



**VICTORIA  
UNIVERSITY**

Kampala · Uganda

# PROCUREMENT POLICY

December 2018

## **1. Objective**

This Policy governs all University procurement related activity and outlines the commercial approach adopted by the Victoria University (the University) to manage the acquisition of goods and services from vendors, contractors and suppliers.

## **2. Scope**

This policy applies to all staff members at the University (including contractors, Members of Council, advisory committees) who are responsible for or involved with procurement activities relating to:

- i. capital and operating expenditure
- ii. purchased and leased acquisitions
- iii. internal and external funding (including research funds)
- iv. Procurement of goods and services for the university shall be conducted in an open and competitive environment to ensure that there is value for money.
- v. Purchasing activities shall be coordinated by the facility/procurement manager supported by the contracts committee.

## **3. Procurement Principles**

- i. This Policy must be considered in conjunction with other relevant University policies, procedures and guidelines. In addition, all procurement activity must align and be consistent with the University Mission, Vision and Statement of Values.
- ii. It is also to ensure that ethical, robust, transparent, and fair procurement activity is carried out effectively and efficiently across the University.
- iii. To ensure that procurement practices comply with relevant statutory and legal requirements to avoid the University being subject to judicial review proceedings, Ombudsman investigations and other types of review or legal action.

### **3.1 Value for Money/Fit for Purpose**

- i. The University seeks value for money in all procurement transactions. Value for money can be defined as the useful benefits minus the costs of the goods or services obtained.
- ii. Objective criteria should be used to determine the value obtained and in comparing the benefit from any given supplier.
- iii. Optimal value is achieved through a competitive process where all suppliers are given an equal opportunity to submit and negotiate pricing for a clearly defined and specified set of goods and/or services.
- iv. To be fit for purpose all materials and equipment must be procured taking into account:
  - v. The purpose for which they will be used,
  - vi. That they are of sufficient standard and capability to fulfil the requirements for an acceptable timeframe.

### **3.2 Probity, Transparency and Equity**

All University procurement will follow principles of probity, transparency and equity as Follows:

- i. Complete impartiality must be exercised in all supplier dealings
- ii. Wherever possible and appropriate (see Section 4) a competitive procurement process will apply in which all suppliers:
  - iii. are treated fairly and equally
  - iv. are provided with the same information at the same time
  - v. are provided with clear direction on what is required of them, and
  - vi. information is provided as to how their proposal will be evaluated
- vii. All processes for dealing with suppliers must be clearly documented and adhered to
- viii. Where a tender process is deemed either necessary or appropriate, ALL tender procedures and guidelines must be carefully observed and a secure process undertaken to ensure total commercial confidentiality is maintained.



### 3.3 Segregation of duties

- I. The Vice Chancellor shall ensure acquisition of goods and services across the University complies with the principles set out below. The Vice Chancellor may delegate procurement responsibility to the Procurement officer or any other person or any other person.
- II. The segregation of duties principle requires that multiple people are involved in a procurement process to avoid the possibility of fraud. There must be separation in all purchasing and payment functions in procurement processes, in particular ordering, receipting and payment functions.

### 3.4 Conflict of interest

- i. In a procurement context, a conflict of interest can arise where an employee or contractor with a role in determining the outcome of procurement or contracting decision may be influenced in their judgement by some form of connected relationship.
- ii. The influence may be real or perceived and may be direct or indirect, positive or negative. For example:
- i. The employee will financially benefit from the transaction or is a shareholder in a company vying for University business
- ii. The employee's family or friends will directly benefit from a transaction they are involved in
- iii. The employee has a personal disagreement with (or dislike of) a person or persons working for a contractor and may exhibit bias against them.
- iii. Employees must at all times demonstrate a strong commitment to the values of honesty and integrity in carrying out commercial dealings on behalf of the University and comply fully with the University's Policy.
- iv. University employees must promptly disclose in writing all actual or potential conflicts to a designated university official as actual or potential conflicts arise or are identified.
- v. Similarly, the designated official must disclose in writing all actual or potential conflicts to Faculty and Vice Chancellor. If found to



be significant, the conflicts must be eliminated or managed after advise from the Vice Chancellor.

vi. University employees who are unsure whether a conflict exists are encouraged to contact Facility and Procurement Manager for help in determining whether disclosure is appropriate.

vii. This policy prohibits university employees from soliciting, negotiating, renegotiating, approving or otherwise representing the university or the supplier affiliated with the university employee in transactions.

viii. The university may not enter into a contract with any supplier affiliated with a university employee without first disclosing certain information to the Vice Chancellor. This disclosure is public record in the Vice Chancellor's Proceedings. Vice Chancellor's approval must be obtained before proceeding with the transaction.

### **3.5 Risk Management (including legal framework)**

i. All procurement activities must identify and consider all relevant risks associated with that activity in accordance with the Risk Management. For expenditures includes such risks, the risk assessment should be documented and retained with all other details of the procurement activity.

ii. As a minimum requirement, all procurement actions must consider legal risk. Consequently, only purchase order terms or contract terms reviewed and approved by Finance, Planning and Procurement Committee may be used. Modification or alteration of any approved terms and conditions OR acceptance of supplier or contractor terms and conditions may only be done with the prior review and approval of the committee.

## **4. Policy Provisions**

### **4.1 Nominated Suppliers**

The University will establish contracts with suppliers of certain goods and/or services. Depending on the nature of the agreement, cost and quality these suppliers may be "nominated". A Nominated Supplier decisions shall be done on the recommendation of contract committee.

One who must be used to purchase those goods or services stipulated within the contract without exception.

In some cases, rather than a single supplier, a panel of suppliers is nominated. Where a panel of suppliers is nominated, any of those suppliers may be utilized subject to the terms set out in the associated agreement.

#### **4.2 Delegations and Budgetary Approvals**

Approval for a purchase requirement must be budgeted prior to the commitment to purchase.

#### **4.3 Sole or Single Source Justification and Approval**

Circumstances may arise where there is a need to directly procure goods and services without first seeking three competitive quotations and/or enter into a competitive tender process.

The justification for doing so, including the results of market testing, must be documented in writing and formally approved by both the Procurement Manager and Vice Chancellor for the purchase. Approvals must be obtained prior to any commitment being made to the supplier. Assurance that the transaction provides value for money for the University is still required.

#### **4.4 Means of Procurement Commitment**

Procurement commitment may be made by either purchase order (LPO) or contract, except in cases where it is appropriate to use a Corporate Credit/Debit Card. These two procurement tools create a fully auditable transaction trail from identification of a requirement to approval, commitment, receipt and finally payment.

##### **4.5.1 Contracts**

A formal contract between the University and the supplier must be entered into for procurement activity greater than ugx 300,000.

For complex transactions less than ugx 300,000 a formal contract may



be warranted to address the legal or commercial risks associated with the procurement transaction.

The Facility Department, in consultation with Legal Services will retain a suite of standard contract templates. The Facility Department in consultation with Legal Services shall agree on the most appropriate form of contract for each specific transaction.

All supplier initiated contracts must be reviewed by Legal Services.

#### **4.5.2 Purchase Orders**

A purchase order is required for all purchasing commitments for more UGX 300,000. The purchase order commits both the University and the supplier to terms and conditions which have been agreed by both the parties.

#### **4.5.3 Corporate Credit Card**

A Corporate Credit Card may be used as follows:

- I. For travel and Marketing and PR expenditures where prior commitment, approval and if payment is not possible through the use of a purchase order or by booking through the University.
- II. For purchases that are ad-hoc uncontracted and urgent purchases for which it is not possible to use a purchase order.

#### **4.5.4 Informal Commitments**

All University procurement transactions must be supported by a formal agreement such as a properly documented purchase order or contract. Informal agreements (including email exchanges or verbal agreements) not formalized by way of purchase order or contract is considered to be a breach of this Policy.

All suppliers will be informed that the University requires a purchase order in order to facilitate payment.

#### **4.6 Leasing and Financing**

Financing arrangements, including finance leases, must not be entered into without the approval of the Vice Chancellor.

#### 4.7 Breaches of Policy

All employees are required to adhere to the requirements of this Policy and may be subject to misconduct action if the provisions of the Policy are breached.

### 5. Responsibilities

- i. The University Council is responsible for the establishment of the Governance Level Principle relating to Procurement and Contracts.
- ii. The Vice-Chancellor is responsible for the implementation of the Governance Level Principle relating to Procurement and Contracts.
- iii. Staff, visiting fellows and scholars, adjunct, clinical and associate title holders and students involved in procurement and purchasing are obligated to adhere to the Policy principles and provisions.



*Handwritten signatures and initials.*



  
Chairman

  
Ag. University Secretary/Secretary