VOLUNTEERS

Procurement POLICY

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INTRODUCTION

The purpose of this manual is describe the procurement policies and procedures, and provide for Staff a comprehensive document of all procurement, financial, operating procedures which are required to be implemented on programme. These procedures have been designed to ensure the following:

- Proper procurement controls exist to minimise the risk of loss of assets, most notably cash, and in particular to mitigate against the possibility of fraud
- All procurement and financial transactions are properly authorised, recorded and supported by appropriate documentation
- Timely and accurate reporting is delivered to and other interested parties, such as institutional donors

Throughout the Procurement section of this manual the words "purchasing" or "procurement" are used in the broadest sense. They relate to the general process of committing expenditure (including housing, office or equipment leases and services).

Whilst the primary role of Logistics is to support our programs and their beneficiaries, has a further obligation to its donors and Board of

Directors to establish formally documented procedures that govern and track the use of funds.

Purpose and Scope

These guidelines outline key principles for all procurement activities to be implemented by the . The expected to comply with the principles included in these guidelines and is encouraged to seek clarification if necessary.

Procurement Principles

- The is committed to maintaining a fair and transparent process in all procurement.

- The recognizes the importance of spending resources effectively and economically.

Best Value for Money

All goods and services purchased must be obtained at the lowest possible price, taking into account (as may be relevant):

- quality requirements;
- technical specification;
- reliability;
- fitness for purpose
- timescales for delivery / availability.

Procurement Process and designed

The following document covers the Procurement Process and is designed to ensure that:-

- conducts its procurement activities within the frame of sound business practices and Generally Accepted Accounting Principles.

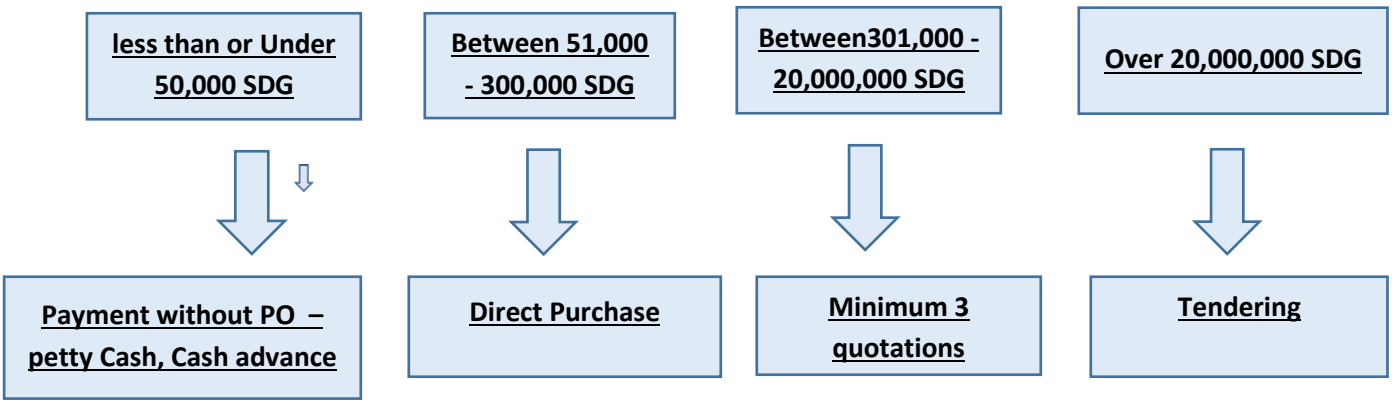
- The appropriate materials or services are purchased.
- The correct quality is purchased at an advantageous price.
- The fund is available to cover the purchase.
- The purchase is allowable under and donor terms.
- Each purchase is fully and transparently documented.

Thresholds

Where deemed necessary by Heads of Mission, thresholds of authority and documentation requirements may be reduced, however, the procedures detailed here are minimum mandatory requirements and will be followed by all programs.
The Logistic Department at main office must be notified of all changes.

Throughout the procurement procedures, clear demarcations of authority and responsibility must be maintained. Independent managers must authorize each stage of the procurement process. All personnel involved in procurement activities must be fully conversant with their role within the procedures as well as the limits of their responsibilities and authority.

The Thresholds or purchasing system



If three quotes cannot be obtained, the VOLUNTEERS will document the legitimate reasons for not receiving three quotes.

Sealed envelopes quotation (3 quotations at least) is a requirement for any PR over 301,000 SDG opening the sealed envelopes should be in the presence of VOLUNTEERS finance staff or program staff.

Financial Review

The will carry out a financial review before making any purchase.

The will ensure that it complies with its internal authorization processes for any purchase.

Documentation

The will keep copies of all relevant documents, including (as may be relevant):

- Quotes received
- Quote analysis
- Note of financial review
- Purchase request
- Additional notes

PURCHASING POLICY

General Statement of Principles
VOLUNTEERS is committed to implementing and maintaining the highest standards of efficiency and integrity in the purchase of goods and services.
The overriding objective within all VOLUNTEERS procurement activity is the prompt and effective provision of materials and services to VOLUNTEERS's beneficiary populations.

Policy Delivery and Operation
VOLUNTEERS operates a system of decentralized purchasing authority under which Missions are responsible for the management of their funding resources. This system is supported by the Logistic Department at Headquarters.

Key Elements
All purchasing made by VOLUNTEERS is to be carried out in accordance with the Procedures and Guidelines stipulated in the Logistics (Procurement) Manual with particular emphasis on the following:

All Missions will designate an Officer or Manager responsible for procurement.

All Missions will use VOLUNTEERS standard procedures and procurement forms.

Whether local or national procurement is envisaged, Missions are required to consult the Logistics Department at main Office at the planning stage on purchases and contracts involving vehicles, computers and communications equipment, or any purchase above SDG 200 000.

VOLUNTEERS is committed to observing the highest standards of integrity and fairness in all dealings with external suppliers and contractors. This will be achieved by adherence to the Ethical Code of Conduct in Purchasing detailed in the Logistics Manual.

Purchasing Procedures And Regulations

Introductory Comment
Porch VOLUNTEERS Policies, Procedures and Guidelines. This Section concentrates on the procedures and regulations, which have been established to satisfy the following.

Purchasing Procedures which follow best practice and;

Efficiently serve VOLUNTEERS programs and their beneficiaries.
Ensure genuine and fair competition.

Withstand scrutiny by Internal and External Auditors and Examiners.
Protect VOLUNTEERS interests by adopting Terms and Conditions of Purchase or Contract.
Promote an Ethical Code of Practice, which engenders and maintains the highest standards of integrity in all dealings with external sources.
Seek to comply with all donor regulations directly or indirectly affecting purchasing issues, transactions and the goods or services being obtained.

Documentation and VOLUNTEERS Procurement Forms

Throughout the following document, “Field Logistics” refers to the support cell or department of the Mission, and logistician to the logistician in the field. The Headquarters Logistic Unit is referred to as either the Logistic Department at main Office.

Purpose
To clarify why formal documentation is required and what full documentation consists of.

Documentation:
All procurement activities must be fully and transparently documented. This is the only means that VOLUNTEERS has of managing its procurement process and demonstrating to donors that funds are being responsibly committed. A completed purchase must be supported with a fully cross-referenced “stand alone” file. Documentation must be completed fully and accurately in every case. Any anomalies or deviation from policy or procedure in a purchase must be documented with a signed (at minimum, logistician) explanatory “note to the file”. Full supporting documentation will answer any question that an auditor or external examiner may raise, without the necessity of referring to Logistic or Finance staff.

Procurement Process

procurement forms basically mirror each step of the procurement process and if employed correctly will allow effective management and transparent documentation of procurement activities.

Forms:

Request for Information (to Logistics). Information Response (from Logistics).

- **Purchase Request.**
- **Request for Quotation. or**
- **Invitation to Tender.**
- **Summary Bid Analysis.**
- **Purchase Order.**
- **Contract.**
- **Supplier Invoices.**
- **Goods receipt note GRN**
- **Delivery Report / Completion Certificate**
- **Payment request**
- **Payment order**
- **Cheque paid vouchers**

- **PR**
- **R of Q**
- **SBA**
- **PO**
- **GRN**
- **PMR**
- **PMO**
- **CHPV**

Request for Information (to Logistics)

Unless explicitly approved by the Logistician, non-Logistic staff may not contact suppliers directly. This is to avoid duplication of effort and conflicting or damaging information going to suppliers.

Purpose

This is a VOLUNTEERS internal form whose purpose is to request information on an item from Field Logistics. This is to enable staff members to generate Purchase Requests that have sufficient information and specifications for Field Logistics to act upon and to furnish cost parameters so that the PR can be authorized.

In practice, information on many items (such as routine local purchases) can be obtained through a phone call or email. This form must however, be used when requesting Field Logistics for technically complex information or information that will require research (machine or computer specifications for example).

The same form can be used in the same way by Logistics to solicit information from the Logistic Department at main Office..

Format

The Request for Information (from Field Logistics) should be produced in bloc form, ideally “auto copy”, original with one copy, sequentially numbered. This allows tracking of the request.
The original should go to Logistics and the copy retained by the requesting officer for reference.

Information Response (from Field Logistics)

Purpose

This form is used by Field Logistics to answer a staff members’ Information Request. It will either give the required information or will detail additional information the staff member must furnish in order for Field Logistics to fulfill the request.

Format

Should be produced in bloc form, ideally “auto copy”, original with one copy. It will take its reference number from the original Request for Information.
The original should go to the requesting officer and the copy retained by Field Logistics for reference.

Purchase Request

Purpose

The Purchase Request (PR) is the internal mechanism used by to document;
The nature of required materials or services.
The financial codes covering the purchase.
The maximum commitment for the purchase.

The review and approval process.

The completed and approved PR is the authorization for Field Logistics to initiate the purchasing process.

Format

Should be produced in bloc form, ideally “auto copy”, sequentially numbered and each set comprising an original with two copies.
The original should go to Field Logistics, the first copy goes to the administrator and the second copy is retained by the requesting officer for reference.

Request for Quotation

Purpose

The Request for Quotation (RFQ) is the document used by Field Logistics to solicit offers from vendors for items to be purchased. It will detail the nature and purchase conditions of the materials or services sought by VOLUNTEERS. This is a form for external use.

Format

As the number of RFQs issued will vary for the type or availability of the requested item / service, the RFQ is best generated directly from the computer. The form must have a serial tracking number.

Invitation to Tender

Purpose

A formal invitation to vendors to submit an offer based on the requirements, specifications, terms and conditions detailed in the invitation. (Serves the same purpose as the RFQ but is used when the physical format of the RFQ is insufficient to fully document the offer requirements).
The value requirement for any Invitation to Tender over 20,000,000 SDG

Format

A cover letter on VOLUNTEERS letterhead with attachments detailing the parameters of the invitation and standard VOLUNTEERS terms and conditions.

Summary Bid Analysis (SBA)

Purpose
The Bid Analysis is the document used to summarize and compare supplier offers. It also documents and details justification of the selection of a given supplier.

Format
Due to the varied nature of bids and the information they generate, the Bid Analysis Summary is best generated as a Word document.
The summary will give at a minimum,
Supplier name and contact details.
Price offered.
Delivery time.
Any notes or comments on the offer.
Selection and justification of supplier.
Approved signatories.

Letter Declining Unsuccessful Tenders

Purpose
To inform a supplier that their bid has been unsuccessful in a particular tender.
It is courteous and good business practice to outline in general terms why the bid failed.

Format
Letter format on headed paper.

Purchase Order

Purpose
The Purchase Order is the document confirming all details of a purchase to be made from a supplier and once accepted by the supplier, represents a legal commitment between VOLUNTEERS and the supplier.

Format

a) Produced in bloc form, ideally “auto copy”, sequentially numbered and each set comprising an original with 2 copies. This is for completion by hand.
The original should go to the supplier; one copy is retained by Field Logistics, and one goes to the Administrator for reference and payment purposes.

b) Computer generated. Preferred, as presentation is professional and legible.
Serial numbers must either be computer generated or allocated sequentially from a master list.

Contract

Purpose

The purpose of the contract is to document the nature, terms and conditions of a transaction as agreed to by both parties. As with the PO (which also constitutes a contract), a contract represents a legal commitment between and the supplier.
A contract is used
When a simple PO does not physically facilitate full documentation of the agreement.
When non-standard terms and conditions are agreed to.
For in-country purchases with a value greater than 300,000 SDG. And service like facilitation ….etc

Format

Printed letter format in as many “original” and copies as are required for and supplier purposes. At a minimum, each party will hold an original document.

Supplier Invoices

Purpose

An invoice is the vendors’ document against which payment is made for a given sale.

The invoice must detail the nature of goods / services supplied, terms and method of payment and the amount demanded.

only makes payments to a vendor against a verifiable invoice.

Format

Invoices vary widely in presentation and format. Of importance are the suppliers' name and address, content as outlined above and a verifiable signature and company stamp.

Delivery Report / Completion Certificate

Purpose:

- To document and confirm receipt of materials from a vendor.
- To assign a tracking number to supplier documentation.

Format

- Should be produced in bloc form, ideally "auto copy", sequentially numbered and each set comprising an original with two copies.
- The original should go to the administrator (supporting the payment request), the first copy is retained by Field Logistics and the second copy is passed to the vendor or vendors' representative. A copy should be given to main Office, and all purchases made through main field and Office

Related Items

Modifications to VOLUNTEERS **Standard Forms**

VOLUNTEERS standard forms may be modified by Missions to meet local requirements such as language or information specific to a program.

Any modifications must respect the basic format and minimum information requirements of the standard form.

Should there be any doubt as to the compliance of a revised form, contact the Logistics department at main Office before printing or introducing the form to the progra

INITIATING A PURCHASE

Purpose: To outline who may initiate a request to purchase materials or services and their responsibilities in the process.

Who may Request a Purchase?

Any VOLUNTEERS staff member may initiate a Purchase Request.

- **NOTE** that no purchase will be made until the request has undergone the following approvals.

- How to Initiate a Purchase
- Purchases are initiated by submitting a completed Purchase Request Form to Field Logistics.

Requesting Officers have a responsibility to;

- Furnish Field Logistics with all the information and specifications necessary to make a correct purchase.
- Ensure that Purchase Requests include full budget and account information.
- To state an estimated price for the request (based on prior knowledge, a quotation or a budgeted amount).
- Ensure that Purchase Requests are fully reviewed and approved by the relevant managers.

Before any request can be actioned, it must undergo the following process.

- Requirement and Technical review by the Program (or suitably qualified) Manager.
- Financial review by the Administrator
- Approval by the Program manager or the next level of approval authority depending on the estimated value of the commitment. NOTE that a PR cannot be approved if there is no estimated price.

The onus is on the staff member initiating the Purchase Request to generate a PR that has all the required information and has been reviewed and approved.

A complete and approved PR constitutes the authority for Field Logistics to begin the procurement process. Therefore, incomplete PRs will be returned to the initiating staff member.

Assets

General

Management of and control over assets is both an issue of logistics and an issue of finance. This section outlines the principles of good financial control which apply to the management of assets. For a detailed guide as to how these principles are outworked in practice, please refer to standard operating procedures for logistics. The principal objective of financial controls in this area is to ensure protection against loss or theft. See also the MT Fraud Prevention and Response Plan .

In financial terms, assets can be split into one of three categories as follows:

- **Current assets**, i.e. any stocks of goods and materials that are held temporarily either to be used in building/ construction or to be distributed to beneficiaries. The most obvious example of a current asset is stock. Specific examples include bricks, wood and cement for building work, foodstuffs, seeds and tools,

- **Fixed assets**, i.e. equipment, usually of a relatively high value, which is held long-term by the programmer and is used either as part of the production /distribution process, or for providing support services, or forms part of the fabric of the site. Examples include vehicles, computers and printers, communications equipment, large electrical items, large items of furniture, etc.

- **Consumables**. These are items which are similar to fixed assets in that they are not held for production and distribution and are held for use on site. However, they differ from fixed assets either in that they are relatively low value items, and/or their useful life is relatively

short. Examples would be office stationery, small items of office furniture, cooking utensils, etc.

- At least once a month the logistic team should report the documented results of the stock count to the Area Co-coordinator for review. All discrepancies must be investigated and adequate explanations provided in all cases

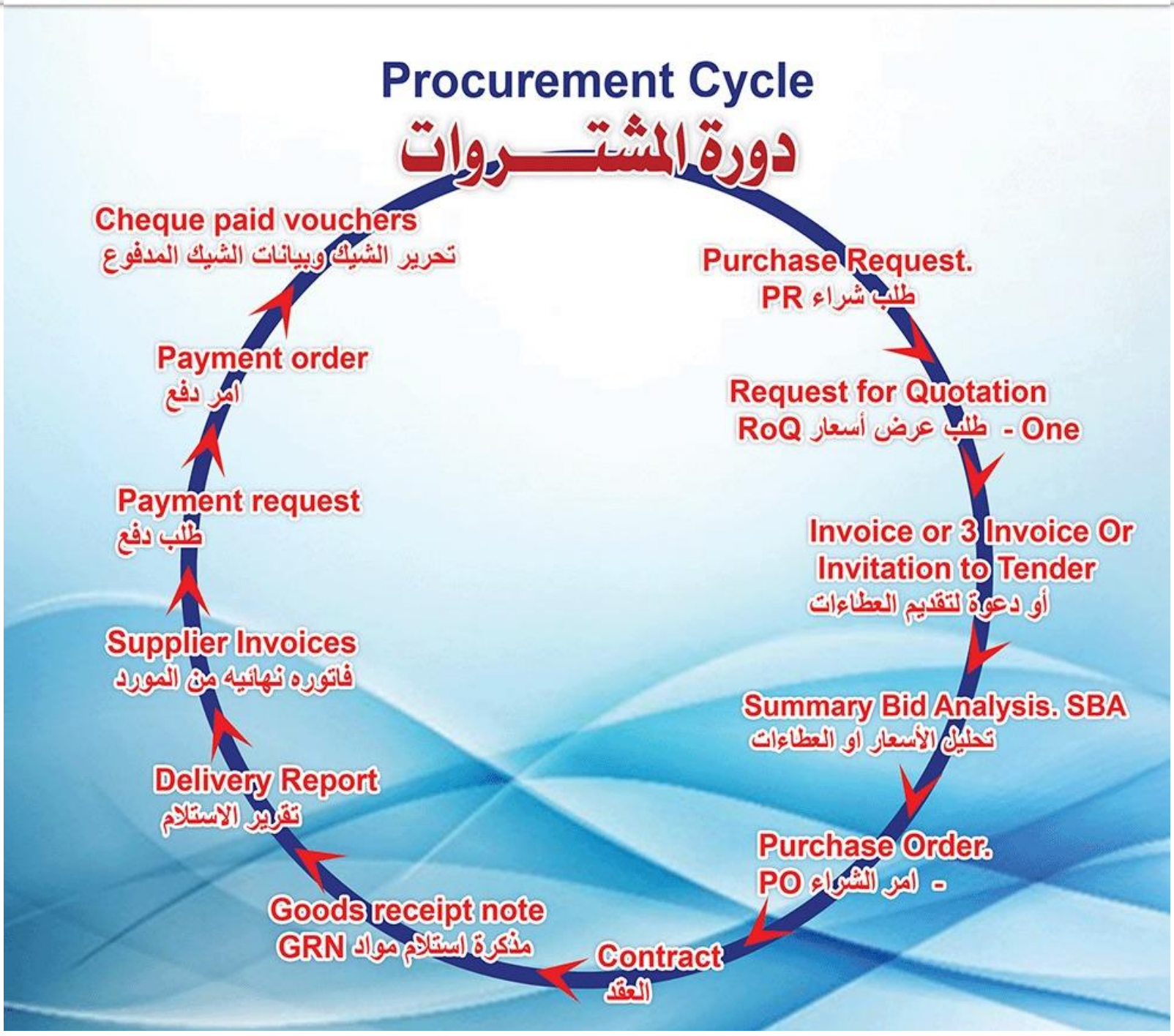
Stock

- It is the responsibility of the Area Coordinator at each site to ensure that there are good controls over stock. In practice, day-to-day responsibilities are likely to be handled by the Senior Logistician and/or (depending on the size and nature of the work) by a dedicated warehouse manager. Nevertheless, the Area Coordinator retains overall responsibility.
- All stock remains the property of until it is used in construction and/or distributed to beneficiaries. Therefore it must be kept in a secure location, normally a warehouse, with access restricted to authorized personnel.
- All stock should be laid out in a neat and orderly fashion, with all identical items grouped together to facilitate easy access and regular counting.
- A stock card must be kept for each item to enable a running balance of stock. The card should be kept adjacent to the stock itself, and any movements in and out of stock recorded on the card
- At least once a month the warehouse manager or logistician should present the documented results of the stock count to the Area Coordinator for review. All discrepancies must be investigated and adequate explanations provided in all cases

Paying Casual Labour

It is important to ensure there are good controls governing the payment of casual laborer since this area has a high potential for fraud, particularly since all payments are likely to be in cash.

- Payment of casual laborer is the responsibility of the Area Coordinator responsible for the site.
- Rates of pay to casual laborer are based on approved hourly or daily rates. These must be clearly documented and approved by the Area Coordinator.
- Casual laborer complete timesheets for hours or days worked.
- These must be signed at the end of each week by the relevant supervisor.
- The personal responsible for making payment to casual laborer maintains a consolidated summary showing amount due. This must be approved by the Area Coordinator before payment is made.
- Where practical, casual laborer should come to the project office to collect their payment. If payment is not made at the project office, making payment can be delegated to a responsible individual, but periodically the Area Coordinator should issue payment.
- Individuals sign or thumbprint their payslip/ laborer record sheet and the cash worksheet for amounts received. The person making the payment also signs.
- Where cash is prepared in advance and put in envelopes, the filling of the envelopes must be done by two senior employees, who should sign the reverse of the envelope as confirmation of having done this.


Procurement Cycle
دورة المشتـــــروات
Purchase Request.
طلب شراء PR
Request for Quotation
RoQ طلب عرض أسعار - One
Invoice or 3 Invoice Or
Invitation to Tender
أو دعوة لتقديم العطاءات
Summary Bid Analysis. SBA
تحليل الأسعار او العطاءات
Purchase Order.
PO - امر الشراء
Contract
العقد
Goods receipt note
GRN مذكرة استلام مواد
Delivery Report
تقرير الاستلام
Supplier Invoices
فاتوره نهائيه من المورد
Payment request
طلب دفع
Payment order
أمر دفع
Cheque paid vouchers
تحرير الشيك وبيانات الشيك المدفوع