



Evidence | Innovation | Engagement

DRAFT

PROCUREMENT POLICY & PROCEDURES

2023

Document Version: Draft-001
Date of Last Revision: August 2023
Status: Final for peer review

Contents

.....	0
Definitions	2
1. INTRODUCTION	4
2. SETTING OF REGULATIONS	4
3. SCOPE OF APPLICATION	5
4. COMPLIANCE AND CONFIDENTIALITY	5
5. PROCUREMENT CODE OF CONDUCT	6
6. PROCUREMENT GUIDING PRINCIPLES	7
7. PROCUREMENT MANAGEMENT	10
8. THE ANNUAL PROCUREMENT ESTIMATE	10
9. THE PROCUREMENT CYCLE	11
10. PROCUREMENT METHODS	12
11. ROLES, RESPONSIBILITIES AND APPROVAL LIMITS	17
12. PROCUREMENT TOOLS & GUIDANCE	20
13. PROCUREMENT EVALUATION	22
14. SOURCING FOR CONSULTANTS	23
15. INTERNAL CONTROLS AND RISK MANAGEMENT	25
16. APPENDICES	0

Definitions

"Annual Procurement Estimate (APE)" means a document detailing all goods, works and services that Usawa plans to procure; usually within a one-year period. It includes estimated budgets and budget lines, methods of procurement, and activity timelines.

"Bid" means a quotation or proposal submitted by an interested service provider, supplier, or consultant.

"Bidder" means an individual, firm, or entity submitting a bid or proposal in response to an invitation to bid.

"Budget Holder" means a staff member, typically a manager, who has been given the authority and responsibility of overseeing the daily operations of a unit/department and its entire budget.

"Contract" means an agreement between two or more parties with specific terms and conditions for the provision of goods, works, or services

"Deliverables" mean the tangible outputs of a contract, such as a research paper, an evaluation study, or accommodation and conferencing facilities.

"Deviation" refers to a decision made not to follow the Procurement Policy or Procedures due to exceptional circumstances, usually in the best interests of Usawa.

"e-procurement" refers to Usawa's usage of information and communication technology in its procurement processes.

"Goods" refers to items in solid, liquid, or gaseous form, such as raw materials, finished goods, equipment, machinery, etc.

"Highest Rated Proposal" means the bid determined to be the best following an evaluation and ranking of all received proposals.

"Invitation to Tender" refers to the initial stage of a competitive tendering process, where suppliers, contractors, service providers, or consultants are requested to submit bids for the supply of goods, works, or services.

"Non-Consultancy Services" refers to activities that do not demand technical expertise, e.g. cleaning, sanitation, gardening, etc.

"Preferred Supplier/Service Provider List" means the list of suppliers or service providers that have been vetted and approved by Usawa to provide goods and services without the need to solicit quotes from other suppliers.

"Preferred Supplier/Service Provider" means a supplier/service provider who has been vetted and contracted to deliver goods or services to Usawa; usually for a period of one year.

"Procurement" means the formal process of acquisition of goods and services

"Procurement process" refers to the sequential steps of a procurement cycle that includes: development of a procurement plan, forecasting, choosing the techniques and strategies to solicit bids from potential suppliers, bid evaluation, contract awarding, and contract management.

"Purchase Order (PO)" means a formal document that is sent to a supplier, contractor, service provider or consultant requesting for the delivery of specific goods, works, or services, with relevant details about the purchase. Once accepted, it legally binds Usawa and the supplier/service provider/contractor/consultant.

"Purchase Request Form (PRF)" refers to an internal document used to request for the procurement of goods, works, or services. The user must clearly describe what has to be acquired and why.

"Quotation" refers to a formal written declaration (usually given in response to a Request for Quotation) of intent to provide the goods/services/works sought by Usawa at certain prices and within a specific time period. It may also include any other relevant information such as warranties, terms of payment, and conditions for sale.

"Request for Proposal (RFP)" refers a document used in an open tender to source for a supplier/service provider. The RFP informs prospective bidders of the tender requirements (e.g. necessary qualifications, experience) to carry out the assignment, and the procedures to follow when submitting a proposal.

"Request for Quotation (RFQ)" refers to the process of requesting for price quotes from potential suppliers/service providers for the supply of goods, services, or works. Usawa shall undertake this exercise after determining exactly what needs to be procured and seeks to know how much it will cost.

"Requirements" this is a general term used to refer to the needs of an assignment.

"Services" this is a general term used to refer to the outputs to be provided by a service provider or supplier.

"Single Source Purchase(s)" refers to the process of selecting a supplier without considering alternative suppliers. It involves sending an RFP or RFQ for the supply of goods or services to a preferred or prequalified supplier

"Sole Provider" means a supplier/service provider deemed to be the only one that can provide the required goods or services.

"Specifications" refer to a detailed description of the attributes of an item, typically used when purchasing goods and supplies.

"Supplier" means an individual person, corporation, partnership, organisation, company supplying goods, works or services.

"Tender/Public Tender" refers to a procurement method in which any qualified supplier in the open market can be invited to submit a quote to provide goods, works or services.

"Terms of Reference (TOR)" refer to a detailed description of what is required from an assignment and includes information on the context, scope of work, the deliverables and timeframes. The TOR is used in conjunction with the invitation to tender for the provision of goods, works, or services.

"Threshold(s)" the monetary values prescribed by the Usawa to establish which Procurement Method must be used in relation to the different procurement categories

"Works" refers to routine or non-routine activities involved in the creation, alteration, or maintenance of an item, structure, systems etc.

I. INTRODUCTION

I.1 Status

Usawa Agenda is a not-for-profit company limited by guarantee and not having a share capital, registered under The Companies Act 2015 with registration certificate number CLG-R9F8JX. Usawa's activities throughout the country and globally are managed through Usawa.

Usawa's mission is to promote systems' change for education justice through research, advocacy and stakeholder engagement. The name 'Usawa' is Swahili for 'Equality/Equity', which underscores our commitment to the pursuit of education justice through systems' change, and underpins our strong conviction that the school system can be responsive to the unique needs of every child and enable them to access and benefit from quality education.

Throughout its first year of operation, Usawa was hosted by Twaweza (Kenya), its parent organisation. A Memorandum of Understanding (MOU) between Twaweza and Usawa also permitted Twaweza to oversee Usawa's financial operations until 31 December, 2020. Usawa officially became an independent entity with full autonomy to manage its own affairs on January 1, 2021.

I.2 Objective of the Policy

The objective of this Procurement Policy and Procedures (Procurement Policy) is to provide fundamental guidance on best practices when conducting procurement for goods and services. This Policy is rooted in Usawa's commitment to continuous benchmarking and performance driven improvements for its procurement processes.

I.3 Purpose of the Policy

In pursuit of its mission, Usawa regularly acquisitions for goods, works and services from external sources for the implementation of its activities.

Being conscious to the fact that it has been entrusted with private funding to carry out this mandate, Usawa has developed this Procurement Policy to establish and articulate the guiding principles, roles, authority levels, rights, regulations and procedures for the procurement of goods, works, and/or services in a cost-effective manner, at the required specifications and within provided timelines.

Specifically, this Policy will be used by procurement officials, user departments and any other persons who are directly involved in the procurement process to:

- Ensure best practices and standards are adhered to throughout the procurement process;
- Have a common understanding of Usawa procurement processes to ensure consistency and clarity during the selection, contracting, management and monitoring of suppliers and/or consultants;
- Establish an inclusive atmosphere that will ensure equal opportunity and fair treatment of all prospective suppliers or consultants.

2. SETTING OF REGULATIONS

The major policies and regulations of Usawa Agenda shall be set by the Board of Directors (BoD) consistent with Usawa Agenda Articles of Association and in line with changes in legislation.

The Board reserves the right to revoke, add or amend the Regulations at any time as may be needed.

Usawa Agenda employees shall generally enjoy the right to reasonable information, consultation and participation in respect to the formation of the Regulations. The Executive Director shall establish an appropriate process, mechanism and schedule, through which employees may, at least once a year, submit recommendations for changes to Usawa Agenda Regulations.

Once approved and ratified by the BoD, the Executive Director shall be the interpreter of Usawa Agenda Policies and Regulations on behalf of the Board of Directors.

3. SCOPE OF APPLICATION

The procedures outlined in this Policy are applicable but not limited to the procurement of goods, works, services and consultancies. It covers the standard procurement cycle from project initiation to final delivery/performance to contract closeout.

In application of this Policy, budgetary restrictions and approval procedures shall be applied.

This Policy shall apply to all user units, staff, (short term and long term, managers, directors), Usawa partners, as well as any other individual, group, or entity who may be given authority to commit the organisation's funds through the acquisition of goods, works or services for, or on behalf of Usawa, OR through management of ongoing contractual relationships for the provision of goods, works, and/or services to or on behalf of Usawa.

Exemptions

- i) This Policy does not cover payments made to partners in respect of project implementation. The responsible unit(s) shall be guided by the Partnership Agreement and related procedures for partnership identification, selection and engagement;
- ii) Where relevant, the procurement of services for individual consultants shall be guided by the contractual obligations provided in the individual consultant agreements;
- iii) Recruitment of employees, casual and/or temporary workers, and graduate training and internship programs etc. shall be governed by the Human Resources Manual and contractual obligations provided in the individual agreements;
- iv) Additionally, asset management and asset disposal procedures shall be guided by the principles and procedures stipulated in the Finance and Administration Policy;
- v) Where relevant, banking and financial services as prescribed herein shall refer to the contexts guided by this Policy for the procurement of goods, works and services. However, these procedures shall also be governed by the Finance and Administration Policy.

4. COMPLIANCE AND CONFIDENTIALITY

4.1 Compliance

Adherence to this Policy is mandatory for all procurement officials, user departments and any other persons who are directly involved in Usawa procurement processes. Non-compliance shall constitute a breach of existing contractual agreements.

Prescriptions

- i) Any deviation from the Policy regulations and guidelines for whatever reason must be authorized in writing by the Executive Director;
- ii) Any modifications thereof, shall be effective from a date approved by the Board of Directors, and communicated by the Operations Manager;
- iii) Where specific responsibilities are delineated, persons responsible shall be required to discharge their responsibilities fully in accordance with this and other organisation policies;
- iv) All staff involved in the procurement process, including managers and supervisors are responsible for reading and understanding these regulations and any amendments made to them;
- v) Ignorance of any of these regulations will not be accepted as an excuse for failure to act appropriately upon any matter or comply with the regulations as stated in the policies herein;
- vi) Any employee who causes significant loss or damage to Usawa Agenda through non-compliance to this Policy may be held personally liable, and shall be subject to disciplinary

action. The Appointing Authority shall make such determinations in a fair and consistent manner, and provide reasons for the determination in writing. The employee concerned shall have right to a fair hearing and right to appeal in accordance with applicable provisions for the same as set forth in this Policy;

- vii) All employees who have knowledge of non-compliance of any of the provided regulations and guidelines shall be responsible for promptly alerting the Executive Director of the matter;
- viii) Compliance with applicable laws and regulations (including those governing data protection) is strictly required for all parties.

4.2 Confidentiality

While this Policy may be shared with potential suppliers, development partners, implementation partners, and incorporated into any resulting contractual relationship, sensitive aspects of the procurement process shall remain confidential.

Bids received from applicants are strictly confidential to Usawa and shall not be shared with potential applicants or existing suppliers in order to ensure fair and unbiased competition.

The results of any bids may be shared directly with the applicant only.

5. PROCUREMENT CODE OF CONDUCT

5.1 Best interest of Usawa: Usawa procurement activities shall be carried out in a manner that best enables it to meet its general and specific objectives. All parties involved shall conduct themselves in a manner that aligns with the procurement principles.

5.2 Employee Conduct: Throughout the procurement cycle, employees must conduct themselves professionally and ethically, uphold the highest standards of integrity, act in good faith, and exercise good judgement. In addition to the regulations provided herein, employees shall be governed by the Employee Code of Conduct code (*as provided in the Human Resources Manual*) in their behaviour, actions, and performance while engaged in any aspect of the procurement cycle.

5.3 Conflict of interest: No employee, officer, or agent may take part in the selection, awarding, or administration of a bid or contract where there is an apparent or real conflict of interest.

- A conflict of interest may arise when an employee, official, agent, member of their immediate family, their partner, or an organisation that currently employs or soon will be employing any of the persons specified has a financial or other stake in the company selected for an award.
- All conflict of interest with the organization's operations must be reported to the relevant Appointing Authority.

5.4 Competition: All procurement transactions shall be conducted in a manner that provides open and fair competition, to the maximum extent practical.

Non-competitive practices that may hinder, restrict or eliminate competition shall be avoided and reported (with written documentation). They include but are not limited to:

- Placing unreasonable requirements on suppliers in order to prequalify them e.g. unnecessary experience;
- Encouraging unfair pricing practices among suppliers and affiliated companies;
- Requisitioning for a specific brand name product instead of allowing an equivalent product that meets similar the specifications of that being procured to be quoted;
- Arbitrary actions in the procurement process.

5.5 Accepting gifts from suppliers: Usawa employees, shall not accept or solicit money, services, entertainment, or favours from current or prospective suppliers on or off work premises. Even if it the gifts may be of seemingly less value than contract for award, such gratuities can give rise to or appearance of conflict of interest. Employees must inform suppliers, potential suppliers and others of this no-gift policy. Exceptions to this gift policy may be made only with written approval of the Executive Director.

The following shall apply if an employee or user unit receives a gift:

- i) If feasible, the gift shall be returned to the supplier informing them of the no-gift policy;
- ii) If not feasible, the gift may be raffled to all employees and the proceeds donated to a worthy cause;
 - Plants/flowers shall be displayed in a central location for the enjoyment by all staff;
 - Books and any other reading material shall be placed in the company library;
 - Large volume gifts that may arrive during the holidays period or other times of the year when gift giving is a tradition shall belong to all staff even if addressed to a single employee or user unit. Such gifts must be registered with the Operations (OPs) Manager or Human Resources Officer and distributed and shared with all staff during official working hours, following an email notice.

Exemptions to the Gifting Policy

- i) Gifts received at conference events, training events, seminars, or trade shows, which are offered equally to members of the public attending the event;
- ii) Food, beverages, and other items received at events and parties funded by the conference or event sponsors;
- iii) Food, beverages, and moderately priced meals or tickets events sponsored or attended by contracted suppliers or partners in the interest of building positive business relationships;
- iv) Cards, thank you notes, certificates, and other written forms of appreciation and recognition;
- v) Moderately priced entertainment or self-care packages provided as part of a “working” meeting or session to foster and enhance positive working relationships and business interests. Such gifts are expected to be reciprocated in-kind by Usawa.

6. PROCUREMENT GUIDING PRINCIPLES

The procurement of goods and services at Usawa shall be conducted in a manner that is based on the principles set out below. All staff shall comply with and promote these Procurement Principles.

6.1 Cost effectiveness/Value for money: Usawa shall obtain quality and reliable goods and services at the most competitive price. In this context, all procurements shall be conducted with the aim of obtaining value for money (VFM). This can be achieved by: conducting the procurement process in a timely manner and with the least resources; ensuring that all persons responsible for procurement have a thorough understanding of requirements; identification of the right supplier shall be as per set requirements; periodically evaluating supplier performance; and negotiating for contracts that can provide the highest value at minimum cost.

In determining what represents VFM, due consideration shall be given to the following, based on the nature of procurement:

- The direct and indirect costs of the goods/services (over the whole procurement cycle);
- The quality and fitness for purpose of the goods/services to be procured;

- The proposed supply time-frames;
- The track record (performance history) of prospective suppliers;
- The strategic importance of prospective suppliers;
- The potential risks of engaging prospective suppliers;
- The appropriateness of the contracting options being considered;
- The potential risks associated with the goods/services being acquisitioned.

6.2 Impartiality, Transparency & Accountability: All procurement processes shall be conducted in an impartial, transparent and accountable manner.

- i) *To ensure impartiality:* potential suppliers of goods and/or services shall be afforded equitable treatment and their bids shall be evaluated based on their legal, technical and financial abilities.
- ii) *To promote transparency:* All procurement processes (including supplier evaluation and selection) shall be carried out in a transparent manner and documented in a manner that facilitates appropriate scrutiny.
 - Criteria for selection will be clearly stated and decisions shall be communicated to unsuccessful applicants unless there is valid reason to keep the information confidential.
 - Price comparison forms shall be used to ensure that Usawa obtains competitive prices in the most transparent way.
 - Procurement documentation from the tendering to contracting stage, as well as payment vouchers (PVs), and any other supporting documents shall be safely kept for future reference. Such documentation shall be filed in secure places for a period of not less than seven (7) years.
- iii) *To encourage accountability:* All persons involved in the procurement shall be responsible for the actions and decisions that they take in relation to procurement and resulting outcomes (based on the lines of accountability contained herein).
 - The officer responsible for procurement shall exercise prime responsibility in ensuring that procurement is consistent with these principles and regulations.
 - The Finance Manager shall exercise due scrutiny to ensure procurement is consistent with the Finance Policy and regulations, as well as this Policy before an order is placed (where this is necessary) and before payment is made.
 - All procurement decisions and documentation shall be subject to scrutiny during both internal and external auditing processes.

6.3 Procurement Ethics: Usawa shall exercise zero tolerance for corruption in all business matters, including procurement. To ensure trust, integrity and confidence in Usawa's procurement processes, the following shall be adhered to:

- i) Employees shall observe the highest ethical standards during all stages of the procurement process;
- ii) Usawa shall only procure its requirements from eligible and credible suppliers and consultants. Contracts shall not be awarded to organizations/individuals who have been involved in exclusionary behaviours;
- iii) Employees (including directors) shall not accept any gift, payment, consideration or benefit of any kind that could be considered an inducement for the award of a contract.
- iv) Any Usawa employee or director who is offered any inducement, payment, gift or other rewards to influence the procurement process, or is aware of another employee being involved in the same, must report the matter immediately to the Executive Director (or the Board of Directors where it involves the Executive Director);

- v) Usawa shall endeavor to select and use suppliers whose business operations comply with the internationally recognized standards for human rights, labour, the environment and anti-corruption.

6.4 Equitable and Unbiased Selection (non-discrimination): To Attract the widest and most diverse pool of applicants as possible, procurement processes must be fair, unbiased, and consistent. Usawa is an equal opportunity organisation and shall not discriminate against suppliers on the basis of race, ethnicity, age, sex, sexual orientation, marital status, origin, disability, creed, political belief, religion or HIV status in procuring any product or service.

The following shall apply to ensure equitable and unbiased selection throughout the procurement cycle.

- i) All persons involved in the procurement shall practice reasonable judgment and impartiality in any action and decisions reached to ensure no bidder is unjustifiably discriminated against, or receives unfair competitive advantage;
- ii) Relevant procurement methods as prescribe by this Policy shall be applied when soliciting quotes to ensuring fair treatment to all suppliers during the entire process;
- iii) The timelines given to respond to a bid shall be reasonable enough to allow bidders to prepare and submit quality proposal that sufficiently align to the requirements;
- iv) All bids shall be evaluated using the same criteria, and where practical, Usawa shall consider affirmative actions in order to observe and adhere to gender, equity and inclusion principles in its procurement process. Usawa may select small and medium-sized suppliers (particularly, those managed by women, youth, or persons with disabilities), provided they meet the minimum requirements;
- v) Contracts shall not be awarded to individuals or firms determined to be ineligible as per policy. Generally, suppliers related to an Usawa employee or director shall generally be avoided, or in all cases, fully disclosed and concerned employees shall absent themselves from the supplier selection process.

6.5 Efficiency and effectiveness: To achieve the best quality goods and services and best value for money, procurement processes must be effective and efficient. Usawa shall ensure that procurement processes are conducted in a way that maximizes efficient use of organisational resources. The following shall apply:

- i) Procurement officials shall conduct regular market research and analysis to identify potential suppliers;
- ii) The procurement unit shall ensure an in-depth understanding of this Policy and the procurement requirements by all parties;
- iii) All procurements shall be planned and approved early in advance;
- iv) The procurement unit shall negotiate for contracts that provide the highest value at minimum cost;
- v) Only suppliers whose proposals/quotes are in line with the needs and specifications provided in purchase requisitions shall be selected;
- vi) The procurement team shall provide timely updates on the status of procurement to end users and management;
- vii) The Finance Unit, user units and procurement unit shall ensure timely tracking of expenditures to avoid exceeding budget limits;
- viii) Periodical supplier evaluation shall be undertaken in a timely manner by relevant units;
- ix) Timely, complete and accurate records of procurement documentation shall be filed safely.

6.6 Integration and eProcurement: Usawa shall promote and ensure that procurement is conducted in a manner that reduces administrative tasks through the use and adoption of new technology and automated processes.

6.7 Confidentiality: Usawa shall handle confidential information with due care and proper consideration of ethical and legal ramifications, and governmental regulations. To maintain confidentiality, staff must not disclose the contents of bids, outcome of the evaluations, or any other terms/conditions quoted by other supplier or internal processes without prior approval.

7. PROCUREMENT MANAGEMENT

Procurement Management is the art of maintaining a good balance between the three most important components of the procurement process, i.e. quality of the products, cost of acquisition, and delivery schedules. A good balance shall ensure Usawa's operations run efficiently and effectively.

8. THE ANNUAL PROCUREMENT ESTIMATE

The key to meeting the procurement principles provided herein lies in procurement planning. To facilitate effective resource planning, efficient procurement, and timely implementation of planned activities, each unit shall prepare and maintain an annual procurement estimate (APE). This is the first and very important step of the procurement cycle, and involves three (3) key steps:

- Defining the items to be procured,
- Defining the process for acquisition, and
- Scheduling the timeframes for delivery.

An APE is a document that contains pertinent details about the goods, works and services to be procured by Usawa in a given year, the estimated budgets, procurement methods to be considered, and delivery timeframes.

An APE is considered an important tool for managing procurement for the following reasons:

- It enhances transparency and predictability;
- It aggregates requirements in order to obtain value for money;
- It helps avoid emergency or last-minute purchases that waste time and money (reduces inefficiency);
- It helps ensure that all procurement stages are scheduled, (increases efficiency);
- It facilitates monitoring and effective funds management;
- It allows for early identification and resolution of potential problems.

The following shall apply in preparation and/or implementation of an APE:

- i) The OPs Unit shall work in coordination with other units in developing the APE using a designated template (see *annex A*).
- ii) APEs must be aligned with the respective Annual Plan.
- iii) Each unit shall submit its APE for approval by 31st January each year.
- iv) Approved APEs may be reviewed and modified mid-year. However, where deemed necessary.
- v) APEs may be adjusted at any other time of the year provided that:
 - The reasons for adjustment are well documented (in writing);
 - The adjustments have been authorised by the relevant Director or the Executive Director.
 - Some of the factors that may necessitate modification of approved APEs include, but are not limited to:

- Reduced funding;
- Executive decision to halt an activity for which the goods or services were planned;
- Delays in obtaining necessary approvals for scheduled activities, such as research permits;
- Failure by contracted parties to deliver goods, works or services in accordance with agreed terms and conditions.

Considerations

For effective preparation of the APE, the following considerations shall apply:

- i) *Budgets estimates and available funds*: Each unit shall be required to accomplish its annual objectives in accordance with established and approved budgets. This requires that:
 - APEs be aligned to the established and approved unit and annual budgets;
 - Previous purchase records be used as a guide to arrive at the estimated cost for the acquisition;
 - Where no previous purchase records for such requirements exists, current market prices or indicative quotes from potential suppliers can be used as a guide.
- ii) *Setting Requirements/Specifications*: Each unit shall define the precise need and set the procurement specifications. This step is key to securing proposals/quotations that offer best quality goods/services and best value for money.
 - For cases where the specifications are not fully known, market research shall be conducted.
 - For procurement of ICT equipment and software, this process must be coordinated with the IT Team to ensure that the specifications are accurate.

A diagrammatic illustration of the stages involved in the preparation of an APE is provided in Annex B.

9. THE PROCUREMENT CYCLE

The Procurement Cycle consists of five (5) steps:

- i) Identification of Procurement Method/s
- ii) Conducting the procurement process;
- iii) Contract Administration;
- iv) Contract Management;
- v) Contract Closure.

9.1 Identification of Appropriate Procurement Method/s

The procurement methods selected should be appropriate to the specific requirements. Identification of the appropriate procurement method(s) shall be based on the following:

- i) The procurement value,
- ii) The market conditions,
- iii) The operational environment, and
- iv) Funding requirements.

9.2 Conducting the Procurement Process

After approval of the APE, respective units can initiate the procurement process. The execution of a procurement processes shall include the following key steps:

- i) **Requirement**: In this stage of procurement, respective units will conduct a needs analysis to identify the product, works, or services that will be procured.

- ii) **Requisition:** This stage involves detailing product specifications (design, performance, functionality etc.), creating the terms of reference, and developing the tender document, request for quote, or request for proposal.
- iii) **Solicitation:** This step involves issuance of the request for proposal/quote, advertising the tender invitations, receipt of proposals, evaluation of proposals/quotations, selection of suppliers, negotiation with suppliers, and awarding of the contract.
 - Contracts shall only be awarded following a successful evaluation of all proposals/quotations and identification of the recommended supplier/consultant.
 - Standardized contract templates shall be used to prepare draft contracts for review and approval by the Unit Director or Executive Director. The type of template used shall be dependent on the nature of goods, works, or service, and the contract value. Once approved these documents shall be used to formalize agreements with selected suppliers.
 - Contracts shall be prepared using one of the following templates: A Local Purchaser Order (PO), OR, a detailed document outlining the general terms and conditions, terms of reference, and contract values. This may include annexes.
 - Where considered more appropriate, the supplier's own standard template may be used as long as their terms and conditions are acceptable to Usawa
- iv) **Contract Administration:** In this phase, the user unit manages the contract by working closely with the contracted supplier/consultant to ensure that the contract requirements are met.
 - This step begins once a contract is fully executed (signed by all parties)
 - The period between signing of the contract and satisfactory completion of the assignment is defined as the contract management period.
 - The level of input required to manage a contract will be determined by the contract value and the complexity of the assignment.
 - The respective Unit Manager or Appointing Authority shall be responsible for managing the contract. However, where appropriate, the Unit Manager may delegate the administrative aspects of contract management to an Officer.
 - Suppliers shall be notified immediately (in writing) of any failure on their part to adhere to the terms of agreement. Penalties shall also be applied as provided in the agreement.
- v) **Contract Closure:** This is the final step in implementation of a procurement process. In this step, the user unit verifies that the products or services have been received and are acceptable, that all outstanding invoices and payment supporting documentation are received, and proceeds to make the final payment to the supplier/consultant.
 - Payment for goods, works or services shall be made according to the terms of the contract and against invoices issued by the supplier
 - Any reports as to the supplier/contractor's performance will also be documented and feedback on the same (especially negative) will be forwarded to the procurement unit. Once all these steps are completed successfully, and the contract officially closed, the procurement process shall be considered fully executed.

A diagrammatic illustration of the procurement process is provided in Annex B.

10. PROCUREMENT METHODS

10.1 Exceptions

- This section does not apply to suppliers excluded in section 13 of this Policy.
- Usawa shall not charge an administration fee to bidders.

10.2 Selection of Procurement Method

Selection of the procurement method shall be determined by the procurement category, type of goods, works, or services, their value, and delivery timelines. At all times, Usawa shall ensure that its procurement processes are equitable, unbiased, transparent, competitive, efficient, and effective.

Once the need for procurement has been identified, the OPs Unit shall be responsible for selecting the method of procurement as guided by this Policy.

If there is a special circumstance or the need to consider a different approach from what is described in the APE, the Ops Manager in consultation with the relevant user unit, shall evaluate the reasons for justification and make a determination. If the reasons provided are deemed valid, such request shall be forwarded to the Executive Director for approval.

Before the procurement unit advertises a tender for procurement of goods, works or services, it may consider conducting supplier pre-qualification by requesting potential suppliers to submit information about their services in order to establish their capabilities: resources, competencies in the area. Such process shall be undertaken and considered using a standardised Request for information (RFI) form.

The following table provides the expenditure thresholds for competitive and single source procurement methods:

Table 1: Procurement Expenditure Limits

No.	THRESHOLD	PROCUREMENT METHOD	EXCEPTIONS
1	Less than USD 3,000	Single Source	Consider Competitive method if: new, sensitive or recurring.
2	USD 3,000 up to USD 75,000	Competitive Tendering	Consider Single Source if: confidential/sensitive or sole provider/other justifications as per policy
3	Over USD 75,000	Competitive Tendering	Consider Single Source if: confidential/sensitive or sole provider/other justifications as per policy

Usawa shall adopt the following procurement methods depending on the nature of goods or services to be procured, their value, as well as other factors already stipulated herein.

10.3 Single Source Tendering (Non-Competitive)

Usawa will source and negotiate an agreement with one supplier for a particular item, or service even though there exists other suppliers that can provide the same in the following circumstances:

- i) The goods, works or services are available only from a particular supplier, have no equivalent alternative/substitute available in the market, and such supplier has exclusive rights in respect to the goods, works or services. The procuring Team shall secure from the supplier the manufacturers certificate, and the certificate of exclusive distributorship for the product or service. This method of procurement can also be used for some consultant contract e.g. creative/artistic services;
- ii) For reasons of urgency brought on by war, invasion, disorder, natural disasters or any other unforeseeable event. In such circumstances, Usawa shall determine that the tendering process or any other method of procurement would therefore be impractical; provided that the circumstances giving rise to the urgency were unpredictable or unforeseeable, and not attributed to poor planning or processing delays on the part of Usawa. The procurement Team shall clearly define and document the urgency of the requirement, and take immediate action to finalize procurement;
- iii) When the procurement is directly related to a previous assignment, Usawa shall engage the same supplier to obtain additional supplies for standardisation reasons. In such situation, it will be determined that a change of supplier will affect the warranty, compatibility, or after

sales services of existing goods, works, or services. However, considerations shall be made as to:

- The effectiveness of the original procurement in meeting the Usawa's needs;
 - The limited size of the proposed procurement in relation to the original procurement;
 - The reasonableness of the price, and the unsuitability of alternatives to the goods or services in question.
- iv) When there is a valid and ongoing agreement between Usawa and the supplier;
- v) The procurement is sensitive in nature, or there are compelling reasons to protect confidentiality of the activity;
- vi) When the funding agreement requires Usawa to engage a specific supplier;
- vii) When the procurement is related with particular skills/expertise, research or experimenting on certain matters offered by a particular supplier or individual consultant.

10.4 Restricted Competitive Tendering

Where necessary and appropriate, Usawa shall conduct a restricted competitive tendering process by soliciting for quotes and proposals from several identified suppliers. The quotes shall be evaluated, and a supplier recommended based on the selection criteria that was provided with the tender documents.

This procurement method may be used when:

- The required goods, works or services are specialised and can only be obtained from a limited number of specialised suppliers;
- The procurement is of an urgent nature and there is limited time to reach many suppliers and to evaluate many proposals. However, this shall only be allowed in the context where the urgency was not caused solely by the Usawa, or there is need to achieve a specific social objective (e.g. gender inclusion).

In the event that only one supplier submits a bid, Usawa shall evaluate their application and award a contract if it meets the requirements. In such a case the person initiating the procurement must indicate why there are no alternative suppliers and why there is no need for three quotes.

This restricted competitive tender process may be conducted in the following ways:

- i) *Calls for Expressions of Interest (EOI)* – This method is used to advertise a general assignment to solicit proposals from suppliers and CVs from independent consultants who are interested in being shortlisted. EOIs can be a cost-effective way of analysing market trends to identify potential suitable suppliers and/consultants. A call for EOIs normally comprises the following:
- A written notice indicating the general nature of the services/goods required and applicable criteria for shortlisting;
 - It may also include detailed terms of reference (TORs) for a specific assignment.
- ii) *Supplier pre-qualification* – This is method of procurement is normally conducted prior to the formal competitive tendering process in order to establish which suppliers are qualified to provide goods, works, or services that meet the predefined needs and predefined criteria for a specific assignment. This procurement method suitable for the procurement of complex and specialized services(e.g. set up of operational systems).
- The Respective Unit Manager in collaboration with the OPs and Finance Units are responsible for carrying out an initial market analysis to identify suppliers and evaluate them against set needs and criteria.
 - Documentation sent to suppliers include: an invitation to submit a proposal, and the terms of reference.
 - Thereafter, only those suppliers found to fit the predetermined criteria are invited to bid or submit a proposal for the assignment in question.

- Where necessary, Usawa may employ the services of a professional consulting firm to carry out this process.
- iii) *Calls for Submission of Papers:* Occasionally, Usawa may invite consultants to submit own published papers or abstracts on a specific subject. Thereafter, Usawa shall create a shortlist of consultants and contract them to write longer papers, based on the abstract. Contract values for such services are usually low and normally fall under the threshold amount for competitive tendering. Since this process does involve the need to openly advertise, it must follow a transparent process.
- iv) *Use of Procurement Agents:* Usawa reserves the right to engage an intermediary agency to source and evaluate suppliers on its behalf. Services a registered procurement agent may employed when the nature of the assignment is complex or requires specialized skills/knowledge e.g. for insurance policies and office rental agreements. For the most part, such service agreements are renewable in nature. The documentation and recommendations of the agent should be reviewed and approved in accordance with the normal procurement guidelines.
- v) *Use of Implementing Partners:* Usawa relies on the support of its wide network of partners to deliver on its mission e.g. government institutions and corporations, Community based organisations (CBOs), Non-governmental organizations (NGOs), Teachers Unions, etc. Where necessary and appropriate, Usawa shall request the support of its partner organisations for the procurement of specialized goods and services. Such agreements shall be specific to the nature of service or goods being sourced and shall be governed by the terms of the individual partnership agreement.

10.5 Open Competitive Tendering

This is the most preferred method for Usawa procurements because it is economical, efficient, transparent, and provides all eligible potential bidders with equal access to the tender requirements and fair opportunity to compete. Depending on the nature of goods or services required, Usawa shall advertise such tenders on its website, social media platforms, or in other media outlets as appropriate.

Competitive tendering is a method of procurement where a tender is publicly advertised requesting qualified suppliers or asset buyers to submit a bid or proposal. Such tenders usually call for careful planning and enough time to complete the process; and careful monitoring and oversight during the process. Any weakness or failure in the procedure could call the integrity of the whole process into question.

The following conditions shall apply for both restricted and open tendering methods of procurement:

- i) *Authorizations* for all procurements must be obtained from the Approving Authority
- ii) *Number of bids:* A minimum of three (3) quotations/proposals shall be required. However, five (5) is the preferred number.
 - Bids must be from suppliers who meet the predetermined requirements;
 - Bids may be sought from a list of suppliers who have successfully gone through the prequalification process;
 - In exceptional circumstances, where the minimum number of bids has not been met, and there is sufficient evidence of demonstrated efforts by the OPs Unit, the unit shall request the Executive Director to evaluate the received quotations/proposals and award a contract to the best bidder.
 - However, if none of the bidders meet the minimum requirements, a decision shall be reached on whether to: Call for a Joint Venture between potential suppliers to complement each other; Re-adjust the specifications, provided this arrangement does not compromise the quality of the expected activity; or Re-advertise widely within and outside the country if it is considered advantageous to explore the market on a much wider scale.

- Generally, the lowest quotation meeting the requirements shall be accepted, provided that the quality and delivery timelines are not compromised.
- iii) *The invitation to tender notice* shall be developed by the respective unit and OPs Unit. It is a requirement that:
- The call for tenders be advertised publicly within the respective country of operation;
 - Tenderers shall be sourced within the local country regardless of their nationality;
 - Advertisement be shared with pre-selected/ identified suppliers as well as other networks as necessary. Usawa reserves the right to post such tender notices on its website or in newspapers.
- iv) *International competitive tendering*: This method of procurement shall be considered if Usawa desires to attract tenders from a wide network, and if the required goods, works or services are unique and may not be readily available within the respective country. The procurement unit shall ensure that:
- The call for tenders is advertised within and beyond the respective country, inviting all tenderers regardless of their nationality;
 - Advertisements are posted in at least one local newspaper, at least one international newspaper, the procurement journal, the Usawa website, shared with pre-selected suppliers, and shared through any other networks as may be necessary.
- v) *Recurring purchases* are the frequent and major purchases by Usawa, including but not limited to stationery, printing, cleaners, insurance services and travel services. For such procurements, the procurement unit shall:
- Solicit bids from at least three (3) but ideally five (5) suppliers once every year;
 - Analyse the bids and recommend the best supplier to the Executive Director for approval;
 - Award contracts to the best supplier for a period not exceeding twelve (12) months;
 - The same supplier may be selected up to a maximum of three (3) consecutive periods, i.e. three (3) years only. However, after the expiry of the three year period, and sufficient efforts by the OPs Unit (with written justification and concrete documented evidence) to source for other suppliers, and the said supplier is still found to be the best in the market in terms of price, service, reliability, and staff are satisfied with their services, the Executive Director may waive this requirement in order to allow selection of the said supplier to be contracted for another one (1), and up to three (3) year cycle.
 - For procurement of sensitive services such as security, health insurance, cleaning, and any other service that might fall within such parameters, and unless decided otherwise by the Executive Director, Usawa shall maintain the services of the successful tenderer from the previous year, provided that they continue to perform satisfactorily and staff are satisfied with their services.
- vi) *Artistic services*: For the procurement of artistic services such as creative design, illustration, film production etc., Usawa shall:
- Maintain a list of pre-approved suppliers for short term assignments;
 - For new supplier applications, Usawa shall review submitted portfolios in advance (on a rolling basis), due to the volume of applications that may be received within a given period. A record shall be kept denoting the work and the rates charged by the supplier. Based on the criteria agreed between the supplier, the unit responsible and the OPs Unit. This list shall be reviewed for all future works and due regard shall be given to their quality rating alongside price considerations during selection.

10.6 Two Stage Tendering

Following evaluation and any relevant discussion with shortlisted suppliers, (which may include revised terms to the submitted proposals or bids), Usawa may invite them to submit a revised bid. This is considered the second stage of tendering and is permitted on condition that the revised bid;

- i) Does not change the original procurement requirements,
- ii) Shall be limited to deleting or modifying aspects of the technical requirements or evaluation criteria;
- iii) Contains additions that conform to the original requirements.

10.7 Micro Procurement (Small purchases)

This is the simplest method of procurement used for the acquisition of goods, works and services. Usawa shall permit procurement for goods, works, or services using this method provided that their value does not exceed USD One Hundred-twenty five (\$125), or the approved petty cash limits. Purchases exceeding this amount must go through the general procurement process. Other conditions include:

- i) For repeated small purchases, the procuring individual shall aggregate the items and undertake one large purchase so as to minimize frequent petty cash/impresst requests;
- ii) The procuring individual shall obtain quotes, verbally or through email from any supplier considered to offer fair pricing and quality goods and services;
- iii) Verbal quotes must be documented in writing for review and verification purposes;
- iv) Any staff can request to be facilitated to undertake micro procurements;
- v) The mode of application shall be via petty cash or impresst;
- vi) The procuring individual shall ensure value for money and shall not exceed the set threshold;
- vii) The procuring individual shall provide invoices and receipts (in their name, when required) to account for the expenditure;
- viii) All micro procurement activities shall be reported to the Executive Director on monthly basis through a petty cash report, or any authorized financial report.

The table below provides the timeframes allowed from issuance of a tender/RFP/RFQ to the time suppliers submit a bid. These timelines vary according to the method of procurement.

Table 2: Procurement Method and Set Delivery Timelines

No.	METHOD OF PROCUREMENT (Goods/Services)	RFQ Working Days (WD)	RFP Working Days (WD)
1	National Competitive Tendering	5 to 10	10 to 15
2	International Competitive Tendering	10 to 15	15 to 20
3	Restricted Tendering	5 to 10	15 to 20
4	Two-Stage Tendering	5 to 10	10 to 15
5	Single Source Tendering	3 to 5	5 to 10
6	Micro Procurement Method	3 to 5	N/A

Usawa shall not further split its procurement requirement in order to defeat the use of approved procurement methods and expenditure thresholds.

11. ROLES, RESPONSIBILITIES AND APPROVAL LIMITS

Successful implementation of any procurement process requires efficient and effective coordination by all staff, procuring units, as well as any other individuals, groups or entities involved in the procurement process.

The Procurement Role and Responsibilities provided herein are designed to ensure separation of power, as well as checks and balance. For these reasons, all procurements originating from the Operations Unit, and valued above USD 3,000 shall be reviewed by the Finance Manager.

These roles and responsibilities are provided hereunder:

11.1 The Procurement Unit must plan, manage, and fully document the acquisition process for goods, works, and services. This unit shall:

- i) Be thoroughly familiar with this Policy and any other procedures and regulations governing the procurement processes of Usawa and ensure that all acquisitions are consistent with Policy;
- ii) Thoroughly understand the roles of all other persons engaged in the procurement process to ensure smooth and orderly coordination by all parties;
- iii) Prepare APE template, guide on its usage as per set standards, carefully study any adjustment(s) as proposed by the user unit, and take necessary action;
- iv) Ensure that the procurement meets the desired need by verifying that all requisitions are aligned with the approved APE;
- v) Determine the method of procurement to be undertaken based on the type and nature of goods, works or services needed, available funding, budget restrictions, and delivery timelines;
- vi) Research or conduct supplier prequalification, and prepare and maintain a list of preselected suppliers;
- vii) Liaise with user units in establishing and reviewing specifications and prepare for supporting documents e.g. Tender notices, RFP/RFI, RFQ, TOR etc.;
- viii) Advertise to invite bidders with necessary competence and resources;
- ix) Receive responses from bidders, manage the supplier evaluation process, and post qualification;
- x) Negotiate with suppliers and/or consultants to secure purchases that are cost efficient and of high quality and safeguard all confidential information that could impair negotiations with potential suppliers;
- xi) Prepare Price Quote Comparison (PQC) and relevant evaluation summary to finalise purchase details and orders to successful supplier;
- xii) Communicate outcome (after relevant approvals) to the successful bidder and regrets to unsuccessful bidders;
- xiii) Work with relevant unit/s to ensure that receipt of goods/services are of good quality and standard;
- xiv) Liaise with the unit during contract implementation to ensure systematic and timely feedback for necessary action/improvement, and maintain good communications and relations with suppliers;
- xv) Maintain proper records of procurement and archive as per policies.

11.2 User Department/s

- i) Input into Annual Procurement Estimate (goods, works and service required for the year), and communicate any changes in the APE in a timely manner;
- ii) Initiate requests and clearly specify requirements with relevant supporting documentation, e.g. approved decision memo;
- iii) Confirm on the details and budget of the requisition;
- iv) Participate in evaluation of quotes and proposals including negotiations on technical elements;
- v) Participate and confirm decision on the recommended supplier;
- vi) Initiate contract(if applicable) for goods/services;

- vii) Confirm quality, quantity of goods and services offered, and reliability;
- viii) Monitor implementation/delivery of goods/services;
- ix) Initiate payments to suppliers or consultants on time.

11.3 Procurement Evaluation Committee

i) Role

The Procurement Review Committee's (PRC) role shall be to evaluate and provide recommendation(s) on any proposed contract award for the procurement of goods, works and/or services, or the proposed modification of an existing contract that represents a high cost and/or high risk to Usawa. Additionally, the PRC has the authority to examine and decide on requests for exceptions to particular procurement regulations and procedures.

ii) Scope

The PRC can assess whether:

- The procurement process for the relevant goods and/or services has been conducted in accordance with this Policy and the Procurement Regulations;
- The proposed award of the contract for goods and/or services is in Usawa's best interests, based on the principles outlined in this Policy.

iii) Appointment

The PRC shall be an internal body composed of Usawa employees appointed by the Executive Director. The composition and number of committee members shall depend on the value and complexity of the procurement.

- i) For routine and simple procurements, the minimum total number of evaluators shall be three (3);
- ii) For non-routine and complex procurements, the maximum number of members shall be five (5);
- iii) However, the Executive Director can adjust these compositions as may be deemed necessary, provided the reasons for the changes are documented;
- iv) Where necessary, the Operations Manager in consultation with respective unit Director/Manager may institute an ad-hoc committee to evaluate a proposal with a value of less than USD 50,000. For such evaluations, the composition criteria shall follow that of already existing committees.

iv) Composition

The Executive Director shall establish two procurement committees as provided hereunder:

These roles can be delegated where necessary. However, there must be checks and balances within the committee member; and the committee must comprise members from OPs and Finance Units.

A. Committee for Evaluation of Large Procurements (USD 75,000 and above)

Its composition shall be:

- Director of the activity;
- Manager, or appointed Budget Holder (BH) of the activity;
- Finance Manager;
- Administration Officer, or Operations Officer responsible for procurement;
- Any other Manager or Director as the case may be.

B. Committee for Evaluation of Medium Procurements (USD 50,000 up to USD 75,000)

Its composition shall be:

- Manager for the activity;
- Senior Officer/Officer (BH) of the activity;
- Accountant;

- Administration Officer or Operations Officer responsible for procurement;
- Senior Officer or Officer from a different unit.

In the event that a key committee member is unavailable or cannot participate in the evaluation due to potential conflict of interest, his/her role shall be delegated to another staff in writing.

Before beginning any evaluation process, committee members shall select among them, a Chairperson to lead the process and a Secretary (from OPs Unit) to take minutes. For any proposal, the evaluation committee shall:

- i) Familiarise with the required services and goods to be procured, the evaluation tools/criteria and any other relevant information;
- ii) Evaluate technical /financial proposals and communicate results to Operations Unit;
- iii) Participate in the negotiations and in the selection of the best supplier of goods and services;
- iv) Prepare a report including recommendations on the outcome of the evaluation exercise;
- v) Review a general concern raised by an aggrieved bidder and/or respond to the ED on any concern raised in regard to procurement.
- vi) For situations where there isn't sufficient expertise on a particular procurement e.g. works and IT, Usawa may consider external evaluators to support the internal committee.

All staff can request to be invited to attend and observe the evaluation process for learning purposes

11.4 Procurement Approval Thresholds

- i) The Manager, or Budget Holder of the activity may approve amounts up to a maximum value of USD 20,000;
- ii) The Director of the activity may Director may approve up amounts up to a maximum value of USD 50,000;
- iii) The Executive Director may approve up amounts up to a maximum value of USD 300,000;
- iv) The Board of Directors must approve any amounts exceeding USD 300,000

12. PROCUREMENT TOOLS & GUIDANCE

12.1 Procurement Tools

Usawa shall consider standardised documents (same format) for all procurement methods. The OPs Unit shall be responsible for overseeing the development of all standardised tools that shall be applied for all procurement processes. These templates include but are not limited to:

- Annual Procurement Estimate
- Invitation to Tender
- Request for Proposal (RFP)
- Terms of Reference (TOR)
- Technical and Financial Proposal (TFP)
- Request for Quotation (RFQ)
- Request for Information (RFI)
- Local Purchase Order (PO)
- Supplier Evaluation Form (with guidelines)
- Supplier Reference Check Form
- Goods Received Note

- Ethical/Conflict of Interest (COI) Declaration Form
- a. **Request for Proposal (RFP) Template, including TOR:** The RFP and Terms of Reference (TORs) shall be developed by the user department in collaboration with the OPs Unit. The RFP shall include: An Invitation to Tender; detailed instructions about the goods, works or services to be procured, including a data sheet and Evaluation Criteria; The TORs; an Anti-Bribery Commitment Form; Technical and Financial Proposal Form; and any other relevant documents having taken into consideration the nature of the activity. RFPs shall generally contain the following:
- A clear statement about Usawa
 - The context, description of the nature and scope of the services required, and timeframes
 - An accurate and detailed statement on the objective/s of the procurement
 - Expected goals (clear and SMART)
 - Description of duties and responsibilities of the supplier/consultant and Usawa
 - Evaluation criteria and weightage
 - Mode of payment
 - Any other information e.g. trainings and transfer of technology if necessary, data, or any other information.
- b. **Request for Quotation (RFQ):** Usawa may approach a set of potential suppliers to submit their price quotations for the supply or provision of goods or services.
- The OPs Unit shall prepare a standardised RFQ template that shall be considered by all departments when in need of goods and non-consultancy services.
 - Suppliers are expected to submit a quotation/proposal that fully meets Usawa's requirement.
 - Should the supplier desire to propose some additional requirements or some deviations to the basic requirement, they must first submit the terms as per requirements and then separately indicate the deviations and the price. Usawa retains the right to accept or reject any deviations to the basic requirements.
 - Technical proposals shall be submitted separately from financial proposals as they shall be evaluated separately.

12.2 Guidance

- i) Usawa shall allow sufficient time for suppliers to submit their quotations or proposals.
- For RFQs, interested suppliers must submit their quotations within three business (3) days
 - For RFPs, interested suppliers must submit their proposals within five business (5) days
 - For detailed and complex work, suppliers can be given up to 20 days.
- ii) Suppliers who receive the RFP/RFQ shall study the document carefully to establish if there are any omissions, ambiguity or contradictions; as well as unclear terms, terms that appear to be discriminatory, or terms that appear restrictive.
- Suppliers are at liberty to write to procurement unit to ask for clarification or any other guidance in relation to any procurement. Such inquiry shall be made at least a day before the deadline for RFQs with a 3-day timeframe, and at least three days before the deadline for quotations/proposals with timeframes of over 5 days. If the matter raised is general, the procurement unit shall re-advertise the changes accordingly and re-invite all contacted or interested suppliers to resubmit their quotes/proposals to ensure fairness
 - However, where the issue is specific, the procurement unit shall respond to the respective supplier/consultant and copy in the user unit

- Amendments to the RFQ/RFP shall not be accepted after the deadline
 - All received proposals/quotations must be assigned a number or marked
 - Quotations/Proposal received after deadline shall be returned unopened.
- iii) During the opening of tender/proposal, the procurement review committee (PRC) shall prepare minutes that shall be signed by the appointed chairperson and the secretary.
- Minutes must be well dated with an agenda, and mention: the activity, the advertisement of the RFP/RFQ, the number of received quotations/proposals, and the number of suppliers/consultants who missed the deadline and action taken. For example, it should be documented if the supplier/consultant rejected the tender or any other decision reached and rationale.
 - The PRC shall also discuss and agree on the way forward: specific responsibilities and deadlines in finalising the procurement.
 - Tender documents must shall contain all relevant information such as: technical specifications, terms of reference and commercial conditions. Such conditions shall include the time frame for the provision for goods or services.
 - Tenders must be submitted in sealed envelopes, or by email which may only be opened at the time the evaluation is performed to ensure that all bidding entities/individuals have an equal opportunity in the process.
 - All tenders shall be submitted to tender@usawaagenda.org by the closing date and time indicated on the tender document/email.

13. PROCUREMENT EVALUATION

13.1 Evaluation Criteria

Proposals and quotations shall be carefully evaluated based on the set criteria. Evaluations may be conducted using any rating method or a combination of methods, provided that the method selected is specified in the request for proposal/quotation document. The evaluation criteria may include but shall not limited to:

Main Criteria

- The entity's profile and stability
- Relevant experience and references
- Ability to respond to Usawa's financial requirements (management of its financial affairs)
- Compliance with relevant regulatory bodies
- Payment terms
- Past work with Usawa
- Strong references/recommendation from a partner or collaborator of Usawa
- Cost competitiveness of the offer

Other Suitable Criteria

- Service and service level coverage (e.g. follow up services like maintenance or parts supply, guarantees/warranties offered)
- Ability to meet time frames
- Geographical coverage
- Ease of implementation
- Communication (access and availability to call and consult)
- Innovation and continuous process improvement (use of technology)
- Methodology and project management
- Environmental contribution and compliance
- Future developments

- i) **Preliminary/Administrative:** All suppliers/consultants shall be evaluated based on their legal capacity and integrity.
 - *Legal capacity:* All suppliers (except for individual suppliers) must be legally registered with the relevant tax authority and fulfil the obligation to pay tax. Depending on the nature of the activity, the supplier must be also registered with other relevant authorities e.g. food suppliers must be registered with OSHA.
 - *Integrity:* Usawa shall conduct due diligence to confirm if the supplier or consultant is trustworthy with good reputation, and has not been implicated in fraud or any illegal activities, and that their communication channels are reliable for ease of reach.
- ii) **Technical Capacity:** All suppliers/consultants shall be evaluated based on their particular technical capabilities, such as knowledge and skills. OR techniques required for an individual and organisation to elaborate on their tasks e.g. production capacity to supply order.
- iii) **Experience:** Suppliers must have at least three (3) years' experience in the delivery of similar projects. This includes the ability to deliver the required quantity and quality, proposed infrastructure, acceptance to take risks, reliability etc. In a situation where three years is not a requirement, this shall be clearly stated in the RFP.
- iv) **Financial Capacity:** Suppliers/consultants must be able to satisfactorily manage their financial affairs and at the same time meet the demands of Usawa if they are awarded the contract, and where necessary, without asking for high advance payments.

An evaluation report/recommendation shall be written capturing the above four criteria, and any other elements that are communicated in the RFP/RFQ and the outcome of such evaluation shall inform the decision in selecting the supplier.

Usawa reserves the right to reject any proposal/quotation as it deems fit, provided that reasons for doing so are put in writing.

The Supplier Evaluation tool attached as Annex C provides the following standard criteria for evaluation. Supplementary criteria can be considered in deciding the choice of supplier/consultant, provided that this is communicated in the RFQ/RFP:

14. SOURCING FOR CONSULTANTS

14.1 Engaging Consultants

Where necessary, Usawa may engage individual consultants or consulting firms on short- or long-term contracts to support specific activities for a period not exceeding one year. Consultant recruitments shall be undertaken with consideration of the procurement or selection methods specified herein. Open competitive tendering shall be the first preferred method so as to provide a wide range of services, promote equity, harmonisation and reduce administrative burden and costs.

Single sourcing shall be considered where the cost involved is less than USD 3,000 and/or it is demonstrated that the potential consultant possesses the required unique talent and therefore it would be found impractical to search for additional alternative candidates.

Usawa may consider pre-qualification of consultants, by either inviting applications from consultants renowned for their experience and skills, or by advertising on the website, through its partners, or newspapers (where this is found to be necessary) for individuals to express their interest in the assignment. The selection process shall be as follows:

- Planning/Identification of consultancy needs as per the APE requirements
- Estimated budget
- Preparation of RFP/TOR/ JD
- Establish evaluation criteria
- Advertising the request for expression of interest, invitation or headhunting as necessary

- Receipt of proposals
- Preparation of a shortlist of consultants (at least 3, but preferably 5) where this is necessary
- Evaluation of technical and financial proposals, separately
- Final evaluation of both quality and cost
- Post qualification (where necessary)
- Negotiations
- Contracting

Consultants shall not necessarily be located within Usawa offices on a full-time basis because their performance and payment are output based. Recruitment of other consultants e.g. Research Assistants, enumerators, translators, interpreters, or other service providers shall also be identified following the procurement process.

14.2 Consultant Payments

Usawa shall determine consultant rates by taking into consideration: the value of work to be done, market rates, internal organisational equity (i.e. salaries paid to long-term contract employees), as well as consultancy rates paid to other consultants undertaking similar work. Generally, such rates shall be lower than rates offered by international organisations such as the World Bank and the United Nations (UN).

In order to ensure consistency and equity, all rates for consultants shall be subject to review by the HR Manager and approved by the Executive Director.

Staff may not verbally or otherwise commit to paying consultants a particular rate without the assent of the Executive Director. However, the respective unit may discuss with the consultant the technical aspects (scope) of work. Negotiations for consultancy rates shall be undertaken by the procurement and Finance units, with input from the relevant unit as may be necessary.

While consultants may be paid a daily rate, wherever practicable, Usawa shall only pay for outputs successfully delivered rather than days worked. However, the amounts to be paid for each output may be derived from an estimate of days that the consultant will require to deliver the output. For example, if researching and writing a report is estimated to take five days, and the appropriate daily rate is determined to be USD 200, the consultant would be offered a payment value of USD 1,000. This amount would be paid upon delivery of a report that meets Usawa's standards, regardless of whether the consultant used less or more days to compile the report).

Before making payment, the Manager or Director responsible, as the case may be, shall carefully assess quality, quantity and timeliness of work delivered against contractual requirements, and pay accordingly. Where work delivered does not meet Usawa's standards in terms of quality, quantity and timeliness (where the delay is not caused by Usawa), a commensurate amount shall be deducted from the payment.

Advances to consultants shall be avoided where possible. Where not possible, such payments shall be kept as low as possible, and generally the maximum advance that can be considered by Usawa is 50% of the total anticipated fee, unless there are good reasons for higher advances such as the need for affirmative actions, e.g. to support new and/or small suppliers/consultants to ensure equity, gender and inclusion provided that the arrangement is free of risks.

Where there are direct costs involved in the delivery of services e.g. travel or accommodation, Usawa may make arrangements for the provision of such services and make upfront payments, reimburse the consultant as per the approved rates (as stipulated in Financial Regulations), or provide any other arrangements as the case may be, and where this is practical. Such expenditures shall be discussed well in advance with the consultant and feature in the resulting contract. As such, consideration for advance payments or reimbursements may be considered based on the direct

costs incurred by the consultant while on official duty e.g. travel (road, air), venue hire, accommodation.

Triggers for payment (generally termed as the disbursement schedule) to consultants and other short-term employees of Usawa shall be commensurate with the terms of their contract. The consultant shall initiate the process in accordance with the terms of the contract and submit an invoice/request for payment, preferably with a copy of the contract, and forwarding these to his/her Supervisor. The Supervisor shall scrutinise the request and, if satisfied, prepare a PV with supporting documents.

Usawa shall deduct all applicable taxes on consultancy payments as per set laws prior to making payment. All consultant contracts shall contain and clearly state such clauses, and all employees dealing with consultants shall make this requirement clear to the consultants at the time of discussing contracts. The Finance Manager shall advise on applicable tax rates and ensure that they are properly deducted at the time of payment and submitted to the relevant authorities in compliance with set statutory deadlines.

15. INTERNAL CONTROLS AND RISK MANAGEMENT

15.1 Measures to minimise procurement risks

There are a variety of risks associated with procurement processes and Usawa shall take deliberate action to minimise the likelihood of any unwanted events occurring that may negatively impact the organisation. Common risks include loss through (i) procurement of: over priced goods or services; unnecessary items; poor-quality supplies or services; (ii) fraudulent/corrupt dealings by persons involved in the procurement process.

To minimise such risks, all persons involved in Usawa procurement process must comply with the following requirements:

- Goods, works and services shall only be procured within approved budgets and APEs. Where necessary, exceptions may be made for emergencies with documented approval from the Executive Director or Board of Directors as the case may be
- Clear and accurate description of the technical requirements for the goods, services or works to be procured shall be provided and documented to encourage an open and competitive bidding process
- Single source procurement methods shall be avoided where relevant procurement procedures have not been followed, or where justifications provided are not sufficient to warrant such procurement
- Duties shall be segregated amongst staff involved in the procurement processes for a specific good/service, e.g. officials responsible for supplier selection shall not initiate supplier payments
- Usawa's accounts payable function shall be closely monitored and scrutinized for any irregular payments to suppliers
- All anomalies in relation to an approved procurement must be communicated to the relevant authority, documented, and immediate action taken
- Selected suppliers must fulfill all requirements of the RFP/RFQ, as well as other criteria to be used in evaluating the proposals/quotes submitted in response to solicitations;
- Contracts shall be offered and entered into with the highest rated (best) suppliers who possess the ability to successfully perform under the terms and conditions of the proposed procurement so as to avoid unnecessary disruptions
- Where practicable and economically feasible, Usawa shall procure goods, products or services that conserve natural resources, and protect the environment

- Usawa shall make positive efforts to work with small businesses, youth and women enterprises, and minority owned firms
- It is the responsibility of user department or designated staff to verify the following:
 - That the correct quantities have been received and signed for
 - The quality and price of goods is as agreed
 - All goods delivered have been secured and inventory records appropriately updated
 - Delivery note is checked, signed and forwarded to the Finance Unit or the payment initiator

15.2 Conflict of Interest

- The procurement unit and/or procurement review committee shall disqualify any bids submitted by companies or individuals related to any member of the organisation, e.g. parent, sibling, child, or any other relative as stipulated in the conflict of interest policy.
- The procurement unit and/or PRC shall disqualify any supplier who is a friend/colleague with one or more members of the procurement unit/PRC unless it is fully disclosed and managed as per procedures.
- No staff shall gain personally whether financially or socially from any procurement processes
- No staff shall receive any gifts, presents, referrals, vouchers, favours, commission, tips, money, invitation to socialise with any prospecting suppliers or bidder(s) or any other gesture of value
- Usawa shall maintains a conflict of interest policy manual that can further be used to reference such matters.
- Staff involved in procurement shall all the time declare any conflict of interest when it arises in writing in the designated form/section of procurement tools.

15.3 Ethical Conduct

Care must be taken to avoid the intent and appearance of unethical practice in all relationships, actions and communications with suppliers. Any activities carried out on behalf of Usawa must be carried out in a prudent manner so as to not be the source of grievances.

For any activity that involves children under 18 years (minors), permission shall be obtained from the minor's parents or legal guardians prior to the activity (*refer to Usawa Child Protection and Safeguarding policy*)

Usawa recognises that we are often in unequal relationships of power with our suppliers, partners and collaborators, driven largely by resources. As such, Usawa will always strive for respectful and dignified engagements that promote and protect its Brand and Values.

Every staff shall adhere to the below standards:

- Staff shall obey and adhere to the Organization's policies and procedures
- Staff shall ensure effective communication for all procurements
- Staff shall be accountable for their own decisions/actions
- Staff shall act professionally at all times
- Staff shall ensure mutual trust and respect with other staff and suppliers
- Staff shall consistently observe the principles of integrity, fairness, and reliability
- All Procurement processes should be done in a transparent manner and all the information shall be easily accessible. The information referred to this section includes all aspects of supplier selection, contracting and payment processes

- No one single staff shall carry out a vital role like supplier selection or negotiation independently
- All administrative documents shall be clearly written and filed in case any review is required
- Any meeting concerning any tentative supplier or an already established one will be done at Usawa office premises and involve all relevant parties, as per policy
- Staff practice good judgment when going through the rigorous selection of a supplier
- The Executive Director's office shall conduct an annual random supplier survey, and the findings shall inform procurement management at Usawa

15.4 Dispute Settlement and Appeals

Any tenderer or person aggrieved by a procurement process or decision, has the right to lodge a complaint to the Executive Director within 22 working days from the date of receiving feedback on the outcome of the respective procurement. Such complaint shall be lodged to concerns@usawaagenda.org

- Complaints shall be submitted in written form, clearly explaining the grievance and include: the subject matter, a detailed report of what happened, and suggested remedies. Depending on the nature of the matter, the Executive Director, shall review the complaint and make a decision; or constitute an independent review panel from within or outside Usawa to advise him/her on appropriate actions. The decision by the Executive Director shall show clear the findings, corrective measures (if any), and reasons for the decision reached. This process shall be completed within 14 working days and the complaint responded to.
- If the aggrieved party is not satisfied with the response, or where the 14 days lapse without a reasonable response, he/she has the right to appeal to the Board Chairperson through email address available on the Usawa website, within seven days from the date he/she received the decision or after the deadline of the 14 days lapses.
- The Board Chairperson shall review the Executive Director's decision, and may affirm, reverse or modify all or any part of the Executive Director's decision.
- In case of failure to reach a resolution, within seven days, the aggrieved and Usawa shall commit to identify and engage a neutral third party to help settle the matter through mediation. This process shall be completed within 30 days.
- Should the aforementioned steps fail either party shall resort to arbitration and litigation, unless required otherwise by law.
- Complaints raised after a contract is signed and is into force, shall not be attended to. In such cases, Parties involved in the dispute shall strive to take all possible measures to resolve procurement disputes or complaints through a spirit of mutual respect and consensus.

15.5 Supplier Exclusion and Blacklisting

The following are considered unacceptable practices and may result in the exclusion of a supplier from the bidding process, termination of an existing contract if the circumstances arise or come to the attention of Usawa after signing of the contract. In this context the exclusions shall apply to both legal entity and individual suppliers. Grounds for exclusion from participating in Usawa procurement process and/or blacklisting are if:

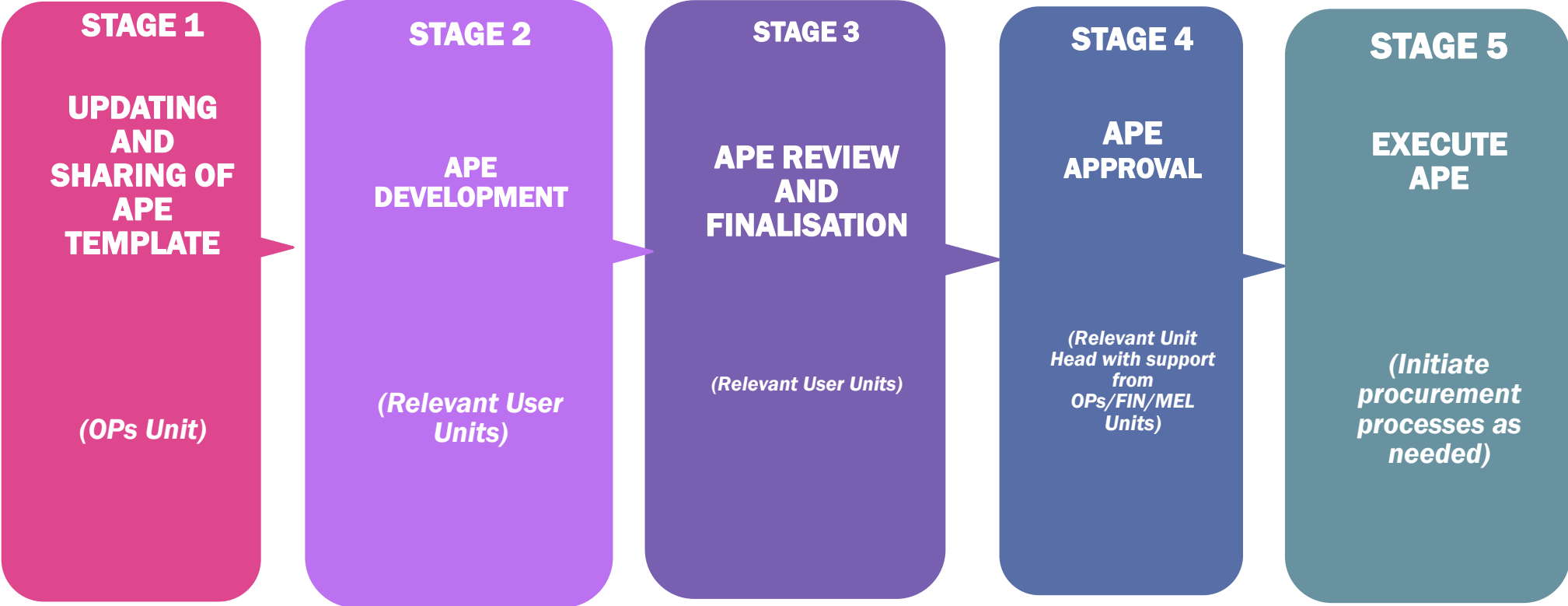
- a. It has been established that the supplier has been blacklisted and barred from taking part in any public procurement with a reputable organisation, whether foreign or domestic;
- b. The supplier is bankrupt, subject to insolvency or winding up procedures, has its assets being administered by a liquidator or by a court, is in an arrangement with creditors, has its business activities suspended; or is in any comparable situation arising from a similar procedure provided for by the law;
- c. It has been established that the supplier has been found to be in breach of its statutory obligations in accordance with the laws of its country of operation, with those of the country in

which the contracting authority is located, or those of the country of the performance of the contract;

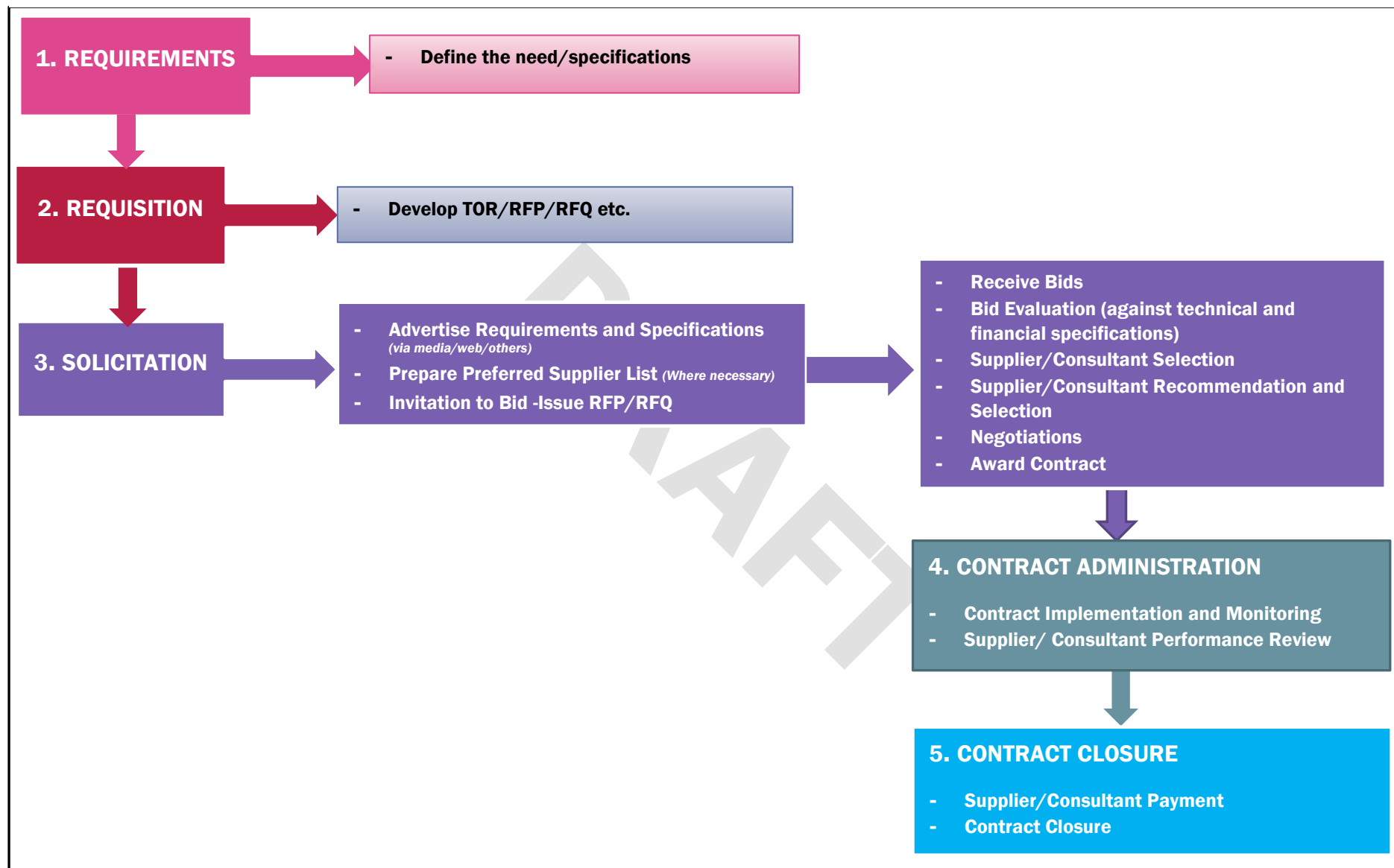
- d. It has been established that the supplier is guilty of gross professional misconduct by having engaged in or is associated with unethical practices that violate applicable laws i.e. fraud, corruption, money laundering, terrorism, trafficking etc.;
- e. It has been established that the supplier is guilty of gross professional misconduct or any other wrongful conduct that impacts its professional credibility at any stage of the procurement cycle and in fulfilment of its contractual obligations; These include but are not limited to:
 - Having made false representations about its competencies/qualifications;
 - Entering into agreement with other persons/entities with the aim of creating unfair competition;
 - Violation of intellectual property rights;
 - Attempting to influence the decision-making process of a contracting authority during the supplier evaluation or contract awarding stage;
 - Attempting to obtain confidential information with the aim of distorting competition.
- e. Suppliers who declare any of the above situations for exclusion listed above, must also provide information on the measures it has taken to remedy the situation, thus demonstrating its reliability. These measures may include technical, organisational and personnel measures to prevent reoccurrence, compensation for damages, or payment of fines. The relevant documentary evidence which appropriately illustrates the remedial measures taken should be provided.
- f. In determining whether the circumstances declared warrant exclusion of the service provider, Usawa shall assess the seriousness of the situation and the impact on its financial situation and image. The final decision to appoint a service provider that declares any circumstances that warrant exclusion will be vested with the Executive Director. In this context, the following shall also be considered:
 - The extent of remedial measures taken;
 - How much time has elapsed since the relevant misconduct;
 - The chance of reoccurrence;
 - The intention or degree of negligence; and
 - The value of the contract.
- g. In its establishment of facts for any of the exclusion circumstances provided above, due diligence procedures shall involve:
 - Making reference to government procurement authorities' websites to confirm the firm/individual.
 - Making reference to audit reports;
 - Making reference to non-financial administrative decisions, including but not limited to disciplinary measures taken by the relevant contracting authority or regulatory body;
- h. Usawa shall confidentially keep and maintain a register of all blacklisted firms/individuals in accordance with relevant laws and regulations.

16. APPENDICES

Annex A: Procurement Forecasting Workflow



ANNEX B: The Procurement Process



Annex C: Supplier Evaluation Form

NO.	CRITERIA	RATING
1	Preliminary/Administrative Assessment	
1(a)	Legal capacity	5
	Incorporated/Registered	
	Registered with Tax authority	
	Registered with other relevant authorities e.g. OSHA or professional bodies	
	Pending legal actions against the organisation	
1(b)	Integrity/Reputation	5
	Absence of fraud in the last 3 years	
	Available communication channel	
	Aware of issues of conflict of interest, anti-fraud confidentiality and have signed declaration form on the same	
2	Technical capacity	30
	Understanding of the TOR, Methodology and the overall Quality of the proposal	
	Qualification of Key personnel especially on the field of assignment	
	Ability to deliver outputs and on time (reliability/meet deadlines)	
3	Experience	30
	Track record on previous similar assignments	
	At least three years of overall experience of respective key personnel and the organisation on similar assignments	
4	Financial capacity	30
	Level of Liquidity	
	Risks of insolvency	
	Consistency and accuracy of items and calculation between financial and technical proposals	