declaration or providing false information for participation in a tender process or to secure a contract;

b) Disclosure of conflict of interest.

The company may debar a bidder or any of its successors, from participating in any procurement process undertaken by it, for a period not exceeding two years, if it determines that the bidder has breached the code of integrity.

14. Power to amend the procurement policy: Owing to the dynamic nature of the niche technology sector that the Company is operating in, this procurement policy may be reviewed periodically and Company may at any time revise, modify, delete, amend, substitute any word, phrase or portion of this policy, with due approvals of the Board of Directors and inform the Hub Governing Body (HGB) as soon as practicable.
