



Natural Resource Conservation Network - NRCN Procurement Manual

NATURAL RESOURCE CONSERVATION NETWORK (NRCN)

NATURAL RESOURCE CONSERVATION NETWORK



PROCUREMENT MANUAL



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September 2019

Approval

Development of NRCN procurement guidelines was done consultatively with other documents governing NRCN; The Constitution of NRCN, Financial Policy, Management structure and BoD Terms of reference and thus is a thorough guide to the Board Members, Management, and future office bearers at NRCN in pursuit of their day to day procurement assignments and obligations.

It is thus the responsibility of all serving Board members and Management staff to consult and use this guide in handling procurement matters. Like any other policy, this manual shall be reviewed after three (3) years, or as shall be necessary.

.....

Mr. /Mrs.
Chairperson
BoD

.....

Date



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Background

Natural Resource Conservation Network (NRCN) Ltd is a Non- Governmental Organization with a strategic focus to reduce on illegal wildlife trade, trafficking and corruption in the wildlife crime law enforcement chain, through professionalized investigation, arrest, media reporting and prosecution in collaboration with national and international stakeholders in order to enhance wildlife populations for the benefit of today's and future generations.

Vision

To be leaders in strengthening society's response to crimes against nature.

Mission

To combat nature related crime to protect ecological systems for the benefit of current and future generations.

1.1 Organization objectives

Directly or through partner organizations, Natural Resource Conservation Network operates in line with the following objectives:

- (a) To use professional knowledge of the network members to conserve wildlife.
- (b) To initiate investigation and support prosecution of wildlife crime.
- (c) To promote awareness of wildlife laws and policy.
- (d) To render legal support to wildlife conservation authorities and courts.
- (e) To engage in conflict resolution and peace building in the wildlife and natural resources sector in Uganda.
- (f) To organize talk shows and public debate on conservation of wildlife.
- (g) To build capacity of courts to expeditiously dispose off wildlife cases.
- (h) To train police officers and other law enforcement agents in the wildlife sector on effective enforcement of wildlife laws.
- (i) To develop wildlife crime reference materials for courts.

NRCN Guiding Principles:

- We believe that teamwork ensures our success, therefore we ensure unity and professionalism in the workplace and encourage creativity and innovation
- We believe in honesty, integrity and sincerity therefore we vet all of our personnel and partners and shun corruption at all levels



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- We believe that uncontrolled illegal wildlife trade can lead to extinction therefore we work as a team to fight the vice
- We believe in the wellbeing of team and collaborators therefore we ensure robust security protocols, equipment, training and risk management
- We are passionate about what we do and we drive that passion through training, mentoring, engagement with the natural world and celebration of our results
- We believe that transparency and accountability is important in our field, therefore we ensure that our systems are compliant and openly auditable.

The Manual:

This procurement manual contains policies that will govern all procurement of goods and services for purposes of NRCN procurement.

There shall be two procurement committees for purposes of procurement of NRCN goods and services. The approval and authorization of procurements of these committees shall depend on purchase prices of the products and the mode/type of procurement.

Procurement Responsibility

Segregation of duties: no one person or function shall control the procurement process from beginning to end. Therefore, identification of requirements and approvals are the responsibility of Projects. The remainder of the procurement process (selecting procurement procedures, receiving and analysing bids, selecting a supplier etc) is carried out by Finance.

Procurement Process

In order to make any purchase of materials, services, spares etc., the need for such items must be properly identified and justified. The process of identification of the needs starts at the time of project proposal writing and budgeting and all program staff in charge of project proposals and budgeting should seek detailed technical (specifications, availability, delivery times etc.) and financial information (prices, import taxes, duties, transport costs etc.) from logistics in advance. All project proposals and budgets must be handed over to Logistics section (Logistics Manager or his designated staff) for review and adjustment before handing over the proposal to the potential donor for approval.

The process of procuring goods and services begins with the employee who requires the goods and services to perform his or her duties.

The following are standard steps followed when procuring goods or services: -



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- 1. Establish Requirements:** NRCN Budget holder initiates, confirms and approves the need and validity of the request and authorises Finance to proceed with a request for quotations from suppliers.

All requests should be based on an approved budget. The Budget Holder in cooperation with the Finance Manager/Officer/Accountant is responsible to check and guarantee that the budget line is available for the request and the amount for the request corresponds with the approved budget.

Request for expenses without an approved budget or overspending of approved budgets

All requests to spend funds without an approved budget as well as overspending of approved budgets must be requested and justified in writing to the Operation Procurement Review Committee “OPRC” and can only be authorized by the Chief Executive Officer (CEO) in emergency cases and informs the Board by following the standard procedures for this matter. In case of bigger emergencies, the Board shall be informed to authorize expenditure.

Purchase Requisition (PR)

This constitutes the first stage of the process. When goods or services are required, the requester must at any time and with no exceptions complete a Purchase Requisition (PR).

The PR must provide details of the item, including quality, size, dimensions, colors, unit measures/packaging, origin or manufacturer and or all necessary information thought required. And important to note is that no purchase is done without purchase request.

- 2. Competitive Quotation Process:** All NRCN Requests is reviewed by finance and official request for quotation is raised. Suppliers are invited to quote for the required items. (varies from single bid to open tender).

All goods and services that require any amount exceeding UGX1,700,000 but limited to UGX70,000,000, quotation process must apply and all payments of such goods/or services MUST be paid by Cheque or IRT transfer and MUST not be in cash payment at any time.

A minimum of three (3) written quotations must be obtained except where other capable suppliers cannot be found in locality. In case of lower donor levels, the regulations of the donor surpass this defined level and must be obtained.

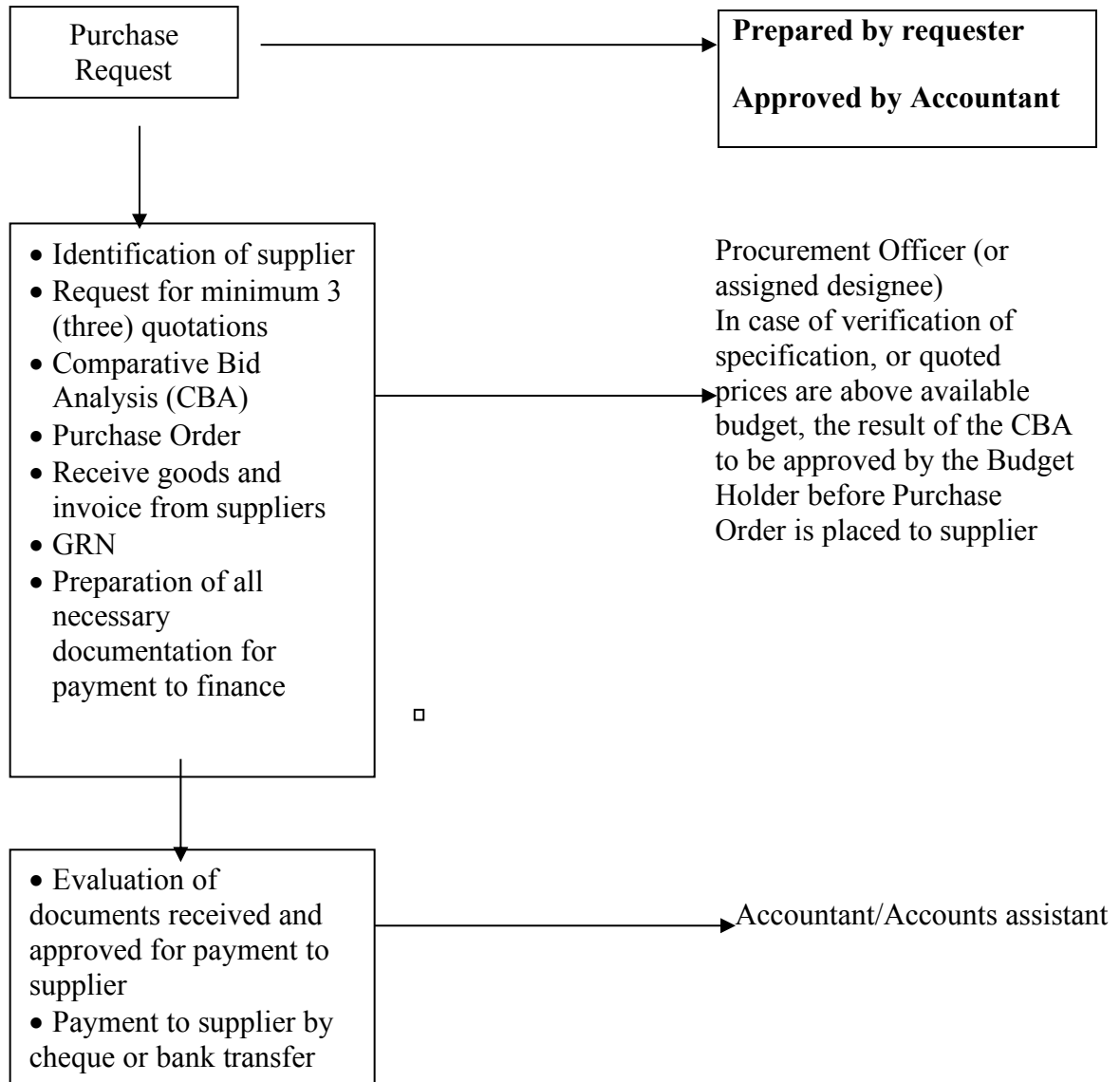
A justification note should always be attached for choosing a particular suppliers clearing giving reasons for the decisions made.

Competitive procurement; The logistics section is responsible for establishing procedures and developing process when goods and services are competitively bid.

Written competitive bids are required for purchases, which are expected to exceed UGX 1,700,000. It is the responsibility of procurement personnel to ensure that a sufficient number of suppliers and contractors are solicited, treated equally and that new ones are identified and listed in the suppliers list. Ideally a minimum of three suppliers must be solicited for any procurement.



Quotation Purchase Flow and responsibilities (UGX 1,700,000 to 70,000,000)





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- 3. Selection of Supplier:** when Quotations are received, they are compared so that the supplier offering the best combination of quality, timeliness and price can be identified .

Conflict of Interest

Directors, Managers, Team leaders and Budget holders are responsible for ensuring that funds are not committed, or orders placed with any individual, partnership or corporation that represents a conflict of interest.

NRCN conflict of interest employees and officers who have, or reasonably anticipate having an ownership interest, a significant executive position, or another remunerative relationship with a prospective supplier of goods or services to the organization, or who know that member of their family or other person with whom they have a personal or financial relationship have such an interest, shall not participate in preparing of specifications, qualifying venders, selecting successful bidders on products or services in which they have an interest, or approving payment to those interests.

Employees should consult with their line manager or internal auditor when unclear about, whether a situation represents a conflict of interest.

All organization employees involved in any procurement transactions must accept and sign the code of conduct for purchasing.

4. Tendering/Bidding Process.

This process applies in any case where goods or services to be purchased cost any amount above UGX70,000,000. Procurement committee, evaluation committee and contracts committee must take over this procurement with advice from board of directors or if necessary founding body.

A minimum of five bidders (maximum of 10) must be invited either by following a public or closed tender process to submit tenders based on clear technical specifications, schemes of work, bill of quantities etc.

Tendering

NRCN will maintain an approved suppliers list from which suppliers of particular category of goods and services can be obtained at the time of need.

The accounts section will regularly survey the markets (national, regional and locally) and initiate the process of soliciting for bids for various categories of goods and services frequently needed for running the operation. This will be through public media (newspapers), Radio announcements, posts or an appropriate means and will aim at obtaining as many bids as possible, from which the best three or more per category are selected. For unique, specialized and high value procurement, the Operation Procurement Review Committee will determine whether or not publicly advertise for tenders. In all circumstances, all bids will be deposited in the “Tender Box”, which will be placed in the public area within the office, and the keys kept in an appropriate place.



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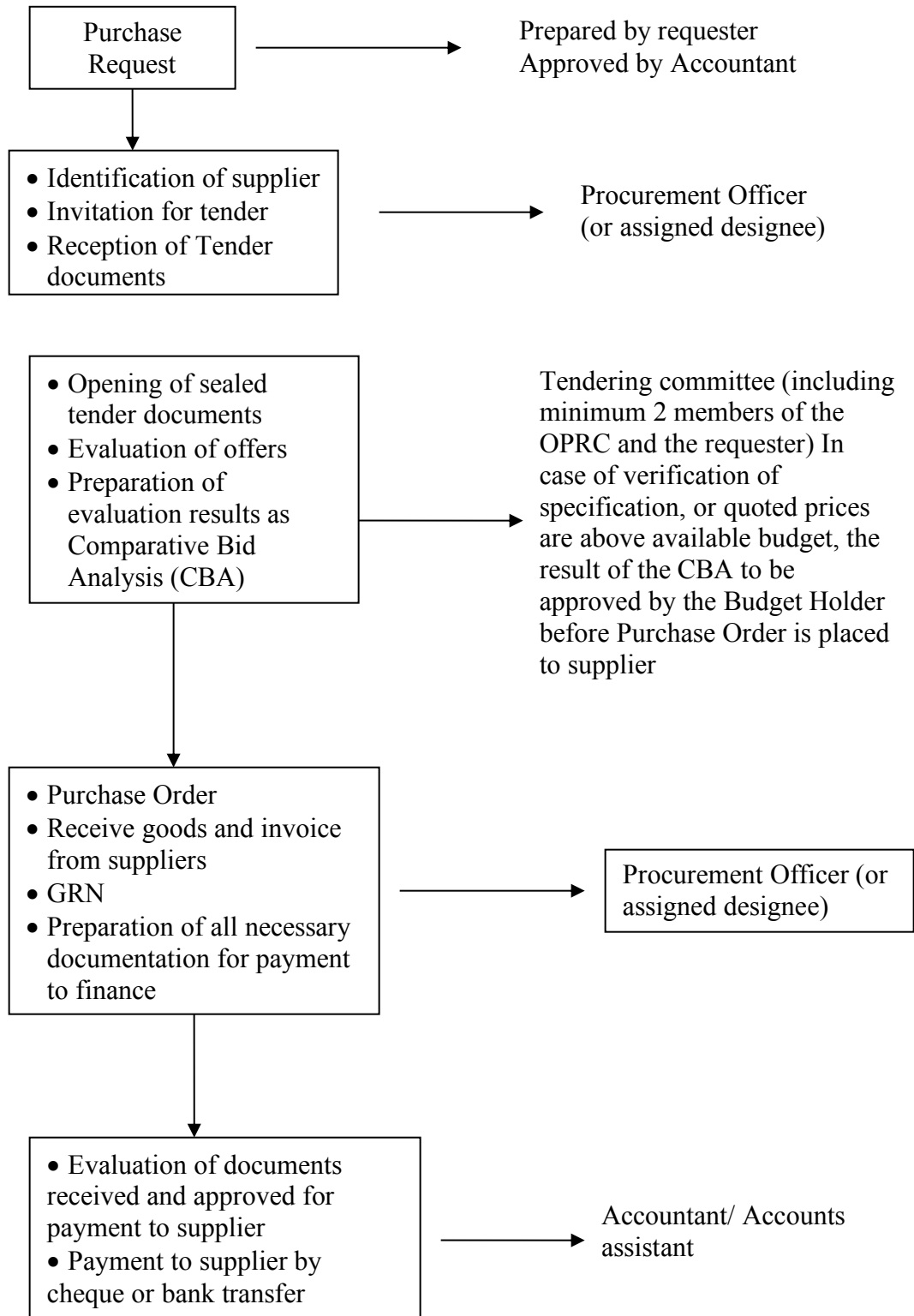
The following shall be the procedures for the tendering process:

- The Logistics Manager shall be responsible for arranging for the bid process. With the approval of the Operation Procurement Review Committee, he/she will make invitations for the bids to the public through the print media or appropriate means, to supply items, goods and services, for a specific period of not more than 12 months.
- All relevant documents shall be handed to the clearing agent. The clearing agent shall complete the clearing formalities and transport the goods to NRCN offices or designated locations
- All relevant taxes and clearing costs will be the responsibility of NRCN.

TENDERING PURCHASE FLOW and responsibilities (Above UGX 70,000,000)



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- 5. Place Order/Notification of acceptance and acknowledgement:** Purchase order authorising the supplier to provide the goods and detailing instructions (delivery date, delivery method, payment Terms & Conditions) is placed. Approved by the authorised Budget Holder.

Local Purchase Order (LPO)

LPOs are the predominant method of ordering goods and services for NRCN. They act as legal contract documents between NRCN and the supplier in the procurement process. They provide protection of NRCN terms and conditions for the supply of goods and services.

LPOs will be pre-printed and pre-numbered in triplicates, with standard terms and conditions of supply of goods and services printed at the back of each page. The procurement officer is responsible for raising the LPO and getting it approved. The Logistics Manager or direct line manager of the designated staff carrying out procurement are authorized to sign any LPO based on a duly authorized Purchase Request.

After approval and authorization of the LPO, a copy is maintained in the LPO book, another given to the store keeper and the original to the supplier. Any contracts for services, supplier frame work contracts, etc. should be signed only by the CEO or Manager authorized by the CEO to sign such legal commitment.

Notification of acceptance and acknowledgement

The successful bidder/buyer/supplier must be notified by NRCN by means of e-mail, phone, etc. indicating terms and conditions of supply and a time limit within which to respond. All suppliers shall be required to document their acceptance of the offers made to them to supply the goods and services by returning a signed copy of the Local Purchase Order within two weeks. If no response is received the offer will be nullified and second contender will be considered.

- 6. Receive and Pay for Order:** Supplier provides NRCN with an invoice, and NRCN pays the supplier according to the payment Terms & Conditions.

Goods Received Note (GRN)

This document is used as a confirmation of actual receipt of goods complying with the requested quality standards/specifications and the correct number of items ordered through the procurement process. Upon receipt of goods, they are physically verified using the information in the LPO and documented using the GRN by Accountant / or store keeper.

Receipt of goods

The Accountant/store keeper shall inspect all the goods received, to ensure conformity to the orders and specifications. The user and technical officers will be involved in the inspection of the supplied goods.



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The Accountant/store keeper will complete the Goods Received Note (GRN) and forward to the CEO, who will approve and attach other relevant documents and forward to the Verification Committee (VC) to direct finance to pay.

Payment for goods and services order

Suppliers shall only be paid after the completion of delivery of goods and services ordered by NRCN except where or otherwise a deposit not exceeding 30% for contract that cost more than UGX1,700, 000. In principle, all payment of goods and services are paid for by cheque in the names of the suppliers, except for petty cash purchases within 7 (seven) working days from date of receipt of items.

The procedures for the payment of supplies shall be as per the financial policies and procedures. After the supply of goods and services, the procurement officer shall deliver the requisitions and all the relevant documents, including Goods Received Note, to the finance department. While requesting for the payment, all relevant documents used in the process must be presented to the finance department in their original form for each procurement activity. These include the following; Purchase Requisition, Invitation for Quotations, Quotations/proforma invoices from suppliers, CBA, Local Purchase Order, Goods Received Note, Invoice from the supplier and Copies of all relevant correspondence between organization and the supplier.

The Finance/Accounts section performs the checks to ensure that: -

- All internal regulations/compliance issues were observed and relevant signatories have endorsed.
- All relevant attachments have been made.
- Goods/services have actually been received or have been carried out to full satisfaction

EXEMPTIONS TO PROCESS OF PROCUREMENT

NRCNs exemptions to the process of procurement include

- a. *Small Petty Cash purchases and some expenses for staff such as subsistence and travel.* These will not require the procurement committee to meet and approve before purchase.
- b. **Preferred Supplier Agreement:** An agreement with a supplier that has been awarded through a competitive procurement procedure (established whenever on-going requirements of the same type are required in a project). It has a time and a value limit of 1 year. NRCN Preferred Supplier Agreement's shall be reviewed on a regular basis to ensure that best value for money is obtained.
- c. **Ongoing contracts:** agreements with suppliers for a regular supply or service (e.g. rent of a vehicle or lease of an office. NRCN shall ensure that interim reviews are built in to ensure best value for money.
- d. **Limited Source Procurement-** This is used When specific items are not commonly available to the organisation.



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- e. **Lack of quotations:** In the event that no quotation has been received and a supplier cannot be found in a particular area, specific time limit for the quotation process should be extended to allow the procurement personnel to source for quotes from the next business center/town.
- f. **Less than three quotations received:** The event that less than three (one or two) quotations received for a particular supply, documented explanation shall be provided and the Logistics Manager shall approve that purchase. However, care must be taken to ensure that capable alternatives are not available in the market.
- g. **Lowest Bidder Rejected:** When quotations are received and evaluated, the lowest bid is accepted if the offered goods or services are complying with the required quality standards and specifications and the supplier has accepted the NRCN standard terms and conditions for procurement.

This is sufficient justification for the award of the LPO or contract. However, if some reasons for selecting other than the lowest bid is raised, then it must be documented clearly and approved by the Procurement Awards Committee (PAC).

h. Emergency Purchases:

Emergencies occur where urgent demand for procurement does not allow adequate time to fulfill the requirements for normal procurement process. This is described as an extraordinary situation, in which case procurement procedures may be ceased or partially bypassed. Staffs that are faced with this situation are advised to seek advice and written approval from the CEO before taking action, which must be followed by a written confirmation authorized by the Chairperson Awards Committee, describing the events leading to such circumstances, within two days prior to purchase.

Poor planning, delays in submission of requests and/or internal factors within the control of NRCN do not constitute emergencies. Any contracts for services, software agreements, supplier framework contracts, etc. should be signed only by the CEO or Managers authorized by the Awards committee to sign such commitments.

AUTHORISATION LEVELS

The most important principle is that the same individual cannot be the requester and approver of transactions and this principle must always be obtained without exceptions.

Directors, Managers, Team Leaders and Budget Holders are authorized to authorize purchase requisitions up to a maximum limit for each category as listed below:

Position/function	Purchase Limit
❖ Staff Procurement committee	0 - 1,700,000
❖ Board Procurement committees	1,700,000 & above
❖ Chief Executive Officer	70,000,000



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For purchases not approved in a budget OR Restricted Items

The procurement authorization is fully extended to all field offices for the purpose of more decentralization of procurement and to better facilitate the programs by reducing lead times and to assist local business by purchasing all items available at the local markets as long as the required quality of goods and services is guaranteed.

If the Directors, Manager, Budget Holders delegate responsibility for authorizing and approving transactions to other staff, the department section unit must develop and maintain adequate records, including written documentation that authority and approval responsibility have been delegated.

The Logistics section is available to answer questions or assist with any procurement requests. Purchasing officers to ensure procurement methods are understood and administered correctly.

Any procurement requisition that is beyond the scope of the consuming offices, authorization is to be approved by the next higher level before an order is placed or a commitment is made that binds the organization. Departments/offices are to contact the Logistics section in advance and make no unauthorized commitments for the organization.

Splitting purchases for the purposes of circumventing the prescribed authorization limit is not acceptable, and a staff that is guilty of this misconduct will face disciplinary action as per terms and conditions of services.

Special Circumstances in Approval

Restricted Items- For purchase of restricted items like motor vehicle, NRCN shall seek Approval from the donor, through the Logistics and Compliance Officer, before any transaction is made.

NB: Supplier/Vendor rosters: This is Used to identify regular suppliers and it Indicates good and bad experiences in any supplier relationship and the Accountant should update supplier roster every six (6) months.

PROCUREMENT AND VERIFICATION COMMITTEE

These committees shall be.

- Standby/staff procurement committee.
- Board procurement committee.

Composition of the committees

1. The standby procurement committee shall compose of four staff members and who are not members of the finance department and a requester of particular item of NRCN. Such staff members shall be members of strong integrity appointed by the CEO with the help of Deputy CEO and should not be a signatory to the bank account.
2. The Board procurement committee shall compose of three members, who are not signatory to the bank accounts. The board procurement committee can co-opt a more



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technical person to advise the committee on such matters where deemed necessary to improve the procurement function while avoiding faint procurement. Defines the thresholds for award, has the authority to reject proposals or cancel competition for contracts valued above the thresholds defined by them.

NB: The procurement committee should exclude requester, finance/budget holders.

Mandate of the procurement committees.

- The NRCN procurement committees are mandated to procure goods and services for NRCN in line with NRCN policies and the procurement Act amended 2013 (PPDA act).
- The standby procurement committee shall handle procurements not exceeding UGX1,700,000 including all cash procurements.
- Board procurement committee will handle all procurements exceeding UGX1,700,000.

Functions and roles of the NRCN procurement committee

- Drafting specifications and ToR
- Suggesting sources for delivery
- Helping with the evaluation of bids
- Checking and endorsing/correcting invoices against signed contracts and progress of works/delivery.
- Processing valid procurement requests
- Checking specifications and ToR for completeness and plausibility
- Maintaining procurement files up to date
- Drafting tender documents
- Collaborating with technical, legal, and finance services
- Assisting in bid openings/evaluations
- Preparing award decisions
- Providing advice on rules and procedures
- Creating financial commitments according to valid contracts
- Oversee the procurement function of NRCN to efficiently procure goods and services.
- Procure approved goods and services in line with requisitions.
- Recommend to board of directors innovations and adaptations in the procurement system for approval.
- Implements and prioritizes NRCN procurement goals and objectives.
- Authorize/reject bids and tender
- Checking specifications and TOR for completeness etc.

Verification committee

For purposes of effective and complete procurement of goods and services NRCN shall have the verification committee independent to verify and certify the good and services procured by the procurement committee.



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This committee shall compose of three members. The authority to appoint these members is vested in CEO and the board. The verification committee has authority to disapprove and reject goods procured if procurement procedures are not well followed or if value for money is deemed jeopardized.

The verification committee shall execute the following functions.

- Verify goods and services procured and directs the accounts department to cause payment upon certification
- Checks documentation used in the procurement process and whether appropriate suppliers were contacted to avoid faint supplies.
- Checks compliance of the procurements.
- It is the whistle blowing organ of NRCN as far as procurement is concerned.

The verification committee shall have a checklist of these items to execute its duties efficiently

- Processing of orders and execution of orders.
- TOR
- Procurement and award of contracts.
- Time lag and delivery periods
- Type and color of goods supplied
- Procurement support document; minutes, quotations, invoices, requisitions, delivery notes and physical existence of goods and services where possible and then write goods received notes.

For certain professional or technical services, where the competencies are known and competition would not result in any price or performance advantage, procurement committee has the authority to waive requirements for competitive bidding to accommodate needs such as;

- I. Vehicle maintenance, repairs, fuel and lubricants, Utilities, Audit and legal services, Donations and sponsorships, Employment services, Tenancy agreements etc.
- II. Other situations recommended by the procurement committee and approved by the Awards/contracts committee, in which case competitive bidding may not be required every time a service is required.

Suppliers or providers of such goods and services will be pre-qualified annually and contracts will be signed between them and Literacy Action and Development Agency (NRCN).



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IMPORTANT NOTICE

Revision and Update

Changes in the business environment will often necessitate periodic modifications of these policies and procedures in part or as a whole. All NRCN staff, especially employees involved in procurement of goods and services are responsible for informing the Procurement committee about the need for modification of these policies and procedures in this manual.

Legal Considerations

NRCN is a registered entity, conducting business under the laws of Uganda. This means that all procurement and other activities carried out on behalf of the organization are legally binding.

It is therefore, principal that employees and the procurement committee understand and observe the policies to avoid landing the organization into trouble related to procurement of goods and services. Individuals performing procurement functions should seek advice from the Board of Directors, whenever they are not sure of a procedure or legal implications of any particular procurement.

Grantees and Gifts-Procurement

Employees of NRCN and immediate family members shall not, directly or indirectly, solicit, accept, or receive from any one vender or “donor”, a gift as defined below;

- I. A gift means rendering of money, property, services, discount, loan forgiveness, payment of indebtedness, or anything else of value in return for which legal consideration of equal or greater value is not given or received
- II. The term “vendor or donor” includes any person who contracts with NRCN or is seeking to contract with it. This includes persons involved in sales, leases, purchases or other contracts. Employees may accept items available free of charge to members of the general public and non-monetary and food items worth no more than in total Uganda Shillings Ten Thousand (10,000/=) only in a year. Any item which costs above this limit must be declared and surrendered to NRCN, in which case NRCN will determine the most suitable way to utilize the item for the benefit of the entire organization and beneficiaries.

RESPONSIBILITIES

NRCN’s accounts section has been delegated the responsibility for handling all procurement transactions and administering procurement policies and procedures.

Accounts Department shall carry out sample testing against market prices to review and verify all procurement transactions carried out by the Logistics person to guarantee full compliance with the



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procedures and processes before authorizing any payments to suppliers in cash, cheque or bank transfer.

In order to facilitate use of these guidelines by all relevant staff, the main areas of responsibility are outlined. Different jobholders will be able to refer directly to the relevant sections of the manual, which concern them, by referring to the following paragraphs:

- The Procurement Evaluation committee.
- The procurement Awards committee.
- Requester.
- The Budget Holder
- The Accountant (or assigned designee)
- Cash Purchasers
- The Operation Review Procurement Committee (ORPC)

The Procurement Committee together with procurement personnel is responsible and accountable for: -

- I. Maintaining a regular flow of supplies for all NRCN offices, departments and Programs, by responding efficiently and quickly to purchase requisitions and using standard price lists and contracted suppliers where appropriate and by following up and producing order status reports for all orders on behalf of budget holders and Logistics section.
- II. Ensuring proper processing and documentation to ensure compliance with this manual and audit requirement.
- III. Identification of quality suppliers, negotiating and establishing of frame contracts with approved suppliers.
- IV. Maintain and regularly update the list of these contracted suppliers and their relevant standard price lists

The Procurement Manager and Awards committee

Is responsible and accounted for: -

- I. Ensuring overall management and control of supplies and stores within their area of operation, in accordance with NRCN guidelines.
- II. Reviewing and checking of comparison processes of quotations and to finally authorize the Local Purchase Order for processing.



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- III. Organize periodic checks on purchasing guidelines and prices, on order to ensure that correct processing of systems and purchasing guidelines are in place.
 - IV. Maintaining a regular flow of supplies for all organization programs, by responding efficiently and quickly to purchase requisition, and by following up and keeping timely record of supplies. Ensures that efficient supply and stocking of fast moving items are implemented and maintained.
 - V. Ensuring proper and formal recording of in-coming goods, their dispatch and timely delivery to projects.
 - VI. Delegating and supervising the storekeeper in all day-to-day work in store management.
 - VII. Ensuring that all assigned staff understand and adhere to their responsibilities in purchasing and receiving goods
 - VIII. Managing organization assets
- In case the Logistics Officer is in charge of carrying out procurement by him/herself, the next level supervisor is responsible for the monitor and control functions.

The Requester

Is responsible and accounted for: -

- I. Preparation of purchase request for each request of supply of goods or services in due time always taking into consideration the international standard logistics lead times:
 - a. Local purchase/quotation process = 3(three) weeks minimum
 - b. Tendering/bidding process = 6 (six) weeks minimum
- II. To provide correct specifications for the items required either by providing detailed written specifications or by providing samples.
- III. To ensure that the purchase request contains all necessary information as financial coding, delivery date, place and any other relevant information necessary to ensure to receive the goods and services in order and to avoid delays or purchase of wrong items.
- IV. To obtain the correct authorization for the Purchase Request from the Budget Holder.
- V. To receive the requested goods or services and to ensure that they are delivered to identified beneficiaries.

The Budget Holder

Is responsible and accounted for: -

- I. To plan all supply needs well in advance by establishing appropriate procurement plans based on the approved program activities and budgets.



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- II. To manage and monitor the approved budget of the assigned program to ensure appropriate implementation of the program.
- III. To authorize all the Purchase Requests for the program in line with budget availability and compliance
- IV. To ensure request is compatible with donor guidelines.

The Accountant (or assigned designee)

Is responsible and accounted for: -

- I. Receive all purchased goods
- II. Prepare the goods received note (GRN)
- III. Recording and updating the Asset register if applicable.
- IV. Ensuring the goods are appropriately marked/engraved with NRCN motif
- V. completing the Waybill /Dispatch Note
- VI. Dispatching the goods accordingly.

The Cash Purchaser

Those authorized to carry out cash purchases are responsible and accountable for: -

- I. Ensuring that all items bought are of good quality, reliable, appropriate and at a reasonable price. She/he must deliver the purchased items intact and in good condition.
- II. Cash purchasers are required not to show favoritism to suppliers, disguise price; quotations or forward misleading information for approval of purchasing items.
- III. Ensuring that this procurement manual and all other corporate guidelines are implemented and are complied with.
- IV. Ensuring that all assigned staff understand and adhere to their responsibilities in purchasing and receiving goods.

In case the Logistics Officer is in charge of carrying out procurement by him, the next level supervisor is responsible for the monitor and control functions.



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NRCN Whistle Blowing Policy (NWBP)

A copy of the NWBP should be distributed to all potential suppliers during the supplier registration/awards process

2.5.1 Comparative Bid Analysis

Depending on the value of products, analysis and evaluation is required. If the items cost up to UGX 1,700,000 direct procurement is made by cash (working advance), in which case quotations will not be required. For items of value more than UGX 1,700,000/= to 70,000,000, 3 quotations will be obtained, reviewed and evaluated using the Comparative Bid Analysis form (see appendix C).

The analysis and evaluation of quotations will be done by the procurement committee or the assignee of the committee.

Purchase above UGX 70,000,000/= are strictly subjected to tendering and will be handled by the tendering committee in cooperation with the Board of directors. Either open or closed tendering shall be used in procurement of this magnitude. The evaluation process considers factors such as quality, accessibility, capacity to satisfy demand, ability to meet delivery schedules, after sales technical support, record of past dealings, integrity, terms of trade, legal status and price

PROCUREMENT REPORTING

1. Reporting of procurement and logistics activities are essential for monitoring, follow up, problem solving, correct documentation and communication
2. The logistics team/ procurement officer must produce monthly reports that consist of two main sections, one for procurement and one for transport and distribution. It should include; monthly transaction details, order status of items purchased or transported, values, costs codes, supplier names and placed delivery dates.
3. During emergencies these reports should be produced on a weekly basis and circulated widely throughout the program.
4. For large, high value orders a separate progress report may be well needed to keep project managers informed.
5. For specialized/technical items qualified advice should always be sought before an order is placed.
6. When delays are anticipated in required delivery date, the Logistics/Procurement Officer should inform the Requester/Budget holder to enable alternative services to be considered.
7. A list of approved suppliers should be compiled using either the supplier questionnaires and/or supplier check list and regularly updated.



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8. Standard price list from standard suppliers should be obtained on a regular basis (quarterly) and standard supplier contracts should be established for strategic items as spare parts, stationary, technical items etc. this procedure shall replace the rule to obtain always three quotations and will speed up the procurement process significantly.
9. A central filling system within the Logistics section of all locations should be implemented and maintained for all procurement files and documentation to enable accurate tracking and reporting as required by donors and for audit purposes.

6.0 CATEGORIES OF SUPPLIERS

For purposes of consistence, and to avoid having to request for quotations each time goods and services are required, all suppliers of regular goods and services are to be pre-qualifies annually and entered into NRCN suppliers list, and will be required to submit specific bids as and when need arise. Apart from cash purchase, all procurement of goods and services will be made with the suppliers list.

Pre-qualified suppliers

Pre-qualified suppliers are those with whom NRCN has established purchase agreements for supply of particular goods and services for a given period of time. The pre-qualified suppliers will be categorized by merchandise and service types. Where NRCN has established a pre-qualified supplier contract, purchases may be made without obtaining competitive price quotes. One vender is identified as a prime vender in each category but two other venders are also included in the same category that may be used if the primary vender is unable to provide the goods and services required.

Supplier Classification;

- Manufacturers and distributor.
- Appointed dealers for technical products and their official workshops.
- Wholesalers/ traders
- Retailers, small shops, back street garages

Priority should be given to No. 1 suppliers and contracts with No. 2 and No. 3 suppliers should only be considered if there is no other alternative available. Such suppliers will constitute the NRCN suppliers list, which will be reviewed and updated annually by the Logistics section and approved by the OPRC. NRCN Logistics sections will be responsible for establishing procurement contracts within and publishing the list of NRCN preferred suppliers. A clause will be included in the contract to cater for prior negotiation and documentation of price charges by both parties.



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EQUIPMENT PROCUREMENT AND MANAGEMENT

NRCN shall maintain an inventory list which will be updated regularly (when the procurement of an item of capital nature has been completed). The inventory list shall have details as: Name of the Asset, date of purchase, description, quantity, amount, depreciation rate, disposal date and other accompanying explanations.

Any staff member requiring equipment that has not been of NRCN inventory shall complete a procurement request form; submit it to the Administrator who will verify that funds are available to cover the purchase. In case of overseas procurement, a lot of documentation and time shall be required. Staff should also give adequate notice to the administrator. For such orders, pro-forma invoice should be received for items of a capital nature. They shall be verified and suitable invoice shall take the role to supply the item in question.

To ensure that there is control, the following should be followed while purchasing;

- a) Ensure that the purchase orders are properly approved,
- b) Three quotations from three suppliers should be received and a selection done.
- c) Ensure that checks are made to ensure that goods have been received in good order before payment is authorized
- d) All purchases are supported by official supplier invoices, deliveries addressed to the NRCN
- e) Suppliers' invoices are for goods or services that conform to the nature of NRCN work

NRCN STORE

This will be a place where supplies/assets/goods are kept for organizational use. Movement, status, condition of these equipment or supplies will need monitoring. Essentially supplies entering the store after procurement may need to be certified that they are correct in quantity, quality etc as checked against the respective purchases orders / delivery notes. From time to time equipment in the stores will require to be moved for the right purpose. This trend should be adequately captured in the store entries.

In Order to maintain control, the following will be put into consideration by *NRCN*:

1. A physical inventory of stores carried out at regular times or end of each financial year
2. The store is maintained and updated inventory list by another
3. The Items in the store records be verified that they physically exist
4. The store is in adequate and secure premise, with access of and to property properly controlled



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5. The store key should be with the administrator and locked
6. Any movement of equipment out of the store during or over weekend should have a waybill and checked out by the administrator.

NRCN ASSET REGISTER and REMARKS

All NRCN assets and equipment will be recorded or properly documented to enable management trail their existence, status and value. The inventory list to be updated regularly clearly attaching comments of what transpired since the last update. For equipment like computers and furniture, these could be labeled and inscriptions attached to them to ease identification in case of thefts. It also helps to easily trail the asset on the register. Ensure that all your equipment is maintained in an asset register, labeled where possible and updated regularly

NRCN PROCEDURES FOR DISPOSAL OF ASSET

NRCN with time will dispose of assets that have been cleared by management as being extravagant to maintain like computers, vehicles, motorcycles or related equipment. Such assets shall have attained obsolete level or of little economic value. NRCN will ensure that no asset / unless absolutely necessary is disposed of without attaining its useful life and will only be done with the recommendation of donors or board. When this happens, the initial stage of disposal should be to attach a value (based on depreciation value), advertise in a leading daily and solicit bids from the public. Such property / asset shall be sold to the highest bidder subject to the reserve value. Due to inside information policies, staff and board members may be excluded from participation in the bidding process.

RISK MANAGEMENT

Risk Management can be defined as the set of policies, procedures, and practices involved in the identification, analysis, assessment, control, avoidance, minimization, or elimination of unacceptable risks. The following NRCN policies address risk management elements and are particularly relevant to procurement:

- a. Finance manual;
- b. Staff code of conduct



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- c. Financial Disclosure Programme;
- d. This Procurement Manual;
- e. NRCN Risk Management and Internal Control Policy
- f. Anti-Fraud and Anti-Corruption policy

The above policies and this Procurement manual provide for, amongst others, the following risk management measures:

- a. Framework for delegation of authority in procurement
- b. Identification of other critical roles in the procurement process and linkages of these roles to specific procurement training requirements;
- c. Review of procurement processes by Review Committees;
- d. Procedures for an independent internal investigation of fraud and other proscribed practices and mechanisms to determine sanctions for vendors;
- e. Bid protest/procurement challenge mechanisms for vendors (Debrief Procedures)
- f. Risks in procurement can originate in any stage of the procurement process. At the procurement process level, the Requisitioner should work closely with the Procurement Official in identifying potential risks, assessing impact and probability to understand the consequences, and putting in place appropriate mitigation measures. The table below shows some examples of procurement risks, their possible consequences, and potential risk mitigation actions to be put in place.



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PROCUREMENT RISK, POTENTIAL CONSEQUENCES & RISK MITIGATION ACTIONS

Stage	Risk	Possible consequences	Risk Mitigation Actions
Planning and Strategy	Delay in procuring critical requirements for the project	Delay in project outputs and outcomes, impacting other stakeholders Higher prices	Early planning of procurement processes Adoption of appropriate strategies, including usage of LTAs (Long term Agreements) if appropriate
Requirements Definition	Restrictive requirements definition	Limited vendor response Claims by vendors of unfairness and lack of transparency	Improved product and market understanding through market research Include generic functional and performance specifications
Solicitation	Low interest in the procurement process	Delays (if need to re-tender) Higher prices (if perceived there is no competition)	Publish tender widely and with ample tender period Conduct pre-bid meeting
Evaluation	Selecting vendors with unethical past conduct	Damage NRCN reputation	Check all vendors against ineligibility lists Conduct background check on recommended vendor, prior to award
Contract Management	Failure of vendor to perform the contract	Contract disputes Inadequate quality of goods, services, or works Delays	Include adequate evaluation criteria in solicitation document Employ active contract management actions Conduct regular inspections and progress reports



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SUSTAINABILITY CONSIDERATIONS

Given the scale of its procurement activities, the NRCN has the potential, within its existing legislative framework and procurement guiding principles, to motivate markets to innovate and contribute to achieving global sustainability goals. Requisitioners and Procurement Officials should be aware of the Sustainable Development Goals and initiatives on procurement practices that incorporate the social, economic and environmental principles of sustainable development.

Integrating the economic dimension of the sustainable agenda means to strive for the best value for money and, in particular, the whole life costs of a product or service, as well as for wider support for economic development. Considering its environmental dimension is to strive for reduction of the negative environmental impact a product or service has over its whole life-cycle, including issues such as greenhouse gas emissions, preservation of natural ecosystems, waste reduction and management, and air and water pollution.

The social dimension of the sustainable agenda considers the promotion of human rights, elimination of child labor, fair labor conditions, gender equality, and wider ethical issues in the supply chain. Factoring sustainability considerations at the requirements definition stage can provide added value to the Organization, by promoting resource efficiency, leveraging innovation and advancing the Sustainable development goals. Requirements must be transparent, measurable and proportionate to what the market can reasonably offer and must not restrict international competition. Category Strategies may also provide guidance on incorporating sustainability considerations into the sourcing solutions for certain goods and services.


In general, Requisitioners, Procurement Officials and contract managers are expected to encourage NRCN vendors to adopt sustainable and socially responsible policies aligned with NRCN's principles in the areas of conservation, human rights, labor, the environment, and anti-corruption in accordance with the NRCN Supplier Code of Conduct. Any integration of sustainability considerations must be undertaken within existing legislative frameworks, particularly Finance Manual and Regulation.



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APPENDIX A: PROCUREMENT TEMPLATES

a. Request for Quotation


 <p>NATURAL RESOURCE CONSERVATION NETWORK</p> <p>P.O BOX 33976, Kampala-Uganda Plot 439 Kyambogo Kyadondo County Tel: +256 772 591 289 Email : info@nrcn.org Website http://www.nrcn.org</p>								
Request for Quotation								
To:					Date :			
Attn:					RFQ No.:			
From:					Quote to be submitted by (date):			
NRCN kindly requests your firms best offer for the following items:								
#	Type of Goods	Unit Type	Description/Specification	Quantity	Unit Cost	Total Cost		
1								
2								
3								
4								
				Total				
Please indicate current availability of all items:								
Please indicate ability to deliver to specified location:								
Cost of Delivery:								
VAT included in quote?								



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Quotation expiry date:	
Delivery date:	
Contact Name of Manager:	
Contact Details:	
Signature:	Date:

b. Procurement Request

 <p>NATURAL RESOURCE CONSERVATION NETWORK P.O BOX 33976, Kampala-Uganda Plot 439 Kyambogo Kyadondo County Tel: +256 772 591 289 Email : info@nrcn.org Website http://www.nrcn.org</p>						Order No.	
PROCUREMENT REQUEST							
#	Type of Goods / Services Required	Unit Type	Description/Specification	Quantity	Available Budget (LC)	Estimated Total Cost (LC)	
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
Please charge all items listed above to the following:							




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Project Ref	Nominal Code	Donor	Additional Information						
I certify that the above goods/services are required for the following purpose(s):									
			Required Date						
Requested By:									
Name		Position						Date	
Approved By:									
Name		Position						Date	
Received By:									
Name		Position						Date	



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c. Competitive Bid Analysis

NATURAL RESOURCE CONSERVATION NETWORK													
										P.O BOX 33976, Kampala-Uganda Plot 439 Kyambogo Kyadondo County Tel: +256 772 591 289 Email : info@nrcn.org Website http://www.nrcn.org			
										RFQ N°			
Project Ref:										Date			
Nominal code:										Location			
Donor:													
Name of supplier:		<i>Bid 1</i>				<i>Bid 2</i>				<i>Bid 3</i>			
Quotation reference and date:													
Currency quote:		<i>currency</i>				<i>currency</i>				<i>currency</i>			
Rate of exchange with euro:													
Description of items	Quantity	Unit price	TOTAL	VAT	Total	Unit price	TOTAL	VAT	Total	Unit price	TOTAL	VAT	Total



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Freight cost														
Tax														
Insurance estimate														
Other (specify)														
GRAND TOTAL		<i>curr</i>		Tot		<i>curr</i>		To		<i>curr</i>		To		
Contract Required (Y/N):														
Location of Vendor:														
Weight estimated														



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:														
Volume estimated														
:														
Delivery date according to RFQ:														
Delivery date after offer to vendor:														
Terms of payment:														
Bid validity date:														
Meets SHA/don or contract requirements (Y/N):														
Comments:														
Recommended vendor:														
					Prepared and submitted by:									




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Reason:														
					Autho rised by:									
									HO FA					
					Autho rised by:									
									CD					



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d. Purchase Order

 NATURAL RESOURCE CONSERVATION NETWORK P.O BOX 33976, Kampala-Uganda Plot 439 Kyambogo Kyadondo County Tel: +256 772 591 289 Email : info@nrcn.org Website http://www.nrcn.org				
Purchase Order				
			Order Number:	
	Issued by:			
	Date issued:			
	Issued to (supplier name):			
	Supplier contact details:			
	Supplier address:			
	Supplier quotation reference:			
	Address for delivery of goods:			
	SHA contact details at delivery address:			
	Method of transport:			
	Date of delivery:			
#	Type of Goods	Unit Type	Description/Specification	Quantity
1				
2				



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3				
4				
5				
6				
7				
8				
9				
10				
	VAT:			
	Transport costs:			
	Insurance costs:			
	Total cost:			
	Currency:			
	Approved (budget holder):	Name-		
	Signature-			
	Date-			
	Approved (HOFA):	Name-		
	Signature-			
	Date-			
	Approved (CD):	Name-		
	Signature-			
	Date-			



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<p style="text-align: center;">NATURAL RESOURCE CONSERVATION NETWORK</p> <p style="text-align: center;">P.O BOX 33976, Kampala-Uganda Plot 439 Kyambogo Kyadondo County Tel: +256 772 591 289 Email : info@nrcn.org Website http://www.nrcn.org</p>	<p>Waybill No.</p>
---	---------------------------

GOODS RECEIVED NOTE

Purchase Order No:	Project Ref.:	Nominal Code:	Date Received:

<p>Supplier Name & Address</p>	<p>Driver name:</p>
	<p>Vehicle Reg #:</p>
	<p>Delivery date and time:</p>
	<p>Delivery location:</p>

#	Commodity Type	Unit Type	Unit Weight (if applicable)	Specification	TOTAL	
					# Units	Weight (if applicable)
1						
2						
3						
4						
5						
6						
7						
8						
9						



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10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						

I certify that the above goods have been received in good order and condition / services have been carried out satisfactorily, with the exception of the following.

1						
2						
3						

Prepared By: Name	Position	Signature	Date

Certified by: Name	Position	Signature	Date

White Copy	Pink Copy	Blue Copy	Yellow Copy
Receiving Officer	Despatching Officer	Accounts Department	Book Copy



VENDOR/SUPPLIER EVALUATION FORM

DATE :	PREPARED BY :
EVALUATION NUMBER :	TITLE:

This form will help NRCN evaluate the overall performance of vendors currently working with or plan to work with. Vital vendor information to be included on the top portion of form and in bottom portion of the form, a strength factor evaluation is done with rating 5 termed as being strongest, Totals are added to conclude the evaluation. Compare each vendor total against similar vendors to gauge the performance of the vendor.

VENDOR/SUPPLIER INFORMATION

Company Name:		Type of Business:
Company address:		
Legal form under which business operates:		
City:	country:	Telephone:
Number of Employees:	Number of Locations:	
Number of sales people:		
Names of Key officers:		

VENDOR EVALUATION	1	2	3	4	5
1. Timeliness of deliveries					
2. Quality of services/products upon delivery					
3. Overall quality of products/services					
4. Competitiveness of prices					
5. Competiveness of terms and conditions					



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6. Credit Rating					
7. Overall Financial condition					
8. Reputation of company					
9. Quality of design compared to specification					
10. Compliance with contractual terms and conditions					
11. Expertise of Sales staff					
12. Technical Support Staff's Level of Expertise					
TOTALS					

APPENDIX B

List of Abbreviations

NRCN	Literacy Action and Development Agency
ICPR	International Corporate Procurement Regulations
NWBP	NRCN Whistle Blowing Policy
OPRC	Operation Procurement Review Committee
LPO	Local Purchase Order
GRN	Goods Received Note
GDN	Goods Delivery Note
CBA	Comparative Bid Analysis
PR	Purchase Requisition
UGX	Uganda Shillings



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