



**ROTARY CLUB OF KAMPALA WEST**  
**ROTARY DISTRICT 9200**

Club No. 17.288, Chartered 26<sup>th</sup> February 1970

# Club Procurement Policies

November 2019

# PROCUREMENT OF GOODS

## PURPOSE OF PROCUREMENT

The overall purpose of procurement regulations is to ensure that The Rotary Clun of Kampala West (RCKW) gets the highest quality of desired goods and services at the best price possible. Further, the regulations are aimed at streamlining the process of procurement while maintaining adequate controls. These procurement procedures apply to all Club members involved in the procurement process and to all types of procurement.

## THE PROCUREMENT COMMITTEE

RCKW procurement committee shall be composed of **The Vice President, Club Treasurer, Administration Director, Project Manager and 2 past presidents**

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:

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

## SEPERATION OF DUTIES

There shall be proper separation of duties between:

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

## PROCUREMENT PLANNING

Procurement planning is part of the annual budgeting process. Each directorate head is responsible for planning his/her project's estimated procurement needs and advising the club on when the items to be bought in the various quarters of the year.

## PROCUREMENT REQUISITION (PR)

Each specific procurement procedure process shall be initiated by the appropriate Director 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 should show the following information:

- i) Items required.
- ii) Quantities.
- iii) Delivery dates and locations.
- iv) Accounting information.
- v) Whether procurement is within the approved budget or emergency or unplanned.
- vi) Signature of the preparing person.

- vii) The appropriate directorate.

All requisitions must be signed by the Director initiating the requisition.

## **CONTROLS ON PROCUREMENT**

Goods and services will only be procured within approved budgets except in case of emergencies, which has to be approved by the Club Assembly. Thus, the board should ensure that actual procurement throughout the year remains within the budget.

The Treasurer shall assist the procurement committee in conducting periodic checks on procurement activities to ensure that they conform to RCKW requirements, policies and procedures.

It is the responsibility of the director initiating a procurement to verify that the following have been, done whether or not he/she actually collects the goods concerned.

- (i) That the correct quantity has been received and signed.
- (ii) That the quality and price of goods is as agreed.
- (iii) That all goods are fit for the required purpose.

The Procurement Committee will be required to declare any conflict of interest and abstain from participating in a decision in which such interest exists.

## **THE PROCUREMENT PROCESS REPORT**

Once the Board has approved a procurement of goods or services the Procurement Committee will then commence the process of procurement.

The procurement committee should prepare and give the Board monthly reports indicating the status of each procurement requisition, complete with expected delivery date. Any development contrary to the expected procurement process must be communicated to the Board as soon as such a situation arises.

## **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 (the list of pre-qualified vendors), for each type of goods and services based on letters of introduction 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. Once the previous year's list of vendors has been updated and approved by the procurement committee, procurement of goods, and services can be effected. Vendor selection for inclusion on the list of pre-qualified vendors will take place once per year and will be done by the procurement committee.

## **VENDOR SELECTION CRITERIA**

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

- i) Price
- ii) Quality of goods/services. Such a justification must be verifiable.
- 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 call upon and consult with
- ix) Payment terms
- x) Warranty offered.
- xi) Ability to provide samples

## **PROCEDURE FOR TENDER**

The procurement committee is solely responsible for the selection of vendors invited will be invited to bid for a tender. The Committee will send an invitation to tender to each supplier listed to be invited. The vendors will pick up tender documents at RCKW fellowship or designated place 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 committee may procure from a single source supplier or establish purchase agreements or contracts with main dealers of regularly purchased goods. Where possible due to other factors, the procurement committee 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 (LPO) WITH VENDORS**

The LPO is a contract with vendors 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 RCKW 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 RCKW 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 RCKW 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 RCKW and the following guidelines are essential for that purpose.

- i. The procurement committee should ensure that goods and services are checked against contracts, waybills, invoices, or delivery notes.
- ii. Requisitioning director 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 committee.
- iv. In some cases, receiving of goods and physical checking of goods or services may be delegated to other persons who are so authorized by the procurement committee. Such might include cases where goods or 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 committee for action.

## **PAYMENT-PROCESSING PROCEDURE**

The recipient department is responsible for confirming that goods or services received are to their satisfaction and that payment may be made. This confirmation is sent to the procurement committee who then forward it to the Club Treasurer 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 RCKW and in reference to the financial policies.

## **PROCUREMENT OF SERVICES**

### **APPOINTING AND PAYING CONSULTANTS**

Consultants' services shall be sought for a job for which the required technical expertise does not exist within the membership at RCKW

The following procedure shall be observed for engaging the services of a consultant at RCKW.

- i) The decision to hire the services of a consultants shall be taken by the Board and subject to approval by the Club Assembly.
- ii) The President shall invite specific appropriate consultant(s) for proposal for the consultancy by a stated date.
- iii) The proposals received shall be reviewed by the procurement committee and the ensuing recommended name shall be submitted to the President who shall discuss with the Board.
- iv) The terms of reference for the consultancy shall be mutually agreed upon and the Club Treasurer 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.

## PROCUREMENT PLAN FORMAT FOR GOODS

Item description (What to buy?)	Month when needed (When to buy?)	Quantity (How many to buy?)	From where to buy?	Estimated cost

## PROCUREMENT PLAN FORMAT FOR SERVICES

What type of service is needed?	Month when needed	Needed for how many days?	Is this for the directorate or for the entire Club	Total estimated cost