

INSPIRED WOMEN ORGANIZATION



PROCUREMENT POLICY

This Procurement Manual is prepared for Inspired Women

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I. Introduction:

Inspired Women Organization has one Procurement Manual that serves all our branch offices. The IWO Procurement Manual contains minimum procurement standards and represents mandatory policy for all procurement matters throughout the organization and her branches. Each IWO branch may establish stricter standards if they wish but should not loosen SOP's unless they seek and receive approval for a waiver related to a specific task/procedure. Any deviation from the standard procedures requires the documented approval of the general procurement officer and executive director of IWO.

This Procurement manual covers procurement minimum standards and staff is required to follow all donor requirements that may be more strict/restrictive than our own. Staffs responsible for managing donor resources are required to have a clear understanding of donor requirements defined in funding agreements or regulations and ensure compliance with those requirements that are more restrictive than the SOPs defined in this manual (i.e. lower threshold, increased sampling of bidding, international tenders, etc.).

a. Procurement Manual Objectives:

This manual defines IWO's procurement standards and requirements for all departments, regional offices, and country offices. Its primary purpose is to communicate policies and give guidance to all staff with procurement authority. All staff members are responsible to adhere to the policies contained in this manual. Procurement gives prime consideration to the organization's interests, while seeking to maintain and further long-term, mutually profitable, ethical supplier relationships. The objectives of the Procurement department and procurement of goods/services in general are to acquire materials and services:

- of the right quality
- in the right quantity
- at the right time
- from the most appropriate supplier
- at the lowest or best possible price
- delivered to the right location.
- that offers 'warranties' that protects and minimizes risk and cost to the Organization
- Buy competitively and to develop good relationships with the supplier community.
- Maintain adequate records to allow the management of IWO to evaluate suppliers' performance, assess accountability and control, and take necessary corrective measures to ensure ethical and sound business practices.
- Exercise the necessary controls to ensure compliance with all donor requirements and IWO guidelines with regards to purchase transactions so as to optimize value and minimize disallowances.

Revisions and Updates:

This manual will be revised and supplemented, as required, to meet new needs, statutes, and conditions. An important part of this updating process depends on the constructive comments, information, and suggestions received from you, the users. Your comments are encouraged, and should be provided to the Procurement officer and Executive Director of IWO.

b. Procurement Ethics/Code of Conduct:

As an organization which lives its mission through moral teachings, IWO has the responsibility to ensure accountability to the highest ethical behavior as it relates to all IWO suppliers and the employees of IWO throughout the country. Depending on the circumstances, those who do not adhere to the Code of Ethics and other requirements in IWO's Procurement Manual could face disciplinary consequences. IWO has instituted a reporting system to allow employees and partners to report any concerns they may have regarding suspected financial misconduct and fraud.

Policy Statement:

IWO's Program Procurement department and designated personnel will purchase all goods and services on the best terms consistent with the required quality and delivery, and at the lowest total cost. Acquisition will be without favoritism and on a competitive basis, whenever practical, to obtain maximum value for each dollar spent. All interested suppliers shall receive fair and impartial consideration.

Affirmative action will be taken when feasible to provide maximum practical opportunity to minority, Persons with Disabilities (PWDs), women's, and small businesses, to participate as suppliers and contractors in the acquisition of goods and services by IWO. Those responsible for procurement shall continuously conduct market analysis and price comparisons, and always search for new sources of supply. Any form of discrimination is prohibited in the procurement processes.

Use of Funds:

All applicable regulations and procedures regarding use of and accounting for donor funds must be specifically followed. Any deviation from donor regulations or contractual terms, including emergency situations, shall be undertaken only after the written approval of the appropriate donor official.

Business Relationships and Ethics:

Employees conducting business transactions on behalf of IWO hold a position of trust, which dictates that their actions should be governed by the highest standards of personal and business conduct. IWO does not purchase goods or services for the personal use of its employees except under specific programs approved by the Executive Management Team. All transactions must be undertaken for the exclusive benefit of the organization and its mission.

Use of IWO tax-exempt status:

- IWO staff members are not permitted to use IWO tax-exempt status in Cameroon for making personal purchases so as to eliminate domestic sales tax.
- IWO international partners or staff in overseas positions, when making personal purchases to eliminate local duties, should refer to the local laws of their specific country as to whether use of IWO tax-exempt status is allowed. Each country has its own laws governing this.

Ethical business standards shall govern all transactions. Employees must be aware of situations and circumstances requiring prudent action, including the following:

Proprietary Information - Proprietary information exchanged during transactions shall be identified and treated in the manner clearly agreed upon by both IWO and the supplier e.g. specifications, proposal or quotation particulars, proofs, printing plates, drawings, etc.

Gifts - IWO regards each supplier as a business partner, and as such, the organization feels it is important to maintain an atmosphere of honesty and integrity in its affairs. IWO' ethical policies are simple and straightforward. Selection of suppliers is based exclusively on quality, service, price, and suitability to the organization's needs. Employees shall not solicit, request, accept, or agree to accept any significant gift from a supplier or prospective supplier. A significant gift is defined as any tangible item, service, favor, credit, or discount of value, not available to others, that could influence actions. No monies are to be accepted as a gift for any reason whatsoever. In addition, IWO' funds should not be used to provide gifts to suppliers or any other group.

Credits – Any applicable credits afforded to IWO by a supplier must be applied to the donor funding the activity.

Donations - All offers of donations to IWO by suppliers or vendors must be directed to the Donor Services department, who will accept on behalf of the Organization.

Honoraria - All honoraria received should be sent to the Finance department.

Entertainment, Hospitality and Meals - Supplier offers of entertainment and hospitality shall be refused tactfully, but clearly. Acceptance of invitations to business meals shall be subject to prudent judgment as to the appropriateness of the occasion, frequency, choice of facilities, and future opportunities to reciprocate.

Reimbursements: No employee may authorize his or her own reimbursements for expenses. His or her immediate supervisor should make authorizations for employee expenses.

CONFLICT OF INTEREST:

No employee, officer, or agent shall participate in the selection, award, or administration of a contract if a real or apparent conflict of interest is involved. Such a conflict would arise when the employee, officer, agent, any member of his or her immediate family, 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 supplier selected for an award. Employees directly responsible for Procurement shall not have any personal or family interest, involvement, or financial relationship with a supplier that might impair objectivity or freedom of judgment. All employees, officers, directors, and others associated with the organisation may not obtain any personal or financial benefit for themselves, relatives, associates or friends, while procuring any type of goods or services for IWO.

II. Procurement – Best Practices

a. Procurement Functions:

The main functions of IWO' Procurement department based on industry standards, can be summarized as follows:

- Identification of sources for goods and services, and negotiation of favorable terms.
- Selection of suppliers on a competitive basis with regard to price, item quality, delivery time, and warranties.
- Execution of purchases in the best interest of IWO, consistent with donor and other regulations.
- Placement of *Purchase Orders* with the selected supplier.
- Monitoring of the *Purchase Order* until the items are delivered to the designated location.
- Communicating with other departments and branch offices throughout the procurement process until goods have arrived at the designated location.
- Maintenance of procurement records for control and reference.
- Development and maintenance of an approved supplier list
- Respond to questions from the accounting department on billing issues.

- Overall ownership responsibility of the procurement process.
- Support for compliance with donor procurement regulations, especially those of the Cameroon government and its agencies and international partners.
- Developing and sharing knowledge and best practices in the area of procurement, including the maintenance of organization policy.
- Advancing the use of technology and other improvements to the efficiency and effectiveness of organization procurement processes.
- Evaluation of sources with regards to quality of product and service, price, reliability, and delivery time.

b. Best Procurement Practices:

Donor Requirements:

The organization procurement manual covers procurement minimum standards and staff is required to follow all donor requirements that may be more restrictive than our own. This will require staff responsible for managing donor resources to have a clear understanding of donor requirements defined in funding agreements or regulations to ensure compliance.

Fair Competition:

All procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, open and fair competition among suppliers. It is critical that we perform due diligence and demonstrate good stewardship of all donor-sourced funds. In order to achieve this, **IWO Procurement department will “attempt” to solicit and receive at least three quotes for procurements estimated to be 500,000FCFA or more.** If less than (3) three quotes are received then document the reason why for that particular transaction. Should IWO Procurement department or country programs become aware of non-competitive practices among suppliers, or a conflict of interest among suppliers where the same family may own multiple businesses run by family members, or between suppliers and any staff working for IWO, the organization will suspend the bidding process and start anew.

Efficient Planning:

In order to obtain competitive prices, negotiate on proper terms and conditions with suppliers, and ensure the availability of goods and services when needed, it is important that there be:

- Timely and realistic advance planning of requirements by all departments including verification with BIS license. Requisitioning department should familiarize itself with “standard lead-times” by commodity, service type, or sanctioned country destination.
- Determination of priorities - The requisitioning department should identify a logical sequencing of procurement needs in alignment with identified objectives and provide enough lead-time to avoid urgent requests.
- Verification of budgets, valid business unit account numbers, and available resources.
- Efficient stock control on fast moving items – departments should maintain an inventory of supplies and order new supplies with enough lead-time to avoid depletion of existing stock prior to receiving a requested shipment.

Clear Specifications:

Awards shall be made to the bidder whose tender fully complies with the solicitation and is most advantageous in terms of quality, delivery time, price, performance and any other relevant factors. For this reason, it is imperative that all requisitioners provide all necessary information and specifications accurately so that the solicitations sent to potential suppliers clearly establish all the requirements that the bidder is expected to fulfill.

Specialized procurement:

Programs with a specialized supply chain or technical specifications (e.g. Medical and health supplies, pharmaceuticals, equipment, etc.) must work closely with organization's technical experts and the project team to define the procurement process to be used for the program/project. Programs should follow donor requirements related to the acquisition of material and/or services.

IWO' Right to Reject Quotes:

IWO reserves the right to reject any or all quotes when considered to be in the best interest of the organization and/or the people it serves. All potential suppliers must be informed of this right. Instances when this might happen include, but are not limited to: tendered prices are considered high; suspected collusion between producers and (intermediary) suppliers; information received —prior to placing an order— that the needed items can be obtained at lower prices than those quoted by the bidders; conflict of interest between suppliers and IWO staff.

Confidentiality:

All contracting-related information provided by suppliers and/or potential suppliers must be treated confidentially and must not be disclosed to other suppliers or to any other third party. Collaboration with other NGO's regarding supplier references, performances, and verification of market prices for commodities and services is permitted so long as the information is treated confidentially.

The Procurement department or country program will monitor the delivery of items by checking with suppliers to ensure that they carry out their contractual obligations. Appropriate measures will be taken, including the cancellation of an order, if a supplier is derelict in his obligation to IWO. It is critical that IWO' Global Procurement department and country programs remain proactive in the continuous search for competent and reputable suppliers and that an "approved supplier" list, by commodity, is maintained with updated information on performance and pricing for use when new Procurement requests are made.

Segregation of duties:

Procurement staff should have segregation of duties with complementary functions relating to: payment requests, payment, receiving, inventory, and asset custody. Procurement officials should not receive the supplier's 'invoice' and prepare the 'payment requests' form. The underlying concept is that no employee or group of employees should be in a position to commit and conceal fraud or errors in the normal course of performing their assigned roles:

Examples of Incompatible Functions		
	Who Performs This Function	Should Not Perform This Function
1	Initiates Purchase Requisitions	Receive goods, prepare receiving documentation
2	Logistics Officer / Procurement Officer	Requisition goods or services for other depts. or projects
3	Logistics Officer / Procurement Officer	Approve Purchase Orders or Service Contracts
4	Store Keeper / Procurement Officer	Receive goods, prepare receiving documentation
5	Warehouse Manager / Procurement Officer	Acknowledge or approve receipt of services
6	Warehouse Manager / Procurement	Perform quality control tests or evaluate goods received
7	Store Keeper / Warehouse Manager	Return goods to vendor
8	Warehouse Manager	Prepare, record or distribute payments to vendors
9	Logistic Officer / Warehouse Manager	Have custody over assets or goods purchased

10	Procurement Officer /Store keeper	Receive invoices from vendors
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C. Procurement Contracts

This policy provides guidance and criteria for determining whether a formal contract rather than a Purchase Order, commonly called a PO, should be the legal instrument to effect the purchase of goods or services. When considering whether to utilize a PO or a Contract please reference these general guidelines. For the purposes of this policy, the words “Contract” and “Agreement” are synonymous. Both refer to a formal legal document which establishes legally enforceable promises, offered and accepted by the parties, supported by the exchange of things of value (e.g. goods, services, money).

d. Sole Source Procurements:

Sole sourcing exists when only one source is available. Local utilities are an example of a sole source. Sole sourcing also exists when only one source makes the item that the Organization seeks to procure. It might be a special product (i.e. type of medicine or specific piece of medical equipment) a technology, or service that only one supplier has available to the market. A sole source procurement is permissible when a requirement is available from only a single supplier or when only one supplier is deemed economically feasible. A requirement for a particular proprietary item does not justify sole source procurement if there is more than one potential bidder authorized to provide that item. Reasons for sole source contracts include:

- Only one firm has a product that will meet the projects needs or only one firm can do the work;
- the existence of an unusual and compelling urgency;
- for purposes of industrial mobilization or expert services;
- an international agreement;
- sole source is authorized or required by law, e.g., socio-economic programs;
- national security and the public interest
- better pricing results from a much higher volume
- quality considerations dictate
- the buyer obtains more influence and clout with the supplier (typically a supplier, in times of shortages, will give priority to special customers)
- TCO (total cost of ownership)- lower costs are incurred to source, process, expedite, inspect, and ship
- the supplier holds critical patents
- Special tooling is required, and the use of more than one supplier is impractical.

Single Sourcing: single sourcing exists when the Organization actively selects one supplier although many are available. This practice is becoming more common today as firms enter into strategic partnerships with key suppliers. Some of the reasons for this are administrative simplifications and efficiencies, joint schedule planning of requirements, smooth logistics links, and for pricing benefits. It's important to remember to re-solicit quotes for supplier agreements every five years to ensure that IWO is paying market prices for their goods and services.

Preferred Supplier Agreements: IWO department heads need to [conduct regular market analysis to make sure the preferred supplier continues to offer the best quality goods and services desired for the best price before supplier contract agreements are renewed on a sole source basis.](#) If there is any perception that the preferred supplier is either not performing as expected, or prices continue to increase without clear market justification, then a new market analysis must be conducted to determine

if the preferred supplier status should be maintained. It's critical that we regularly re-validate that we are paying 'market prices' for our goods and services and that we are getting the best deals available in the market.

“Post Tender Negotiations”: – Procurement has many vital responsibilities. None is more crucial than selection of the right source. IWO Procurement officer should strive to establish and explore opportunities for strategic partnerships with suppliers that have a history of strong performance and being reputable in their business dealings. But it's also important that these “strategic suppliers” remain competitive versus their competition so “post tender negotiations” are permitted with “incumbent” preferred suppliers in order to bring their pricing in-line with the market. Most suppliers expect negotiations and often can improve their pricing by up to 10% or more typically and often expect experienced Buyers to come back and “nibble” on their prices. **When engaging in post-tender negotiations with a preferred supplier one should not disclose the names of the other suppliers quoting, should not share supplier quotes with other suppliers, nor share the prices submitted by other competing suppliers. Instead, let the incumbent preferred supplier know by what “percent” they need to lower their prices by in order to remain competitive with their competition.**

It is critical that all documentation related to request for quotes, bid responses, and bid selection/award be maintained for legal and audit purposes. Documentation should be held for at least twelve (12) years, three (3) years on-site.

e. Restricted and Ineligible Procurement:

[Note: For Sanctioned Countries, and Military Items.](#)

IWO must follow specific Procurement regulations in its execution of grants and agreements. For example; the grantee shall not procure any of the following goods and services (using grant funds) without the prior written authorization of the USG grant officer”:

1. Agricultural commodities
2. Motor vehicles (motorcycles are considered motor vehicles)
3. Pharmaceuticals
4. Pesticides
5. Rubber compounding chemicals and plasticizers
6. Used equipment
7. U.S. government-owned excess property
8. Fertilizer

The country program is required to request approval, in advance, to purchase “restricted goods or services” with funds from a USG grant or agreement.

USG Ineligible Goods - following items are called “Ineligible Commodities.” These cannot be purchased with USG money:

1. Military Equipment
2. Surveillance Equipment
3. Commodities and Services for Support of Police and Other Law Enforcement Activities
4. Abortion Equipment and Services
5. Luxury Goods
6. Gambling Equipment
7. Weather Modification Equipment

f. Emergency Procurement:

The Procurement process shall remain the same in emergency situations. Any purchases, whether made locally or internationally must be the procurement office ranks the three key procurement factors in order of priority as such: quality, delivery, and price. In emergency situations the ranking factors change order of priority to: delivery, quality, and price. Delivery time often becomes the critical factor in emergency situations, especially during “rapid onset” or acute emergencies. Nonetheless, it is important that the procurement process is documented to reduce organization liability and to ensure adherence to donor requirements. Documentation does not imply additional delays in the delivery of goods. Should a particular situation dictate a rapid response, the situation should be documented— as with any purchase— noting the reasons, if warranted, why Standard Operating Procedures (SOPs) were not followed completely.

As per the procurement policy, purchases above 5, 00,000FCFA must receive the endorsement of the procurement officer and the Chief Executive Officer, who must review the integrity of the procurement process while approving local or central procurement requests. Depending on the specific situation, the need to obtain supplies in a timely manner may be addressed through a combination of local and central purchases. In all cases, it remains the responsibility of Procurement officer to ensure that the appropriate IWO Procurement Manual SOPs are followed to the extent possible given the conditions, and as there is operational improvement (more support and order etc.), then gradually procurement officer should be able to ensure that all IWO Procurement SOPs can be fully applied in the emergency response operations. At no point should effort to comply be stopped with waivers and the procurement officer should continually work to achieve full compliance.

g. Services:

The purchase of services, whether it's consulting or cleaning services, is subject to the same norms that govern the purchase of material items. IWO Procurement department and/or country programs are to contact at least three potential service contractors in order to determine what the ‘market price’ is for the services desired and to assure that these services can be provided within the approved budget established. Prior to soliciting for RFP's IWO employees should make sure they have developed a well thought out and comprehensive Statement of Work (SOW) to issue to the contractor(s). The SOW should identify what the contractor is to accomplish. The clarity, accuracy, and completeness of the SOW will determine, to a large degree, whether the objectives of the contract will be achieved. The planning phase of the SOW preparation is aimed at a thorough investigation of the *why* and *what* of the project. Project managers should use the following checklist when planning the SOW:

- Identify the resource, schedule, and compensation constraints for the project.
- Challenge the tasks identified, including sequencing and interrelationships of all required tasks.
- Identify contractor delivery requirements at specified points in time. Include details about the type and quantity of any deliverables.
- Identify specific technical data requirements such as plans, specifications, and reports.

When writing the SOW IWO employees must determine the *tasks* and *details* that need to be included. Some important provisions that should be considered and part of a SOW are:

- A **performance plan** – the contractor must be required to develop a non-subjective, quantifiable blueprint for providing the services.
- **Quality monitoring system** – the contractor should be required to establish fail-safe measures to minimize quality problems.
- **Personnel plan** – the contractor is required to develop and maintain recruiting and training programs acceptable to the IWO Project Manager.

- **Performance and payment bonds** – if IWO faces significant monetary risk then the contractor should provide performance and payment bonds that is equal to “X” percent of the value of the contract amount. Consult with IWO OLC for direction and advice on what that “X” percent should be.

Note: Contractors should never write the SOW for IWO.

h. Fixed Assets Expenditures:

DEFINITION: Fixed asset expenditures (fixed or capital asset purchases) are defined as purchases of tangible long-lived assets (life of 3 years or greater) having a cost of 5, 00,000FCFA or greater. This would include any related group asset purchases as defined in accounting policies. Costs to repair or refurbish an existing fixed asset, even if the repair costs exceed 1,000,000FCFA would not be considered capital expenditures unless the useful life of the asset had been significantly extended (example – repair of a vehicle damaged in an accident).

- All capital expenditures must have either been approved in the budget, or approved in the budget maintenance process, and received written approval from the Executive Director prior to submittal of a requisition for purchase.
- All capital expenditures must be listed on a Fixed Assets Notice form (FAN) regardless of what donor source was used in acquiring the item.

i. Sanctioned Countries and Military Items

Military Items - The organization generally does not procure military items, but in the rare case where staff security may warrant consideration of such procurement, it is imperative that national government security procedures is involved from the out-set.



Inspired Women Organization has one Procurement Manual that serves One Organization which supports the Organization Strategic Priorities