

Procurement and Procedures Manual



FEDERATION OF FISHERIES ORGANISATIONS UGANDA
FFOU

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1.0 Background

The Federation of Association Organisations Uganda is committed to good governance through the use of well documented policy design procedures and structures. In order to accomplish its goals the, Federation of Fisheries Organisations Uganda has drafted and, will enforce the use of the Procurement manual alongside the financial manual and Human Resource Manual to ensure that there is transparency and accountability while executing FFOU 's duties as well as the use of standardized best practices. These policies and procedure manual will be used to guide both, the long term strategic goals of FFOU and the day to day operations of all resources entrusted to the management of the Federation while fostering acceptable ethical and moral conduct in all its dealing with third parties. It will ensure best price and best quality on all its procurements and increase the integrity of all financial performance reports generated by the Federation.

In execution of its mandate, the Federation will appoint a procurement committee to handle specific aspects of its procurement activities (opening bid documents, prequalifying vendors and disqualifying vendors who do not measure to the Federations expectations). This procurement manual provides for competition at arms lengths (dealings) between the Federation and its vendors to ensure fairness and value for money on every item.

2.0 Procurement

2.0.1 Procurement Policy objectives

The overall purpose of the Procurement Manual is to support staff and Management in carrying out the procurement function efficiently and effectively so as to achieve the desired organisational goals and objectives by:-

- i. Ensuring that the best value for money is got through competitive bidding in the procurement process.
- ii. Minimize the cost of procurement, for instance by purchasing in bulk as is necessary, but strike a balance between the benefits from discounts and the cost of carrying stocks.
- iii. Maintain a formally pre-qualified list of suppliers based on quality, service, reliability and financial standing. In the event of post qualification a formal procedure should be followed to evaluate potential suppliers.
- iv. Ensure that procurement is per approved budgets and procurement plans and where it is not, an explanation should be given to justify the course of action.
- v. Ensure that all procurement activities comply both with the letter and spirit of the procedures laid out in this manual to achieve levels of transparency, utmost good faith, fairness and integrity in the entire procurement cycle.
- vi. Ensure continuous improvement in the procurement process in order to achieve contemporary best practice and attract more donors.
- vii. Maintain segregation of duties in both the procurement and authorization processes.

2.0.2 Policy Statement

All staff members shall comply with the following general principles:

- i. Procurement of goods, works and services shall be undertaken using an appropriate procurement method as stipulated in this manual or in accordance with donor requirements.
- ii. Ensuring the achievement of best total value and the impartial and equitable treatment of bidders requires following four guiding principles of fairness, transparency, competition, and value that underlay the Federation procurement process. These principles are employed globally in all procurements including the development of long-term master agreements. There shall be transparency in the procurement processes.

3.0 Key documents include

- Strategic plan
- Budget Plan
- Annual work plans
- Procurement plan
- Pre-qualification Plan

4.0 Responsible staff to execute the Manual

- Management of FFOU
- Accounts and Administration departments
- Program staff

5.0 Basic Principles

- The Federation of Fisheries Organisation Uganda (FFOU) will operate in open competition and ensure that the qualified bidders are given an opportunity to participate.
- Accountability: - FFOU will ensure that there is accountability for the funds of all procured goods and services.
- Transparency of procurement process -The policies and procedures in this procurement manual are designed to ensure that there is transparency, cost effective, quality of goods and services and timely.
- Adhere to the procurement regulations, VAT, WHT are observed while executing procurement of goods and services, Follow Donor requirements, avoid being compromised by vendors and confidentiality of reserved prices.

6.0 Fraud and Corruption

The donors require that FFOU and its vendors of goods and services observe the highest standards of ethics during the procurement of goods and services and should not breach the contract. Staff are encouraged to be honest while executing their duties and soliciting of bribes is highly prohibited.

6.0.1 Corruption:

This is an act of soliciting money from a vendor or from a service provider either directly or indirectly, falsifying, altering or concealing of evidence that harm the organisations profile.

6.0.2 Fraudulent practice:

Is any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a vendor or any partner to obtain a financial or other benefit or to avoid an obligation.

7.0 Partnership and Sub Grantee

FFOU may partner with other organisations, agencies or parastatals in certain components and is required to observe high professional standards when executing its mandate. When FFOU engages a partner, then the partner becomes a sub recipient and FFOU becomes the recipients of the donor.

7.0.1 Wrong procurement:-

The donor shall not finance expenditures for goods and works which have not been procured in accordance with the agreed provisions in the Grant Agreement with the donor/s and as further elaborated in the Procurement Plan. In such cases, the Donor will declare misprocurement, and will cancel that portion of the grant allocated to the goods and works that have been mis-procured by FFOU and, in addition, may exercise other remedies provided for under the Grant Agreement. Even once the contract is awarded after obtaining a “no objection” from the donor the donor may still declare misprocurement if it concludes that the “no objection” was issued on the basis of incomplete, inaccurate, or misleading information furnished by FFOU or the terms and conditions of the contract had been modified without the donor’s approval.

The grantee agreement will have to specify what kind of procurement restrictions to be followed by the grantee. The donor will also have to specify what needs to be purchased with donor money and why, for example for purchase of capital cost like project vehicles, the donor should specify where to procure them and also specify countries blacklisted by the donors.

At sub grantees level FFOU shall not finance expenditures for goods and works which have not been procured in accordance with the agreed provisions in the sub grant agreement with the sub grantee. Donors too will not fund procurements that were not agreed on earlier in the budget.

8.0 Prequalification:

Vendors are prequalified in order to get the best supplier of goods and services. Prequalified vendors can be sustained for a period of twelve months unless the prequalified vendors supply substandard items.

8.0.1 Requests for quotation

The organisation may request for a quotation from the vendors especially if the organisation is going to procure items which has a nominal value of 500,000 (Five hundred thousand shillings only) and above. FFOU will at all times require a minimum of three quotations which will be evaluated by the Finance and procurement committee.

8.2 Procurement procedure

All goods and services of the organisation which are procured by the organisation must be authorised by the procurement committee and senior management team and must be in line with the budget and this can be evidenced by the goods received or services rendered.

9.0 Procurement and disposal committee

The procurement and Disposal committee shall have the overall responsibility of managing all procurement, contracting and disposal activities within FFOU. The procurement and disposal committee shall be adequately staffed with procurement professionals to enhance efficient and effective procurement that meets the main principles of procurement identified in this manual.

10 Evaluation Committee

This Committee shall be appointed by the Procurement & Disposal Committee and the membership of the evaluation committee shall be recommended by the procurement and Disposal Committee, and approved by Management.

The Evaluation Committee shall be an ad hoc Committee formed to evaluate a specific tender or procurement. The committee shall comprise of a person from the user Department and the procurement and Disposal Committee staff, among other members. The Committee shall be responsible for evaluating the contract based on the predetermined criteria and recommending award of contracts.

11. Bidding

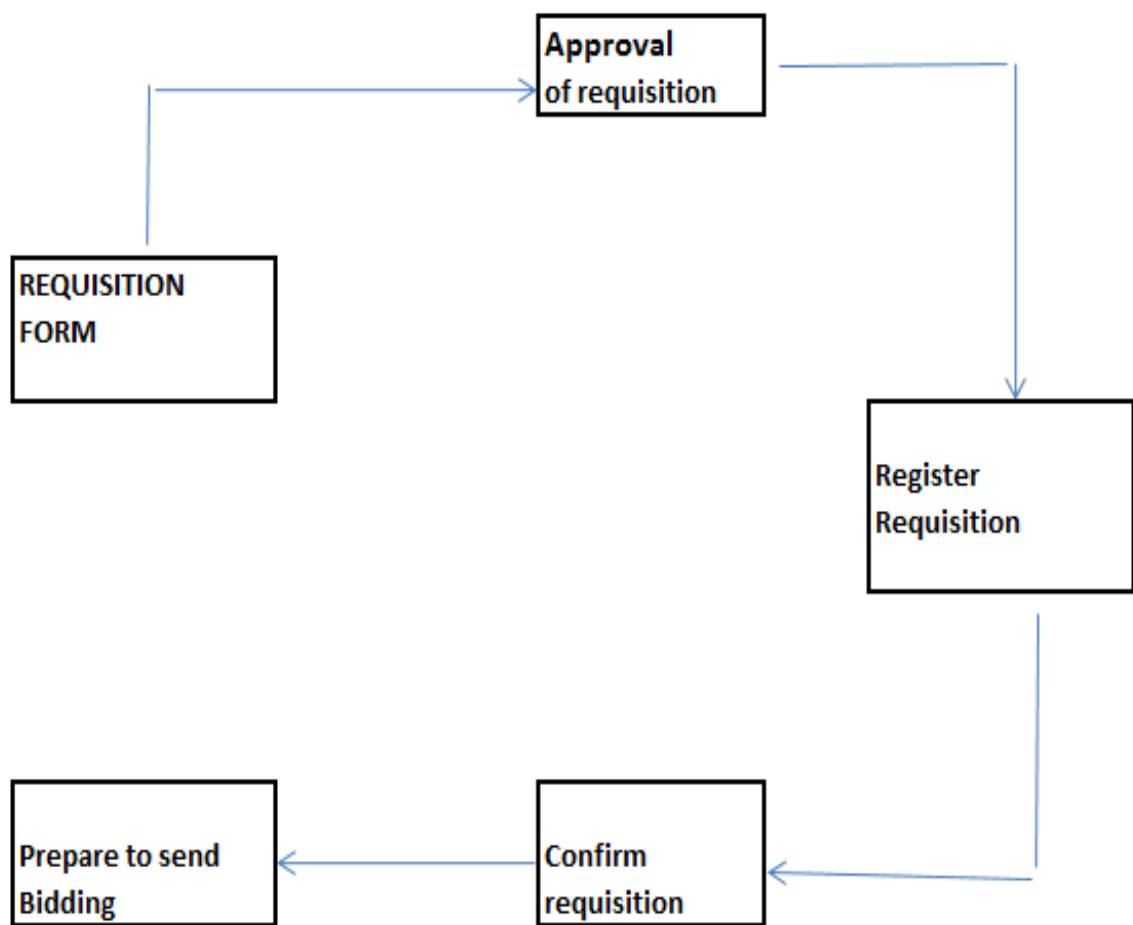
Fair and open competition should be given to qualified bidders an equal opportunity to participate; FFOU has the right to reserve prices.

12. Open bidding

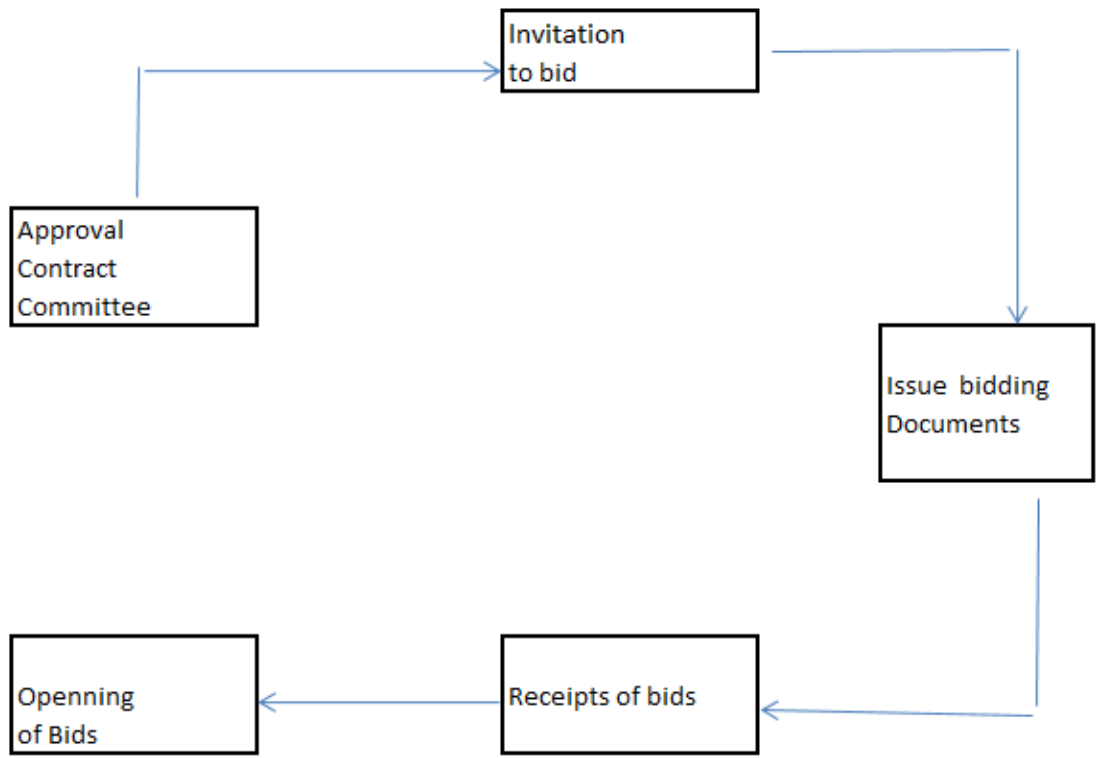
Under open bidding procedures, all interested eligible firms are given an equal opportunity to submit a bid. The invitation to bid is advertised in at least one national/regional newspapers/newsletter, under open bidding procedures, all

persons wishing to bid can obtain or receive bid documents in accordance with the procedures laid down in the contract notice. Open bidding can be invited from regional or national competitive bidders. Placing a bid request in newspaper for regional and national inviting local bidders. For purpose of FFOU, local bidders shall be taken to mean bids originating from Uganda, Where national competitive bidding method has been used, foreign bidders responding to a local advert shall not be excluded from bidding.

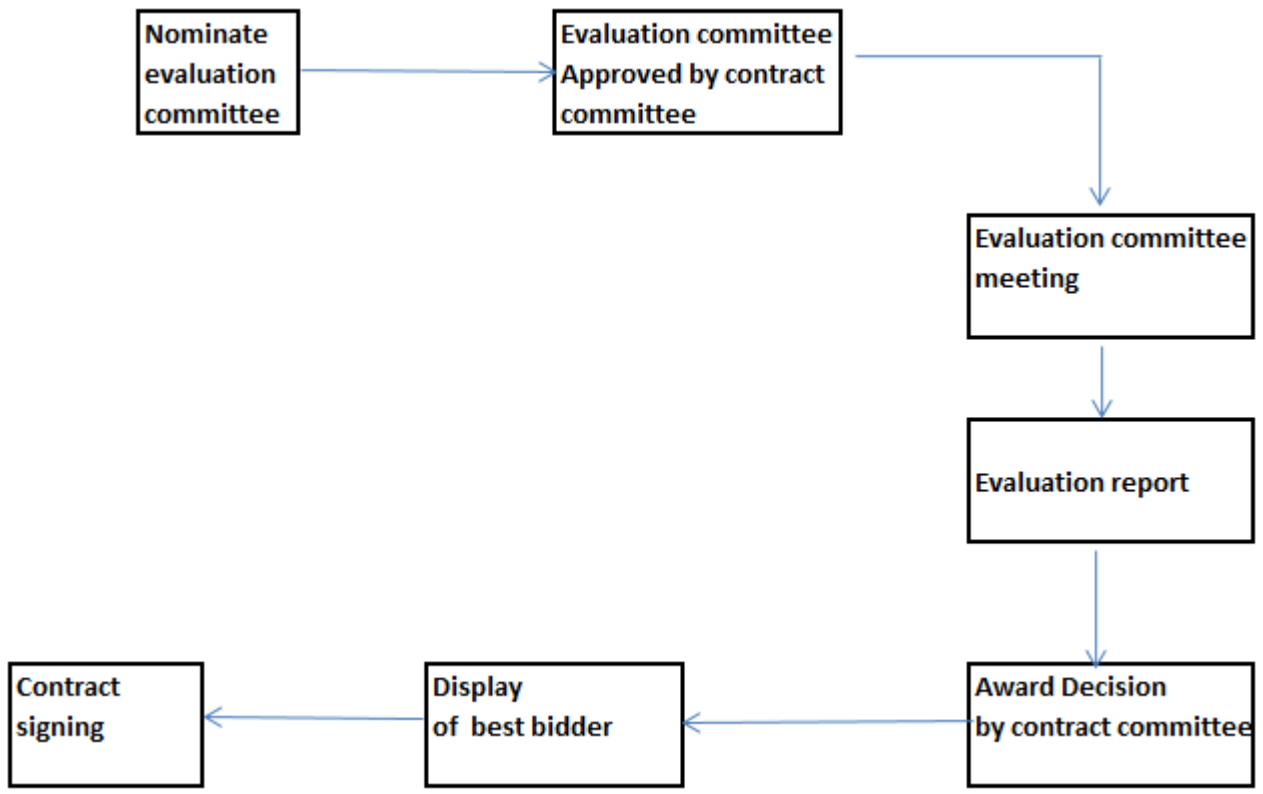
12.1 The Flow Chart for Request to Procure Items



12.2 The Flow Chart of Bidding Process



12.3 Bid Evaluation and Contract Award



12.4 Rejection of Bids

FFOU shall reject all bids when there is lack of effective competition, or when bid prices are substantially higher than existing budget. Lack of competition shall not be determined solely on the basis of the number of bidders but will follow and look for number of issues.

FFOU shall review the causes justifying the rejection and consider making revisions to the conditions of contract, design and specifications, scope of the contract, or a combination of these, before inviting new bids. If the rejection of all bids is due to lack of competition, wider advertising shall be considered. If the rejection is due to most or all of the bids being non responsive, new bids may be invited from the initially prequalified firms, or with the agreement of the Donor from only those that submitted bids in the first instance.

FFOU will investigate causes for the excessive cost and consider requesting new bids as described in the previous paragraphs. Alternatively, FFOU may negotiate with the lowest evaluated bidder to try to obtain a satisfactory contract through a reduction in the scope and/or a reallocation of risk and responsibility which can be reflected in a reduction of the contract price.

12.5 Pre-qualification

- Pre-qualification is appropriate to both goods, works and services which include specific and routine supplies. Only those providers short listed through pre-qualification would be invited to submit a bid.
- The invitation to pre-qualify for bidding shall be advertised and notified. The scope of the contract and a clear statement of the requirements for qualification shall be sent to those who responded to the invitation.
- Pre-qualification shall be based entirely upon the capability and resources of prospective participants to perform the particular contract satisfactorily, taking into account.
- The experience and past performance on similar contracts.
- Capabilities with respect to personnel, equipment, and construction or manufacturing facilities, and their financial position.
- The pre-qualification criteria shall be specified in the pre-qualification documents and can be in the form of pass/fail criteria.
- To ensure competitiveness, a minimum of three participants shall be pre-qualified and invited to bid.

12.5 Procurement Guidelines

(For Acquiring Goods and Services)

- All goods and services procured must be subjected to bidding for supply of goods and services by advertising in the local media such as new vision, monitor and electronic media. FFOU procurement Policy objectives are to ensure that:-
- There is maximum value for money through an orderly, efficient and effective execution of procurement items, competition is secured throughout the procurement process, and all staff members shall comply with the set guiding rules.
- The procurement of goods, works and services is to be conducted with the ultimate aim of optimising value for money to the benefit of FFOU.
- Clearly written specifications procurement of goods, works and services.
- Supplies requisitions shall be prepared by the user department and approved by the respective budget holder, and the Procurement of goods, works and services shall be undertaken in the most transparent manner that is consistent the FFOU procurement guidelines.

12.6 Key documents before payments:-

- Procurement Requisition Form (PRF)
- Terms of reference (ToR)
- Checklist for the evaluation of consultants
- Evaluation report
- Schedule of rates payable to consultants
- Schedule of consultants
- Consultancy contracts
- Procurement plan

12.7 Responsible officers

- Executive Director
- Finance accountant
- Budget holders
- Programme Staff

12.8 The Selection Process

- The selection process shall include the following steps:
- Preparation of the TOR;
- Preparation of cost estimate and the budget;
- Advertising;
- Preparation and issuance of the RFP [which should include: the Letter of Invitation (LOI); Instructions to Consultants (ITC); the TOR and the proposed draft contract];