

PROCUREMENT MANUAL
NETWORK OF CENTERS FOR CIVIC
ENGAGEMENT (NCCE)

**PROCUREMENT MANUAL
2016**

NCCE PROCUREMENT POLICY - INTRODUCTION & GUIDE

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INTRODUCTION

The NCCE is committed to implementing and maintaining the highest standards of efficiency and integrity in the purchase of goods and service.

Procurement Objectives

NCCE procurement policies and procedures are designed to:

1. Buy the right goods/services and provide them to the right people at the right time
2. Ensure NCCE receives the best value for money in all purchasing
3. Comply with donor procurement regulations and requirements

The Procurement Process & Time Required

Buying goods or services is not simply a case of deciding today what is needed, going to a supplier and buying it and using it tomorrow. To be efficient, receive the best value for money and have materials available when they are needed it is important to be aware of the steps in the overall procurement process and particularly the need to plan for and start the process in advance in order to avoid delays in program implementation.

Best Value for Money

NCCE makes purchasing decisions based on the best value for money, so while normally the lowest price will be selected, this is not required. Suppliers who offer better quality, faster delivery, more favorable payment terms, better guarantees and/or superior service may be selected even though their price is not the lowest if this provides NCCE with overall better value for money. There must be clear justification when this occurs to support the selection of a higher priced supplier.

How do we do business? Who do you buy from?

Avoiding corrupt practices or the perception of corrupt practices is a priority

NCCE is committed to implementing open, fair and transparent procurement practices, and to respecting the Georgian laws. In addition we strive to develop and maintain positive relationships with suppliers and the local business communities to ensure effective working relationships which will assist us in meeting our program needs.

Procurement Code of Conduct

All staff involved in procurement or who may influence procurement decisions are required to read, understand and sign the Procurement Code of Conduct and Conflict of Interest Statement kept in Personnel Files.

Confidentiality of Information

Staff must take care not to pass on information, intentionally or unintentionally, on estimated prices, budgets, other supplier quotes or any other internal procurement related information to any outside party-person. Disclosure of this kind of information may unfairly benefit a supplier, result in higher quotes and/or it may result in collusion on pricing-bids between suppliers.

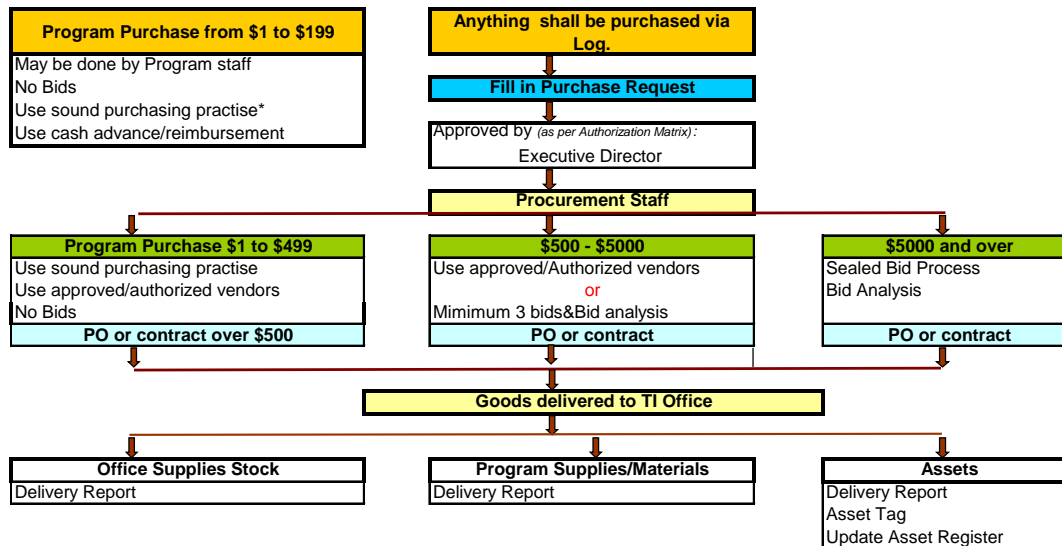
Selection of Suppliers

Logistics is responsible for gathering data on suppliers and leading the process of establishing Approved Suppliers; these are prescreened businesses with which NCCE maintains an ongoing relationship and are the preferred or first choice suppliers for regular and repetitive purchases, however list of Approved Suppliers should be revised at least Once a year. Non logistics staff is encouraged to assist in this process by advising logistics of any potential suppliers.

Once the program has determined the standard needs for such items as office supplies, fuel, maintenance, logistics will undertake a process to contract a supplier to supply NCCE for a specified period of time(one year) under agreed terms, prices and conditions; these are referred to as Contracted Suppliers. The use of such contracts is more efficient, stabilizes prices and provides faster delivery of regularly needed goods and materials.

How do we buy? Responsibilities

Procurement Diagram



Sound procurement practice requires obtaining the best price based on price comparisons of local vendors

Program & Other Staff Responsibilities

- 1) Program staff is responsible for developing **procurement plans**, in accordance with the overall implementation plan, and reviewing these with Logistics to determine required lead times.
- 2) The staff member requiring the goods/services is responsible for **ensuring the Purchase Request is provided to Logistics**. The Purchase Request must provide detailed specifications, required delivery dates/locations and approvals.
- 3) Program and other staff may also provide logistics with recommendations on vendors/suppliers who can supply the goods required. However staff can not negotiate with, ask or receive bids from, or in any other way influence the selection or bidding process.

Logistics Responsibilities

- 1) Logistics can only start the procurement process when it receives a fully approved Purchase Request. Logistics is responsible for applying the NCCE policies and procedures.
- 2) Logistics/procurement staff has the responsibility to negotiate with vendors.
- 3) Where the actual purchase cost will exceed the approved Purchase Request amount, Logistics is authorized to proceed with a purchase provided that the difference is the less than 10% of the estimated value or US\$200. If the price difference is more than this an amended PR must be authorized (or the authorization, including Finance Review specifically noted on the Bid Analysis form).
- 4) For procurement valued at \$500 and over the Bid Analysis and supporting documents must be reviewed/verified by Finance before the PO/Contract can be issued by Logistics

Central/bulk purchasing

To achieve efficiency, cost benefits and better budget management, certain items are to be centrally purchased in bulk via logistic. These include

- Office supplies
- House-office cleaning & domestic supplies
- Printer and Photocopy toners
- Vehicle lubricants and parts
- Fuel

All Staff

All staff is responsible for reporting any unethical behavior or approaches by potential suppliers. Staff must immediately advise the senior person if they become aware of any payments (kickbacks), gifts or other benefits being offered by suppliers or being received by NCCE staff.

Requesting-Initiating Procurement

1. Who may request a Purchase?

A NCCE staff member, program manager or assistant, may request a purchase of goods or services when it is required for NCCE program or operational purposes.

2. How is a Purchase Requested?

Purchases are initiated by submitting a completed and approved **Purchase Request** form to Logistics/Administration.

The requesting staff member is responsible for providing Logistics with all the information and specifications necessary to make a correct purchase. Ensure that Purchase Requests include full budget and account information. 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.

3. Who can approve-authorize a Purchase Request?

The value of the Purchase Request determines who is eligible to approve-authorize the purchase. (See Authorization matrix)

The person authorizing the Purchase Request must verify that:

- The purchase is required for and eligible under the grant, and
- Sufficient funds are available within the applicable budget.

Splitting Purchase Requests

Purchase Requests **must not be artificially split** to avoid the NCCE procurement procedures.

- Separate PRs should be used for different types of materials – i.e. don't mix purchasing office supplies with purchasing Computer equipment A single PR should normally be used if the items/services are being charged to the same budget line
- A single PR should normally be used for a complete activity – i.e. for a workshop a single PR would cover room, rental, refreshments, participant travel, other workshop direct costs
- A single PR should normally be done to cover the total cost of staff training i.e. including fees, travel, per diem etc.

NCCE Form (#1): Purchase Request

Complete purchase request -Before initiating any procurement, the employee seeking the good or service for the project completes a Purchase Request form indicating the person requesting the good or service; the reason for the procurement, product, or service specifications; estimated cost; and other relevant details. If the procurement is for computer equipment, the information technology (IT) manager should be involved in drafting the specifications according to the needs of the project. The Project Manager or Executive Director (See Authorization matrix) and the requestor must sign the Purchase Request.

PURCHASE REQUEST							
NCCCE - Network of Centers for Civic Engagement						PR #:	
						Request Date:	
						Delivery Date:	
Item #	Description	Project Code	Budget Line	Center	Quantity	Unit Price	Total Price
1							0.00
Requested by:				Authorized by:			
Position:				Position:			
Date/Signature:				Date/Signature:			

What is it for?

The PR serves four specific functions:

- Commits funds from the budget
- Provides the specifications of goods or services required
- Provides required delivery/service dates
- Authorizes Logistics to begin procurement process

The accuracy and completeness of the PR is essential to minimize procurement time and/or to avoid the purchasing of incorrect items.

Reviewing-Approving:

Who does what?

- Prepare: Program staff
- Approval: Executive Director/Project manager

Procurement Categories & Bidding Processes

NCCE Basic Procurement Requirements

The value of the procurement determines what bidding process is required and what type of documentation must be used for the transaction

Procurement Value	Minimum Bidding Requirements	Purchase Request	Purchase Order	NCCE Contract	
				Materials	Services & Rentals
\$1 to \$199	Sound procurement practice ¹	Required	Not Required	As needed	Required
\$200 to \$499	Sound procurement practice ¹	Required	As needed	As needed	Required
\$500 to \$5000	Minimum 3 bids	Required	As needed	Required	Required
\$5000+	Sealed bid process – minimum 3 bids Bidding Committee	Required	As needed	Required	Required

¹ Sound procurement practice requires obtaining the best price based on price comparisons of local vendors

If donor regulations require an alternate procurement process NCCE will comply with the donor regulations.

Standard Procurement Documents:

Standard Procurement	Additional for Sealed Bid Process
Purchase request	
Quotation-Bid	Tender Announcement & Documents
Bid Analysis	List of vendors picking up tender docs.
Purchase Order &/or Contract	List of vendors submitting tenders
Supplier Invoice	Tender opening notes
Delivery Report	Tender summary

Process Overview

Procurement from \$1 to \$199 or equivalent

Purchases of less than \$200 may be made directly by designated staff. Staff must follow the relevant Finance policy and procedure to obtain an Advance or Reimbursement.

- Purchase Request
- The Purchaser should compare prices and obtain the most competitive price
- The Purchaser must obtain a receipt/invoice from the supplier
- Purchases will be paid by bank transfer but in rare cases can be paid for in cash either with an advance or reimbursement – refer to Finance Procedures.

Procurement from \$200 to \$499 or equivalent

Procurement must be handled by Logistics/Procurement staff. The logistics should compare prices and obtain the most competitive price.

Required document:

- Purchase Request
- Vendors Invoice
- Purchase Order or Contract required
- Goods delivery Report/Service Completion Report

Procurement from \$500 – \$ 5000 or equivalent

Evaluate bids and select vendor -If the total estimated transaction amount is more than the local currency equivalent of \$500, competition is required to obtain the best price and quality offers. For a competitive procurement of more than \$500, the procurement manager solicits three or more written quotations from vendors based on the information in the approved purchase request. The logistics will then review the received proposals/quotes and complete a selection memo once the vendor is chosen. The quotes or bids must be in writing (on company letterhead and preferably stamped) and valid for a specified amount of time .The selection memo must include a summary of the quotes evaluated, indicating why a certain vendor was chosen over others, based on criteria such as price, quality, delivery, and service. The selection memo is then submitted to the ED for approval. All standard procurement documentation is required.

Procurement from \$5000 and over

Annex I: Procurement Code of Conduct

Network of Centers for Civic Engagement Code of Conduct Regarding Procurement Activities

This policy statement outlines the Network of Centers for Civic Engagement (NCCE) policies and procedures with regard to standards of conduct governing the performance of its employees engaged in the procurement of supplies, contracted services, and equipment. All such employees are required to sign this policy statement indicating that they have read and understood this statement.

NCCE employees have the responsibility to administer the affairs of the Network of Centers for Civic Engagement honestly and prudently. The interests of NCCE and all of its Donors and Contributors must be affected on a basis that secures, for the organization, full competitive advantages as to product, service, and price for all procurement transactions.

This statement is directed at all NCCE employees who can influence the actions of the organization or make commitments on its behalf.

Areas of Potential Conflicts of Interest are:

- Persons or entities supplying goods and equipment
- Persons or entities supplying contractual services
- Persons or entities from whom NCCE leases property and equipment

A conflicting interest would arise when an employee of NCCE or any member of his or her immediate family (defined as brothers and sisters, spouse, ancestors and lineal descendants), his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected for an award. A financial or other interest is defined as owning stock or holding debt or other proprietary interests in the contracting organization, or holding office, serving on the board, or participating in management of the contracting organization.

The areas for potential conflicts of interest and the nature of conflicting interests noted above are not exhaustive. Conflicts might occur in other areas or through other relations. It is assumed that employees will recognize such areas and relations by analogy.

The fact that one of the interests described above exists does not necessarily mean that a conflict exists, or if one does exist, that it is material enough to be of practical importance. It is also possible, upon full disclosure of all relevant facts and circumstances, that doing business with a related organization is not necessarily adverse to the interests of NCCE. However, it is the policy of NCCE that the existence of any of the conflicting interests described above shall be fully disclosed before any transaction is consummated. It shall be the continuing responsibility of the employees to scrutinize their transactions and outside business interests and relationships for potential conflicts and to immediately make disclosures.

Disclosures of conflict of interest shall be made to:

- The Executive Director for Country Operations (or if he or she is the one with the conflict, then to the, Finance Manager).

The appropriate officer as noted above shall then determine whether a conflict exists and is material, and in the presence of an existing conflict, whether the contemplated transaction may be authorized as just, fair, and reasonable. The decision of the appropriate officer on these matters will rest in their sole discretion, and their first concern must be the welfare of the organization and the advancement of its purposes. If NCCE does engage in transactions with such an organization, then the employee with such a conflict shall be prohibited from participating in the selection, award, or administration of a contract.

This code also strictly prohibits NCCE employees from soliciting or accepting gratuities, favors, or anything of monetary value from suppliers, contractors, or parties to sub-agreements. This shall not apply to gifts of immaterial value (less than \$25.)

Failure to abide by the standards established herein will subject the employee to sanctions to be determined by the employee's supervisor including the possibility of termination.

Title:
Print Name:
Signature/Date