

Bakultali Mahila Sangshad (BMS)

BMS PROCUREMENT POLICY



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Purpose of Procurement

The overall purpose of the procurement policy is to ensure that Bakultali Mahila Sangshad (BMS) gets the highest quality of desired goods and services at the best price possible. In addition, the regulations are aimed at monitoring the process of procurement while maintaining adequate controls. These procurement procedures apply to all staff involved in the procurement process and to all types of procurement.

The Procurement Committee

BMS procurement committee shall include Board of Trustee members, Finance and Administrative staff. The committee shall meet when there is need to deliberate on issues pertaining to procurement. The key terms of reference for the committee shall be to:

- Award tenders
- ii) Approve orders
- iii) Award contracts
- iv) Approve variation of contracts conditions

Separation of Duties

There shall be proper separation of duties between:

- i) The person who orders a particular purchase from a vendor.
- ii) ii) The person who satisfies that the goods supplied are satisfactory.
- iii) iii) The person who accepts goods into store.
- iv) iv) The person who authorizes payment.

Procurement Planning

Procurement planning is part of every budgeting process. The Program/Operations Manager is responsible for planning his/her project's estimated procurement needs on an annual basis through the use of the Annual Procurement Plan (APP), which indicates the items to be bought in the various quarters of the year. The procurement officer will use the APP to plan for requisitions. It is crucial that the procurement committee discuss the APP at the beginning of each year and as need may arise within the year. The APP will also require the final approval of the program manager, who will share it with the Chairperson for comments before approval.

Procurement Requisition (PR)

Each specific procurement procedure process shall be initiated by procurement requisitions to the procurement officer from the program manager/operations manager and should show detailed specifications and requirements for the item(s) being requested. They should also indicate that the item is budgeted for. The PRs allows the organization's flexibility within the overall annual plans regarding specifications, exact quantities, delivery dates, etc. They are also used to cater for un-planned or emergency procurement. The PR form will show the following:

- Items required.
- ii) Quantities.
- iii) Delivery dates and locations.
- iv) Accounting information.
- v) Whether procurement is within APP/budget or emergency or unplanned.

vi) Signature of the preparing person.

vii) The departmental head.

Some donors do prescribe some conditions or restrictions required to be observed in the course of procurement pertaining to the project they fund. It is the responsibility of the procurement committee to ensure that such donor requirements and restrictions are observed in the procurement of goods and services but within the framework of BMS procurement guidelines. All requisitions must be signed by the operations manager who should ensure that the item(s) are in APP or should seek authority to procure as per policy. Any persons designated to authorize requisitions in acting capacity must have the authority given in writing clearly stating the period authorized.

Controls on Procurement

Goods and services will only be procured within approved budgets except in case of emergencies, which have to be approved by the Chairperson. Thus, in addition to being responsible for preparing the APP/budget, the operations manager/program manager should ensure that actual procurement throughout the year remains within the budget. Each requisition should reference the APP line bearing the item or requisition and if necessary be attached to the page of the APP where such line is contained. The financial officer shall assist the procurement officer in conducting periodic checks on procurement activities to ensure that they conform to APPs, donor procurement requirements, and BMS policies and procedures. It is the responsibility of the person who signs the local purchase order to verify that the following have been done whether or not he/she actually collects the goods concerned.

That the correct quantity has been received and signed.

(ii) That the quality and price of goods is as agreed.

(iii) That all goods delivered have been securely and inventory records appropriately updated.

(iv) That the delivery note is checked, signed, and forwarded to the financial officer to await the invoice.

Purchases under petty cash must not exceed the maximum amount established and documented by the financial officer. Procurement staff and all members of the procurement committee will be required to sign a 'conflict of interest' document stating that they will not purchase goods or services from a company they have a vested interest.

The Procurement Process Report

Upon receipt of requisitions, the procurement officer will first verify that the requisition is properly approved according to the signing authority. He/she will then enter the requisition details into the procurement report worksheet. After this, he/she will begin the process of sourcing for the goods. The procurement report worksheet is updated to reflect requisition as they are received. It also includes information on status of each procurement requisition, complete with expected delivery date. This is to be submitted to program department on a monthly analysis. The procurement officer is required to present a monthly financial and narrative report on procurement to the Chairperson, through the administrative assistant and a copy forwarded to the financial officer.

Vendor Selection

Careful selection of vendors should be done to ensure that best possible price, quality and delivery time available within the markets is obtained. A list of suitable vendors for each type of goods and services based on recommendations and past performance shall be maintained. This will make the process of vendor identification much faster. The vendor list shall be reviewed and updated periodically to ensure that current known factors are taken into consideration.

Vendor Selection Criteria

The following set of criteria is essential for deciding on choice of vendors:

- Price
- ii) Quality of goods/services.
- iii) Availability of goods/services within the required delivery time.
- iv) After sale services, including availability of parts/supplies.
- v) Bidder's previous records of performance and service.
- vi) Ability of bidder to render satisfactory service in this instance.
- vii) Financial stability of the vendor.
- viii) Availability of bidder's representatives to be consulted.
- ix) Payment terms.
- x) Warranty offered.
- xi) Ability to provide samples.

Procedure for Tender

The procurement office and the operations/program manager may recommend potential vendors but the selection of those invited will be left to the discretion of the procurement committee. The procurement officer will send an invitation to tender to each supplier listed to be invited. The vendors will pick up tender documents at BMS specifying the goods and details or any relevant information needed to get accurate bids. All suppliers must receive the same information.

Use of Dealers and Sole Suppliers

In the interest of ensuring quality, reliability and timeliness, the procurement officer may establish purchase agreements or contracts with main dealers of regularly purchased goods. Where possible due to other factors, the procurement office will negotiate rates and discounts with the supplier or a method to determine price for invoice justification. These agreements and prices (net of discounts) should be reviewed annually to ensure that they are competitive.

Local Purchase Orders with Vendors

The Local Purchase Orders with Vendors is a contract that should include all information regarding the goods and services being procured as well as standard terms of delivery, payment and arbitration in case of dispute. If contracts are precise and clear, possibilities of disputes will be reduced and BMS will stand far greater chance of receiving the goods and services as expected. Upon selection of a vendor, a legally binding contract or work order should be drawn-up for the goods and services in question and signed by both parties prior to procurement. Detailed specifications; quantities, unit prices, delivery deadlines, locations, and payment schedules must be specified in such contracts.

Order for Recurring Requisition

Procurement of a recurrent nature, i.e. where the same goods and services may be issued several times a year, one vendor may be selected for a period of up to one year. In some cases, particularly for services, contracts for the goods or services can be drawn up once, which may then be reference every time those goods or services are required without requiring separate quotations and contracts on each occasion. In other cases, particularly for regularly purchased goods, vendors can be selected once, but separate contracts drawn-up on each occasion the vendors are used.

Certifying Delivery of Goods and Services

The procurement process cannot be completed without certification that the goods and services procured have been received entirely to BMS satisfaction, in particular, to the satisfaction of the requisition. The procedure for receiving goods and services is therefore important in ensuring that vendors have entirely met their obligations. Once BMS has certified that goods and services have been received to their satisfaction, it has little further resources to complain about a vendor's performance; and payment can then be made. In all cases, the certification of receipts of goods and services is pre-requisite to BMS and the following guidelines are essential for that purpose.

- i. The procurement office should ensure that goods and services are checked against contracts, waybills, invoices, or delivery notes.
- ii. Requisition department at the time of delivery will facilitate the receiving and checking of goods and services whereby the receiving person will have to sign the delivery notes or any other documents during delivery.
- iii. Physical checking should be done by the requisitioning department and not by the procurement office.
- iv. In some cases, receiving of goods and physical checking of goods or services may be delegated to other BMS officers who are so authorized by the procurement officer. Such might include cases where goods of services are delivered directly to a project field location; or where specialist's technical certification is required.
- v. Any differences between documents done physical checks should be noted and reported to the procurement officer for action.

Payment-Processing Procedure

The recipient of the goods and services is responsible for preparing payment requisition which is then forwarded to the procurement office for checking and certifying. The document is then sent to the finance department for further checking and necessary approval and authority to pay. All payments must be made in accordance to the contractual terms between the vendor and BMS and in reference to the financial policies.

Sample Procurement of Services Appointing and Paying Consultants

Consultants' services shall be sought for:

- i) A job for which the required technical expertise does not exist in-house at BMS.

- ii) A job that is not ongoing and hence does not require full time staff.
 - iii) A job that does not require more than 6-months continuous engagement.
- The following procedure shall be observed for engaging the services of a consultant at BMS.

- i) The decision to hire the services of consultants shall be taken by the Chairperson in liaison with the heads of the various departments in consultation with the board of directors.
- ii) The Chairperson shall send invitation to specific appropriate consultant(s) requesting for proposal for the consultancy by a stated date.
- iii) The proposals received shall be reviewed by a panel composed of the various heads of department and the ensuing recommended name shall be submitted to the Chairperson who shall discuss with BMS executive committee .
- iv) The terms of reference for the consultancy shall be mutually agreed upon and the financial officer shall be involved in the negotiation of financial aspects of the terms.
- v) The contract agreement shall be signed by both parties before commencement of the consultancy assignment.
- vi) Payment is conditional on satisfactory completion of the whole job unless the agreement provides for installments at completion of specifically agreed components/tasks.

Appointing and Paying Temporary Staff

Temporary staff include locum, short-term project staff engaged for on-off tasks. The following procedure shall be observed for engaging the services of temporary staff:

- i) The temporary staff is engaged by the executive director in liaison with the department in need of the staff and the financial officer.
- ii) The letter of engagement is issued by the Chairperson stating the temporary status of the employment and the agreed terms.
- iii) A temporary staff is expected to comply with all the policies of BMS while in the service of BMS.
- iv) Payment shall be made at the end of the month along with the payroll of the regular staff.

Appointing and Paying Casual Workers

Casual workers will be those engaged in project work especially manual work, for one to several days. The following procedure shall be observed for engaging the services of casual workers:

- i) The casual workers are engaged by the heads of departments upon the approval of the
- ii) A list of casual workers (name and identity numbers) shall be maintained by the head of department stating the terms of reference for the casual worker.
- iii) The letter of authority for engagement of casual workers shall be issued by the Chairperson to the head of department, stating the terms of reference for the casual workers.
- iv) Casual workers are expected to comply with all the policies of [name of organization] While at their service.

