

PROCEDURES FOR PROCUREMENT DURING EMERGENCIES (PPE)

January 2018



**NGO FORUM
FOR PUBLIC HEALTH**

4/6, Block- E, Lalmatia, Dhaka-1207, Bangladesh

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Table of Contents

Issue	Page Number
Introduction -----	01
What are "Procedures for Procurement during Emergencies (PPE)" -----	01
The components to the "PPE" -----	02
When is it justified to activate the "PPE" -----	02
Activation of "PPE" -----	02
Process for approval -----	03
Implementation of "PPE" -----	03
How to mitigate and minimize risk to the organization -----	04
Emergency Procurement Reporting -----	04
Note -----	05
Annex-I -----	06

1. Introduction

Emergencies are defined by NGO Forum as "any critical situation¹ in which the life or well-being of community will be threatened unless immediate and appropriate action is taken; and which demands an extraordinary response and exceptional measures with short duration."

Generally NGO Forum conducts its procurement following its Procurement Manual. The existing Procurement Manual provides the general policies and guidelines to undertake and accomplish the procurement task in normal situation and it is being followed by NGO Forum all over the country. But the existing procurement manual does not provide the provisions for procuring the goods and services in the emergency situations as described in note-1.

The Procedures for Procurement during Emergencies (PPE) plays an integral part of the existing procurement manual of NGO Forum. This manual sets forth the procedures and guidelines which NGO Forum has established to guide in the emergency procurement process with the intent of ensuring compliance, consistency and transparency throughout the procurement process.

NGO Forum is committed to respond rapidly to emergencies, whilst at the same time ensuring that all procurement is undertaken in compliance with the policies and procedures outlined in the clause 22.5 of the NGO Forum's Procurement Manual. NGO Forum recognizes that this may require exceptional procedures for procurement during an emergency period in order to ensure speed and predictability of delivery while upholding a high level of transparency, integrity, economy and effectiveness. This document describes the "Procedures for Procurement during Emergencies" (hereafter noted as "Emergency Procurements" in this document) and provides guidance on when and how to use them.

This PPE shall be applicable to all Departments/ Regional/ Project offices in relation to the emergency procurement of NGO Forum for Public Health.

2. What are "Procedures for Procurement during Emergencies (PPE)"?

The "Procedures exempt operations from the requirement to use the formal Invitation to Bid (ITB) or Open tendering methods in certain circumstances while still requiring that the key procurement principles like RFQ or RFP or limited tendering methods are upheld, that the best value for money and the best interests of the organization are assured, and that decisions are well documented and auditable.

A request can be made for either an increased ceiling of RFQ or RFP or limited tendering methods and/or an increased ceiling for the field/project/regional office decision making authority, however, in most instances the request would be made for both as it best



facilitates responsive procurement support to emergencies.

The "PPE" for an increased RFQ or RFP or limited tender limit and RFQ ceiling can only be applied for a period of six to twelve weeks, after which the operation should have established reliable supply chain operations, subject to all regular procedures.

They are intended to provide fast, simplified processes to facilitate rapid and effective emergency response, while at the same time fostering financial and regulatory compliance.

The components to the "PPE"

a) Delegation of Authority limit for Purchase Requisition:

Under the Emergency Procedures, an increase in limit of purchase requisition approval authority and the RFQ ceiling as well would allow operations to utilize an informal and faster tendering method for higher value (required amount) procurement activities, when and where the existing authority limit is not sufficient and that increase limit needs to be approved by the Management.

b) Delegation of Authority limit of Purchase Commitment & Disbursement:

Under the Emergency Procedures, an increase ceiling of Purchase Commitment & Disbursement would provide/allow decision making authority to the Emergency Procurement Team at higher monetary values (for required amount), allowing a more decentralized and more rapid processing of the procurement decisions and the required increased amount and/or RFQ ceiling needs to be approved by the management.

3. When is it justified to activate the "PPE"?

The "PPE" is applicable only during formally declared emergencies by the authority of Peoples Republic of Bangladesh or by UN bodies or any assignment/contract awarded to NGO Forum covering a maximum period of three months as stipulated in the clauses 22.3 and 22.5 of NGO Forum Procurement manual would automatically serve as adequate justification for requesting the activation of the procedures.

However the PPE can also be applied for a period of three to twelve months if the emergency period is extended by the concerned authority, after which the procurement process will revert to its original threshold.

4. Activation of "PPE".

Step-1: The requesting field/project/regional office discusses the emergency issues among themselves and determines whether to request an increase of ceiling of RFQ and/or an increase of the authority limit of Purchase Commitment & Disbursement ceiling, as well as the requested duration for which the requested increases are required



following the Annex-I of NGO Forum Procurement Manual.

Step-2: Justification Note for Emergency Procurement:

A note/memo with strong justifications highlighting the necessity of the emergency procurement will be prepared along with the proposed composition of the emergency procurement team and forwarded to the Executive Director for approval.

5. Process for approval

Receiving the justification note/memo and proposal of Emergency Procurement and formation of Emergency Procurement Team, will be reviewed by the Central Procurement Committee/assigned team and will be approved by the Executive Director.

The Review Committee will assess the request based on the following criterions:

- a) The Emergency Procurement Team (proposed) must have sufficient emergency procurement expertise and capacity within the operation to execute the procurement procedures locally at the higher ceiling.
- b) Proper justification why the procurement cannot be processed through regular procedures in a timely manner to meet the needs of the emergency operation.
- c) The Emergency Procurement Team should have a convener, a member's secretary and other as its members.

6. Implementation of "PPE".

It is only upon approval by the Executive Director that the "**Emergency Procurement Procedures**" can be applied in the requested operational unit/project office. The requested operational unit/office will receive official notification of the decision from the Head Office along with the approval/minutes.

- a) The RFQ or RFP or limited tender needs to be in writing. There is no specific format required; however, it must contain specific and sufficient information to enable bidders to submit informative and comparable quotes.
- b) There is no specific requirement concerning the type of competition (national or international), but the team undertaking the procurement tasks must ensure competition by requesting at least three quotations whenever possible. Procurement undertaken on the basis of less than three quotations must be explained by the use of a "Justification Note" in the submission/procurement file.



- c) Under the Emergency Procedures, the spot quotation enquiry will be followed and decision will be taken by the Emergency Procurement Team. The procurement process will be outlined while giving the approval.
- d) Additional suppliers might be added at any stage of the process, but all suppliers must receive the same information.
- e) Local suppliers might be given preference due to lead time and/or logistical constraints for national or international suppliers.
- f) The supplier offering the lowest price might not be able to supply all items requested. Splitting the award between multiple suppliers might be needed, and this needs to be made clear in the justification note and to be approved by the management.
- g) The evaluation process needs to follow the evaluation procedures for RFQ or RFP or limited tender as outlined in clauses 22.3 & 22.5 of NGO Forum.
- h) Performance Guarantee will be applicable as per the clause 14 of the procurement manual with an exception of hardware installations. In case of hardware installations 5%-10% performance guarantee/security deposit would be applicable on purchase order value from the successful bidder during receiving the purchase/work order. The security deposit may be refunded after conduction of audit and verification by NGO Forum upon expiry of the agreed time frame.

7. How to mitigate and minimize risk to the organization?

The use of the "PPE" which allows more flexibility in the procurement process increases risk for the organization. To mitigate this risk, the supply function should first maximize the use of the following issues before seeking approval for "PPE" from Head Office:

- a) Existing stock and equipment from other operations or central stockpiles;
- b) Existing Basic Ordering Agreement (BOA);
- c) Existing local, regional, central suppliers and enlisted vendors
- d) Intensifying the internal audit/internal monitoring
- e) Frequent process report from the vendors/suppliers

8. Emergency Procurement Reporting:

NGO Forum is committed to financial accountability, governance and transparency, and encourages the scrutiny of operations by the donors, particularly in emergency operations. In order to meet the organizational commitment to respond to the emergency and simultaneously mitigate risk, the application of the "PPE" requires robust control,



monitoring and archiving measures.

Within the operation, a proper filing routine must be strictly followed to ensure availability of all documentation as per procurement transaction (approval note, bids, related mails and other correspondence, minutes, contracts, purchase orders, waivers of competitive bidding etc.) for review and audit purposes.

Within the stipulated time after the expiry of the approved timeframe of the "PPE", the following documents must be submitted to the Head Office by the implementing office.

A report of all emergency procurement transactions that took place during the approved time frame is to be submitted to the Executive Director. This report can be in the form of a '**PPE Report**' following the prescribed format (Annex-J).

Note: 1 Critical Situation

Critical situation means the situation such as natural calamities, political unrest, riot, blockade, refugee influx, time constraint for implementation, and so on which could result in heavy loss or hamper the normal operations or regular activities of NGO Forum and where normal purchase procedures cannot be resorted to as time is the most crucial factor.

NGO Forum for Public Health

Emergency Procurement Approval Form

Annex-I

Name of Project:	Submission date
Work Place:	

Details of Emergency Procurement:

Sl. No.	Name of Activity/Item	Given Time Frame	Approved Budget	Present Ceiling of RFQ	Required Ceiling of RFQ	Expected completion date

Justification:

(Please add additional pages if needed)

Proposed Emergency Procurement Team

- | | |
|----------|----------|
| 1. _____ | 2. _____ |
| 3. _____ | 4. _____ |
| 5. _____ | |

Submitted by:

Signature: _____

Name: _____

Designation: _____

Comments and Review by the Review Committee:

Comments and Recommendations by the Review Committee:

Signature: _____

Name : _____

Designation: _____

Verified by RM/PC/PM/FP:

Signature: _____

Name: _____

Designation: _____

Approved by:

Signature: _____

Name: S. M. A. Rashid

Designation: Executive Director

Type of Tender Enquiry & Purchase

Quotation & Spot Decision as per Clause 22.5 of NGO Forum Procurement Manual

Quotation, Technical Evaluation & CS as per clause 29 of NGO Forum Procurement Manual

Other Specific Instructions/Information:

