

Evidence Action

Uganda Procurement Manual (PRO.UG.01)

Contents

PURPOSE.....	3
DEFINITIONS.....	3
ROLE OF PROJECTS.....	6
INITIATING THE PROCUREMENT PROCESS.....	7
PROCUREMENT THRESHOLDS AND APPROVAL PROCESS.....	7
Below USD \$1,000	7
Between \$1,001 and \$20,000	8
Above USD \$20,000	8
COMMITTEE MEMBERSHIP.....	10
Procurement Committee	10
Tender Committee	10
PROCUREMENT COMMITTEE MEETINGS.....	11
EXPECTED APPROVAL AND DELIVERY TIMES	12
PREFERRED SUPPLIER LIST	12
Development of the List	13
Yearly Review of the Preferred Supplier List.....	13
Changes in the Preferred List of Suppliers.....	14
PURCHASE ORDER SYSTEM.....	14
Purpose of a Purchase Order.....	14
Processing the Purchase Order.....	15
Purchase Order Approval and Corresponding Authorization Limits.....	15
Purchase Order Specimen	15
Following PO Approval	15
GOODS DELIVERY AND PAYMENT	16
Delivery of goods and services.....	16
Processing for payment following delivery and delivery acknowledgement.....	16
Confirmation of payment received.....	17

STAFFING	18
EXCEPTIONS.....	18
INVENTORY MANAGEMENT.....	20
Purpose.....	20
Tag Specifications, Numbering Convention, Allocation, Storage.....	20
The Online Inventory System.....	21
Asset Types (Categories of Inventory).....	21
Procedures.....	22
CONCLUSION.....	27

Policy Reference: PRO.UG.01
Effective Date: 1 January 2023
Origin: 1 July 2017
Revision: 1 July 2022

PURPOSE

The legal framework of Uganda's public procurement system was strengthened with the enactment of the Public Procurement and Disposal of Public Assets Act, Act No. 1 of 2003 which came to operation on 21st day of February, 2003.

This policy and the accompanying regulations are proposed for the purpose of establishing and standardizing the procurement procedures across all Evidence Action, Africa Region projects and departments to achieve the following objectives:

1. Maximize value for money
2. Promote supplier competition
3. Promote integrity and fairness of procurement procedures
4. Ensure transparency, clarity and accountability in these procedures
5. Ensure there is staff confidence in these procedures.
6. Ensure there is efficiency in the operations
7. Conform to both Uganda law and donor demands on best practices.

This policy will cover purchase of goods and services paid for through Evidence Action accounts. The amounts referred to in this policy relate to each single purchase (invoice amount). All cash purchases and accompanying provisions will be guided by the Evidence Action cash imprest management guidelines while disciplinary procedures will refer to procedures as outlined in the Human Resource Policy.

DEFINITIONS

Procurement – The business management function that ensures identification, sourcing, access and management of the external resources that an organization needs or may need to fulfill its strategic objectives.

Purchase Request Form (PRF) – This is a Goods Requisition form. The PRF is used to initiate all purchases. The PRF can be prepared by any Evidence Action staff, but has to be approved by the budget holder. The Originator of the PRF should provide specifications for the goods/services required. The Completed PRF with accompanying documentation is the authorization for the procurement department to initiate the purchase process.

Request for Quotation Form (RFQ) – This is the document used to solicit for standardized quotes from Suppliers to allow for “apple to apples” comparison. Procurement Officers should use it to provide information to vendors, including but not limited to quantity, description, delivery requirements, special conditions, drawings, specifications, quotation due date. Vendors should then respond by providing quotations in line with the specification listed on the form, or provide a stamped RFQ in lieu of Quotations (in the event that the Vendor does not have a valid quotation)

Quotation – A formal statement of promise (usually submitted in response to a request for quotation) by potential supplier to supply the goods or services required by a buyer, at specified prices, and within a specified period. A quotation may also contain terms of sale and payment, and warranties.

Pro Forma Invoice – A proforma invoice is not a true invoice – it is simply a document that declares the seller's commitment to provide the goods or services specified to the buyer at certain prices.

Invoice – This is an itemized bill for goods sold or services provided, containing individual prices, the total charge, and the terms. This is a request by the seller for payment for goods and or services derived. The finance team will require the invoice for payments. Both hard copy and digital versions of invoices are considered acceptable.

Quotation Analysis Form (QA) – This form is used to compare quotes/bids received from vendors and justify the selection of the vendor. The form should be completed for purchases worth equivalent of USD \$1,000 and more, except when ordering from preferred suppliers. The form is completed by a Procurement Officer, approved by Budget Holder and reviewed by Evidence Action Procurement Committee.

Purchase Order (PO) – This document confirms all details of a purchase to be made from a supplier and, once accepted by the supplier, represents a legal commitment between Evidence Action and the supplier. ONLY Evidence Action authorized persons will approve Evidence Action PO's. The Purchase Order is to be sent directly to the Vendor. All PO's will be serialized.

Preferred Supplier – A preferred supplier is a supplier who has a pre-qualified agreement to provide value-added (lower prices, monthly billing, guarantee of supplies, etc.) goods or services to Evidence Action in return for a preferred status as an Evidence Action supplier. Preferred supplier agreements are not the same as single source purchasing, since preferred suppliers have to be evaluated before attaining the “preferred supplier” status. When ordering from a preferred supplier, the requirement to do multiple quotes may be waived.

Preferred Supplier List – A database of suppliers prequalified by the procurement committee with whom Evidence Action can transact with without requesting quotes from other vendors.

Budget Holder – The project-designated staff member who has been granted the authority to make decisions relating to project expenditure.

Single Source Purchasing – Instances in which it is not possible to identify multiple sources for a procurement need. In such cases, only one vendor is able to provide the required services or goods.

Invitation to Tender (ITT) – The Invitation to Tender will request detailed information from all vendors wishing to be considered for inclusion on the Preferred Supplier List. Information requested in the ITT will include registration and contact information, as well as specifics on services available.

Procurement Officer(s) – Staff in the Country Office, mandated to manage procurement tasks. Procurement officers are in charge of all communication and coordination related to procurement to ensure that projects and administrative offices receive the goods and services required for smooth and efficient operations.

Procurement/Tender Committees – The team consisting of the Procurement Officer, Program Managers, Budget Holders, technical advisers and Finance team that will be involved in the decision making with regard to identification, sourcing and acquisition of goods and services required for the smooth operations of Evidence Action for purchases between the equivalent of USD \$1,000 and \$20,000

Country Procurement Committee will be made up of:

1. Country Procurement Lead-Secretary
2. Grants & Budgets rep - for budget approval
3. Country Finance Lead - for compliance checks
4. Country Technical Rep - If needed
5. Country Lead-Chairperson

Sub Region Tender Committee – This is the team which will deal with accepting bids and determining the vendors for purchases between the equivalent of USD \$20,001 – \$50,000.

Sub Region Tender committee will be made up of:

1. Sub Region Procurement Manager-Secretary
2. Grants & Budgets Snr Manager - for budget approval
3. Sub hub Finance Lead - for compliance checks
4. Sub regional and Country Technical Rep/User departments reps
5. DFO
6. Country Lead
7. Sub-RD-Chairperson

Regional Tender Committee – This is the team which will deal with accepting bids and determining the vendors for purchases above the equivalent of USD \$50,000.

The Regional Tender committee will be made up of:

1. Sub Regional Procurement Manager-Secretary
2. Grants & Budgets Snr Manager - for budget approval
3. Sub regional Finance lead - for compliance
4. Regional Technical Rep/User departments reps/Regional Operations
5. Country lead
6. DFO
7. Sub RD - Deputy Chairperson
8. RD - Chairperson

CSI Check — All vendors are required to be screened through selected sanctions and terrorists watch lists in alignment with the Sanctions & Terrorists Watch Lists Procedures. For ease of reference, we refer to the process as a “CSI Check”.

ROLE OF PROJECTS

Procurement requests will originate from projects and Operations office for cost shared supplies and services. Project personnel will fill out a PRF indicating what they wish procured. Where the item in question is available through a supplier on the Preferred Supplier List (PSL), the procurement process will move forward quickly and the project representative must sign off on the Purchase Order. The Procurement Officer will process the rest of the required documents and communicate with the supplier until the process is finalized.

For the supply of services that are of a specific nature and time period, the project personnel will draft a scope of work detailing the activities to be performed, the deliverables, timelines, expected payments and termination. This document will guide the procurement process for services. In cases where the services are of less value, for instance carpentry or masonry; where the output is predetermined and it is easy to judge whether or not work has been completed satisfactorily, the Procurement Officer/Administrative officer and Project staff will supervise and ask the service provider to change any aspects of the workmanship that is not satisfactorily accomplished before payment.

PROCUREMENT PLANNING

Procurement planning is the first step within the procurement process which helps ensure that various factors such as; what needs to be procured, when, how, by whom, and selected methods to be used are determined. Planning must include the goods, services and work description, the quantity, the period of the planned procurement and the key action dates.

It is the responsibility of the program manager to prepare a Project Procurement Plan (PPP) each year. At this stage the program teams have to provide clear information on items specification, quantity, and timing of supplies to the procurement team using the Project Procurement Plan.

The Project Procurement Plan is an important supply management tool as it helps the procurement team to:

- Anticipate the needs per activity/team/month.
- Anticipate whether various submarkets need to be consolidated (i.e. for several projects starting at the same time) and to prevent the unnecessary market split.
- Negotiate prices and conditions with the suppliers based on higher quantities
- Have an overview of the procurement activities over the year.
- Define which procurement procedures should be launched for each item/set of interrelated items

The PPP should be reviewed quarterly by all staff involved in its preparation and more frequently if required to ensure any new needs are captured and incorporated in the plan.

INITIATING THE PROCUREMENT PROCESS

All procurement requests will be initiated by the PRF. Typically the Program Managers, Program Directors/Program Leads, Senior Associates, and Administrative Officers will fill out the PRFs. This function will be coordinated by the Procurement Officer.

The PRF will include:

- specifications of the goods/service required
- quantity
- delivery options

The PRF will not include prices for the items being procured. It is permissible for the requestor to include desired price ranges. The true price will be established once quotes are received or from the pre-approved preferred vendor list.

The PRF will have slots/tabs for approval by:

- Evidence Action / Administrative staff submitting the PRF
- Budget holder (BH)
- Procurement Officer.

The Procurement Officer will not raise PRFs for project-related procurements but will coordinate the procurement process.

The budget holder's approval is important since the individual who will raise the PRF will not always be the budget holder.

Administrative staff requests will additionally be approved by the Country lead.

PROCUREMENT THRESHOLDS AND APPROVAL PROCESS

The procurement processes to be followed by all staff procuring any goods or services or within Evidence Action will always be determined by the Procurement Thresholds as set out below;

Below USD \$1,000

If the request is below the equivalent of USD \$1,000:

1. After the PRF has been completed, the Procurement Officer requests a pro forma invoice, preferably from a vendor on the preferred supplier list if applicable. If a preferred supplier list does NOT exist for the item in question, the procurement officer will send the Request for Quotation to at least two (2) potential suppliers. The Procurement Officer, in consultation with the relevant project Budget Holder, will determine the most suitable supplier based on price, quality, after sales service, delivery time etc. from 2 potential suppliers.

2. Once a vendor has been selected, the Procurement officer performs a CSI Check to ensure the vendor is qualified to receive fund from Evidence Action in accordance with the Sanctions & Terrorism Watch List Procedures.
3. After the vendor is screened, the Procurement Officer raises a Purchase Order (PO) which is approved by the BH and authorized by the Program lead, Country lead/GBM and Regional finance lead depending on authorization levels.
4. The Procurement Officer forwards the PO to the supplier.

Between \$1,000 and \$20,000

If the request has a value equal to or greater than the equivalent of \$1,000 and is equal to or below the equivalent of USD \$20,000:

1. After the PRF has been completed, the procurement officer requests a pro forma invoice, preferably from the list of preferred suppliers if one exists for such a product. If a preferred suppliers list does NOT exist, the procurement officer will send Request for Quotation to at least three (3) potential suppliers. In cases where 3 (three) suppliers of the requested product cannot be found, a memo must be signed by DFO or as designated in advance approving that a lower number of suppliers are invited to quote a. If the Budget Holder is unsatisfied with the suppliers on the Preferred Supplier List for the product being sought, the Budget Holder can request one additional quote (if the product sought is comparable with what the pre-approved suppliers offer) and justify the selection by completing a Quotation Analysis. This will be approved by the chairperson of the Procurement Committee (Country Lead) b. Suppliers issue pro forma invoice.
2. The Procurement officer compiles the Quote Analysis (QA).
3. Procurement makes a recommendation of the quote analysis.
4. A procurement committee takes the decision.
5. Prior to adding the vendor to the Preferred Supplier List and issuing a PO, the Procurement Officer performs a CSI Check to ensure the vendor is qualified to receive fund from Evidence Action in accordance with the Sanctions & Terrorism Watch List Procedures.
6. Once screened and cleared, the selected supplier is automatically included in the Preferred Suppliers List.
7. The Procurement Officer in the relevant office prepares a Purchase Order (PO)
8. The Procurement officer raises a Purchase Order (PO) which is approved by the BH and authorized by the SrM-F/GBM; DFA-AR and Regional Director depending on authorization levels.
9. The Procurement Officer forwards the PO to the supplier.

Above USD \$20,000.

If the request has a value greater than the equivalent of USD \$20,000 – the procurement process must go through full tender process. Project Staff may help recommend suppliers and approximate costs.

1. Procurement Officer approaches suppliers with Invitation to Tender. In order to generate a list of possible suppliers, the Procurement Officer will first consider suppliers already on record (i.e. suppliers whom Evidence Action has contacted in

- the past). The Procurement Officer will next consult with the Regional Finance lead for guidance on additional suppliers. The Regional Finance Lead will in turn consult among Regional leadership and technical experts for additional suppliers in the category of the good/service under consideration. The Regional Finance Lead will send a list of possible suppliers to the Procurement Officer to proceed with the process.
2. Suppliers fill out the tender documents based on clear specifications as provided in the request to tender documents.
 3. The tender documents must be opened in the presence of at least 2 members of the Open Tender Committee. The Procurement Officer develops a list of the suppliers submitting quotes. This list is confirmed by the committee members present and recorded as part of the official minutes which must be available during the tender committee full meeting.
 4. Procurement Officer compiles the quote analysis. If the goods or services are technical in nature, a person with appropriate technical expertise will work with the Procurement Officer to make sure the quote under review meets all technical needs.
 5. Procurement makes a recommendation on the best vendor based on the quote analysis and technical evaluation.
 6. The Tender Committee takes the decision.
 7. Prior to adding the vendor to the Preferred Supplier List and issuing a PO, the Procurement Officer performs a CSI Check to ensure the vendor is qualified to receive funds from Evidence Action in accordance with the Sanctions & Terrorism Watch List Procedures.
 8. The selected supplier is automatically included in the list of preferred suppliers.
 9. Once the vendor is selected, the Procurement Officer proceeds to prepare a Purchase Order.
 10. The Procurement officer raises a Purchase Order (PO) which is approved by the BH and authorized by the Sub Hub Finance Lead/GBM; Regional Finance lead and Regional Director depending on authorization levels.
 11. The Procurement Officer forwards the PO to the supplier.
 12. Thresholds for competitive sourcing (Procurement)

Procurement Method	Thresholds	Requirement	Evaluation Method	Mode of receiving bids
Direct Purchase	0 - \$1000	Off the shelf goods e.g. Supermarkets	Lowest priced most technically acceptable	email
RFQ		Goods and Services with	Lowest priced most	email

	\$1001 – \$20,000	clearly defined specifications	technically acceptable	
ITT	Above \$20,000	Goods with clearly defined specifications	Lowest priced substantially compliant	Tender Box or emails
RFP	Above \$20,000	for goods, services or works that cannot be expressed quantitatively and qualitatively	Cumulative analysis	Tender Box or emails

COMMITTEE MEMBERSHIP

Country Procurement Committee

- Chairperson: Country lead; if the Country lead, is on leave or not able to attend the meeting the GBM will chair the committee.
- Secretary: Country procurement lead.
- Member: Grants and Budget rep. Member: Project budget holder; if the project budget holder(s) is not available then he/she will nominate a representative who will stand in for him/her until he/she can resume duties.
- Non-voting member: Country finance lead or his/her Representative is required for compliance review.
- Other: If the procurement under consideration is of a technical nature, the relevant technical expert should be present to offer recommendation. Should the relevant technical person not be able to attend the meeting he/she will provide a document with detailed specifications that can be understood by the other committee members. Whenever appropriate, samples should be provided to the committee to guide the decision-making process.

Sub Region Tender Committee

- Chairperson: Sub Regional Director. If the Sub Regional Director is not able to attend the Deputy Chair will take on the committee leadership.
- Deputy Chair: Country Lead, if the Country lead is not able to attend the meeting the GBM will chair the committee.
- Secretary: Procurement Manager
- Member(s): Country lead, Regional Finance Lead, Grants and Budgets Senior Manager and any Technical representative as needed
- Non-voting member: Sub Hub Finance lead or a representative from finance is required for compliance review.

- Other: If the procurement under consideration is of a technical nature, the relevant technical expert should be present to offer recommendation. Should the relevant technical person not be able to attend the meeting he/she will provide a document with detailed specifications that can be understood by the other committee members. Whenever appropriate, samples should be provided to the committee to guide the decision-making process.

Regional Tender Committee

- Chairperson: Regional Director. If the Regional Director is not able to attend the Deputy Chair will take on the committee leadership.
- Deputy Chair: Sub Regional Director, if the Sub Regional Director is not able to attend the meeting the DFO will chair the committee.
- Secretary: Sub regional Procurement Manager
- Member(s): Country lead, DFO, Regional Grants and Budgets lead, Sub Regional Finance lead and any Technical representative as needed
- Other: If the procurement under consideration is of a technical nature, the relevant technical expert should be present to offer recommendation. Should the relevant technical person not be able to attend the meeting he/she will provide a document with detailed specifications that can be understood by the other committee members. Whenever appropriate, samples should be provided to the committee to guide the decision-making process.

In the case of planned absence by a member of any of the two committees, the member in question must communicate his or her expected absence in advance to his/her deputy in committee. In the case of unplanned absence (e.g. illness), the committee member will consult the chair of the relevant committee before communicating his/her replacement.

PROCUREMENT COMMITTEE MEETINGS

The Procurement Officer will be responsible for scheduling procurement meetings.

On receipt of the procurement request, the relevant Procurement Officer will write to all the committee members. The subject line of such an email should show that this is urgent, the good/service being procured and the quantity needed. This subject line should be maintained until a final decision on procurement has been made. This email will originate from the designated procurement email address.

The relevant procurement officer will prepare the quotation analysis and a ppt presentation for committee approval which clearly outlines the procurement process followed, the number of suppliers invited to bid, the number of responsive bids received and technical review conducted in cases of technical goods/services.

The Procurement Officer will indicate the order of approvals for all procurement decisions. Efforts must be made by the Procurement Officer to ensure that in the absence of any of the members of the procurement committee, replacements are consulted and copied on the email chain for approvals.

Upon initiation of such an email, the members of the committee are expected to make a decision within 2 working days. The committee members may meet in person or have a telephone call that will require documentation via email on selection decisions.

All Tender Committee meetings will either be in person or over phone/Skype. The minutes of these meetings will be documented and preserved appropriately by the Procurement Officer. As with the procurement committee process the Procurement Officer will write to all members of the Tender Committee notifying them of the procurement request. She/he will provide the relevant details, including a copy of the QA.

The Procurement Officer will schedule and coordinate the meeting and take minutes during the tender committee meeting. These minutes will be circulated to members on email at the end of the meeting for their confirmation. Where details were missed or not captured correctly the committee members will clarify on the email thread and confirm.

Procurement decisions will be made where possible on a consensus basis and voting will only be used as a last result. The chairperson of the committee has veto power on such decisions. All decisions made must be justified and well documented.

The Tender Committee will have an annual meeting (preferably in December) to discuss and review the procurement policy. The committees will also meet as needed.

EXPECTED APPROVAL AND DELIVERY TIMES

For all goods and services whose value is below the equivalent of USD \$1000 the PO will be processed within (2) working days and delivery of the product/service within (7) working days from the time the PRF is received by the Procurement Officer.

For goods and services whose value is between the equivalent of USD \$1001 and \$20,000 the approvals for PO processing will be finalized within (3) working days. The delivery time for such products will vary depending on the type and the value. In cases where we have a supplier on the preferred supplier list, efforts will be made to have the goods and services delivered within five (7) working days after the PO approval.

For procurement of goods and services with a value over the equivalent of USD \$20,000 the approvals for PO processing will be finalized within 5 working days. Approval times will depend on the type of goods and/or services procured. In cases where a more exhaustive market search is required to receive the appropriate number of acceptable quotations, it may take longer to compile and submit the necessary quotation documents. The delivery of such goods and services will be done within 22 working days after the PO approval.

Exceptional cases will include all goods and services that need to be procured internationally or where purchase approvals need to be received from donors. These type of procurements will take longer to be delivered.

PREFERRED SUPPLIER LIST

Given Evidence Action will frequently make repeat purchases, we may be able to save money by negotiating more competitive rates for larger orders or repeat purchasing. Such negotiations will eliminate unexpected price increases and allow the organization to improve

budgeting for expected program costs. Suppliers able to provide the goods and services we require on a regular basis will be evaluated through the tender process and those suppliers able to provide the best value for Evidence Action will be added to the Preferred Supplier List.

Development of the List

To begin generating this list, the procurement team will send out an open invitation to tender to the general public. The Invitation to Tender, (ITT) will request detailed information from all vendors wishing to be considered. The following information will be sought from the supplier with the first FOUR being very important:

1. Valid Registration Certificate – (Required)
2. PIN - KRA- (Required)
3. VAT certificate with a valid tax compliance certificate – (Depending on business)
4. Able to transact on a purchase order (PO) system – preferably move towards ability to provide credit for 30 days.
5. Confirm ability to provide regular statements of account as and when requested.
6. Proof of operation for the last 1 year and staff dedicated to offering functional support
7. Company profile including but not limited to the following information:
 - References from previous customers
 - Information on core business of the organization supported by a company profile
 - Location of main offices
 - Information on key personnel to include Key Staff bios and Contact information
 - Information on organization structure
 - Official business bank account details
 - Other relevant information

After suppliers have returned the information listed above, the Procurement Officer will schedule a meeting with the Tender Committee to review the suppliers. At least one week prior to the meeting, Procurement Officer will provide a summary of all suppliers in each category by location and submit this to the Tender Committee. During the meeting the Committee will review and approve the selected suppliers in each category and location.

A minimum of three (3) of the most suitable suppliers will be selected for each category. The Tender Committee will rank the approved suppliers in order of preference. The order of preference must be documented. Price, quality and delivery time will be evaluated to determine the preference order.

Prior to finalizing the Preferred Supplier List public to all projects, the Procurement Officer will conduct a “CSI Check”

This final Preferred Supplier List will be made public to all projects.

Yearly Review of the Preferred Supplier List

The Preferred Supplier List will be reviewed once yearly in November. The Procurement Officer will send out request for review of information and terms from all suppliers on record at the end of October. Based on the information received the procurement committee will

decide which suppliers to retain on the Preferred Supplier List. The suppliers on record will be used until the end of the current year unless changes in terms require immediate action. The new list of suppliers becomes effective at the start of the New Year. Exceptions should be made in cases where the new suppliers have exceptionally better terms than the existing ones on record.

At the year-end meeting the Tender Committee will do the following:

1. Develop standards for evaluating and ranking suppliers – the variables and respective importance
2. Review existing Preferred Supplier List to confirm membership or remove nonperforming suppliers
3. Review all requests for admission onto the Preferred Supplier List.
4. Review and discuss feedback from the procurement process.
5. Review the different limits and approvals and propose amendments as needed to improve efficiency and operations.

Changes in the Preferred List of Suppliers

A change in the terms, including price and payment periods will necessitate a review of suppliers in a given category and/or location. The supplier in question will be given the chance to provide new terms. If the new terms are not agreeable to Evidence Action the supplier should be removed from the Preferred Supplier List after approval of the removal by the DFO. In the interim, Procurement Officers will look into finding a new primary supplier and the second best and/or third best fit supplier should be used until the Procurement committee is done with the review of new suppliers.

Vendor Removal

In instances where Evidence Action will no longer use a vendor, which may be due to poor performance, the vendor has gone out of business, lack of vendor use, etc.; the tender committee during the annual review of the preferred Supplier List may remove the vendor from the database. The rationale for discontinuing the use of the vendor should be well documented and archived with the vendor registration form for future reference.

PURCHASE ORDER SYSTEM

Purpose of a Purchase Order

A purchase order is a document that a buyer sends to a seller as an offer to buy products or services. Once accepted by the seller, the purchase order becomes a contract for the delivery of these products or services at the agreed-upon price and quantity.

Reasons for using a Purchase Order:

- Records financial commitment: If you've agreed on an order with a supplier and they have started to manufacture or have shipped the goods, then you most likely have an obligation to pay at some point, even though your accounts don't yet show a Purchase Invoice. The Purchase Order records this agreement between you and the seller.

- Important for year-end accounts and audits: A properly managed Purchase Order system will quickly tell you what's been ordered, what's been shipped, what's been received but not been paid for.
- Match goods delivered against ordered: The team or individual that receives goods into stock when shipments arrive may not be the same team or individual that placed the order. The Purchase Order provides a record of purchase that anyone can use to confirm receipt of desired goods or double-check order accuracy.

Once quotes have come in and the committees have deliberated, a PO should be issued.

Processing the Purchase Order

Once a supplier has been identified the Procurement Officer will process a purchase order. The Procurement Officer will keep a record of all POs issued, identifying the supplier in receipt of the PO. The Procurement Officer will also track the value of the PO and internal approver. This list should be available at all times for review by the Regional Director and DFO as needed.

At the end of each month the Procurement Officer will provide Senior Management with a Summary Status of all PO's issued. Between official reports, a working document will be made available to Procurement Officers in all offices to input tracking.

To take care of the satellite offices and avoid conflict in the serialization of the PO each satellite office will separately track POs issued at that office. The Serialization of POs will have a prefix to indicate from which office the PO originated. Manual tracking may only be used when the online Process Maker system is dysfunctional. The DFO and Associate, Administration will have full access to this, to query and clean up transactions as needed.

Purchase Order Approval and Corresponding Authorization Limits

- Between the equivalent of USD \$1-\$10,000: Budget Holder approval then to the program leads
- Between the equivalent of USD \$10,001-\$20,000: budget holder approval, then the Country lead. Above the equivalent of USD \$20,000: verified by the budget holder, then to the Regional Finance Lead

Purchase Order Specimen

To make sure that the suppliers are able to recognize a genuine PO originating from Evidence Action the suppliers will be provided with specimen of the electronic signatures appearing on a PO.

Following PO Approval

1. Once the PO is approved the Procurement Officer will send an electronic copy of the PO to the supplier.
2. The supplier will acknowledge receipt of the PO by signing and stamping (where applicable) and returning a copy to the Procurement Officer with the invoice.
3. The Procurement Officer will file the copy, which should later be attached to all the other documents in preparation for payments.

GOODS DELIVERY AND PAYMENT

Delivery of goods and services

The supplier on receipt of the PO will deliver the goods/services.

For non-technical goods/services the Procurement Officer will receive the goods and sign the delivery note. The Procurement Officer should take care to ensure that the deliveries match both the quantity and quality as specified in the PO. The Procurement Officer should sign the delivery note making sure to include the name and signature of the person receiving the goods. The delivery note should also be stamped to mark the date when the delivery was made.

If it is a technical supply (e.g. computers, project materials) the Procurement Officer needs to refer to the technical person who was either part of the procurement process or any other who would be able to verify that the goods/services delivered match what was requested. In this case both the “technical person” and the Procurement Officer sign off the delivery note.

If at the time of delivery of technical items the technical person is not available the Procurement Officer should refer to the document prepared by the technical person at the beginning of procurement process, and use this document to identify that the item being received is what was ordered. The document will indicate specifications required in simple, non-technical terms so that I can be understood by the Procurement Officer. In cases where a sample was given to the supplier the Procurement Officer should use the sample to countercheck the rest of the supplies. For all technical items, the technical person will countercheck the items when he/she becomes available. It is further assumed that such inspection will happen well before the warranty period lapses. All products found not to meet the specifications as outlined in the PO should be returned to the supplier with adequate documentation of the inadequacies in the product received.

Processing for payment following delivery and delivery acknowledgement

Once the delivery has been made, the Procurement Officer will gather all documents relating to this procurement and make a request for payment on Process Maker. The documentation must include proof that CSI Check was performed. The Procurement Officer should scan all documents and attach them at the appropriate stage on payment request in Process Maker. All approvals on Process Maker will rely on availability of these documents.

In case Process Maker is unavailable the Procurement Officer will make a request for payment on paper using the Check Request Form. Approvals for payments will depend on the value threshold.

Once approved the Procurement Officer will carry the physical documents and hand them over to the officer in Finance responsible for making the payment.

Before the Paying officer makes the payment he/she will wait for both approvals (based on limits) and the physical signatures from the approval authority/authorities. See below for payment approval limits.

- Below the equivalent of USD \$3,000: Country finance lead approves. On the occasions when the Country finance lead is not available, the GBM, will confirm that all documentation is in order, but the Regional Finance lead will approve the payments.
- Between the equivalent of USD \$3,001 and \$10,000: the country finance lead and Sub Hub finance lead will approve. The Sub Hub finance lead will approve the payments. On occasions when the Regional finance lead is not available for approvals, the Sub Regional Director will approve.
- Above the equivalent of USD \$10,001 the Country finance lead, Sub hub finance lead and regional finance lead will all approve.
 - The Sub Regional finance lead will approve the payment after ensuring that all necessary documents and processes were followed before moving the file to the Regional finance lead for final approval. Once the Finance Office receives the final approval, they will go ahead and pay for the supplied goods/services.
- The finance office will maintain a record of all payments made during any period. The Country finance lead will provide in this summary the Purchase Orders and delivery notes confirming delivery of the goods or satisfactory completion of the tasks for the case of consultants. The paying officer will keep all documents properly filed for 7 years.

*****After audit of the previous year documents will be moved to a safe storage.

Confirmation of payment received

Once the finance office has completed the payment of transactions the in system, they will issue payment confirmation receipts. The Procurement Officer will notify the vendors of the payments done.

This completes the transaction.

Advance Payments to vendors:

Proper supplier vetting is recommended to ensure that Evidence Action deals with suppliers who have adequate capital to meet the contractual obligations.

Advance payments for goods should be avoided as much as possible due to the risks involved, however a maximum advance of 15% of the value of the contract for goods can be allowed with a memo approval by the DFO. Any advance request above 15% will be considered on a case by case basis and approved in writing by the DFO.

In the case for services, a mobilization fee can be given at a maximum advance of 15% and paid as per the fee breakdown for the service approved at the discretion of the DFO and/or the Sub Hub RD.

Suppliers being considered for high value one off purchases should also be requested to give the organization performance bid bonds from accredited banks to secure the organizations funds. This bid bond should be valid for the entire duration of the contract and should be returned after a successful performance of the project.

RENEWAL LIMITS ON CONTRACTS

All contracts shall have a limit on the number of times they may be renewed. One (1) year contracts shall only be renewable a maximum of two (2) times, for a total of three (3) years. Two (2) year contracts shall only be renewable a maximum of one (1) time, for a total of four (4) years. After the renewal limit has been reached, a new tender process shall be done for the goods and/or services. Any requests for exceptions should be sent in writing to the regional finance lead and must have documented approval.

BREACH AND TERMINATION OF CONTRACTS

BREACH OF CONTRACT

Suppliers are liable for any material breach of their contractual obligations. A material breach is defined as when Evidence Action is deprived of significant value reasonably expected from the contract. If a supplier materially breaches an obligation(s), the Procurement Unit shall provide written notice to the supplier, with a copy to the Director of Finance and Operations, allowing the supplier a commercially reasonable period of time to resolve the defect. In the event that the supplier fails to resolve the alleged breach, the Procurement Unit must inform the DFO.

TERMINATION OF CONTRACT

A contract can be terminated when;

- There is a material breach of the entire contract and the breach has not been resolved or waived; or
- The agreement allows cancellation for the breach, or termination for convenience

EXCEPTIONS

Procurements will follow procedures outlined above except in the exceptions listed in this section.

At times it is necessary to deal with a sole/single supplier, service provider or contractor, and multiple quotes cannot be requested. In such cases, Evidence Action will negotiate arrangements which provide best value for money. Care should be taken by contracting officers when they face a supplier, service provider or contractor with an exclusive right to provide a particular supply or service in a designated territory. For all USG funded projects, documentation for such single sourcing should be reviewed by the Regional Finance lead, approved by the Regional Director and authorized by the CFAO.

Open-ended arrangements with exclusive distributors should be avoided whenever possible.

In cases where such monopoly is established in advance of the procurement the procurement office will write to the procurement committee or Tender Committee to seek for clearance

for the purchase before the PO is issued to the supplier. The Procurement Officer will complete the Quotation Analysis form justifying the need for the single supplier.

The Chairperson of the procurement Committee/Open tender committee will provide approval on email copying the other committee members.

In cases where certain items are procured without following the set procedures the Budget Holder will write to the Regional Director requesting an exception to the normal procedure and asking to process payment. The BH will provide justification for the purchase outside the accepted procedures. The Regional Director will provide approval on email copying the Regional Finance lead. The Budget Holder will need to provide documentation for the payment before Finance will issue the payment. The Regional Director will recommend disciplinary actions for staff member/s responsible for the lapse in the process in accordance with the Human Resources Policy as necessary.

Single sourcing justification should not be requested in an effort to;

- Avoid competition
- Shorten the procurement process

IMPORT AND CUSTOMS CLEARANCE

Importation and customs clearance will be done using the pre -approved Country Office clearing agents.

Process.

All imports must be inspected at the point of origin through accredited inspection company (e.g. SGS or Intertek) and certificate of conformity issued. This certificate alongside commercial invoice, packing lists and Airway bill/Bill of lading need to reach the consignee upfront for declaration purposes and computation of taxes payable to Uganda Revenue Authority and as part of the application process

Common documentation required.

- Certificate of Conformity from accredited inspection company
- Import declaration form
- Commercial invoice, packing list and Airway bill/Bill of Lading showing clear shipper and consignee address/contact details
- Import permits for restricted items through authorized government agencies (e.g. for medicaments, chemicals,)
- Certificate of origins from member countries and recognized Regional Trade blocs (e.g EAC, European Union, COMESA etc.)

RISK MANAGEMENT

Risk is an inherent part of procurement and may take place at any stage of the procurement process —from identification of the need to procure to final delivery or use of the item.

Managing risk throughout the process facilitates checks and balances to protect Evidence Action assets and use of funds. Staff performing procurement functions shall follow the prescribed procurement guidelines to ensure that consistent standards are applied.

At each level of the procurement process, the responsible staff are accountable to ensure cost reasonableness for award performance. Coordination takes place to mitigate risk where cost, delivery schedule, user acceptability, integrity and competence may be impacted, using checks and balances such as:

- Segregation of procurement duties among staff;
- Varied levels of signatories;
- Documentation to track procurement steps and approvals;
- Two-way communication between Procurement unit and Vendors
- Training of staff responsible for procurement

INVENTORY MANAGEMENT

Purpose

The policy aims to provide guidelines that employees must follow in the management of inventory, including safeguarding and disposal of inventory.

Tag Specifications, Numbering Convention, Allocation, Storage

Tags will be purchased in bulk in line with the following specifications and numbering convention.

- Tags will be 8mm adhesive backed aluminum tags, of size 1.5" x .75".
- The numbering system will start with 2 digits for country followed by 4 digits to identify the asset.
 - This provides for 100 country codes (00-99) and 10,000 asset codes (0000-9999)
- The asset tags will be silver with black print.
- The tags will include a barcode.

Tags will be numbered and allocated as indicated below.

Country	Country Code
US	01
Kenya	02
Uganda	03
Malawi	04
India	05
Nigeria	06

Item Code
5-digits: 00001,00002

For Example: A laptop in Kenya - o200027; A desk in Malawi - o400306

Country	# of tags purchased (in April 2019)	Specific Tag Numbers	
Kenya	3000	0200001-0203000	Nairobi tag numbers o200001 - o200999 (1,000 tags) Kisumu o201000 - o202499 (1,500 tags) Remaining TBD o202500-o203000 (500 tags)
Uganda	1000	0300001-0301000	
Malawi	1000	0400001-0401000	
Nigeria	1000	0600001-0601000	

Unused tags (before being affixed) shall be kept in a secure location in the administrative office by the Finance team (i.e. the office safe or lockable drawer).

The Online Inventory System

The online inventory system will be maintained in Fresh service or other. It is a cloud based system, which has adequate security/access control per user and is partially customizable to suit our needs. Some fields in the Fresh service system are hard coded into the system and cannot be deleted or changed - in those cases, we will simply leave the field blank (for example "impact" and several of the fields for IT equipment).

Asset Types (Categories of Inventory)

Asset Type	Examples
IT Equipment	Computers, laptops, phones, tablets, keyboard, mouse, printers
Furniture & Fixtures	Desks, chairs, tables, pedestals, cabinets, bookshelves
Office Equipment	Water dispenser, fridge, microwave, kettle, cooker, generator
Motor Vehicle	Cars, Trucks, Motorcycles

Office Supplies / Consumables

Expendable materials used and turned over in large quantities such as office supplies, writing implements, copier paper, printer ink, tea, etc will not be maintained in the inventory system.

Items not tagged and exceptions

Vehicles and Motorbikes

Vehicles and Motorbikes will not be tagged with metal tags, but will still be recorded in the inventory system with identifying information such as license plate, make and model.

Items NOT tagged: valued less than \$50

Items with an estimated values of less than \$50USD will not be tagged or entered into the inventory system. However, if available, we may affix a company branded sticker to identify the item as company property. Examples include: in/out tray, pen holder, dustbins, water kettle, toaster, etc.

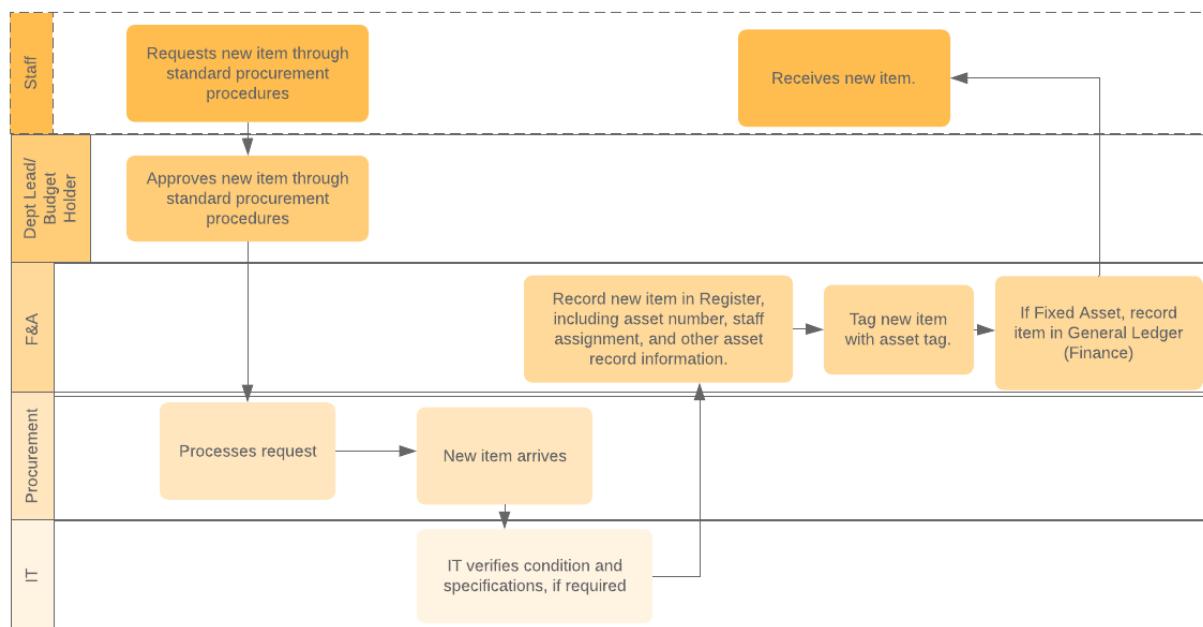
EXCEPTIONS: low value items that will be tagged

Exceptions to this include the following items. These items will be tagged and included in the inventory system.

- Computer Keyboard and Mouse (bundled)
- Extension Cables / Power Strips
- Personal Heaters
- Plastic Chairs
- Some Phones (depending on size/shape)

Procedures

Incoming Inventory

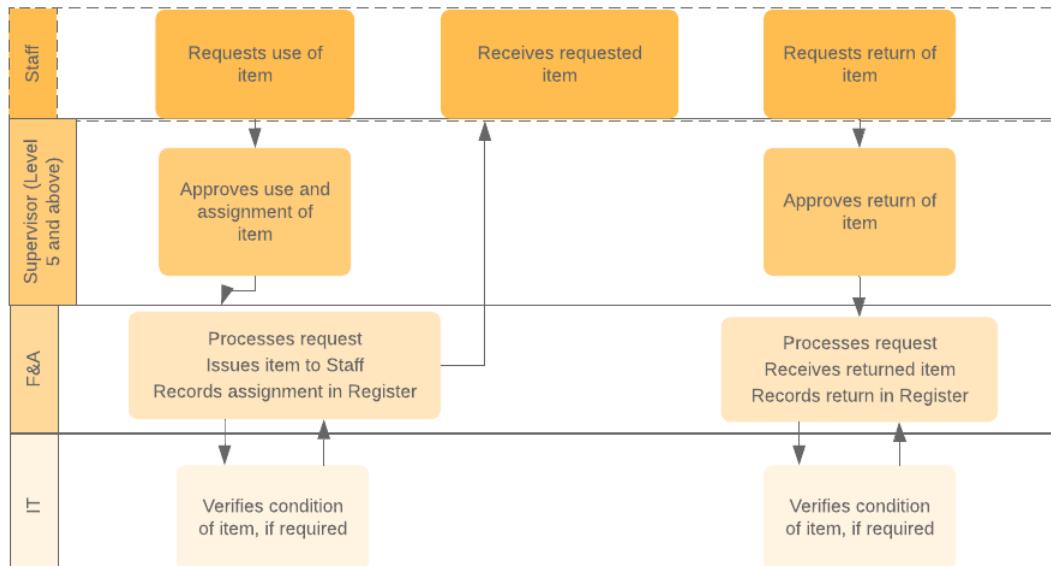


1. Item requested, procured and received through existing procurement process.
2. After item arrives and if IT equipment, Procurement team verifies the item conditions, specifications, etc with the IT team. If not IT equipment, Procurement team verifies the received items in line with the Purchase Order (P.O.).
3. Procurement notifies Finance team to enter new inventory into system.
4. Finance team 1) records item in inventory system and 2) affixes an asset tag.
 1. If the item is valued over \$5,000, the item is additionally recorded on the general ledger.
 2. For new purchases, the following fields are required:
 1. Item name/description

- 2. Asset Tag number
- 3. Acquisition date
- 4. Cost
- 5. Serial Number (if known)
- 6. Location (office)
- 7. Precise Location (room within office)
- 8. Assignee (if known)
- 9. Asset State (aka Status or Condition)
- c. Additional fields, for IT items only:
 - 1. Model Number
 - 2. Warranty
 - 3. Warranty Expiry Date

Item is then given to assignee (“Used By” field) for use.

Approval for Use/Return



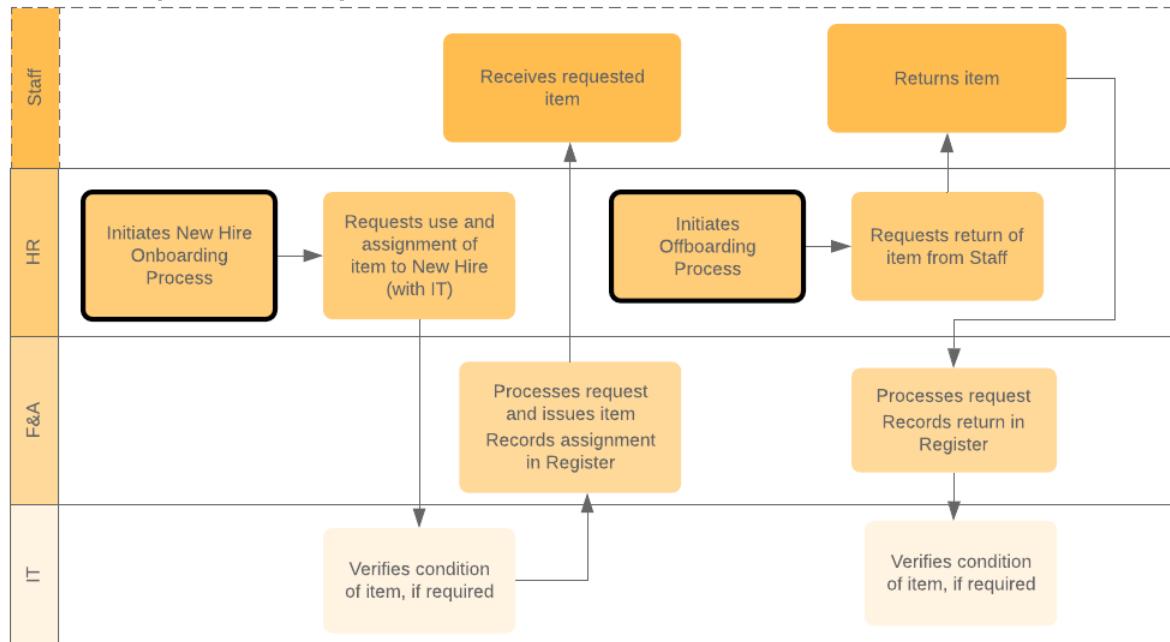
Approval for Use

1. Staff requests use of an item
2. Supervisor approves (or denies) use of the item
3. Approved request is forwarded to the Admin team; they find the item and verify condition.
 - If an IT item, IT team verifies the working condition of the item before it is issued to staff.
4. Admin team notifies Finance of the approved request; Finance team records the assignment of the item to staff in the inventory system. Notifies Admin when complete.
5. Admin issues the item to the requester.

Approval for Return

1. Staff submits 'request' for return of an item
2. Supervisor approves (or denies) return of the item
3. Approved return request is forwarded to the Admin team; they verify condition and receive it back.
 - If an IT item, IT team verifies the working condition of the item before it is returned.
4. Admin team notifies Finance of the returned item; Finance team records the return of the item in the inventory system.

Onboarding/Offboarding



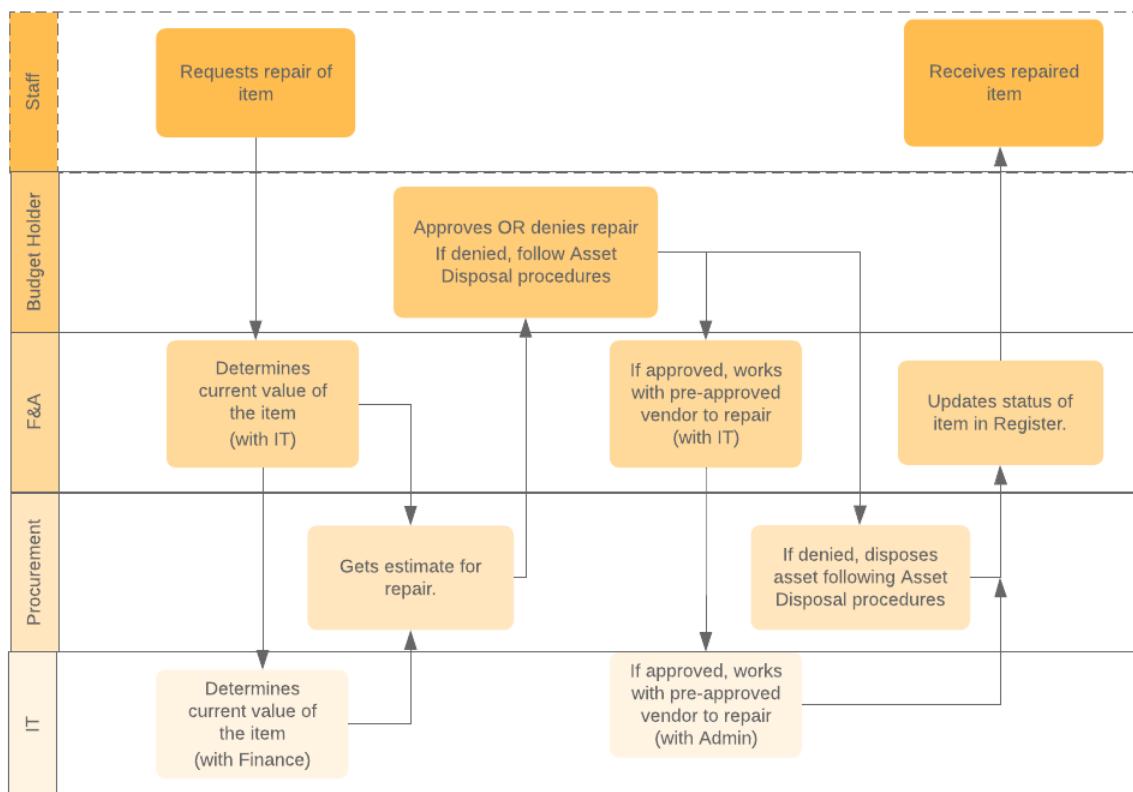
Onboarding

1. HR (with Hiring Manager) submits request of use and assignment of items to new hire.
2. If IT item, IT team verifies item is in stock and its condition. (i.e. laptops, monitors)
3. For non-IT items, Admin team verifies item is in stock and it's condition. (i.e. workstations, chairs)
4. IT and/or Admin item(s) is issued to staff.
5. Admin notifies Finance about the assignment and Finance records in the system.

Offboarding

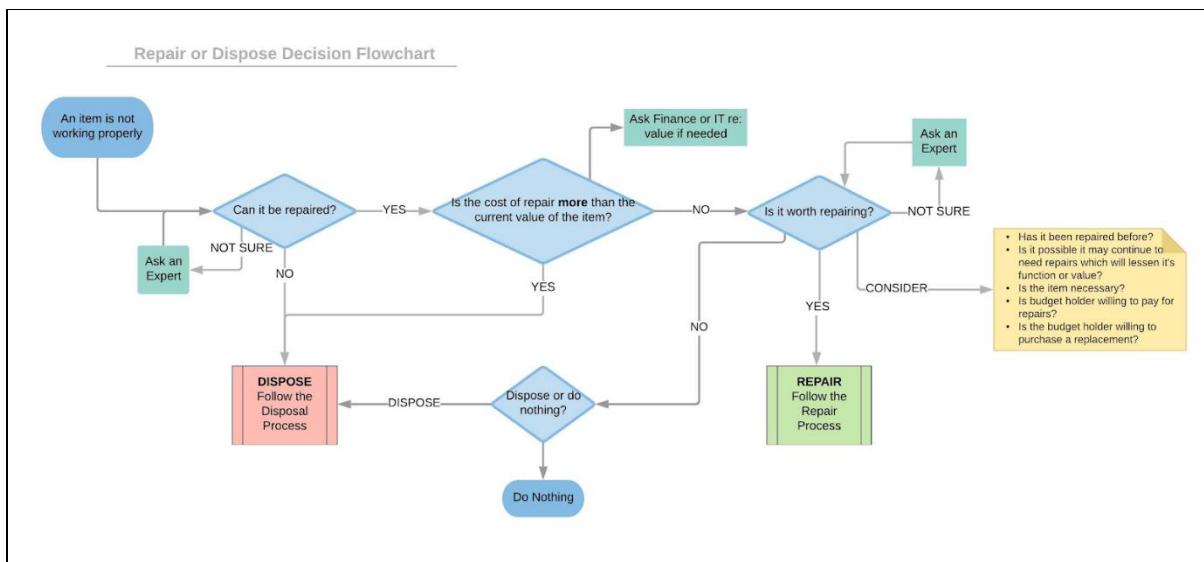
1. HR initiates offboarding request in the system and requests the item back from staff.
2. Staff return items to Admin and/or IT as appropriate.
3. Admin and IT teams verify that item is received and the condition. Admin and IT teams (individually) notify Finance that items have been returned and Finance records in the system.

Request for Repair/Maintenance



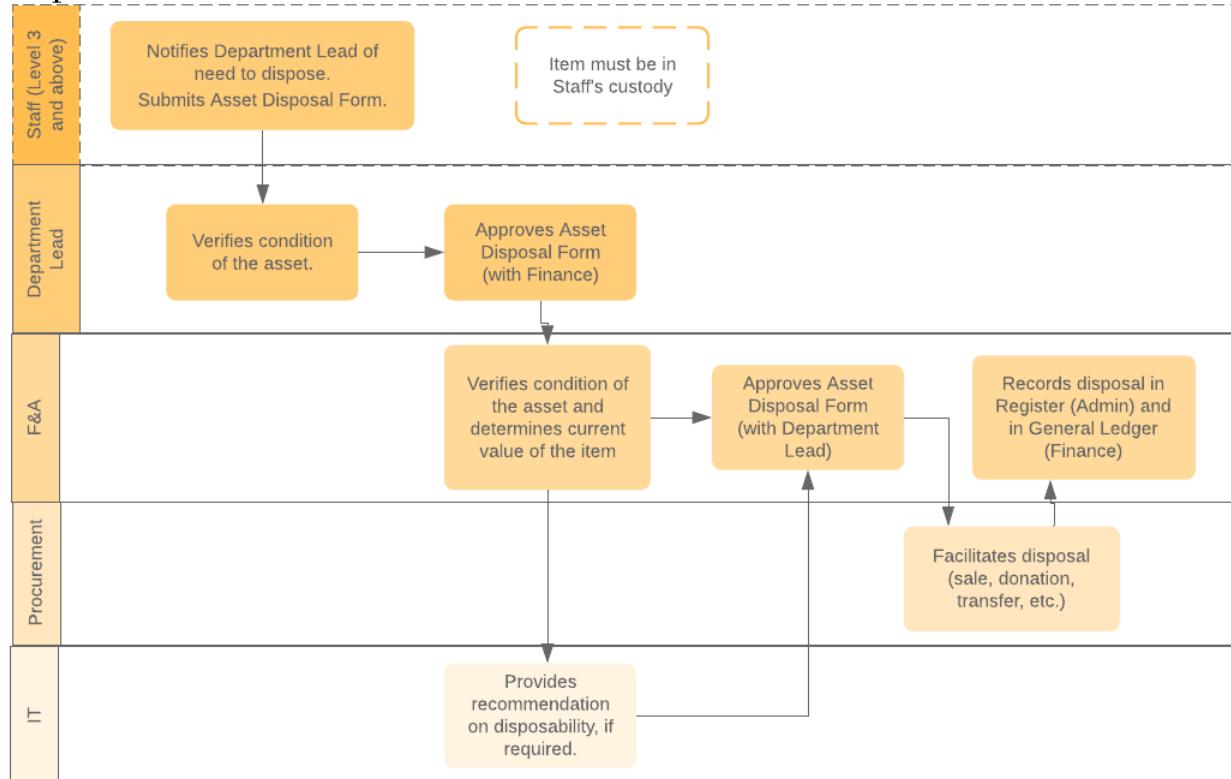
1. Staff submits a request for repair/maintenance of item.
2. Finance (and IT if appropriate) determine the current value of the item
3. Procurement gets repair/maintenance estimate. (If IT item, work with IT.)
4. Depending on repair/maintenance estimate (compared to item value) and by approval from budget holder -- request is either approved or denied.
 1. If item is not working and repair is denied, follow disposal procedures.
5. After approval, either Admin or IT coordinate the repair/maintenance.
6. Once repaired, Finance is notified and record is updated in the system.
7. Item is returned to staff.

Repair or Dispose Decision Flowchart



1. Determine if an item is working properly. If not sure, ask an ‘expert,’ for example and IT team member.
2. If the item cannot be repaired, dispose of the item following the disposal process (below).
3. If the item can be repaired, first determine if the repair is more or less than the value of the item. For this, consult with Finance, IT, or outside vendors who can offer quotes on repair cost.
4. If the cost of repair is MORE than the current value of the item, dispose of the item following the disposal process (below).
5. If the cost of repair is LESS than the current value of the item, determine if the item is worth repairing - consider the following:
 1. Has the item been repaired before?
 2. Is it likely that it will continue to need repairs which may lessen its function or value?
 3. Is the item necessary?
 4. Is the budget holder willing to pay for the repair?
 5. Is the budget holder willing to purchase a replacement?
6. If it’s determined that the item is worth repairing, follow the repair process (above).

Disposal



1. Staff submits an asset disposal form and notifies departmental lead of the need to dispose.
2. Department Lead verifies the condition of the asset and approves the disposal, form given to Finance.
3. Finance confirms the condition of the asset and determines current value of the item.
4. Procurement notified and facilitates disposal of the item.
5. Finance notified and records details of the disposal in the general ledger and online inventory system.

CONCLUSION

In all cases, those tasked with procurement should ensure that there is sufficient documentation to provide an understanding of:

- The reasons for the procurement;
- Why a particular procurement method was used;
- The process that was followed;
- All resulting decisions, including the basis of those decisions;
- Any associated authorizations.