



Procurement Policy
(October, 2019)

1. INTRODUCTION

The procurement policy of Malawi Network of Older Persons' Organizations (MANEPO) is to be applied throughout the organisation.

This policy has been developed in line with international best practice for procurement. Common Donor terminology is used where possible throughout this document and an effort has been made to include major Donor requirements in this policy. However, this policy should be used as a supplement to the individual Donor contracts that MANEPO sign and all specific purchasing guidelines issued by Donors must be adhered to in addition to this policy. MANEPO is legally responsible for ensuring that all procurement procedures are undertaken in accordance with the Donor contract both by MANEPO itself and by Partners.

In the event that circumstances mean that it is not possible, for a specific purchase, to follow this policy then the prior approval in writing should be sought from either the Executive Director and stating clearly why the policy cannot be followed (see section 3.5). If required by contract, permission for the exception must also be received from Donor.

In the event that there is a conflict between Donor guidelines and MANEPO guidelines then the more stringent guidelines will take precedence. No other policy variations are permitted unless falling under one of the categories in Section 3.5.

Failure to comply with the MANEPO procurement policy could result in disciplinary action being taken and will result in MANEPO having a financial loss if the Donor disallows the expenditure.

1.1 Key Principles Governing MANEPO Procurement

1. MANEPO seeks to buy locally where possible and only to purchase internationally when local prices are uncompetitive, when goods of an acceptable quality are not available locally, when international purchasing is a requirement of the Donor, or when local purchasing is likely to raise prices in the area and/or create hardship for the resident population.
2. MANEPO requires that value-for-money is achieved in all matters related to procurement.
3. MANEPO requires that orders and contracts be awarded on the basis of fair competition.
4. MANEPO requires that the awarding of orders remains an open and transparent process.
5. MANEPO aims to ensure that all purchasing is carried out in an ethical fashion and is itself ethical.
6. MANEPO requires that all relevant documentation is maintained and kept, in line with the procedures in this policy, and available for review if requested.

1.2 Ethics in Purchasing

MANEPO aims to ensure that all its purchasing is conducted in an ethical fashion. To ensure this the rules below must be followed:

1. All contractors must be dealt with fairly and equally;
2. Staff must never use their positions for personal gain and must not solicit or accept gratuities, favours or anything of monetary value offered to them by contractors (this does not apply in the case of unsolicited gifts of nominal value such as diaries or pens);
3. No employee or official of MANEPO should participate in the procurement process if they, an immediate family member, or a close personal contact have any financial or other interest in a contractor being considered for a procurement contract. If this arises the case must be passed to another colleague;

4. MANEPO purchasing staff should be conscious of the need for good and reliable contractors and should approach relationships with contractors in a spirit of partnership. They should at all times avoid causing needless expense and inconvenience to contractors when requesting quotations;
5. MANEPO purchasing staff must reject quotations from contractors (or terminate orders with them) if it is established that the contractors involved have engaged in corrupt, fraudulent or collusive practices;
6. MANEPO must satisfy itself with regard to the non exploitation of child labour and respect of basic social rights and working conditions contractors;
7. If a quotation is for information purposes only then this must be declared and communicated to the contractor;
8. The confidentiality of all quotations should be respected. In addition, contractors must not be told the names of others bidding as this could encourage price fixing;
9. If a contractor participates in developing specifications then these must be as generic as possible to avoid giving unfair advantage to this contractor;
10. Once quotations have been received and evaluated a decision on the best quotation must be made and documented. Quotations that are received late, irrespective of their value, should not be considered.

Note that some of the above will apply to different types of contracts (ie. supplies, services and works) and that for consultancy contracts, it is expected that consultants should comply with MANEPO's Code of Conduct.

If MANEPO staff are found to be in breach of these ethics they may be subject to disciplinary action.

1.3 Exclusion Criteria

Negotiation with potential contractors may be severed at any stage during the procurement process if it is established that they meet any of the exclusion criteria below:

- (a) Are subject to a conflict of interest;
- (b) Are guilty of misrepresentation in supplying the information required by MANEPO as a condition of participation in the contract procedure, or fail to supply all of the information requested.

The exclusion criteria must appear on all bidding and contractual documents.

1.4 Award Criteria

When selecting a contractor, MANEPO staff must always inform the contractor in advance what criteria they will be using to judge or compare quotations. Contracts should be awarded based on the most economically advantageous tender or the 'best price-quality ratio' – i.e. the tender offering the best value for money. This may not always be the cheapest quote. Quality of goods, technical specifications, delivery times, etc. should all be taken into account when deciding on best value for money.

Unless not relevant in particular situations the following criteria should always be considered when reviewing quotations:

- Specifications or quality of goods/services/works
- Compliance with international norms
- Price including any non-direct costs such as transport
- Delivery times
- Ethical purchasing considerations
- Previous experience
- Payment terms

A variety of other criteria may be relevant depending on whether supplies, services or works are being procured, and the details of the individual contract. Examples of these include:

- After sales service and availability of spare parts
- Capacity
- Compatibility with existing equipment and standardisation plans
- Guarantees
- Life-cycle aspects covering maintenance and operating costs
- Packaging
- Production facilities
- Qualifications and experience of personnel
- References

It is recommended that the criteria be identified in order of importance if there are a number of criteria that are of particular or overriding importance – e.g. if pharmaceuticals are required urgently it should be made clear that the most important award criteria is speed of availability and delivery. If this is not made clear then a contractor may assume that price is the most important and base their quotation on obtaining the pharmaceuticals from the cheapest source even if they can source the item more quickly at a higher cost. The contractor need not be made aware of the particular weighting assigned to the criteria unless this is a specific requirement of a Donor.

2. GENERAL PROVISIONS IN ALL SITUATIONS

2.1 Currency

All values referred to this policy are in Malawi Kwacha (MK)

2.2 Responsibility

For each specific programme within MANEPO there will be a nominated person who is responsible for overseeing procurement for that project and ensuring the policy is applied. General purchases, such as office equipment, will usually be undertaken by the relevant office administrator.

Although overall responsibility for ensuring that the procurement policy is followed lies with of the Executive Director, all staff involved in procurement are also responsible for ensuring that they follow this policy.

2.3 Authorisation Levels

Authorisation is required at various stages in the procurement process and must be obtained by the purchaser, not by finance staff.

These are the authorisation levels for MANEPO.

Authorisation level 1 October 2019	Position
Above MK200,000	Country Director
Up to MK200,000	Programme Manager/Budget Holder

Definition of Exceptional emergency phase.

Exceptional emergency operation phase is period of emergency response where procurement of relief goods and service required in very short period.

Activation of exceptional emergency phase (EEP)

In-charge of emergency response on the ground should seek activation of exceptional emergency phase and duration for EEP from the Executive Director.

2.4 Preferred Suppliers

Preferred suppliers may be used for day-to-day purchases or purchases that take place on a regular basis (for example, stationery). A preferred supplier is identified by first contacting several suppliers to obtain quotations for the goods or services that you require and then by judging them against the same criteria as outlined in Section 1. Documentation should be filed stating the reason for making the choice. As a minimum, preferred suppliers should be reviewed at least once every two years.

2.5 Procurement Files

A 'procurement file' should be opened for any purchase and not be closed until all relevant paperwork has been collated. In order to facilitate the easy review of a procurement file it is recommended that a Procurement Summary Sheet be affixed to the front page of each procurement file. This should detail all the paperwork included and provide other key information such as the Donor, the contract value, etc.

2.6 Procurement Paperwork for Audits

MANEPO will be responsible for storing procurement paperwork and ensuring it is available for audit as and when required.

- Purchasing personnel are responsible for all procedures and documents relating to procurement. The purchaser maintains the procurement file throughout the process until the transaction is complete.
- When an invoice is received, Finance will request from the purchaser the procurement file associated with the purchase. Each file will have a Procurement Summary sheet with a checklist of all documents included. Part payments will be cross referenced to the procurement file.
- If the file is complete it will be handed over in its entirety to Finance and signed for by a Finance representative.
- No payments will be made by Finance if any documents are outstanding.
- Original Invoices should be stored in the procurement file to ensure completeness of paperwork. Copy invoices may be stored in Finance if deemed appropriate.
- If purchasing personnel wish to keep duplicates of some of the purchasing paperwork, they may copy documents before giving them to Finance. All originals must, however, be permanently stored by Finance in the Programme Office.

2.7 Document Retention

MANEPO requires that all documentation relating to procurement must be retained for a minimum of eleven (11) years after a grant is 'closed' (i.e. liquidated) for Donor and government purposes.

2.8 MANEPO Partners

MANEPO must ensure that all procurement conditions imposed upon it under Donor contracts also apply to all partners and are included in individual Partnership Agreements. Partners need to be made aware of any specific Donor requirements related to procurement that could affect their agreement.

The Categories of Contract, Contract Values and Procurement Procedures outlined in Section 3 are applicable to all procurement conducted by MANEPO partners.

2.9 Assets and Inventory

All assets, computer equipment, vehicles, etc., purchased with a value greater than MK500,000 and 'attractive' items (e.g. mobile phones, USB memory sticks, etc.) should be recorded on the **Fixed Asset Inventory**. When recording items on the Fixed Asset Inventory you should ensure that the name of the Donor who financed the purchase on the inventory is recorded.

Most Donors have different rules and regulations regarding ownership of equipment and supplies after the completion of a grant. It is important to know, and understand, the individual Donor's rules.

The fixed asset policy forms part of the financial procedures manual rather than procurement procedure so is not described in this document.

3. DETAILED PROCUREMENT PROCEDURES

3.1 Categories of Contract

Three categories of contract are considered – supplies, services and works. A contract is a formal agreement between MANEPO and a contractor that requires the contractor to supply materials, provide services or execute works in return for payment from MANEPO.

- **Supplies** contracts generally cover the purchase of physical items – e.g. pharmaceuticals or IT equipment. They may also include the rental or leasing of products, the delivery of products and siting, installation and maintenance.
- **Service** contracts cover all intellectual and non-intellectual services other than those covered by supply and works contracts – e.g. consultancy contracts includes study contracts such as feasibility studies, technical studies and audits, and technical assistance contracts where a contractor is required to play an advisory role or manage a project.
- **Works** contracts cover both the execution and design of works. ‘Works’ are defined as the outcome of a building or civil engineering project.

3.2 Procurement Procedures

The category and anticipated value of a contract will determine the procurement procedure that must be undertaken for that contract, see table below.

- **Quick Order Procedure:** This requires that the purchase requisition gives written approval for procurement up to specified limit. No separate approval is needed against quotation.
- **Single Quote Procedure:** This requires that only one quote be obtained prior to the confirmation of an order/contract.
- **3 Quote Procedure:** This requires that a minimum of 3 quotes is obtained prior to placing an order.
- **Restricted Tender Procedure:** This requires that a contract notice is published inviting contractors to request participation in a full tender process by submitting an expression of interest. This procedure is restricted because even though all contractors may express interest in submitting quotations, only certain contractors will be selected to do so. Only those contractors selected by MANEPO are then provided with the full tender details and invited to submit quotations. It is recommended that at least 4-5 contractors be requested to provide a full quotation.
- **Open Tender Procedure.** This requires that all interested economic operators be allowed to submit quotations following publication of a tender notice. The tender notice advises interested contractors how to access the full tender document

3.3 Special Consideration for Consultancy Contracts

MANEPO enters into numerous consultancy contracts – programme evaluations, technical assistance, etc. Consultancy contracts are included in the definition of Service Contracts at Section 3.1 above. Consultancy contracts are considered as part of the MANEPO procurement process and therefore all procedures outlined in this policy must be adhered to when entering into consultancy contracts.

When estimating the total value of a consultancy contract it should be assessed over the life of the contract.

3.4 Publication Requirements for Tenders

A **contract notice** is published when MANEPO announces its intention to launch a restricted tender procedure. A **tender notice** is published when MANEPO announces its intention to launch an open tender procedure.

Both contract notices and tender notices must be published as follows:

- On MANEPO's own website.
- The contract notice/tender notice should be placed in a local/national newspaper, but in circumstances where this is deemed inappropriate then publication should be arranged locally/nationally via other means.
- Individual Donor requirements may require that contract notices/tender notices are also published elsewhere. In this case the Donor's requirements must be complied with.

3.5 Exceptions to Procurement Procedures

Exceptions to these procedures may apply and supplies, services and works for which a negotiated procedure, restricted tender procedure or open tender procedure would normally be required may be purchased on a different basis, common reasons for this are:

1. Fixed Prices: Prices or rates are fixed pursuant to national legislation or by regulatory bodies – e.g. the price of fuel.
2. Sole Supply: The proposed contract relates to procurement from a sole source of supply or services (sole authorised contractor).
3. Property: The contract involved is for property rental. Property rental contracts may be awarded on the basis of a single bid following an assessment of the local market.
4. Technical Reasons: If for technical reasons or for reasons connected with the protection of exclusive rights, the contract can only be awarded to a particular economic operator.
5. Continuity of work: The solicitation of 3 quotations would not be deemed in the interest of the organisation, e.g. a service or works contract is to be extended and changing the contractor would not provide continuity in the work. To extend a contract in this way is only acceptable if the value of the contract extension is less than 50% of the value of the initial contract.
6. Repetition: For additional contracts consisting in the repetition/renewal of services, works or supplies entrusted to a contractor awarded an earlier contract in a similar humanitarian operation in the same region, provided that the terms of the original contract are not substantially altered and that the first contract was awarded under the open procedure. The period elapsed from the award of the first contract shall not be longer than one year;
7. Additional Works: For additional works and services not included in the initial contract which, due to unforeseen circumstances, have become necessary for the performance of the contract, provided that the aggregate amount of additional works or services does not exceed 50% of the value of the principal contract.

If any of these exceptions are applicable during the procurement process, and there is a requirement from the donor to notify them of any instances where the Procurement Policy is not adhered to, this should be kept to. If not, our own procedure should be followed.

3.6 Guidance on managing Publishing / Design / Creative work / Software development

It is difficult to establish what the final cost is likely to be at the start of a project in this type of work, (and therefore which procurement process should be followed) as the scope of work is

often extended beyond what was originally planned. Therefore it is best to follow a selection process when deciding which company / individual to work with initially, and ideally they would be a preferred supplier. In the instance that they are not, records should be kept outlining the decision process and on what basis the company / individual were hired, and the reasons for our choosing to stay with the same supplier (such as they are providing us with a unique service).

A comparison should be carried out between all possible service providers in the early stages of commissioning work, especially where it is anticipated that the scope of the work will grow. When a comparison is being carried out, it is important to disclose the potential total value of work that is available to all potential service providers, so that they are aware of the potential scope of work.

In the instance that whilst using a designer three quotations become necessary, as the procurement threshold is exceeded due to additional printing work, the designer should obtain three quotations from possible suppliers on our behalf.

3.7 Difficulty to obtain required number of quotes

In some instances, less than the required number of quotations may be obtained; either there are not enough suitable suppliers in the region, or only one or two consultants respond to a request for tender. In this instance, it is necessary to check the donor regulations to determine whether they provide any specific guidance or requirement in this instance, which should always be followed.

This situation should also be recorded in the Procurement Summary Sheet when evaluating those suppliers that are available / have applied.

3.8 Procurement Documentation

Title	Abbreviation
Quick Purchase Request Form	QPR
Order/Quotation Request Form	OQR
Request for Quotation	RFQ
Quote Evaluation Sheet	QES
Purchase Order	PO
Goods Received Note	GRN
Procurement Summary Sheet	PSS
Terms & Conditions	
Fixed Asset Inventory	
Donation Certificate	

4. USER GUIDE

4.1 Step 1 Determine category of contract

	Supplies	Services	Works
General description	Purchase of physical items	Intellectual and non-intellectual services	Building or civil engineering project
Examples	<ul style="list-style-type: none">▪ Stationery▪ Pharmaceuticals▪ IT equipment	<ul style="list-style-type: none">▪ Consultancy contract▪ IT support▪ Translations▪ Repairs▪ Audit & evaluation	<ul style="list-style-type: none">▪ House construction▪ WATSAN facilities▪ Community centres
Includes:	Rentals, leasing, delivery, installation	Maintenance contracts, manual & intellectual work	Design & execution of works
Combination	A purchase may cover 2 categories in which case it should be classified as whichever has the greatest value		

4.2 Guidance on following Procurement Guidelines

Please note that if the items on a purchase request **can only** be purchased from **different** suppliers, (and there is evidence of this) then the value of goods / services to be paid to **each** supplier should be considered, and not the total of the purchase request. However, items on a single purchase request **cannot** be split in order to avoid following procurement processes (for example, several items listed on a purchase order request, which all relate to the same budget line and are to be purchased from the same supplier, cannot be split over more than one invoice solely to avoid requesting three quotations / undergoing a restricted tender bid).

In all cases, the member of staff managing the project needs to confirm that funds are available to cover the cost of the items that they are procuring.

4.3 Procurement Committee's

A Procurement Committee is required where goods or services above a value of MK5,000,000 are being purchased, and three quotes have been procured.

5. Quick Order Process

For simple orders of supplies and services under MK500,000 in total

5.1 Initiation

5.1.1 Is it in the Budget? The first step always is to ensure that the proposed purchase is included in an approved Donor budget and that there is adequate funding to cover it.

5.1.2 Is the total value of the purchase below K500,000? If the total of the lines on the QPR exceeds K500,000 then the Single Quote Process should be used. However, if the items on a purchase request **can only** be purchased from **different** suppliers, then the value of goods / services to be paid to **each** supplier should be considered, and not the total of the purchase request.

5.1.3 Quick Purchase Request (QPR) Form: Once a decision has been made to purchase supplies/services/works the nominated person as per Section 2.2 must be formally requested by means of a Quick Order Request Form (QPR). A separate QPR form must be completed for each project code.

- If the QPR is considered inadequate to convey all the necessary information to a supplier then the Single Quote Process should be used.
- The QPR requires requestors to give an indication of the estimated price of the requirement. If the actual quotation received by the purchasing department exceeds the estimate provided by the requestor the purchaser will refer back to the requestor to ensure that the higher price is acceptable and that it can be authorised.
- Each QPR will indicate which Donor is funding the purchase. The purchaser must ensure they are aware of any extra requirements in relation to procurement that is in the Donor guidelines.

5.2 Purchase

5.2.1 Purchase up to the value authorised on QPR.

- The buyer is authorised to purchase goods against the QPR, up to the value authorised. For regular supplies this should be from a preferred supplier but one off purchases need not be from preferred supplier.

5.3 Payment

5.3.1 An invoice or receipt must be obtained

- Cash purchases may be paid for from cash advance; an invoice or receipt must be obtained.
- If the supplier does not have the facility to raise invoices then a MANEPO receipt must be signed by supplier

5.4 Completion

5.4.1 All documentation supporting the purchase must be filed by Finance Department

6. Single Quote Process

For supplies, services and works up to MK3,000,000

6.1 Initiation

6.1.1 Is it in the Budget? The first step *always* is to ensure that the proposed purchase is included in an approved Donor budget and that there is adequate funding to cover it.

6.1.2 Is the total value of the purchase below K3,000,000? If the total of the lines on the purchase request exceeds K3,000,000 then the 3 Quote Procedure should be used. However, if the items on a purchase request **can only** be purchased from **different** suppliers, then the value of goods / services to be paid to **each** supplier should be considered, and not the total of the purchase request.

6.1.3 Order/Quotation Request (OQR) Form: Once a decision has been made to purchase supplies/services/works the nominated person as per Section 1.2 must be formally

requested by means of an Order/Quotation Request Form (OQR). A separate OQR must be prepared for each project code.

A purchaser must never proceed on the basis of verbal requests for orders.

- When purchasing **supplies** the purchaser should always consult with the requestor to ensure that the specification is sufficiently detailed to enable suppliers to provide quotations for the exact item that is required. In addition to the information requested on the OQR the requestor should provide any additional or unique information that may be of relevance to the purchaser.
- When purchasing **services or works**, terms of reference (TOR) should be prepared by the requestor alongside the OQR and should clearly state the nature, timeliness and measures of performance required by the contractor as well as standards for accomplishing work.

6.2 Selection

6.2.1 Preferred supplier (Section 2.4): As a general rule for single quote procurement a preferred supplier should be sought. This does not apply to a one off requisition.

- The OQR requires requestors to give an indication of the estimated price of the requirement. If the actual quotation received by the purchasing department exceeds the estimate provided by the requestor the purchaser will refer back to the requestor to ensure that the higher price is acceptable and that it can be authorised.
- Each OQR will indicate which Donor is funding the supplies/service/works. The purchaser must ensure they are aware of any extra requirements in relation to procurement that is in the Donor guidelines.

6.3 Purchase

6.3.1 Raise Purchase Order (PO) or contract: If a PO is being used for purchases above K500,000 in value a detailed specification should be attached and any additional or unique requirements for the contractor – such as packaging details and required remaining shelf life, etc. Any attachments being issued should be referred to on the PO itself.

- If the PO is considered inadequate to convey all the necessary information to a supplier then a contract format should be used. For **service** and **works** contracts it is generally accepted that a contract should be used instead of a PO. A formal contract differs from a PO in that it requires both parties to sign and consequently offers higher legal protection.
- The PO/Contract must be authorised in line with MANEPO's authorisation levels outlined at Section 2.3. When authorising the PO/Contract, checks to previous documentation should be made to ensure that the PO/Contract is consistent with these.
- Once an order has been placed the person responsible should remain in regular contact with the supplier until the order is fulfilled.

6.4 Receipt

6.4.1 Raise Goods Received Note (GRN): Deliveries of **supplies** must always be carefully checked upon receipt to ensure that they conform to the specifications and quantities

ordered with any concerns being raised immediately with the suppliers. Goods Received Notes (**GRNs**) should be used to enter goods received directly from contractors into HAI stock. A signed copy of the GRN must be returned to the purchaser to enable him/her to close the file.

- In the case of orders for large numbers of individual items (e.g. pharmaceuticals orders) the details of each item received do not need to be transcribed to a GRN. Instead the contractor's packing list and/or invoice may be compared against the order and against the goods received. A copy of the verified packing list should then be attached to a signed GRN and returned to the purchaser to indicate that the contract has been successfully concluded.
- In the event that a problem with a delivery is identified the nature of the problem should be advised to the purchaser as soon as possible to enable follow up with the contractor.

6.4.2 Contract completion letter: Performance under a service or works contract must be confirmed by a contract completion letter or equivalent internal review and sign-off.

6.5 Payment

6.5.1 Invoice and Procurement Summary Sheet (PSS): Orders/contracts should only be paid for on receipt of an invoice. It is the responsibility of Finance to pay invoices, only against supporting documentation and appropriate approvals attached to each invoice, together with the Procurement Summary Sheet (PSS).

6.6 Completion

6.6.1 All documentation supporting the purchase must be filed by Finance Department

6.7 Single quote document check

	Document		Approval
1	Procurement File		
2	Procurement Summary Sheet	PSS	
3	Order/Quote Request	OQR	Yes
4	Specification/Terms of Reference	TOR	
5	Donor Guidelines		
6	Purchase Order / Contract	PO	Yes
7	Goods Received Note	GRN	
8	Supplier Invoice		
9	Request for Payment	RFP	Yes

7. 3 Quote / Negotiated Procedure

For supplies up to K30,000,000 services and works up to K125,000,000

7.1 Initiation

7.1.1 Is it in the Budget? The first step *always* is to ensure that the proposed purchase is included in an approved Donor budget and that there is adequate funding to cover it.

7.1.2 Is the total value of the purchase within the limits? If the total of the lines on the purchase request exceeds the limit (above) then the relevant Tender Procedure should be used. However, if the items on a purchase request **can only** be purchased from **different** suppliers, then the value of goods / services to be paid to **each** supplier should be considered, and not the total of the purchase request (see section 4.3).

7.1.3 Order/Quotation Request (OQR) Form: Once a decision has been made to purchase supplies/services/works the nominated person as per Section 1.2 must be formally requested by means of an Order/Quotation Request Form (OQR). A separate OQR must be prepared for each project code.

- **A purchaser must never proceed on the basis of verbal requests for orders.**
- When purchasing **supplies** the purchaser should always consult with the requestor to ensure that the specification is sufficiently detailed to enable suppliers to provide quotations for the exact item that is required. In addition to the information requested on the OQR the requestor should provide any additional or unique information that may be of relevance to the purchaser. To ensure that offers from different bidders can be compared accurately generic specifications should be used. When brand name products are requested the term “brand name or equivalent” should be used and also accompanied by a list of the key features of the branded product that must be met by bidders.
- When purchasing **services or works**, terms of reference (TOR) should be prepared by the requestor alongside the OQR and should clearly state the nature, timeliness and measures of performance required by the contractor as well as standards for accomplishing work.
- Ineligibility and exclusion criteria (Sections 1.3 and 1.4) must appear on the OQR.

7.2 Selection

7.2.1 Request for Quotation (RFQ) Document: the procedure requires that a minimum of three (3) quotations must be obtained. The Request for Quotation (**RFQ**) document is a solicitation document which should be sent to all potential bidders. The negotiated procedure requires that the RFQs are sent simultaneously and that bidders for services/works should be allowed 1-2 weeks to prepare and return quotations. For complex requirements additional time should be allowed. In the case of urgent requirements bidders can be given as little as 24 hours to respond. The RFQ template is an example only, to be modified as required.

7.2.2 Assess Quotations using a Quotation Evaluation Sheet (QES): In the case of 3 quotations for supplies the quotes may be analysed by one person. The negotiated procedure requires that all quotes are opened and analysed at the same time. A Quotation Evaluation Sheet (**QES**) must be completed clearly identifying all quotes received.

7.3 Purchase

7.3.1 Raise Purchase Order (PO) or contract: If a PO is being used for purchases above K500,000 in value a detailed specification should be attached and any additional or unique requirements for the contractor – such as packaging details and required remaining shelf life, etc. Any attachments being issued with a PO should be referred to on the PO itself.

- If the PO is considered inadequate to convey all the necessary information to a supplier then a contract format should be used. For **service** and **works** contracts it is generally accepted that a contract should be used instead of a PO. A formal contract differs from a PO in that it requires both parties to sign and consequently offers higher legal protection.
- High value contracts should always be referred to MANEPO's Head of Programmes to ensure that MANEPO is adequately covered in the case of any dispute between MANEPO and the Contractor. It is at the discretion of purchasing staff whether they also wish to refer certain lower value contracts for legal opinion.
- Once an order has been placed the person responsible should remain in regular contact with the supplier until the order is fulfilled.

7.4 Receipt

7.4.1 Raise Goods Received Note (GRN): Deliveries of supplies must always be carefully checked upon receipt to ensure that they conform to the specifications and quantities ordered with any concerns being raised immediately with the suppliers. Goods Received Notes (**GRNs**) should be used to enter goods received directly from contractors into HAI stock. A signed copy of the GRN must be returned to the purchaser to enable him/her to close the file.

- In the case of orders for large numbers of individual items (e.g. pharmaceuticals orders) the details of each item received do not need to be transcribed to a GRN. Instead the contractor's packing list and/or invoice may be compared against the order and against the goods received. A copy of the verified packing list should then be attached to a signed GRN and returned to the purchaser to indicate that the contract has been successfully concluded.
- In the event that a problem with a delivery is identified the nature of the problem should be advised to the purchaser as soon as possible to enable follow up with the contractor.

7.4.2 Contract completion letter: Performance under a service or works contract must be confirmed by a contract completion letter or equivalent internal review and sign-off.

7.5 Payment

7.5.1 Invoice and Procurement Summary Sheet (PSS): Orders/contracts should only be paid for on receipt of an invoice. It is the responsibility of Finance to pay invoices, only against supporting documentation and appropriate approvals attached to each invoice, together with the Procurement Summary Sheet (PSS).

7.6 Completion

7.6.1 All documentation supporting the purchase must be filed by Finance Department

7.7 Negotiated procedure document check

	Document		Approval
1	Procurement File		
2	Procurement Summary Sheet	PSS	
3	Order/Quote Request	OQR	Yes
4	Specification/Terms of Reference	TOR	
5	Donor Guidelines		
6	Request for Quotation	RFQ	
7	Purchase Order / Contract	PO	Yes
8	Goods Received Note	GRN	
9	Supplier Invoice		
10	Request for Payment	RFP	Yes

8. Restricted Tender Procedure

For services and works over K12,000,000 and supplies over K 5,000,000

8.1 Initiation

- 8.1.1 Is it in the Budget? The first step always is to ensure that the proposed purchase is included in an approved Donor budget and that there is adequate funding to cover it.
- 8.1.2 Open Tender: The open tender process requires that all interested economic operators be allowed to submit quotations following publication of a tender notice.
- 8.1.3 Order/Quotation Request (OQR) Form: Once a decision has been made to purchase services the nominated person as per Section 1.2 must be formally requested by means of an Order/Quotation Request Form (OQR). A separate OQR must be prepared for each project code.
- When purchasing **services**, terms of reference (TOR) should be prepared by the requestor alongside the OQR and should clearly state the nature, timeliness and measures of performance required by the contractor as well as standards for accomplishing work.

8.2 Selection

- 8.2.1 Contract notice: A **contract notice** is published inviting contractors to request participation in a full tender process by submitting an **expression of interest**. This procedure is restricted because even though all contractors may express interest in submitting quotations, only certain contractors will be selected to do so. The contract notice must set out the selection criteria.
- 8.2.2 Short-list: The selection procedure is the process by which the long list of candidates responding by expression of interest is cut down to a shortlist and involves examining responses to the procurement notice, against the selection criteria. A shortlist of candidates (ideally 4 or 5) is selected as a result of their and qualifications.
- 8.2.3 Full Tender Documents: The full tender documents are sent to the short-listed contractors.
- Award criteria used to assess bids, outlined in Section 1.5, must be included in any bidding documentation issued by MANEPO when following any of the procedures outlined above.
- 8.2.4 Dates and opening procedures: Tenders must be received in sealed envelopes and not opened until the time and date specified. A purchase committee must preside at the tender opening. This committee must be made up of at least two people, one a buyer and one person unconnected to the procurement function.

At the opening, all tenders should be recorded and it should be confirmed that all tenders meet the specified requirements and have been properly signed. All those present at the opening must sign a record of the opening including date, time, persons present, number of tenders received and names of bidders.

- 8.2.5 Tender evaluation: The tender evaluation must be initiated as soon as possible after the offer opening as possible, by at least two of those present at the opening. A clear tender evaluation process must be undertaken based on the published award criteria, including the weighting that will be applied to each criterion. In the case of complex tenders, it is recommended that technical and financial evaluations are carried out separately according to agreed criteria and amalgamated by buyer to produce a

recommendation. If it is not possible to obtain 3 quotes the reason must be given and the selection of supplier must be justified and documented.

8.2.6 Notification procedures: As soon as a contract has been awarded, the result should be published on the MANEPO website.

8.3 Purchase

8.3.1 Raise contract: A formal contract differs from a PO in that it requires both parties to sign and consequently offers higher legal protection.

- The Contract must be authorised by the MANEPO Executive Director. High value contracts should always be referred to MANEPO's Head of Finance to ensure that MANEPO is adequately covered in the case of any dispute between MANEPO and the Contractor, and that payment terms are acceptable. Generally an advance payment should not exceed 20% of the value of the contract. For works contracts stage payments will be approved against contract delivery milestones and payment retention of 10-20% would be expected subject to satisfactory contract completion and performance.
- Once a contract has been signed, the person responsible should remain in regular contact with the supplier until the order is fulfilled.

8.4 Receipt

8.4.1 Contract completion letter: Performance under a supply contract must be confirmed by a contract completion letter or equivalent internal review and sign-off. It is likely that a supply contract will be approved in stages in accordance with the contract.

8.4.2 In the event that a problem with a supply is identified the nature of the problem should be advised to the purchaser as soon as possible to enable follow up with the contractor.

8.5 Payment

8.5.1 Invoice and Procurement Summary Sheet (PSS): Contracts should only be paid for on receipt of an invoice. It is the responsibility of Finance to pay invoices, only against supporting documentation and appropriate approvals attached to each invoice, together with the Procurement Summary Sheet (PSS).

8.6 Completion

8.6.1 All documentation supporting the purchase must be filed by Finance Department

8.7 Restricted tender procedure document check

	Document		Approval
1	Procurement File		
2	Procurement Summary Sheet	PSS	
3	Order/Quote Request	OQR	Yes
4	Specification/Terms of Reference	TOR	
5	Donor Guidelines		
	Tender Sign-Off		Yes
6	Tender Notice		
	Full Tender Documents		
	Contract		Yes
7	Progress Report / Contract Completion Letter		Yes
8	Supplier Invoice		
9	Request for Payment	RFP	Yes

9. CHECKLIST

- | | ✓/x |
|---|--------------------------|
| - Are all “Key Principles” and Ethical requirements relating to procurement as outlined in this document consistently applied in the country head office and any project offices? | <input type="checkbox"/> |
| - Are individual Donor purchasing guidelines adhered to in addition to MANEPO’s own guidelines? | <input type="checkbox"/> |
| - Is a member of staff nominated to advise on procurement? | <input type="checkbox"/> |
| - Are all purchasing staff and senior MANEPO management aware of the purchasing procedures that must be applied and when these must be applied (single bid, negotiated, restricted tender and open tender)? | <input type="checkbox"/> |
| - Are the rules for high value contracts consistently applied in accordance with table 3,.2 | <input type="checkbox"/> |
| - Are the rules governing the authorisation of purchase orders / contracts consistently adhered to? | <input type="checkbox"/> |
| - Are procedures are in place to ensure that orders are checked upon receipt, the sender notified of their arrival and any problems reported? | <input type="checkbox"/> |
| - Is all purchasing documentation filed and maintained for a minimum of 11 years? | <input type="checkbox"/> |
| - Do new staff receive training on MANEPO’s purchasing procedures – this refers to all staff who may be involved in the procurement process? | <input type="checkbox"/> |

Note:

If in doubt about any of the procedures outlined here please contact the Executive Director . MANEPO staff are discouraged from making their own ‘interpretations’ of these procedures and doing so could lead to disciplinary action.