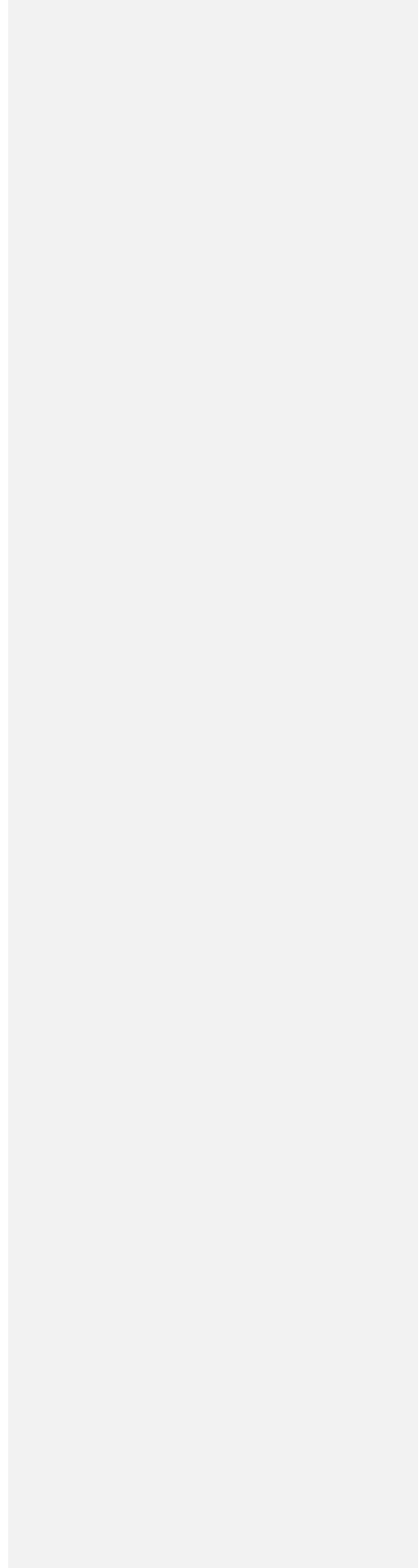




Procurement Policies and Procedures
Manual

SEPTEMBER 201209

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CHAPTER 1

1.1 Background:

The African Women's Economic Policy Network (AWEPON) is a Pan- African faith-based non Governmental Organization (NGO) with the regional Secretariat legally registered in Uganda Working closely with churches and other NGOs. AWEPON has an active membership of 150 organizations in 22 countries across Africa. AWEPON owes its origin to the All Africa Conference of Churches (AACC) Women's Desk that initiated faith-based consultations on the impact of economic policies on women, leading to the formation of a continental initiative in the name of AWEPON.

Vision - AWEPON works towards achieving household economic integrity and sustainability. achieving economic justice

Mission- AWEPON seeks to empower women especially at grass root level and establish Networks for economic sustainability. strengthen the capacity of women especially at the grass roots and national levels to influence the shape of economic policy.

AWEPON was then launched as a network of Africa women's CSO engaged in women's rights and gender equality, during the 1994 United Nation's NGO regional preparatory conference that was held in Dakar Senegal. It was during the aforesaid conference that various participants expressed commitment towards the formation of AWEPON. This was particularly in response to a presentation by a group of women drawn from different countries and organizations in Africa. The main thrust of their presentations was on the impact of economic policies especially on women's own analysis of the economic crisis. The founding principle for the network was that women have the fundamental right to shape economic policies that impinge on their livelihoods.

AWEPON aims to:

- Be a forum for analysis, discussion and dissemination of information about existing economic policies. Create a forum where groups working on economic issues link up, share experiences from national, regional and international perspectives.
- Strengthen, through training and research, the capacity especially of rural based African women to lobby and influence policy. Strengthen the capacity of members and their partners at all levels to analyze, critique and build alternatives to unjust economic policies through research, training, mentorship and information sharing.
- Link up groups, networks and individuals to share experiences on the economy.
- Enhance women's productive capacities through business projects incubation and microfinance support.
- To strengthen women's capacity to develop alternatives to unjust economic policies.

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- ~~To ensure that women's needs and concerns become central in economic decision-making process of pertinent institutions~~

The network works around the principle that women have a fundamental right to shape economic policies that impinge on their lives and their families.

AWEPON CORE VALUES

- **Honesty and Integrity:**

This refers to both financial honesty and honesty to our vision, mission and strategy. The way we interact with the people we serve, Partners, Government, Funding Partners and among our selves; the way decisions are made and implemented can all reflect integrity to our vision and mission. This value means that AWEPON staffs are not expected to engage in any dishonest activity within or outside AWEPON.

- **Respect for people with a spirit of love:**

Treating people with respect irrespective of ethnicity, religion, economic and social status, position held in AWEPON. AWEPON recognizes people's views aspirations and personalities.

- **Accountability:**

AWEPON staff should be accountable to themselves, Partners, Government, Funding Partners and to people they serve.

- **Transparency:**

All persons affiliated to AWEPON should be open to each other, be informed of what is going on in AWEPON and particularly supervisors to be open to subordinates. However, this should not compromise certain issues and decisions that should be kept confidential.

1.2 Purpose and Scope of Manual

This manual is intended as a guide for AWEPON staff in handling procurement of goods and services to ensure that there is efficiency and cost effectiveness in the acquisition of goods and services to maximize benefits to the organization.

It will be of use to Management, Administration, Accounting, and all staff members in regard to procurement matters. It may also be referred to by Donors, External Auditors, [Steering and Management Committee](#) Members, [Finance and Administration Board](#) -Committee Members and other interested parties.

The policies and procedures in this manual are current and it is expected that a regular review will be done to ensure that this manual is up to date.

CHAPTER 2

1 The purchase of Goods and Services

- 1.1 Procurement of goods and services shall be derived from the approved annual budget and grant agreements with donors, where applicable
- 1.2 Procurement should be effected in a cost efficient and timely manner, and impose minimal demand upon staff time.
- 1.3 Materials and equipment, which are out of stock and are required, should be ordered on a Local Purchasing Order (LPO)
- 1.4 Where goods are required on a regular basis, arrangements should be made to contract a supplier who can maintain a regular supply, with accepted terms and conditions, at the cheapest price for goods of sufficient quality. (See Selection of Suppliers ...sec 5 / page 7)
- 1.5 As a principle, there should be segregation of duties between staff initiating a purchase, seeking quotations, evaluating and approving quotations.

2 Initiation of Procurement

- 2.1 Initiation of purchase will be made by the user department/employee on a Purchase Requisition Form (Appendix 1)
- 2.2 Any AWEAPON employee can prepare a Purchase Requisition for goods and services
- 2.3 The initiator of the requisition must check with the Finance and Administration Officer for stock balances, which should be indicated on the requisition form.
- 2.4 The Purchase Requisition should:

- Identify the specific goods or services in terms of quantity and quality
 - Include all materials required for a particular period in order to achieve maximum benefits from bulk purchasing.
 - Include date the material or services are needed.
 - Include the account code to be charged.
- 2.5 The Executive Director will recommend the purchase of the requisition and certify that:
- The materials or services requested are needed.
 - The materials or services are included on the approved budget.
 - The requisition is accurate and complete.
- 2.6 The Finance and Administration Officer needs to review the Purchase Requisition Form to ensure that:
- The type of expenditure is in the budget
 - The account code is valid and accurate
- 2.7 The Executive Director shall recommend the request in writing (by signing it) and forward the Purchase Requisition to the Finance and Administration Officer to facilitate the purchase.
- 2.8 In exceptional circumstances where a purchase requisition has not been filled, there must be an approved document initiating the purchase of goods and services.

3 **How to Obtain Quotations/Tenders**

- 3.1 For any purchase at least three (3) price quotations should be sought unless:
- Only one or two suppliers exist
 - A required brand name item is available only from one supplier
 - You purchased the same goods or services during the last three (3) months from the same supplier and no substantive price changes have occurred. Evidence of this must be provided.
- 3.2 Reasons for not obtaining three quotations should be documented
- 3.3 For regular supplies such as stationery, a standard price list should be approved by the Procurement Committee and the price quoted should be valid for at least six (6) months.
- 3.4 For regular supplies, copies of previous quotations may be used but should not be more than three (3) months old.
- 3.5 Quotations are to be sought by the requesting department or any other authorized officer.
- 3.6 Purchase under UGX 500,000 (\$ 250) may require only one quotation. No Procurement Committee meeting is required to select suppliers for such purchases.

- 3.7 The Executive Director and Finance and Administration Officer shall select supplies for such purchases as per section 3.6 and place an LPO.
- 3.8 Where only one quotation has been obtained for purchases above UGX 500,000, (\$ 250) a written justification must be indicated in the Procurement Committee meeting minutes.
- 3.9 Purchases above UGX 500,000, (\$ 250) require three (3) written quotations. The UGX 500,000, (\$ 250) relates to the total transaction, not price.
- 3.10 **Selective Bidding:** - The Procurement Committee may approach re-known suppliers of goods and services for quotations in order to pre-qualify some of them if deemed appropriate. In this case, invitation letters will be signed by the Executive Director and sent to potential suppliers.
- 3.11 **Advertising:** - In order to attract reputable suppliers and obtain better value for money, AWEPON shall consider advertising as the main mode of sourcing for suppliers especially for big contracts like purchase of assets such as vehicles, computers, furniture, insurance, vehicle maintenance and any other supplies of this nature.

4 **Composition of the Procurement Committee**

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AWEPON Procurement Committee will be as follows:

- Treasurer Member of **the Finance and Administration Committee** - Chairperson the Procurement Committee.
- Executive Director
- Finance and Administration Officer – Secretary to the Procurement Committee
- Any other technical Management Officer. (Where need be invite an external technical person)

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4.1 **Authority Levels of Procurement- (Executive Director)**

The Executive Director will approve the following:-

- All purchases below \$ 2000 or UGX 4,000,000 in goods or services
- Capital purchases such as computers, copiers, printers, etc
- Purchases for services such as consultants, legal services, etc

4.2 **Finance and Administration Committee**

The **Finance and Administration Committee** should approve all purchases above \$ 2000 or UGX 4,000,000.

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4.3 Once approval has been granted, the concerned office should finalize the procurement of goods through the Procurement Committee.

4.4 Quotations should be specific to the request and should include the following:

- Unit prices
- Brand names
- Discounts available
- Terms of payment
- Delivery period
- Validity of quotation

4.6 The Finance Officer will prepare the Suppliers Analysis sheet (Appendix 2) on receipt of quotations. The Analysis sheet at minimum should include the following:

- Supplier name
- Address
- Prices
- Terms of payment (cash, cheque, VISA, etc)
- Delivery time
- Discounts issued
- Brand names of items being purchased
- Previous supply record.

4.7 Where technical evaluation before selection of a supplier is required, the department with the necessary expertise will be responsible for the evaluation and recommending to the Procurement Committee. However, the Procurement Committee reserves the right of selecting the supplier.

4.8 External assistance may be sought on approval by the **Procurement Committee chairperson**.

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4.9 The Finance Office will then forward the analysis sheets and the supporting documents to the **Procurement Committee chairperson**, who will arrange to convene a meeting.

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4.10 An Analysis sheet should be completed even where one or two quotations were obtained and reasons documented on the analysis sheet why three quotations were not obtained.

5 Selection of Suppliers

5.1 Selection of suppliers for purchases below \$ 250 or UGX 500,000 only will be done and approved by the Executive Director.

5.2 Selection of suppliers for purchases above \$ 250 or UGX 500,000 only will be done by the Procurement Committee.

5.3 Selection of suppliers will be done by any **three members of the Procurement Committee, who will form a quorum for the meeting to make a decision.**

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5.4 Technicians if invited by the Procurement Committee may be present at the selection of technical purchases but not to select.

5.5 Procurement Committee should document the reasons for the selection on a Supplier analysis sheet (Appendix 2) based on the following:-

- Quality
- Price
- Availability of replacement parts and technical assistance
- Warranties offered by the supplier
- Guarantees
- The reputation, stature and reliability of the supplier
- The supplier's convenience to the organization which requires the goods and services
- Delivery periods.

5.7 The endorsed deliberations and recommendations shall form the basis for raising LPOs. Where supplies are of one type and are required, tenders should be obtained from the best possible suppliers. AWEAPON should have a contract with the supplier for a maximum period of one (1) year.

These include:

- Stationery
- Printing services
- Repair and servicing of vehicles and computers
- Insurance
- Computer support services
- Purchase of assets such as computers, vehicles and furniture

5.8 No single individual may decide on a supplier

6 How to Place a Local Purchase Order

6.1 Once the selection has been made, the Finance and Administration Officer needs to complete a three part Purchase Order (Appendix 3), attach the following documentation.

- Copy of Supplier analysis sheet with copies of the quotations
- Purchase Requisition form.

6.2 The purchase order should include at minimum the following:

- Description of goods or service
- Quality of goods

- Unit and total prices
- Date
- Delivery and payment terms

6.3 The Finance and Administration Officer will forward the local purchase order (LPO) to the Executive Director for approval.

6.4 The approving authority will approve the local purchase order depending on the authority limit.

6.5 After the local purchase order has been approved the Finance Office needs to distribute the approved purchase order as follows:

- Original to the supplier
- Duplicate to the Finance Office to use for receipt of goods.
- Triplicate to remain in the booklet

The staff must take goods through the stores system and then account for the contingency immediately after delivering the items to the store. Direct utilization of items is strictly forbidden.

7 The Receipt of Goods or Services

7.1 Receipt of goods will be by the Secretary / Storekeeper and assisted by a technical person if the goods are of technical value.

7.2 When the goods are received, the Secretary / Storekeeper should reconcile the goods received with the copy of the purchase order to ensure that the goods have been satisfactory received.

7.4 The Secretary / Storekeeper will sign the supplier delivery notes and prepare a Goods Received Note (GRN) (Appendix 4)

7.5 The Secretary / Storekeeper will forward the GRN to the Finance and Administration Officer for review and verification.

8 Procurement of Consultancy Services

8.1 AWEAPON shall have a data bank of current and potential consultants.

8.2 For individual consultants, the CV of the consultant shall be kept while in case of organizations, the profile and CV of key staff and organisation profile shall be kept.

8.3 Selection of Consultants

8.3.1 A user department shall seek for approval from the Executive Director to employ a consultant, through [the Finance and Administration Committee or the Procurement Committee](#).

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8.3.2 Terms of Reference (TOR) must be developed to accompany the request to employ a consultant.

8.3.3 The head of Department shall seek for consultants through the following ways:

- (i) Revisit the data bank to get a consultant who matches the TOR
- (ii) Consult re-knowned consultants/professionals in the relevant field
- (iii) Advertise through the press

Exceptions:

Where a specific consultant is known for his/her professional skills, a written justification must be given.

8.3.4 Where option (iii) above has been used three quotations should be solicited.

8.3.5 The quotations should be forwarded to the Procurement Committee for consideration. Where evaluation of the proposals for the job is of high technical nature, the departmental head as approved by the Procurement Committee Chairperson is required to seek for assistance from a professional person.

DUTY MATRIX

PURCHASING

| TASK | 1 | 2 | 3 | 4 | 5 | 6 |
|---|---|---|---|---|---|---|
| Prepares Purchase Requisition form | X | | | | | |
| Reviews Requisition for Goods/Services | | | X | | | |
| Authorizes Requisition for Goods/Services | | X | | X | | |
| Obtain Quotations | | | X | | | |
| Select vendors | | | | | X | |
| Prepares Local Purchase Orders (LPO) | | | | X | | |
| Approves LPO | | X | | | X | |
| Receives goods/services | | | | | | X |

KEY

- 1 User Department or Employee
- 2 Executive Director
- 3 Any authorized Staff
- 4 Finance and Administration Officer
- 5 Procurement Committee
- 6 Secretary/ Storekeeper.

Signed by: -

Chairperson

~~Board Steering and Management Committee~~
~~Committee~~

AWEPON

Date: -----

Signed by:-

Chairperson

~~Finance and administration~~

AWEPON

Date: -----

Appendix 2

AWEPON
Supplier's Analysis Sheet

Item: _____

| Name of Supplier | 1 | 2 | 3 | 4 |
|-----------------------|---|---|---|---|
| Address and Telephone | | | | |
| Contact Person | | | | |
| Specifications | | | | |
| Quoted Price | | | | |
| Discounts | | | | |
| Net Price | | | | |
| Terms: | | | | |

Selected Supplier: _____

Reasons for selection:

1. _____
2. _____
3. _____
4. _____

Selected By:

- | | |
|----------|-------------------------|
| 1. _____ | Date & signature: _____ |
| 2. _____ | Date & signature: _____ |
| 3. _____ | Date & signature: _____ |
| 4. _____ | Date & signature: _____ |

APPENDIX 4

AWEPON
GOODS RECEIVED NOTE

SERIAL NO _____

DATE: _____

PURCHASED FROM _____

ENTERED INTO STORE BY: _____

| QUANTITY | PARTICULARS | CONDITION |
|----------|-------------|-----------|
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RECEIVED BY _____

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