PROCUREMENT AND DISPOSAL POLICY

Version. 1

FOR

ADROIT BIOMEDICAL AND BIO-ENTERPRENEURSHIP RESERCH SERVICES (ABBRS)

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Acronyms

ABBRS	Adroit Biomedical and Bio-entrepreneurship Research Services
ED	Executive Director
F & AD	Finance and Administrative Director
ICT	Information and Communications Technology
GRN	Goods Received Note
LPO	Local Purchase Order
MoU	Memorandum of Understanding
NDA	National Drug Authority
PI	Principal Investigator
RFP	Request For Proposal
RFQ	Request for Quotation
TOR	Terms of Reference

Operational Definitions:

Assets: Physical resources both fixed and consumable that are owned by other parties and or by ABBRS but managed by ABBRS.

Budget Holder: A person usually staff of ABBRS who is responsible for the preparation and monitoring of the project/department budgets. He/she authorizes purchase requests from their projects. He/she tracks the budget and ensure that all procurement expenses are within the provisions of the approved budget.

Disposal: Release from ownership, custody, or management of the physical resources by ABBRS.

Invoice: An invoice is a commercial document issued by a seller to the buyer, indicating the products, quantities, and agreed prices for products or services the seller has provided the buyer. An invoice indicates the buyer must pay the seller, according to the payment terms.

Local Purchase Order: Is a commercial document issued by a buyer to a seller, indicating types, quantities, and agreed prices for products or services the seller will provide to the buyer. Issuing a Local purchase order to a supplier implies a legal offer to buy products or services. Acceptance of a purchase order by a seller usually forms a contract between the buyer and seller, so no contract exists until the purchase order is accepted.

Purchase Request Form: Also known as purchase request or requisition is a document generated by a user department or storeroom-personnel to notify the purchasing department of items it needs to order, their quantity, and the timeframe. The form might also contain the authorization to proceed with the purchase.

1.1 Purpose of the Procurement and Disposal manual

This policy provides guidelines for procurement of goods and services and disposal of assets. It is a reference point and basis upon which decisions regarding the attainment of assets through procurement or donations; their management and disposal are made.

Specific objectives of this policy include the following:

- To streamline the process of acquisition of goods and services by ABBRS.
- To guide on the roles of the different players in the procurement process.
- Strengthen the capacity of the program to undertake all processes of procurement.
- To guide and streamline the disposal process of the assets.
- Prevent fraud and losses resulting from flawed procurement and disposal practices.

1.2 Classification of Supplies, Services and Works

ABBRS supplies, services and works are broadly classified as below:

1.2.1 Laboratory Equipment and Supplies

Laboratory equipment comprise but not limited to the following:
Microscopes, centrifuges, Bio-safety cabinet, water distiller, refrigerators and freezers, vortex mixer, weighing scale, water purifier, vacuum pump, Ultraviolet clean station, ice maker, magnetic shaker, magnetic stir, chemical cabinet, pipettes, hot water bath, hot air oven, thermal mixer, homogeniser, magnetic stand, Quibit fluorometer, Quantus, electrophoresis apparatus, Gel visualisation instrument, thermocyclers. Laboratory supplies include disposable items and chemicals for routine investigations, Molecular, Immunology and Biochemical studies depending on specific analyses to be done.

1.2.2 Pharmaceutical Supplies

These include drugs and other substances with medicinal properties.

1.2.3 General Office Supplies

General Office supplies consist of all products, which are required for the smooth running of the program. Such supplies include stationery, office furniture, office equipment, binding machines, staplers, shredder, printed materials, fuel etc. They have a high turnover of use and ultimately are more often procured.

1.2.4 Assets

This refers to items worth USD 5,000 or more. This includes items such as motor vehicles, Information and Communications Technology (ICT) hardware, buildings etc.

1.2.5 Services

Services refer to consultancy and other specialised services. Specialised services may include but not limited to cleaning, security, catering, fumigation etc. Consultancy includes services provided by outsourced individuals to undertake specified assignments.

1.2.6 Works

Works refer to all constructions and renovations work whereby ABBRS shall contract with providers of the services. Payments for such works shall be affected upon the existing contract between the two contractual parties.

1.3 Roles & Responsibilities

1.3.1 User Department

- Prepares and submit procurement requisitions to the budget holder for review.
- Provides specifications for the required supplies or terms of reference for consultants to the procurement department.
- Participates in contract monitoring and supervision to guarantee adherence to contract terms and conditions.
- Provides feedback on supplier performance to the procurement department.
- Undertakes conformity assessment and certify receipt of the procured items/services to facilitate the payment process.

1.3.2 Budget Holder

- Reviews and authorise all procurement requisitions from the projects.
- Submits the reviewed procurement requests to the procurement department.
- Provides feed to the procurement department regarding any procurement activity.
- Verify and approve quotations received for own project to ensure quality and conformity.

1.3.3 Evaluation Committee

- Evaluate all quotations or proposals received and preparation of an evaluation report
- Recommend suppliers and service providers that have met the defined evaluation criteria to the procurement committee for approval.
- Appraise suppliers' performance and file recommendations to the procurement Committee

1.3.4 Procurement Committee

The Procurement committee comprise of five members appointed by the Executive Director and approved by the board of directors. Any three of the appointed form quorum for the Procurement committee. The Chairperson of the Procurement committee shall be nominated at every seating based on the level of independence. Existing and appointment of any member of the Procurement committee shall be communicated by the Executive Director on behalf of the directors.

- **Prequalification of Suppliers – This happens every three years.**
  i. The committee reviews supplier/service provider solicitation documents as developed by the Procurement Manager before they are issued to the public
  ii. Following the advert and development of a shortlist by the procurement department or hired consultant, the committee reviews the shortlisted suppliers and appoint three providers taking into consideration local suppliers for the site officers.
  iii. Where a consultant is used for the evaluation exercise, the Procurement Committee approves the engagement.

Awarding Contracts – This occurs when need arises following the receipt of purchase requests from the user department, their compilation, requests for quotations and evaluation reports of the evaluation committees.

i. As and when need arises, the procurement committee reviews the evaluation reports above UGX 5,000,000. Contract is approved and awarded after deliberations of the committees regarding the quotations from the suppliers. This process is concluded within five working days.

- **Monitoring of Suppliers' Performance:** The procurement committee reviews supplier's performance engaged and consider the suspension or blacklisting the suppliers who did not meet the standards of performance. This is done once a year.

Assets disposal

- The procurement committee considers the list of items to be disposed. This is done every after three years. The list is presented by the Procurement Manager to the procurement committee. The committee approves both the disposal and the method of disposal in accordance with the local or funders' guidelines.

1.3.5 Procurement Department

- Is responsible for co-ordinating all the procurement activities including dissemination and implementation of the procurement and disposal policy and guidelines.
- Acts as a secretariat to the Procurement committee.
- Schedules Procurement committee meetings where and maintain record of all resolutions.
- Prepares solicitation documents.
- Receives and records all bids and quotations and guarantee their safety.
- Calls for evaluation meetings where necessary.
- Raises and promptly review purchase orders.

1.3.6 Finance and Grants Department

- Timely confirms and certifies the budget and availability of funds ahead of the issuance of the Local Purchase Order (LPO).
- Offers timely advice on the posting of the LPO before payment is implemented
- Ensures timely payment of suppliers.
- Ensures that financial management guidelines are observed during procurement process.

1.3.7 Stores Department

- Receives and verifies all deliverables.
- Advises the procurement department on the deliveries made.
- Advises procurement department on any discrepancies in deliveries made.

1.3.8 Role of the Finance & Administrative Director

- Overall supervisor of the Procurement department.
- Signatory on all procurement contracts below UGX 20,000,000 and approves local purchase orders from UGX 200,000 to UGX 20,000,000.
- Approves the use of non-prequalified suppliers.
- Approves single or sole sourcing of suppliers.
- Approves repeated purchases; works, services, or supplies with the same specification and service provider or supplier
- Approves procurements through direct expenses

2.0 Procurement Code of Conduct

2.1 Code of Ethical Conduct in Business

All staff involved in procurement and disposal activities are expected to adhere to the code of ethical conduct in business.

- Staff shall not use their authority or office for personal gain and shall seek to uphold and enhance the reputation of the collaboration by:

i. maintaining standard of integrity in all business relationships within and outside ABBRS
ii. optimizing the use of resources to provide the maximum benefit to ABBRS

- In cases of conflict of interest, ABBRS Staff shall reveal any personal interest that may impinge or might reasonably be deemed by others to impinge on an employee's business dealings with a specific supplier or industry by signing the declaration of interest form on an annual basis.

- Confidentiality and accuracy of information:
  i. Staff shall respect the confidentiality of information received during business dealings and shall never use such information for personal gain.
  ii. Information given by employees during business dealings shall be true and fair and not designed to mislead.

- Staff shall avoid any business arrangement that might prevent the effective operation of fair competition.
- Staff shall not accept business gifts from current or potential service providers unless such gifts are of very small intrinsic value such as a calendar or a pen.
- Staff shall refrain from any business hospitality that might be viewed by others as having an influence in making business decision.

2.2 Code of Ethical Conduct for Bidders and Service Providers
All bidders and service providers are expected to:
- Maintain integrity and independence in their professional judgement and conduct
- Strive to timely provide goods and services of high quality and accept full responsibility for them.
- Comply with the professional standards of their industry.
- Not accept contracts that would constitute a conflict of interest with any contract with ABBRS. In that case, Conflict of interest should be declared whenever required
- Provide accurate information to solicitations from ABBRS
- Treat all ABBRS information provided for execution of a contract with the highest degree of confidentiality
- Not offer gifts or hospitality whether directly or indirectly to ABBRS staff
- Not offer or give anything of value to influence the action of an ABBRS staff in the procurement process
- Collude with other organizations with the intention of depriving ABBRS of the benefits of free and open competition.

Certification Requirements
When suppliers are set up within the ABBRS procurement system, they are asked to verify among other items that they are not debarred, being considered for debarment, or otherwise disqualified from receiving funds from our funding partners in the conduct of their business.

Additionally, a supplier also certifies that when they are awarded with and accept an ABBRS purchase order that they are not a debarred or disqualified supplier. On all orders over $100,000, the requisitioner/contract administrator must ensure that the supplier is not excluded from supplying ABBRS.

3.0 The Procurement Process

3.1 Procurement Planning

Each project maintains a procurement plan which should be an extract from the approved project budget for the period. The procurement plan should contain a detailed breakdown of procurement to be executed including the unit of measure, quantity, estimated cost, source of funding and the date on which the items are required. Procurement plans are reviewed on a quarterly basis in liaison with the project coordinator and budget holder.

3.2 Prequalification of Suppliers and Service Providers

Prequalification of suppliers and service providers will be conducted every three years. The prequalification exercise will result in a list of approved suppliers and service providers. The criteria for pre-qualification shall be limited to that necessary for performance of the intended contract and shall not be unduly restrictive.

Pre-qualification/screening of suppliers is mandatory

ABBRS only conducts business with reputable and stable suppliers or service providers who must meet our requirements and can provide the goods and services required. Such suppliers must be qualified to provide required materials or services to minimise risk associated with pricing, quality, and terms of sale, delivery performance and ethical practices. The Procurement Manager and user department undertake the pre-qualification exercise and submit their recommendations to the Procurement Committee.

The prequalification criteria should have technical specifications (eligibility documents, related past works & the company's/ firm's staff expertise) and financials (Bank statements or audited books of accounts). A template should be adopted and used where possible.

3.2.1 Requirements for all Prospective Service Providers

All prospective suppliers and service providers are required to meet a minimum set of criteria as indicated below:

a) Proof of legal status including Memorandum and Articles of Association, Certificate of Incorporation or Registration, valid trading licences, Value Added Tax (VAT) registration or evidence of VAT exemption and tax clearance. These details should be included in the Company profile submitted as part of the bid documents.
b) Experience in similar contracts within the country, region or internationally.
c) Capacity to perform a given contract evidenced by audited accounts.
d) Capabilities with respect to equipment, personal and other relevant resources.
e) Required licences from professional bodies in their field of work e.g., a certificate from the National drug authority for suppliers of pharmaceutical products.
f) Litigation record.
g) Where and when necessary, Environment safety policies must be provided.
h) Audited financial accounts or Bank statements for the last two years- (where applicable)

Note: For small regional service providers, a minimum of a Certificate of registration, Trading license, Memorandum and Articles of Association and Company form 7 shall suffice.

3.2.2. Additional Requirements for Some Suppliers/ Service Providers

In addition to the requirements highlighted in 3.2.1 above, the suppliers in the categories below should provide the stated additional requirements.

a) **Pharmaceutical Suppliers:** Should provide current and the previous years' copies of Certificates of practice of their Pharmacist, National Drug Authority (NDA) certificate of suitability of premise for wholesale, NDA operation license; a list of their major suppliers and date of starting wholesale business. If currently importing or exporting, valid copies of the necessary NDA permits should be provided.

b) **Laboratory Equipment/reagents Suppliers:** Must provide proof of quality assurance, list of sources of their products, copies of certificates of registration of technical persons in charge and where relevant proof of ability to service the equipment supplied.

c) **Consultants:** Must submit a letter of interest; detailed curriculum vitae (CV) and copies of relevant academic documents where applicable, Tax Identification Number (TIN) or income tax clearance; four strongly regarded and independent professional referees; and proof of track record of at least two years.

3.2.3 Invitation to Prequalify/Call for Expression of Interest

- Suppliers and service providers will be invited to prequalify through an advert placed in a newspaper or ABBRS website with a good national readership. The stated application period will give sufficient time to potential applicants to respond with well-prepared applications.

- Firms that respond to the invitation and are eligible, will be pre-qualified to form a pull of suppliers from which quotations will be sought.

- ABBRS may levy a fee for the bid document and payment shall be made in the Bank. The price to be stipulated for any bid documents must not exceed the reasonable cost of printing, compilation, and delivery of the documents plus a commensurate administrative fee.

- Upon making payment, an original deposit slip shall be delivered to ABBRS and subsequently ABBRS shall record the issue or sale of all the bid documents by giving a signed receipt as evidence to confirm payment and issuance of the bid documents to the bidder.

- Bid documents can only obtained directly from ABBRS Offices and bid document not directly obtained from ABBRS offices shall be rejected.

- Any person may after collecting the bid documents, request for clarifications of matters contained in the bid documents. All such requests for clarifications shall be in writing and addressed to the Procurement Manager no later than five working days before the deadline for the submission of the bids.

- The response by the Procurements Manager shall provide a written response within a reasonable time and in any event not later than five working days before the deadline for submission of bids to enable the supplier or contractor to make a timely submission of its bid.

- The response to any requests for clarifications shall, without identifying the source of the request, be copied to all other prospective suppliers and contractors who had paid for and collected the tender documents, where it may influence their submissions.

- At any time before the deadline for submission of bids, the User Department may modify the bid documents by issuing an addendum either in response to a request for clarification or for any other verifiable reason. The addendum shall be dispatched in writing to all prospective suppliers and contractors who had obtained the bid documents.

- If the User Department finds it expedient, it may convene a pre-tender meeting for the suppliers and contractors to clarify all matters pertaining to the bid documents. All requests for clarifications and the responses provided during the pre-bid meeting shall be recorded in the minutes of the meeting without identifying the source of the requests and the minutes shall be distributed to all suppliers and contractors who had paid for and collected the tender documents.

- In all such cases where addendums have been issued, the Procurement Department shall be obliged to extend the deadline by such a length of time as would be reasonable to allow the suppliers and contractors to consider the clarifications and, or addenda to the tender documents and make the appropriate inputs to their bids.

- Notice of the extension shall be promptly dispatched to every supplier or contractor who had obtained the bid documents.

3.2.4 Receipt, Opening, Evaluation of Applications and Shortlisting of Providers

- The procurement department receives, and records sealed applications from applicants up to the deadline for submission of applications.

- The procurement department nominates members of the evaluation team who were approved by the Procurement Committee.

- The evaluation team reviews all the received applications, strictly applying the qualification criteria stated in the prequalification document and submit an evaluation report and a list of recommended applicants to the Procurement Committee for approval.

- In addition to evaluating the submitted documents, the evaluation committee undertakes site visits to the premises of suppliers. These site visits should help the committee to confirm the suppliers' capability and credibility.

- In addition to all the above especially while using funds from international partners, the evaluation committee will verify that selected suppliers have not been suspended from doing business by our international partners.

- ABBRS upon opening the bids may engage a consultant firm to carry out the evaluation exercise according to the agreed criteria up to the stage of drafting a shortlist of suppliers. Engagement of such a consultant firm shall be approved by the Procurement committee.

- A site visit shall be mandatory with exceptions approved by the Procurement Committee considering factors such as overseas Suppliers.

3.2.5 Selection of Successful Applicants

- The Chairperson of the procurement committee must convene a meeting at which the shortlist prepared by the evaluation committee or consultant is discussed.

- Members must consider the recommended suppliers and evaluate them against the agreed criteria.

- The outcome of the meeting must be a prequalified suppliers/service providers' list which is valid for three years.

3.2.6 Notification of Successful Applicants

Successful bidders shall be notified in writing within ten (10) working days of their success and letters of acceptance thereafter received. All quotes for ABBRS required supplies/services must be obtained from the prequalified services except in exceptional circumstances where the required goods/services are not available from the prequalified suppliers.

3.2.7 Debriefing of Unsuccessful Applicants

a) All unsuccessful bidders shall be notified after all the letters of acceptance have been received from successful bidders.
b) Notification shall be no later than four weeks from the date the last letter of acceptance was received. Such formal communication shall not necessarily have content explaining the reason(s) why the bid was unsuccessful.

3.3 Procurement Requisitioning

i. All departments / projects shall make quarterly procurement needs submissions to the procurement department through the work plans. The requisitioning department will provide all the necessary specifications, terms of reference and clear justification for the requested items. Procurement requests will be made in the purchase request form.

ii. The requisitioning department will submit their request to the budget holder for review and approval before the request is submitted to the procurement department. iii. The procurement department will receive all the departmental/project requisitions and develop a consolidated procurement plan per project.

3.3.1 The Solicitation Process

- The procurement department will prepare bidding documents such as Request for Quotations (RFQ) or Request for Proposals (RFP) while ensuring that all the necessary information is included. Provision of all the necessary information enables the bidders to submit responsive bids.
- Solicitation documents shall provide for all the following:
  a) A clear and accurate description of the product or service to be procured
  b) Requirements which the bidder must fulfil and all other factors to be used in evaluating bids or proposals
  c) The evaluation criteria that shall be used in the evaluation process
  d) The deadline for submission of bids
  e) The proposed terms and conditions for the contract to be awarded

- Solicitation of the quotations shall depend on the procurement threshold within which the value falls. All procurements shall be done from prequalified suppliers of providers except where situations warrant use of unqualified vendors. The F&AD or her/his designate shall authorize such procurements.
- Where the procurement is estimated to be above UGX 100,000 but below UGX 1,500,000 only one quotation may suffice.

- To ensure a competitive procurement, the RFQ/RFP shall be issued to at least three shortlisted suppliers where the procurement is estimated to be above UGX 1,500,000. Suppliers shall be given at least 5 working days to prepare and submit responsive quotations. Late submissions shall not be accepted.

- If there is need to clarify any issue in the RFQ or RFP, the procurement department shall prepare an addendum and send it to all the prospective bidders.

- The Procurement department shall receive and record all the bids submitted and ensure their safe custody before being presented to the evaluation committee. Micro Procurement is a simple direct procurement method which shall be used for procurement requirements above UGX 100,000 but less than UGX 1,500,000. This method shall employ invoicing.

a. At least one quotation from a pre-qualified and eligible supplier or contractor
b. Bidding and advertising not required
c. Fax or Electronic email quotations are allowed
d. A formal signed Purchase Order is mandatory
e. The User Department should justify any work/supply/service with no purchasing order before payment processing
f. User Department and Manager Procurement approval required.

Quotation and Proposals are simplified procurement and disposal methods which compare price quotations obtained from several providers ,

- The Quotation and Proposal method shall be used to obtain competition and value for money to the extent possible, where the value or circumstances do not justify or permit open or restricted bidding procedures
- Quotations shall be used in works and supplies while proposals shall be used for services.
    - At least 3 suppliers or contractors are to be invited from the pre-qualified providers list to give quotations
    - Minimum bidding period of 2 working days
    - Advertising period may not be required
    - Bids are to be received and evaluated by Procurement Department and issuing a PO
    - Logistics Officer shall prepare all LPOs on the site below UGX 5,000,000 and approved by the Site Heads/Budget Holders.
    - Manager Procurement/ Procurement Coordinator shall prepare all LPOs in Kampala above UGX 100,000 and approved by the Finance and Administrative Director Restricted Domestic Bidding is the procurement or disposal method where bids are obtained by direct invitation without open advertisement. Restricted /Domestic /International Bidding is the procurement or disposal procedure where bids are obtained by direct invitation without open advertisement and the invited bidders include foreign providers. Restricted tendering is a procurement method where bids are obtained by direct invitation without open advertisement. Restricted tendering is used to obtain value for money to the extent possible where the value or circumstances don’t justify/permit the Open bidding procedure. Restricted International Bidding is the procurement or disposal procedure where bids are obtained by direct invitation without open advertisement and the invited bidders include foreign providers Open International Bidding is a procurement method which is open to the public for equal terms by all providers, through advertisement of the procurement opportunity specifically seeks to attract foreign providers Open Domestic Bidding is a procurement method which is open to participation on equal terms by all providers through advertisement of the procurement opportunity

Note: Open tendering is a procurement method which is open to participants on equal terms by all providers through advertisements or procurement opportunities. It shall be used to obtain maximum possible competition and Value for Money (VFM). Nothing shall prevent a foreign or international bidder from participating in the Open Tendering process.

3.3.2 The Evaluation Process

- The Procurement department shall carry out the bid opening and proceed with the bid evaluation accordingly.

- Purchases above UGX 100,000 but below UGX 1,500,000 shall not require evaluation as one quotation may suffice, the procurement department shall make recommendations to the Budget Holder based on the quotation received.

- To evaluate quotations for purchases costing above UGX 1,500,000 but less than UGX 2,500,000, the procurement department shall make recommendations to the Budget Holder based on the three quotations received.
- To evaluate quotations for purchases costing UGX 2,500,000 and above an Evaluation Committee will be constituted. The Evaluation Committee shall consist of a representative from the following departments, the user department/unit, the finance department, and the procurement department.

- For quotations for purchases costing above UGX 5,000,000 the Evaluation Committee shall carry out initial evaluation and forward their recommendations to the Procurement committee for further considerations and consultations to be made.

- In general, the lowest quotation for items with similar qualities shall be chosen. However, a higher quotation may be chosen if justification has been provided for example better terms of service and quality of items.

- The Evaluation committee shall consist of at least three members, one of whom shall be a technical person from the user department, a member from the procurement department and a member from the finance office.

- The evaluation exercise shall be conducted in accordance with the evaluation criteria and method pre-determined in the solicitation document to conduct a fair and unbiased evaluation. The evaluation process will be transparent, and therefore each step of the process shall be documented in an evaluation report which subsequently is the basis for the recommendation of award.
- The evaluation exercise will follow the following steps:

Step	**Action**
1	Conduct technical / quality evaluation (including evaluation of samples).
2	Conduct financial / commercial evaluation.
3	Conduct supplier evaluation.
4	Clarify offers.
5	Draft synopsis of evaluation reports and comparative analysis of results.
6	Determine the most advantageous offer

- The evaluation committee shall ensure that ABBRS gets the best value for money. Best value for money in the context of evaluation of offers, means that price alone is not always the only criterion factored into an evaluation method. Other criteria such as quality, availability, time, compliance, cost for maintenance and support, life cycle cost, etc. are part of the equation to determine the best return on investment of the procurement of goods, services or works.

- The last step in the evaluation process is the preparation of an evaluation report, which shall later be used as the basis for the recommendation of award. An evaluation report typically contains an executive summary of the evaluation process and its individual steps as outlined above. Any invalidation, rejection, non-compliance, and clarification of offers should be stated, including a list with the final ranking of the offers and the justification for the selection made. The evaluation report should be signed by all members present.

- In addition to all the above especially while using United States Government funds, the evaluation committee shall verify that selected suppliers have not been suspended from doing business with the United States Government. Verification can be completed at www.sam.gov and a printed record kept on the procurement file.

3.3.3 Contract Award

- The Procurement department shall submit the evaluation report to the procurement committee. The Procurement committee shall consider each submission made including all supporting documentation and approve or reject the recommendations of the evaluation committee.
    - All minutes of the Procurement committee shall be signed by the Chair and the Secretary and filled appropriately.

3.3.4 Production of the Local Purchase Order and Contract Agreements

Once the procurement committee has decided, the Procurement department shall prepare Local purchase orders or contract agreements where required.

- The LPO is raised by the Procurement Officer and is reviewed by the Procurement and Grants Manager and approved by the Finance and Administrative Director/a designated signatory or the Executive Director as per the approval thresholds below:
    a) A designated signatory at the site offices shall approve LPOs less than UGX 5,000,000
    b) LPOs originating from Kampala above UGX 100,000 shall be approved by Finance and Administrative Director (FAD)
    c) All LPOs above UGX 5,000,000 but less than 20,000,000 shall be approved by the FAD.
    d) The ED shall approve LPOs above UGX 20,000,000.

The Procurement department will ensure accuracy of the LPO, the Grants Manager shall review to ensure budget availability and the Finance & Administrative Director shall authorise the expenditure.

For all other contracts besides the LPO, the Finance & Administrative Director or the Executive Director will be the chief signatory according to the levels of authority and the Procurement Manager shall be the co-signatory (witness).

- All LPOs and Contract agreements shall bear all the required terms, conditions, and specifications. In addition, they will indicate contractual provisions or conditions that allow for administrative, contractual, or legal remedies in instances in which the supplier violates or breaches the contract.

- Contracts will contain suitable provisions for termination including the way termination shall be affected and the basis for settlement.

3.3.5 The Receiving Process Receiving of Supplies/Goods

- All procured supplies must go through the store and an inventory made of them. Copies of all invoices and LPOs shall be kept in the store.

- The accuracy of all delivered supplies in terms of the given specifications shall be verified by the technical person in-charge and the stores personnel at the point of delivery.

- Upon confirmation of accuracy of deliveries, the Stores personnel shall stamp the invoice and copies of the LPO and raise a Goods Received Note (GRN). In cases where the supplies do not meet the stated specifications, they shall be rejected, and a Goods Return Note signed.

- The stores personnel shall forward the tax invoice, delivery note, a copy of the purchase order and a GRN to the procurement department who shall attach other required documentation such as the evaluation report before submitting to the Finance department for payment processing. Receiving of Services

- The requisitioning department shall be responsible for monitoring the progress of the service contract and ensure that all the stated deliverables have been made. The user department shall submit a report to the procurement department. This report shall be the basis for payment processing. Handling of under or over deliveries

- In case of under delivery, the user department shall advise the stores personnel on whether to receive or reject the supplies. The stores personnel and the suppliers' representative shall both sign the delivery note confirming the actual goods received. The stores personnel shall Procurement & Disposal Manual 16 maintain an order tracking spreadsheet for consignments delivered in instalments. This shall make it easy to monitor deliveries but also make the process of making partial payments hurdle free.

- In case of over delivery, excess goods should not be accepted into the stores and the supplier should be requested to take them back and a Goods Return Note signed.

3.4 The Payment Process

- The procurement department is responsible for initiating supplier payments by submitting the relevant documents to the Finance office.

- The Procurement department will submit the required documents to the Finance office at the time at which the supplier is expected to be paid. Such documents include but are not limited to the following:

1. Supplier's Invoice
2. A delivery Note- In case of Supplies
3. A Goods Received Note-GRN –in case of supplies
4. A copy of the Purchase order. /A copy of the Service level contract.
5. For services, a copy of the report certifying that work was done satisfactorily
6. A copy of the certificate of completion-in case of works.
7. A copy of the Evaluation report, indicating how the contract was awarded.

- In cases of advance payments, the Procurement department shall provide the agreed contract terms and the approval of the Finance & Administrative Director and Executive Director to the Finance office as per the Procurement threshold.

- Partial payments are not encouraged in ABBRS however, in cases of partial payments, the Procurement department will in addition to the documents listed above provide details of the supplies and what the supplier is expected to deliver, amount to be paid as partial payment and the expected balance.

- In cases of progress payment: the Procurement department shall provide a copy of an agreed milestone e.g., a draft report to the Finance office.

- In cases of holdback payments, the Procurement department shall provide a copy of the supplier contract in which the payment terms are specified.

- Once the necessary documentation has been submitted to the Finance office, the normal payment processing process as highlighted in the Finance Management manual and the relevant Finance Standard Operating Procedures will be followed.

- Partial deliveries shall only be accepted twice on a given Local Purchase Order.

- **3.5 International Orders**
- On receipt of a requisition of goods/services which are not available on the local market, the Procurement department will identify potential oversees suppliers and seek the approval of the Procurement Committee prior to engaging the said supplier.

- Where two or more oversees suppliers are identified, they will be subjected to the ABBRS supplier evaluation process and the order shall be awarded to the selected supplier.

- The procurement department shall initiate the procurement process with the selected supplier by requesting them for a pro-forma invoice for a specific number of goods/materials. The pro-forma invoice will include the following:

    1. Total FOB Price
    2. Estimated Freight Cost - Air or Sea
    3. Total C&F value
    4. Country of Origin of goods
    5. Country of Shipment
    6. Delivery Time
    7. Terms of Payment –
    8. Banker Address
    9. Offer Validity (minimum 90 days)

- Once the proforma invoice is obtained, the procurement department shall prepare a Local purchase order for the goods/materials. Where an advance payment is required, a payment requisition will be prepared based on the LPO & the proforma invoice. An original copy of the LPO shall be sent to the supplier.
- Once the advance payment (where applicable) has been received by the supplier, the goods shall be dispatched and a copy of the commercial invoice, bill of lading and certificate of origin sent to ABBRS.
- The Procurement department shall contact a prequalified clearing and forwarding agent and share the copies of the supplier invoice, bill of lading and certificate of origin with them.
- The clearing agent will clear the goods and services and advice ABBRS of any tax payments where applicable.
- The clearing agent shall deliver the goods to a destination advised by ABBRS.
- The Procurement department shall process the clearing company's fees as per the ABBRS payment processing guidelines.

3.6 Exceptions to Competitive Procurement The requirement for competitive procurement as ABBRS official procurement method maybe waived to accommodate the following needs:

- When purchasing to meet emergencies
- When items are available only through a sole source. The procurement department shall on an annual basis submit a list of sole suppliers, Justification for this kind of procurement shall be approved by the Finance and Administrative Director or his/her designate before engaging these suppliers.

3.7 Emergency Procurements

An emergency exists when a timely decision must be made to prevent undesirable occurrences e.g., failure of a study because of absence of a critical reagent or Procurement in a situation where significant financial loss may occur or may result in a serious disruption to business. In case of an emergency the following procedure shall be followed:

- The user department shall seek approval from the Executive Director before such an emergency procurement can be processed by the procurement department.
- Once approval is obtained from the Executive Director, the procurement department shall procure the required item.

3.8 Non-prequalified Suppliers/ One off Vendors

ABBRS should always use prequalified suppliers. In circumstances listed below, the procurement unit shall be permitted to use non prequalified suppliers.,

Where ABBRS does not have prequalified firms for the category:

- Where the prequalified firms do not have the specific ABBRS goods, services, works
- Amount involved is less than Ugx.3, 000,000/= it shall be considered as a one off.
- The F &AD shall approve use of non- prequalified vendors for any procurement above Ugx.3,000,000/= but below Ugx.5,000,000/=
- The Procurement Committee shall approve use of non-prequalified vendors for any procurement above Ugx.5,000,000/=
- A list of non-prequalified vendors/ one off vendors used shall be presented for Procurement Committee ratification on an annual basis.

3.9 Payment Process

- The Procurement department is responsible for initiating supplier payments by submitting the relevant documents to the Finance office.
- The Procurement department will submit the required documents to the Finance office at the time at which the supplier is expected to be paid. Such documents include but are not limited to the following:
    1. Supplier's Invoice
    2. A delivery Note- in case of Supplies
    3. A Goods Received Note-GRN –in case of Supplies
    4. A copy of the Purchase order / a copy of the Service level contract.
    5. For Services, a copy of the report certifying that work was done satisfactorily
    6. A copy of the valuation certificate-in case of works.
    7. A copy of the Evaluation report, indicating how the contract was awarded.

- In cases of advance payments, the procurement department shall provide the agreed contract terms and the approval of the Finance & Administrative Director to the Finance office.

- In cases of partial payments, the procurement department shall in addition to the documents listed above provide details of the supplies that the supplier was expected to deliver, details of the partial delivery and the expected balance. Partial deliveries shall only be accepted twice on a given Local Purchase Order.

- In cases of progress payment, the procurement department shall provide a copy of an agreed milestone e.g., a draft report to the Finance office.

- In cases of holdback payments, the procurement department shall provide a copy of the supplier contract in which the payment terms are specified.

- Once the necessary documentation has been submitted to the Finance office, the normal payment processing process as highlighted in the Finance Management manual and the relevant Finance Standard Operating Procedures will be followed. Procurement & Disposal Manual

19 3.9 Contract Management /Memorandum of Understanding Contract Administration

The Procurement Manager shall manage the obligations specified in the contract The User Department shall monitor or supervise the implementation of the contract to ensure that the contract is implemented in accordance with the terms specified The Procurements department shall ensure that:

i. The service provider or supplier submits all the required documents:
ii. There is adequate cost, quality, and time control, where required
iii. Any required contract variations or change orders are submitted to and reviewed by the Procurement Committee and obtain the required approvals there from
iv. Any required contract modifications are prepared by the Procurement Department and the required approvals obtained before their issue
v. The duly signed modifications are handed over to the suppliers and copies kept by ABBRS
vi. ABBRS meets its payment and other terms in accordance with the contract.
vii. Any request from the User Department for termination of contract or cancellation of LPO, is approved by the Executive Director or his designee after due consideration of the following:
(a) Reasons for termination
(b) Cost for termination
(c) Contractual grounds for termination Contract Monitoring

The objective is to ensure that the supplier is performing in accordance with contract terms The Procurement Manager shall:

a. In case of works, in liaison with the User Department and Budget Holder, or any other approved party, check the quality, under repair or construction to ensure that it is in consistent with agreed quality.

b. Ensure that the relevant interim certificates of completion have been issued, where necessary for works.

c. Notify the supplier/service provider and User Department, in writing and on a timely basis, of any deviation from the contract obligations.

d. Assess the performance of the supplier/contractor and be able to negotiate within the contract terms and conditions solutions to an emerging problem. All this shall be done in writing and communicated to the relevant parties.

e. Link with the users, technical departments specialized in the item or works in question during the time of monitoring.

f. Ensure all the procedures and schedules for monitoring are documented and where necessary included in the bid documents and/or any other tender contract documents.

g. The Procurement Manager and User Department shall annually lead the renegotiation of renewable contracts including obtaining/ validation of value from existing suppliers.

Contract Termination

Either party to the contract may terminate the contract and give notice in writing based on the terms of the contract.

The Procurement Manager and/or User Department shall seek the advice of the Executive Director or his designee prior to considering such action Contracts shall not normally be terminated without examining all possible alternatives unless the termination is agreed by all parties to the contract.

The User Department must therefore examine the Contract carefully to be aware of all contract conditions, penalties and payments relating to the Contract Termination. The advice of the Company Lawyer shall also be taken into consideration in the preparation of any correspondence and settlement of any contractual penalties. Contract Amendment (Variation)

a. Contract amendment may become necessary because of the application of additional or reduced requirements by the User Department, agreements to extend the time schedule, or from accepted increases or decreases in prices.

b. Variations to contracts during the implementation stage cause very high burden on the User Department and to ABBRS. If the contribution from the variation to the final contract sum is high, it shall dilute the procurement process that was carried out when awarding the contract. Therefore, User Department must ensure that all professional and human efforts are taken to minimize this situation.

c. To minimize variations due to change of scope the User Department shall get a comprehensive briefing from the persons who are involved in design, whether they are internal or external consultant before inviting bids.

d. In case the aggregate variation exceed more than the contingency amount, and the User Department requires approval from the Finance and Administration Director /Executive Director for the varied amount.

e. To minimize variations due to inaccurate quantities or omissions in the Bill of Qualities (BOQ)/ Bill of Engineering Measurement and Evaluation (BEME), it is recommended that before the start of preparation of bidding documents, the User Department shall obtain a certificate from the persons who have prepared the BEME/BOQ that a second person has checked the BOQ for its accuracy and completeness. It is also highly recommended that when "Type" structures or buildings are constructed, to compare the BEME/BOQ with the final measurements made to such "Type" structure or building before finalizing the BEME/BOQ. f) Despite of the above, if the aggregate amount of the variations (due to quantity changes and extra works orders issued), is within the contingency provision (which shall be Procurement & Disposal Manual 21 10% maximum) the budget Holder/Grants Manager may approve the change order with notification to the Procurement Committee. Otherwise, it shall be referred to the Finance and Administration Director/Executive Director.

The Procurement Department and / or the User Department shall:

a. Identify and agree with the Supplier, Contractor, Service Provider, or Consultant the specific clauses in the contract which need to be changed, and the new values or terms and conditions which are to apply.

b. Notify the Budget Holder/ Finance and Administration Director of the intended changes so that Procurement department may prepare a draft contract amendment document for approval by the relevant authority together with a report justifying the reasons for the amendment

c. Obtain approval from the relevant authority (and no-objection to amendment of Contract terms from the Procurement Committee):

d. Distribute copies in the same way as the original contract. Contract Custody The responsibility to keep contracts in safe custody lies with the Procurement Department. However, the Procurement Department shall maintain copies of all contracts with suppliers for administrative purposes.

The Procurement Manager shall maintain a register of such contracts specifying the following:

i. Names of the contract parties
ii. Date of contract signing
iii. Contract duration
iv. Expiry date
v. Services rendered
vi. Contact person
vii. User department
viii. Review date

Note: The Procurement Department reserves the right to avail copies of the contract and/or any other information on the contract to third parties, unless required by the Law.

4.0 Upcountry/off station – based Procurement Guidelines

- Periodically, the Procurement Committee shall review and issue Procurement threshold for upcountry/off site procurement. Any procurement exceeding a given threshold shall be handled at the Central Procurement Unit. The current procurement threshold for the site offices is UGX 5,000,000.
- The Procurement Focal Person i.e., the head of a given site office, shall be responsible for coordinating and liaising with the Procurement department regarding the above-mentioned procurements.
- In case of offsite procurement, the person interested in undertaking the procurement shall contact the site Procurement Focal Person, who should liaise with the procurement department regarding the intended procurement. The process shall be expedited provided the need for the procurement is justified by the user department.
- All procurement made at site offices shall be procured from suppliers who are on the ABBRS prequalified suppliers list. Prequalification of suppliers while done centrally by the head office shall include suppliers that have operations in the site office area of operation.
- The procurement process shall follow the process outlined in the Procurement and Disposal of Assets Manual. In addition to this, Standard operating procedures on supplier evaluation, contracting suppliers and negotiating with suppliers should be adhered to.

Evaluation Committees and Meetings: The composition of the station's evaluation committees shall follow the process outlined in the Procurement and Disposal of Assets Manual.

- Before any order above UGX 5,000,000 is made, the Logistics Officer shall forward the evaluation report to the Procurement department, who shall in turn submit it to the Procurement committee for review and approval of contract award within seven working days.

- **Contract Award Process:** Upon approval of the Evaluation report, the procurement department shall notify the Logistics Officer of the outcome and they shall proceed to raise the Local Purchase orders. In cases where a supplier requires a contract for services to be rendered, the contract shall be drawn by the Head office, reviewed by the User department and Supplier, and signed by the Finance Administrative Director or Executive Director. The site office shall not enter any legal contracts with any suppliers/service providers on behalf of ABBRS.

- **Signatories to Purchase Orders:** The Logistics Officer (or any assigned staff) shall raise the Local Purchase Order (LPO), the Administrative Officer shall review the LPO, and the Head of the Site Office shall approve the LPO on behalf of the Executive Director

- **Receiving Process:** The site office's Stores Officer shall be responsible for receiving the supplies.

- **Payment Process:** The Logistics Officer shall submit the required supplier documentation to the finance office who shall in turn process the supplier payments in accordance with the Finance Management manual, normally with fourteen working days.

5.0 Disposal of ABBRS Assets

5.1 Policy Objective

This policy guides the process of disposal of program assets. It is a reference point or basis upon which decisions on the management and disposal of assets shall be made.

5.2 Definitions Asset: Any item listed in the ABBRS's register with a value of $5,000 and above. Disposal: Release from ownership, custody, or management of the physical resources by ABBRS.

5.3 Reasons for Disposal of Assets

- To decongest the existing storage facilities to create space for more deserving materials.
- To get rid of excess assets that are not expected to be put to rational use in the foreseeable future.
- To guard against expiry of consumable assets that will likely not be utilised within the prescribed time.
- To guard against depreciation and spoilage of assets no longer in use.
- To get rid of assets that can no longer be utilised cost effectively.
- To get rid of defective assets judged not to be reparable.
- To generate revenue for facilitating the collaboration's financial plans.
- To comply with prevailing regulations e.g., by government legislations or donor regulations.

5.4 Authority: The Procurement Committee shall be responsible for the disposal of collaboration assets in consultation with the Principal Investigator(s) and the Executive Director.

5.5 Identification of Assets for Disposal: Heads of studies or departments who have been managing and maintaining the assets in their studies/departments shall liaise with the Procurement department to identify and recommend assets for disposal.

a. The Procurement department will present a detailed report to the Principal Investigator, Finance and Administrative Director and the Executive Director recommending disposal of the items.
b. The report will include the following information:
  i. Complete description of the assets including brand name, model and serial numbers where applicable,
  ii. Asset number where applicable,
  iii. Date of purchase, iv. Purchase price.
c. The Principal Investigator, Finance and Administrative Director and Executive Director shall make a final decision about the assets to be disposed of. d. Procurement Committee will be responsible for the authorisation of the method for Assets disposal as recommended by the Procurement Department or advise otherwise.

5.6 Inventories for Non-operational Assets: A special inventory shall be created to accommodate collaboration assets that have been designated as non-operational. Once such assets have been identified by the user department, they shall be removed from the inventory of operational assets and registered in the inventory of non-operational assets

5.7 Valuation of Assets: Assets to be disposed of through sale, trade off or hiring out shall be valued by technical organizations to be approved by the Procurement Committee

5.8 Methods of Assets Disposal: The ABBRS Procurement Committee shall decide on the method of disposal of the assets and that shall include:-

- Donations
- Sale by either bidding or auction
- Trade off/Exchange
- Destruction
- Return to bonafide owners (e.g., funding agencies, government)

5.9 Disposal Process

Every six months, lists of obsolete items or those they no longer need for normal business operations shall be prepared and submitted to the Procurement Department through their relevant Logistics Officers upon approval by the Project Coordinators.

i. On verification of the advised items, the Procurement department will compile a list for disposal and send the same to the Executive Director for approval, through the Finance Administrative Director.
ii. The Procurement department shall apply the approved disposal method.
iii. The bids shall be presented for Procurement Committee approval
iv. The Procurement department shall award as per the Procurement Committee resolutions
v. The following used assets: Motor vehicles, generators, motorcycles, computers, mini servers, photocopiers, and any other asset shall then be consolidated, and a Disposal Authorization Report prepared. The report shall list all assets to be disposed and indicate the book value as well as the market value where applicable.

vi. In case it does not make economic sense to run adverts in the press and go through the bidding process, bidding may with the approval of the Executive Director be organized internally for staffs that have expressed interest in the items in question.
vii. vii. Disposal of items shall be by the methods described above in 5.9.3
viii. A Disposal Evaluation report shall be prepared by the Procurement Department and approved by the Procurement Committee before any destruction of documents/assets is done including a destruction certificate properly authorized.
ix. The bidder shall be solely responsible for transferring the assets from ABBRS into their names.
x. Assets shall be released to the bidder upon payment and written off in the ABBRS' asset register.

6.0 Award of Disposal Bid

An award of a disposal bid shall be by declaration of the successful bidder in case of auction or a decision of the Procurement Committee as the highest bidder may not necessarily be the qualified bidder. The Procurement Committee shall approve disposal bids above UGX 5,000,000. The FAD shall approve disposal bids of values less than UGX 5,000,000. The Procurement Department shall communicate in writing the decision to award to the successful bidder.

6.1 Proceeds from Disposed Assets

All financial transactions related to the disposal of assets shall be concluded with the ABBRS' Accountant. An official receipt shall be issued for any payment made to the collaboration in respect of the said disposal.

For Assets procured from the funders such as the NIH, EDCTP, LIFEARC etc, authorisation for Disposal method will sought from the funders. The proceeds shall go to back to the project if it is still running or used according to funding agency rules. If the project is not running these funds shall be sent to the ABBRS Overheads Account. Funder's guidelines shall be adhered to when such funds are being used. projects, funds will be used as per the NIH rules and regulations.

6.2 Destruction

Disposal by this method should only be used when all other methods have been explored. All arrangements for destruction must be carried out under the supervision of an ABBRS staff in charge of a particular disposal. The Finance Administrative Director or Executive Director shall approve the disposal for destruction in compliance with the funding agency rules.

6.3 Approval by Donation

The ED shall approve the disposal by donation.