



OPERATIONS MANUAL

Volume 02

-
- Administrative Policies & Procedures
 - Procurement and disposal guidelines
-

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ACRONYMS

AF	Advance Form
AHRU	Administration & Human Resource Unit
ASARECA	Association for Strengthening Agricultural Research in Eastern and Central Africa
BoD	Board of Directors
CAADP	Comprehensive African Agriculture Development Programme
CGS	Competitive Grant Scheme
CGIAR	Consultative Group on International Agricultural Research
CoA	Chart of Accounts
COMESA	Common Market for Eastern and Southern Africa
DPs	Development Partners
DSA	Daily Subsistence Allowance
EBS	Electronic Banking system
ECA	Eastern and Central Africa
ES	Executive Secretary
EFT	Electronic Funds Transfer
ES	Executive Secretariat
EU	European Union
FAR	Fixed Assets Register
FU	Finance Unit
GA	General Assembly
GL	General Ledger
HoA	Head of Administration
HoF	Head of Finance
IA	Internal Auditor
ICU	Information and Communication Unit
JV	Journal Voucher
MC	Management Committee
MDTF	Multi-Donor Trust Fund

M & E	Monitoring & Evaluation Unit
NARI	National Agricultural Research Institute (Eritrea)
NARO	National Agricultural Research Organization - (Uganda)
NARES	National Agricultural Research and Extension Services
NGO	Non Government Organisation
NPPs	Networks, Programmes and Projects
NRM	Natural Resources Management
NSSF	National Social Security Fund
OM	Operations Manual
OP	Operational Plan
PA	Programme Assistant
PAAP	Policy Analysis and Advocacy Programme
PAYE	Pay As You Earn
PCO	Procurement and Contracting officer
PCV	Petty Cash Voucher
PMU	Programme Management Unit
PPU	Programme Planning Unit
PRF	Purchase Requisition Form
PV	Payment Vouchers
SAA	Senior Administrative Assistant
SA	Senior Accountant
TAC	Technical Advisory Committee
ToR	Terms of Reference
UGX	Uganda Shillings
USD	United States Dollar
WB	World Bank
YTD	Year to date

ASARECA COVERAGE



SECTION 1

INTRODUCTION

I.1 Background

The Association for Strengthening Agricultural Research in Eastern and Central Africa (ASARECA) is a sub-regional not-for-profit Association. It was formally established in 1994 by ten member States represented by their National Agricultural Research Institutes (NARIs) following the approval of the Framework for Action (FFA) for Agricultural Research in Eastern and Central Africa by the Special Programme for Africa Agricultural Research (SPAAR).

The original ten member States included Burundi, represented by Institut des Sciences Agronomiques du Burundi (ISABU); Democratic Republic of Congo, represented by Institut National pour l'étude et la Recherche Agronomique (INERA); Eritrea, represented by the National Agricultural Research Institute (NARI); Ethiopia, represented by Ethiopian Institute of Agricultural Research (EIAR); Madagascar, represented by Centre national de recherche appliqué au Développement Rural (CERADERU/FOFIFA); Rwanda, represented by Institut des Sciences Agronomiques du Rwanda (ISAR); Sudan, represented by Agricultural Research Corporation (ARC); Tanzania, represented by Department of Research and Development (DRD); and Uganda, represented by the National Agricultural Research Organization (NARO). Subsequently, South Sudan joined ASARECA during the General Assembly convened in December 2011, while the Republic of the Congo (RoC) joined the Association in 2019, bringing the total membership to 12.

The founding members acted on the realization that there is a need to:

- i. Promote efficiency through attainment of economies of scale and scope by pooling together and sharing resources for tackling common constraints;
- ii. Create common pools of knowledge to avoid duplication and repetition; and
- iii. Facilitate technology and information spill-overs and spill-ins among member countries

The Headquarters of ASARECA is in Entebbe, Uganda and is governed by the Headquarters agreement with the Government of the Republic of Uganda. The map below shows the countries where ASARECA operates:

The strategic direction and focus of ASARECA over the last two decades was shaped by several documents that include (i) ASARECA Long Term Strategic Plan of 1997; (ii) the Networks, Programmes and Projects Strategic Plans; (iii) the Second ASARECA Strategic Plan- 2007-2016; (iv) the ASARECA Operational Plan One - 2008-2013; (v) Research Programmes and Units Strategic Plans; and (vi) the ASARECA Operational Plan Two - 2014-2018. These planning documents, taken together, define the main phases of ASARECA's evolution over the last two decades. The achievements, challenges and lessons learnt during the implementation of these strategic documents were taken into account in the formulation of the new strategic direction that ASARECA should take to address the emerging AR4D challenges in the next decade.

The agricultural research for development (AR4D) environment in which ASARECA was formed has changed dramatically over its 20-year existence. Because of these changes plus the fact that the second ASARECA Strategic Plan was coming to an end in 2016, the ASARECA Board of Directors and Management made a strategic decision to re-examine its focus and niche in the crowded agricultural research landscape. As part of this process, ASARECA has developed a ten-year ASARECA Strategy and Results Framework (A-SRF) for the period 2019-2028. The 10 year A-SRF shall be operationalized through two Medium Term Operational Plans each covering a period of five years. Given this arrangement, therefore, ASARECA has developed this first Medium Term Operational Plan (MTOPI) covering the period 2019-2023.

ASARECA's Vision, Mission, and priority programmes and thematic interventions have been defined in its Operational Plans (OP1, 2008-2013; OP2, 2014-2018; MTOPI, 2019-2023), in line with its 10-years Strategic Plan (2008-2018) and A-SRF 2019-2028. While OP 2 called for increased support to technology dissemination and commercialization;

MTOP 1 focuses on delivering on ASARECA's redefined Mandate and Value Proposition by performing a higher level facilitative, supportive, coordination and advocacy role to enhance sustainable agricultural transformation, sustained economic growth and inclusive development in the ECA sub region. ASARECA hopes to achieve this by supporting the attainment of economies of scale through identification of regional research priorities and opportunities; continuously undertaking strategic visioning processes for the sub-region's AR4D; commissioning, brokering and managing strategic research partnerships to address identified regional priorities in the most effective, efficient and synergistic ways; nurturing pathways for on-time delivery, spill over and scaling up of regional agricultural research results to deliver agricultural outcomes and impact; mobilizing, allocating and managing regional AR4D investments to support generation of regional agricultural research public goods and services; monitoring and evaluating returns on AR4D investment and repackaging lessons and best practices to inform decision making processes and action.

1.2 Vision, Mission and Core Values

ASARECA is strategically positioned to contribute significantly to the development and implementation of the national, regional and continental frameworks. In particular, ASARECA has committed to provide technical support in the development and implementation of (i) the National Agricultural and Food Security Investment Plans (NAFSIPs) of the ECA Member States; (ii) the CAADP 10-year Results Framework and the complementary African Union Malabo Declaration on Accelerated African Agricultural Growth and Transformation (A3GT); (iii) the agricultural sector and related strategies of the relevant Regional Economic Communities; (iv) the Science, Technology and Innovation Strategy for Africa (STISA); (v) the Science Agenda for Agriculture in Africa (S3A); (vi) the Feed the Future Strategy; (vii) the Technologies for African Agricultural Transformation (TAAT) programme; (viii) the African Agricultural Research Programme (AARP); (ix) the framework for Sustainable Agricultural Mechanization in Africa (SAMA); and (xi) Sustainable Development Goals (SDGs). These commitments therefore shape ASARECA's Vision, Mission and Core Values

Vision

ASARECA's guiding vision requires the Association and its stakeholders and partners to stretch their future expectations, aspirations and performance is to see "A transformed ECA agricultural sector supporting improved livelihoods, sustained economic growth and inclusive development".

Mission

The mission statement highlights that the fundamental purpose and business of the repositioned ASARECA is "To contribute to increased productivity, commercialization and competitiveness of the ECA agricultural sector through strengthening, catalyzing and coordinating agricultural research for development in the ECA sub region".

Core Values

The guiding Core Values that ASARECA and its stakeholders and partners hold in common and put into practice while performing their functional obligations include Inclusivity, Accountability, Transparency, Transformative, Sustainability, Subsidiarity and Integrity.

1.3 Thematic Areas of Focus

Given the Mission, Mandate and Value Proposition, ASARECA has identified four thematic areas of focus that are integrally linked and, therefore, spill over and reinforce one another. The thematic areas of focus were arrived at through rationalization of the identified critical strategic issues and the core functions that were derived from extensive consultations with ASARECA stakeholders and partners and in consideration of the available and emerging opportunities in its operating environment.

The four ASARECA thematic areas of focus include:

- i. Transformative Capacity Strengthening and Integration.
- ii. Agricultural Transformation Technologies and Innovations.
- iii. Enabling Policy Environment, Functional Markets and Transformative Institutions.
- iv. Knowledge and Information Management.

I.4 Strategic Results

In order to deliver on the four thematic areas, ASARECA has formulated four corresponding strategic results/ intermediate outcomes that include:

- i. Strengthened and integrated capacities and competencies to support agricultural transformation in the ECA sub region.
- ii. Enhanced support for development and scaling up of agricultural transformation technologies, innovations and management practices.
- iii. Enhanced support and advocacy for establishment of enabling policy environment, functional markets and transformative institutions and institutional arrangements.
- iv. Improved management and access to reliable and up-to-date knowledge and information for informed decision making and action.

Goal/Impact

“Enhanced contribution to increased productivity, commercialization and competitiveness of the ECA agricultural sector”.

I.5 Objectives and Functions of ASARECA

ASARECA will achieve the above key results through the performance of the following core functions:

1. Develop a shared vision and sub-regional goals;
2. Empower end-users of the programs of the Association to ensure their meaningful participation in developing priorities, agricultural research, training, extension and education;
3. Coordinate collective action at the sub-regional level on agricultural research, training, extension and education;
4. Contribute to the development of appropriate knowledge, methodologies, information and technologies;
5. Facilitate the transfer of knowledge, information and technology;
6. Mobilize and allocate resources for agricultural research, training and education;
7. Strengthen capacity for agricultural research extension and agricultural training and education for development;
8. Facilitate the efficient operation of National Agricultural Research Systems at the national level;
9. Facilitate sharing of research outputs and benefits among National Agricultural Research Systems;
10. Enhance the sub-regional reputation of the Association and its members in regional and international fora;
11. Work towards the conservation of natural resources and the adoption of improved methods of agricultural production;
12. Work towards the adoption of sub-regional policies with respect to agricultural commodity arrangements; and
13. Undertake such other activities that shall further the objectives of the Association as the members shall from time to time decide

I.6 Operational Mode

ASARECA is operating in a theme-based approach to enhance regional networking by bringing and working together with agricultural research communities from NARIs, Universities, Farmer Organizations, IARCs, NGOs, Private Sector and agricultural research extension advisory service providers to achieve demand driven and result oriented agricultural research in the ECA sub-region.

ASARECA has developed its latest 5-year Medium Term Operational Plan I (MTOPI) (2019-2023) to implement its Strategy and Results Framework (2019 - 2028) which outlines the direction that ASARECA intends to deliver over the next ten years.

The MTOPI and ASRF have been approved and the Secretariat has subsequently revised and updated its Operations Manual (OM) to ensure prudent and efficient utilization of funds from its Members and Development partners by applying uniform and consistent policies and procedures in its daily operations. This is the manual that has been developed to implement the Strategy and Medium Term Operational Plan.

1.7 Governance and Management

As stipulated in its Constitution, ASARECA has instituted the following Governance and Management structure with defined roles and responsibilities to achieve the ASARECA overall objectives and effectively deliver on MTOPI 1.

1.7.1 Governance

a) General Assembly

The top governance organ of ASARECA is the General Assembly (GA). The membership of the GA represents all the sub-regional stakeholders registered under a Member's Register. It serves as the oversight organ to which the BoD is responsible. It reviews the strategies, priorities and assesses progress on the research and development programmes of the Association. The GA also performs all other acts that may be deemed necessary and suitable to achieve the ASARECA's mission.

b) Board of Directors (BoD)

The ASARECA Board of Directors (BoD) is responsible for the stewardship and strategic leadership of ASARECA Secretariat. In addition the Board reviews and guides ASARECA's strategy, operations policies, major plans of action, risk policy, annual budgets and business plans, setting performance objectives, monitoring implementation and overseeing ongoing programs, major capital expenditures, acquisitions and disposals. It also approves the constitution, governance manual, policies, strategy, programs, budgets, financial statements, audit reports, agreements, contracts, protocols, bye-laws, membership fees and new members with the exception of the founding members of ASARECA and all policies.

The recently reconstituted ASARECA Board of Directors comprise of representatives of categories from the Regional Economic Communities (1), the Consultative Group for International Agricultural Research (CGIAR) (1), National Agricultural Research Institutes (NARIs) (5) and Sector Representatives (5): Higher Education, Farmer Organisations, Private Sector, Extension services and Non-Governmental Organisations) and Development Partners (1). These categories bring the total number of Board members to 13 as recommended by the White Paper (of which 12 are voting members). The BoD has five standing committees to which it delegates specific responsibilities. The standing committees are the: Executive Committee, Programmes Committee, Finance Committee, Audit Committee, and Nominations and Governance Committee. The BoD may also create ad hoc committees as needed.

c) Internal Auditor

The Internal Auditor functionally reports to the BoD Audit Committee, and administratively to the Executive Secretary (ES). He/she plays a critical role in advising management in the areas of internal control, risk management and anti-fraud & corruption and contributes to the fulfilment of ASARECA's corporate goal and objectives. The internal auditor also reviews the financial management arrangements of the sub grantees funded through ASARECA to facilitate smooth operations and mitigate any risks.

1.7.2 Management

As of June 10, 2015, the BoD approved a short-term organizational structure until such time that a study on the vision, mission and objectives of ASARECA is completed and approved by the BoD. The Secretariat will continue to be responsible for the day to day operations of ASARECA and the following will constitute the management of the ASARECA Secretariat.

a) The Executive Secretary (ES)

The Executive Secretary (ES) heads the Secretariat and is responsible for ensuring the efficient functioning of the Secretariat and reports to the Board of Directors. The ES will be responsible for advocacy, resource mobilization and managing strategic partnerships within and outside the ASARECA region. He or she is the Chief Executive Officer and spokesperson for ASARECA.

b) Theme Leaders

ASARECA shall have four thematic areas that are well aligned to the major ongoing regional and continental initiatives. These thematic areas include: (i) Transformative Capacity Strengthening and Integration; (ii) Agricultural Transformation Technologies and Innovations; (iii) Enabling Policy Environment; Functional Markets and Transformative Institutions; and (iv) Knowledge and Information Management. These thematic areas are integrally linked rather than stand-alone entities. The theme leaders are responsible for assisting the national programmes, especially the NARIs to develop, implement and monitor projects and programs; coordination AR4D activities and initiatives in the sub-region; catalysing networking activities; monitor the process of implementation, and coordinate reporting against indicators and milestones.

c) Special Initiatives

This unit will house programs and projects that are fully funded and brought under the umbrella of ASARECA for general supervision and coordination purposes. Activities and projects that ASARECA is contracted to implement using its staff and facilities will be handled by the respective thematic units.

d) Fiduciary Management

This unit will have the following teams.

i. Financial Management Team

The Financial Management team is responsible for the overall day to day financial management that includes; budgeting and accounting, collections and disbursements, financial reporting and coordinating the annual external audit process. The team also develops and advises on appropriate financial management systems and procedures.

ii. Procurement and Contracting Team

The Procurement and Contracting Team is responsible for the procurement and contracting activities of ASARECA and puts in place procurement policies and procedures that are in line with the procurement section of this Operations Manual.

e) Human Resource Management and Administration Team

The team is responsible for general administration and human resource management; updating HR and administrative policies and procedures such as recruitment; developing and updating job descriptions; ensuring ASARECA's organisational structure is aligned to ASARECA's strategy; managing salary scales, performance evaluations, welfare services and industrial relations

1.8 Financing

ASARECA receives assistance to finance its operations and programmes from contributions of member country institutions and international development partners.



SECTION 2

PURPOSE OF THE MANUAL

Policy Objectives

To ensure that:

1. The various operations of ASARECA (financial, human resources, sub granting, procurement and administration) and donor guidelines are harmonised;
2. Guidance is provided to all staff on how to conduct the operations of ASARECA;
3. The controls which have to be put in place are adequately described;
4. The operations of ASARECA are carried out in accordance with approved policies and procedures;
5. The business and Operations processes of ASARECA are adequately described to guarantee continuity of operations;
6. The roles and responsibilities of the various stakeholders of ASARECA in its operations are clearly understood;
7. There is a reference document for auditors, consultants, donors and other stakeholders who may wish to understand ASARECA's systems.

Policy Statement

All staff of ASARECA shall follow the policies and procedures as prescribed in this Operations Manual.

Documents

- The Key document to guide staff on how to conduct the operations of ASARECA shall be the *ASARECA Operations Manual*
- During the implementation of the operations plan, staff shall regularly consult the specific donor¹guidelines and procedures as provided for in the grant agreement with the respective donor²
- For avoidance of doubt, where the operations manual conflict with the grant agreement, the provisions under the grant agreement shall take precedence.

Responsibility

- The **Board of Directors** is responsible for approving the Manual before it is implemented.
- The **Executive Secretary** is responsible for developing and ensuring compliance with the manual. However, she/he may delegate this to any other staff.
- All staff have a responsibility to comply with the policies, procedures and guidelines as provided for in this Operations Manual.

¹ With reference to MDTF funding the donor shall be taken to be World Bank. In all respects where there is a contradiction in procedures, the World Bank guidelines shall prevail. Staff shall also refer to the Grant agreement with the World Bank and the MDTF program document.

² The World Bank is a Grant Administrator and the Grant Agreement defines the relationship between the Bank and ASARECA in the administration of Grants and Sub-grants. The Bank has the responsibility of carrying out reviews and giving clearances and no objections, as well as approvals. The stipulations in the Agreement take precedence to what is described in this section of the OM.

The nature of the Operations manual

- a. The operations of ASARECA may be subject to change. In order to reflect the way ASARECA interacts with a changing environment, this *Operations manual* shall have to be periodically (at least annually) reviewed and updated in order to ensure that it remains relevant;
- b. It is the responsibility of the Executive Secretary to ensure that the *policies & procedures* in the manual correctly describe the operations and adequate controls are in place;
- c. The management committee appointed by the Executive Secretary shall review the manual annually to identify sections that require updating; and
- d. All changes to this manual shall be carried out in line with the procedures set out under **Version Control**.

Key Control Processes

1. The **Executive Secretary** and all **staff** of ASARECA shall refer to the *Operations Manual* when conducting transactions of ASARECA.
2. The *Operations Manual* shall be reviewed regularly; preferably annually by the **Management Committee** to ensure that the procedures remain relevant to the operations of ASARECA.

Policy Objectives

To ensure that:

1. All parties are aware of the applicable policies & procedures that have been issued;
2. All parties refer to the same version of the Operations Manual issued; and
3. All policies & procedures are updated in a prescribed manner.

Policy Statement

All staff of ASARECA shall follow the policies and procedures as prescribed in the most up to date and approved version of the Operations Manual of ASARECA.

Responsibility

- **Executive Secretary**- advises all staff on changes in the manual and has control over issue of the Operations manual.
- **All staff** - Ensure they refer to the appropriate version of the manual

Reviewing and updating of the manual

This manual shall be reviewed continuously to ensure that it is up to date with the prevailing circumstances and necessary amendments effected. Amendments to the manual shall be made following the procedures below:

1. The Executive Secretary shall appoint a Management Committee (**MC**) representing all Theme leaders and Heads of Units to review the manual annually. The membership of the Management Committee shall comprise all Theme//Unit Heads as listed in the distribution list.
2. The **Management Committee** chaired by the Executive Secretary or his appointed executive shall identify the sections of the manual that require amending after consultation with the person responsible for the respective section of the Operations Manual and document the proposed amendment.

Note: The **Management Committee (MC)** shall also identify the need to revise the entire manual.

3. Amendments to the manual may also be identified by all users who shall submit a *written request* to the person responsible for the respective section of the Operations Manual for review and submission to the Chairperson of the **MC**.
4. The *written request* shall include the following minimum information:
 - i. The section to be amended;
 - ii. The proposed amendments;
 - iii. Purpose/Reason for the proposed amendment; and
 - iv. The signature of the requester of the amendment.
5. All **procedural amendments** once deliberated and cleared by the **MC** shall be submitted to the **Executive Secretary** for approval.
6. All **policy** amendments once deliberated and cleared by the **MC** shall be submitted by the Executive Secretary to the **Bod** for approval.

7. Once the amendments have been approved, the existing version of the manual shall be updated by the responsible persons of the respective sections and the new version distributed to the Theme//Unit Heads as per the Distribution List

Note: Only the revised sections shall be distributed and a full manual shall only be distributed if the amendment(s) approved is (are) significant to the entire document.

8. The master copy of the approved amendment shall be kept by the **Executive Secretary**.

Key Control Processes

1. This Operations manual or specific sections shall be updated and re-issued when a policy and/or procedure is introduced or amended.
2. Every user shall refer to the version control section to ensure that they are using the most recent and same version of the Operations manual.

Introduction

This section of the financial management policies and procedures outlines the various levels before approval of a transaction or event is granted within ASARECA. The levels of authority outline the people that:

- Are responsible for originating a transaction
- Must be informed after the transaction
- Must be consulted before the transaction
- Must agree with the decision
- Are responsible for approval

Policy Objectives

To ensure that levels of authority:

1. Exist in all key working areas to provide guidance to staff while transacting on behalf of ASARECA.
2. Are adhered to by all employees; and
3. Exist to provide guidance to staff on the various activities of ASARECA are reviewed and updated on a regular basis.

Policy Statement

No person shall authorise a transaction or an event on behalf of ASARECA for which he/she has no authority and/or delegation of authority. All delegation of authority shall be conducted in writing with a copy to the immediate supervisor of the person delegating authority.

Documents

The following are the key documents that shall be used to guide staff on the levels of authority at ASARECA:

- The Constitution of ASARECA
- Grant agreements executed with donors
- Memorandum of Understanding executed with donors
- MDTF programme document
- The ASARECA operations manual

Responsibility

- Board of Directors
- Executive Secretary(ES)
- Head of Finance
- All staff

Procedures

1. A Management Committee appointed by the Executive Secretary shall review and amend, where necessary, appropriate limits of authority.
2. The **Executive Secretary** shall confirm that the limits proposed by the **Management Committee** are reasonable in relation to:
 - a. The current financial position of ASARECA including the total funding to the organisation;
 - b. Existing/planned budgets for individual projects under each theme and the consolidated budget of ASARECA;
 - c. Existing control structure under each unit of ASARECA;
 - d. Other funding agencies requirements if any;
 - e. Prior experience regarding transaction flows. This should ensure that limits are relevant to the existing volume of transactions; and
 - f. Future prospects of ASARECA.
3. The **Board of Directors** shall authorise the authority limits and the **Executive Secretary** shall communicate the **BoD** approval to **all staff**.

Appendices

Appendix 2.2a: Approvals frame work

Appendix 2.2b: Detailed authority limits

Appendix 2.2c: Detailed Approval Limits

Appendix 2.2a – ASARECA Approvals Framework

A: Final approval, B: Must agree, C: Must be consulted (before), D: Must be informed (after), E: Originates

TRANSACTION/EVENT	Donor	Board of Directors	Executive Secretary	Head of Finance	Head of Administration	Procurement Officer	Theme leaders and Heads of units
Grants Agreement with donors		A	B	C			E
Programme of work		A	B	C			E
Sub-Grant Agreements			A	B		B	E
Annual budgets and work plans – ASARECA		A	B	C	D	D	E
Annual programme budgets and work plans for Sub-grantees		A	B	B			E
Assets transfers within ASARECA			C/A	C	A/E	D	B/E
DISPOSAL/SCRAPPING OF ASSETS							
All disposals – donor funded	C	A	B	B	E	D	
Other disposals		A	B	B	E	D	
CONSULTANTS							
Contracting			A	B		C	E
EXPENDITURE							
Budgeted capital expenditure			A	B	E	C	E
Unbudgeted Operating, Project expenditure							
- >US\$100,000		A	B	B	E		E
- < US\$100,000		D	A	B	E	C	E
FINANCIAL REPORTING							
Progress financial reports from Sub-grantees				A			B
Progress narrative reports from Sub-grantees				D		D	A
External Audited reports from Sub-grantees			C	A		D	C
Periodic Financial management reports –Internal			D	E	D	D	D
Audited Annual Financial statements - ASARECA	D	A	B	B/E	D	D	D
Audited Financial statements to donors	A	D	B	B/E	D	D	D

TRANSACTION/EVENT	Donor	Board of Directors	Executive Secretary	Head of Finance	Head of Administration	Procurement Officer	Theme leaders and Heads of units
Un-Audited Financial statements to donors			D	A/E		D	D
Technical Progress reports – ASARECA (Biannually)	D	A	B	C			E
End of project Reports	D	D	B	C	D	D	E
INSURANCE			A	B	E	D	D
LITIGATION		A	B/E	C	C	C	C
PURCHASE REQUISITIONS				B/E	B/E	B/E	A/E
PURCHASE TENDERS							
Purchase orders <U\$2,500			C	C	A	E	C
Purchase orders > U\$2,500 – U\$10,000			C	C	A	E	C
Purchase orders >U\$10,000			A	C	C	E	C
PERSONNEL							
Staffing structure		A	B/E				
Staff Establishment		A	B	C	C	E	C/E
Staff Appointment		A	A/B	B/E	B/E	E	C/E
Staff Termination		A	B	D	E		
Salary scale adjustments		A	A/B	D	E		
Salary merit increases		A	B	B	E		
EXPENSE CLAIMS		D	A	B	B/E	E	E
ASARECA staff							
Head of Finance			A/B	A			B
Executive Secretary				A			

Note: A signatory should never authorize the payment of items in respect of which he/she is the beneficiary for example personal expenses claims, personal allowances, ex-gratia payments, periodic salary increases or bonus payments. In case one is in doubt, they have the obligation to seek clarification/confirmation from the immediate supervisor or the relevant budget holder or the person who authorised the activity.

Appendix 2.2b – Detailed Authority Limits Guide

DESCRIPTION		RESPONSIBILITY/ LIMITS
A	PAYROLL	
1.	Staffing structure	Board of Directors
2.	Staff establishment	Executive Secretary
3.	Casual workers/Temporary <ul style="list-style-type: none"> • Hiring • Rates • Salary adjustments 	Head of Administration Head of Administration Head of Administration
4.	Permanent Staff: (> 2 year) <ul style="list-style-type: none"> • Hiring - Executive Secretary • Hiring - Regional staff • Hiring Head of Finance • Hiring - National staff • Salary Scale & Revision • Salary adjustments 	Board of Directors Executive Secretary Executive Secretary Executive Secretary Board of Directors/ES Executive Secretary
5.	Payroll	Head of Finance approves
6.	Leave approval	Supervisor recommends, HoA approves
B	AUTHORITY TO DRIVE/USE ASARECA CARS	
1.	Vehicle use	Head of Administration
2.	Fuel allocation	Head of Administration
3.	Vehicle maintenance	Head of Administration
C	BUDGETS	
1.	Project budgets	Theme leaders and Unit Heads prepare, Head of Finance checks, ES approves
2.	Consolidated budget	Head of Finance prepares, BoD approves
3.	Monitoring of project budgets	Budget holders
4.	Monitoring of the Operations & Capital budget	Budget holders
5.	Controlling expenditure to comply with budget	Head of Finance
D	ACCOUNTING VOUCHERS APPROVAL	HEAD OF FINANCE
E	PURCHASES OF GOODS & SERVICES	
1.	Purchase requisition	Requestor
2.	Purchase requisition Authorisation	Budget holders
3.	Tenders/quotations	Procurement & Contracting Officer
4.	LPOs/FPOs	Procurement & Contracting Officer

DESCRIPTION		RESPONSIBILITY/ LIMITS
5.	Receipt, custody & issue of goods	Head of Human Resource and Administration
6.	Stores requisition	Head of Human Resource and Administration
7.	Insurance of items	Head of Human Resource and Administration
9.	Monitoring stock & re-order levels	Head of Human Resource and Administration
10.	Monthly stores stock reconciliation and accountability	Head of Human Resource and Administration approves
F. PAYMENT FOR GOODS & SERVICES		
1.	Petty cash (Imprest) – General	Head of Human Resource and Administration
2.	Theme/Unit petty cash	Budget Holder
3.	Petty cash payments	Administrative Assistant/Petty cash holder
4.	Approve invoices & requests for payment	Head of Finance
5.	Authorised signatories for EFT payments	Should comply with the agreed on bank mandate (Refer to appendix AF-2)
6.	Disbursements	Head of Finance
G. ACCOUNTABILITY FOR ADVANCES		
1.	Responsibility for the preparation of accountabilities and obtaining proper supporting records e.g. receipts, reports etc	Individual who obtained the advance
2.	Petty cash accountabilities	Petty cash holder
3.	Reviewing and certifying of accountabilities	Head of Finance
4.	Submission of accountabilities to the finance unit	Budget Holder
5.	Monitoring outstanding accountability	Head of Finance
6.	Approval of the accountabilities	Head of Finance
H. ACCOUNTABILITY FOR ADVANCES FROM SUB-GRANTEES		
1.	Responsibility for the preparation of accountabilities and obtaining proper documents	Sub-grantees
2.	Reviewing and certifying of accountabilities	Head of Finance
3.	Follow-up and Submission of accountabilities to the finance unit	Budget Holders
4.	Monitoring outstanding accountability	Head of Finance
5.	Approval of the accountabilities	Head of Finance

Appendix 2.2c – Detailed Approval Limits on Disbursements

RANK	AMOUNT
Executive Secretary	No limit
Head of Finance	No limit
Theme leaders	US\$100,000
Head of Administration	US\$100,000
Senior Accountant	US\$25,000
Accountant	US\$25,000
Project Accountant	US\$25,000



SECTION 5

ADMINISTRATIVE POLICIES
AND PROCEDURES



Policy objective

To ensure that:

1. The Administrative operations of ASARECA are carried out in accordance with the approved policies, and procedures; and
2. The roles and responsibilities of the various staff with regard to the administration functions are clearly understood.

Policy Statement

All properties and resources of ASARECA shall be used to meet the objectives and goals of ASARECA

Documents

Key document:

- *ASARECA Operations Manual*

Responsibility

- BoD
- Executive Secretary
- Head of Human Resource & Administration
- All staff

Scope

The part of the Operations manual (Administration) deals with Stores management, filing and record keeping, vehicle management, property management, Insurance management, office up keep & grounds and security management.

Policy Objectives

To ensure that:

1. The right quantity and quality of goods ordered and received by the ASARECA;
2. That inventory records is timely and reflects the true position of inventories;
3. Stock re-order levels are established and complied with and that items are ordered on a timely basis; and
4. Store items are protected guarded against theft, misuse, damage and obsolescence.

Policy Statement

1. All staff responsible for the receipt of inventories shall comply with the following general principles and procedures.
2. Only authorised staff shall receive and issue stores items, and have access to the stores of ASARECA.

Documents

Key documents include:

- Stores requisition forms
- Local Purchase Orders
- Delivery notes
- Goods received notes
- Invoice
- Stock register
- Stock count sheets
- Stock variance report

Responsibility

- Head of Human Resource & Administration (HHR & Admin)
- Senior Administrative Officer (SAO)
- Senior Administrative Assistant (SAA)

Procedures

Stores requisitions

The following procedures for stores management shall apply when requisitioning of stores items:

1. The **Senior Administrative Assistant** shall on a monthly basis review the levels of the store items held and determine whether any items need to be purchased.
2. The **Senior Administrative Assistant** shall prepare and submit a *purchase requisition form* to **HHR & Admin** for approval.
3. Upon approval, the procedures for procurement under **Ref 6.4 - Procurement of Goods and works shall** be followed.
4. On receipt of the goods, the **Senior Administrative Assistant** shall in the presence of the supplier inspect and verify whether the goods correspond to the description, quantity and quality in the *purchase order* and *delivery note*.
5. The *delivery note* shall be signed in triplicate and stamped by the **Senior Administrative Assistant** as evidence of receipt.

6. The Senior Administrative Assistant shall issue a goods received note (GRN) in triplicate and shall have the following details:
 - a. order reference
 - b. serial number
 - c. quantity received
 - d. date of receipt
 - e. Description of the items
7. The **Senior Administrative Assistant** shall maintain a manual stock register that shall be updated on receipt of items. The register shall indicate ;
 - a. Date
 - b. GRN number
 - c. description of the item
 - d. item code/number
 - e. quantities received
 - f. Running balance
 - g. name and signature of the receiving officer.
8. All partial deliveries shall be authorised by the **Head of Human Resource & Administration** before they are accepted into the store. The **SAA** shall immediately request for a *credit note* from the supplier in case the *invoice* represents full deliveries. This shall also apply to goods rejected for other reasons.
9. In case of over delivery, excess goods shall not be accepted into the stores and the supplier shall be required to take them back..
10. *Goods received notes, invoice* and *supplier delivery notes* shall be forwarded to the **Finance unit** for processing payments

Stores Issues

1. The **User** shall prepare a stores requisition form in duplicate submit to the respective head of unit for approval.
2. The approved stores requisition form shall forwarded to the **Senior Administrative Assistant** to issue the store items.
3. The person receiving the items shall acknowledge receipt of the stock on the stores requisition form.
4. The **Senior Administrative Assistant** shall immediately update the *manual stock register* with the stores issues.

Stock counts

1. The Senior Administrative Assistant shall maintain a stores register for each item in a spread sheet to control the movement of the stock items that details the following:
 - a. Descriptions
 - b. Unit of measure
 - c. Opening balance
 - d. Additions during the month
 - e. Issues during the month
 - f. Balance at end of month
 - g. Unit Cost
 - h. Total Cost

2. At the end of each month, the Senior Administrative Assistant shall prepare a month-end status report for approval by the Head of Human Resource & Administration.
3. The **Head of Human Resource Management & Administration** shall nominate two independent persons to perform quarterly stock counts.
4. During the stock count, the following procedures shall be considered
 - a. All goods received prior to the date of the stock count shall be included in the count;
 - b. All goods received on the date of the count shall be excluded from the count;
 - c. All stock issued out before the date of count shall be excluded from the count; and
 - d. There shall be no movement of stock into or out of stores during the stock count.
5. The two nominated staff shall sign-off and date the *count sheets* and any alterations shall be specifically initialled. This shall then be submitted to the Head of Human Resource & Administration for approval.
6. The *count sheets* shall be used by **Senior Administrative Assistant** to prepare the stock variance report and investigate the variances, if any.

Key control processes

1. No unauthorised access shall be allowed in the stores
2. *Goods received notes* shall be processed immediately on receiving the goods after the relevant checks have been performed.
3. All stock issues shall be duly authorised and signed for by the individuals receiving the stores items.
4. *Stock manual register* shall be updated with all stock receipts and issues.
5. All stock items shall be counted at least once every three months.
6. The *stock records* shall be updated on a timely basis to reflect physical stock quantities.
7. Stock variances resulting from the stock shall be investigated and reasons for these provided.

Policy Objectives

To ensure that:

1. All important documents and records are filed promptly and have a point of reference;
2. That all records and documents of ASARECA are securely kept; and
3. Records and documents are easily tracked.

Policy Statement

All staff shall comply with the following general principles and procedures:

1. Proper filing system shall be maintained and all ASARECA records/documents securely kept.

Documents

Key documents include:

- Filing index
- All files
- File register
- All records/documents of ASARECA

Responsibility

- Head of Human Resource Management & Administration
- Head of Communication and Public Relations Unit
- Head of Information and Communication Technology
- Senior Administrative Assistant
- Theme Leaders/Heads of Units
- Administrative Assistant
- All staff

Procedures

Filing system for ASARECA documents

1. ASARECA shall establish a digital and hard paper filing system.
 - a. ASARECA ICT Unit shall implement a secure permissions-based digital document filing and management system for the purpose of providing a storage, retrieval and archival mechanism for ASARECA documents.
 - b. The system shall be implemented based on the guidelines in the Records Management and Retention Policy document, which outlines the different types of records, their classification, life-cycle/retention schedule and archival or destruction process.
 - c. All Staff shall be expected to save all working official documents within their respective areas of the system. Access shall be permission based and staff shall only have the relevant access permissions (read or write) to areas of the system where they have been explicitly granted access.
 - d. All ASARECA staff create, index, save, retrieve, distribute, and refer to electronic documents. Staff will create document folders in the digital filing system that align with the file and folder naming guidelines indicated in the Records Management Policy.
 - e. ASARECA ICT Unit shall maintain a regular backup schedule of the electronic filing system in order to preserve the integrity of the documents and records. Backup and Restoration procedures shall be spelt out in the ICT Policy document.

5.3 Filing and record keeping

- f. The ICT Unit shall be responsible for the regular maintenance of the electronic filing system. This shall include installation of software updates, management of anti-virus processes, management of file access procedures (user passwords, granting/denying access and permissions mapping).
 - g. ICT staff shall also ensure the optimum performance of the electronic filing system by arranging required software and hardware resource upgrades where needed.
2. The Head of Human Resource Management & Administration shall be responsible for establishing and maintaining a hard paper filing system for ASARECA. This shall include but not limited to putting in place a proper filing index to guide staff on how to file the documents
 3. Clearly labelled files shall be used for the filing of similar documents.
 4. A filing register shall be maintained by the **Senior Administrative Assistant**. This shall record both documents submitted to the Administration unit and issued out.
 5. All documents that are taken or returned shall be signed for in the filing register to ensure that these are easily tracked.
 6. The **SAA** shall periodically archive files that are older than two years that are no longer actively used.
 7. The HHR & Admin shall recommend to management Files/documents that are no longer required and have been kept for a minimum of 7 years to be destroyed.
 8. The Administrative Assistants/Secretaries for each respective unit shall be responsible for the filing of all the records of the unit.
 9. The Communication and Public Relations unit shall be responsible for the access to information policy.

Electronic Filing system

1. The Head of Information and Communication Technology (ICT) will be responsible for establishing and maintaining the digital filling system.
2. The Head ICT shall also be responsible for providing access to all staff to be able to save their work and key documents on the central server.
3. Daily backup of the data/files shall be carried out by the Head of Information and Communication Technology Unit.

Key control processes

1. Access to the filing cabinets/specific folders on the server shall be restricted to only authorised staff.
2. All records that are taken and returned by staff must be signed for.
3. A daily backup of the data/files shall be carried out by the Head of Information and Communication Technology Unit.

Policy Objectives

To ensure that:

1. There are adequate controls and procedures to safeguard ASARECA assets;
2. All fixed asset acquisitions, disposals and changes are authorised and are accurately recorded; and
3. All tangible assets are easily identifiable.

Policy statement

ASARECA shall maintain an efficient and affective property management system that promotes its strategic objectives.

Documents

Key documents include:

- Fixed asset register
- Documents of title

Responsibility

- Executive Secretary
- Head of Human Resource & Administration
- Senior Administrative officer
- Head of Finance
- Theme Leaders/Heads of Units
- Procurement and Contracting Officer

Procedures

A: Acquisition of fixed assets

1. Acquisitions of fixed assets shall be in accordance with the approved budget.
2. An item shall only be acquired when funds are available.
3. The acquisition of assets shall be done in accordance with the procurement procedures under Ref **6.4 – Procurement of goods and works.**

B: Maintenance of the Fixed Asset Register (FAR)

1. A fixed assets register shall be maintained and this shall be updated with all the relevant details of the fixed assets additions
2. All properties shall be controlled through a system of allocating an identification number specific to the asset group that corresponds to the assets group in the fixed assets register.
3. A *fixed asset register* maintained by the **Senior Administrative Officer** shall contain the following fields:
 - a. asset number;
 - b. asset description;
 - c. Date of purchase or acquisition and reference number;
 - d. purchase or acquisition value;
 - e. original cost;
 - f. state of insurance;
 - g. condition of asset;
 - h. location of assets;
 - i. Depreciation;
 - j. Manufacturers' model and serial number, if any;
 - k. Financing/Funding sources of the asset.

4. A physical verification of all assets shall be performed annually by Internal Audit. The results shall be used to update the Fixed Assets register and the general ledger. Any discrepancy noted shall be investigated and reported to the Head of Human Resource & Administration for appropriate action.

C: Security and insurance of assets

1. The Head of Human Resource & Administration is responsible for ensuring that all assets are secure and uniquely engraved or tagged.
2. The system of assigning tag numbers for all ASARECA fixed assets shall follow the groupings below:
 - Computer equipment & printers ASAR-0001 - 0999
 - Office furniture & equipment ASAR-1000 - 2999
 - Motor vehicles ASAR-3000 - 3999
3. All the assets of ASARECA shall be insured with reputable insurance companies.
4. The original documents of titles for ASARECA assets shall be kept securely.
5. Abuse and misuse of ASARECA's resources or assets shall result in disciplinary action.

D: Maintenance and Repair of assets

1. All equipment repairs and maintenance shall be initiated by the relevant theme/unit and shall follow the maintenance and service arrangements contained in the contract with the supplier. The Head of Human Resource & Administration shall perform the following in relation to repairs and maintenance of equipment:
 - a. Monitor the contract to ensure that it does not elapse;
 - b. Ensure that records of all repairs are kept;
 - c. Ensure that regular maintenance is promptly carried out by the service provider;

E: Loaning of Assets

1. Assets purchased for the ASARECA activities shall not be lent out to third parties.

F - Disposal of fixed assets

1. Upon disposal the *Fixed Assets Register* shall be updated.

Guidelines for reporting lost, misplaced or stolen property

1. **Staff** shall immediately report lost, misplaced or stolen property (including property missing from office) to the Senior Administrative officer who will facilitate the reporting to the police at the duty station.
2. If property is lost while out of office in town or in the field, the staff member shall immediately also report the matter to the nearest police station, and provide a valid statement with a detailed description of when, what, and how the item was lost, misplaced or stolen.
3. If the property was insured, the Senior Administrative Officer shall notify the insurance company for the investigation to begin.
4. **Staffs** that have lost office property shall complete and personally submit to the Senior Administrative Officer a report with details of when, what, and how the item was lost, misplaced or stolen..
5. On receipt of the duly completed report form and the police statement, the Senior Administrative officer shall lodge an insurance claim by submitting the report form together with an official letter to the Insurers. Immediate submission of the report is a prerequisite for insurance company to accept claims and process the replacement of stolen or lost items.

6. If the property is essential for day to day operations, the Senior Administration Officer will get the property replaced immediately.
7. The **Administration Unit** shall follow up with the appropriate Police station to find out if the lost, misplaced or stolen item has been recovered. If the lost, misplaced or stolen property has been recovered without assistance from Police, the police shall be immediately notified and the notice cancelled.
8. If it is established after the investigation that the property was lost or stolen due to negligence, the Head of Human Resource & Administration shall take the appropriate action requiring the staff to replace with an identical property.
9. If there is no recovery of the lost or stolen property within three months, the **Senior Administrative Officer** shall compile a *Lost Property Report* and forward this together with a copy of the property inventory list to the Finance unit for the appropriate accounting action with a copy to the reporting person/staff.

Key Control Processes

1. The **SAA** shall ensure the assets register is updated on a monthly basis so as to take into account any additions and disposals during the month.
2. Adequate and complete documentation shall be submitted to the **Head of Human Resource & Administration** before approving any asset addition or disposal.
3. A physical verification of all assets shall be performed annually and reconciled to the fixed assets register and the general ledger.

Policy Objectives

To ensure that;

1. Vehicles are maintained for use by staff on ASARECA activities;
2. Vehicle and fuel usage is only for ASARECA activities; and
3. There is an effective system for the management of vehicles and fuel usage at ASARECA;

Policy Statement

All staff members must comply with the following general principles:

1. ASARECA shall maintain an efficient and affective vehicle property management system that promotes its strategic objectives.

Documents

Key documents include:

- Fuel requisition form
- Vehicle Register
- Car registration books
- Vehicle movement log books that record mileage and purpose of the trip;
- Monthly fuel consumption reports;
- Accountabilities submitted in respect of fuel used
- Motor vehicle service agreements;
- Repairs and maintenance reports;

Responsibility

- Head of Human Resource & Administration
- Senior Administrative officer
- Drivers

Procedures

Requisitioning for transport

1. A request for use of the vehicles shall be made by the respective staff to the Theme Leader/Head of Unit before submission to the **Senior Administrative Assistant** a day before the vehicle is required. The requisition for vehicle use shall contain the following:
 - a. Purpose of the trip & destination;
 - b. Date when required;
 - c. Departure and arrival times;
 - d. Number and name of passengers;
 - e. Driver's name; and,
 - f. Car registration number
2. The SAA shall allocate vehicles to the requester depending on the availability of the vehicles and the urgency of the activity to be undertaken. Where the vehicle is requested for by two staff members, the staff member required to travel the furthest will be given priority in the use of the vehicle..
3. The SAA shall maintain a *vehicle register* which records the following:

- a. all details of the vehicle taken,
 - b. the driver responsible for the vehicle
 - c. the user of the vehicle.
 - d. Purpose and destination of trip
4. The SAA shall always update the *vehicle register* whenever the vehicle is returned.

Management of fuel and vehicle usage

1. Unless otherwise specified by a donor agreement, all the vehicles shall operate in a pool under the direct supervision of the **Senior Administrative Officer**.
2. All the vehicles shall meet all the requirements of the National traffic laws.
3. All vehicles shall be driven by authorized personnel
4. A vehicle movement log book shall be maintained and completed by the driver after the trip and endorsed by the user of the vehicle. This shall be submitted to the **Senior Administrative Officer** for review and monitoring fuel consumption.
5. Vehicles shall be fuelled from designated fuel stations.

Fuel Requisitioning

6. A duly approved *fuel requisition form* shall be completed and submitted to either one of the following: (a) Head of Human Resource & Administration, (b) Head of Finance and (c) Senior Administrative Officer for approval. The requisition shall include the following:
 - a. Vehicle registration number;
 - b. Odometer reading before re-fill;
 - c. Distance to be covered;
 - d. Quantity of fuel in litres;
 - e. Price per litre;
 - f. Name and signature of requester; and,
 - g. Signature of approving officer.
7. Amount of fuel provided shall be determined by the engine size of the vehicle to be used and distance to be covered.
8. A fuel order shall be raised to be submitted by the driver to the pump attendant. The duplicate copy of the fuel order shall be retained by the **Senior Administrative Officer**. Where the fuel required exceeds the capacity of the vehicle tank, the excess shall be requested for as an advance to be accounted for fully.
9. At the end of each month, the **Senior Administrative Officer** shall obtain a fuel report/invoice from the fuel station and reconcile it with the *fuel requisition forms and fuel order forms*. Any discrepancies noted shall be investigated and appropriate action taken.
10. If there are no discrepancies, the **Senior Administrative Officer** the invoice shall be forwarded for payment..

5.4 Vehicle Management

11. The **Senior Administrative Officer** shall prepare a monthly fuel consumption report for all motor vehicles and submit this to the **Head of Human Resource & Administration** for review.
12. The **Head of Human Resource & Administration** shall monitor the consumption per vehicle and compare with the established consumption rate. Fuel consumption per vehicle shall be checked monthly by the Head of Human Resource & Administration.

Vehicle parking and Storage of keys

13. All vehicles shall be returned to ASARECA office premises by 5:30pm every day and the keys handed over to the Senior Administrative officer (or in the absence of the SAA the Head of Human Resource & Administration).
14. All staff shall have the responsibility of informing the **Senior Administrative Officer** in the event that they need the vehicle beyond 5:30pm so that arrangements can be made for the security of the vehicle and the keys.
15. The driver in charge of the vehicle shall be responsible for the security of keys for the vehicles that are being used beyond 5:30pm.

Transport Reimbursement

16. Reimbursements for fuel costs shall be made to staff for trips on official duty and approved by the respective Theme Leader/head of unit and the Head of Finance. These shall be made out of the relevant Theme/unit budget under which the official trip was made on the basis of receipts or claim forms as outlined in the Operations manual. The AA rate shall be used to reimburse staff.
17. The Senior Administrative Officer shall make special arrangements from petty cash (for late or early hour pickups of staff or ASARECA visitors) to cater for taxi hire from their homes to the office to enable them to pick the vehicle from the office or from office to home after the respective activity has been undertaken. The time allowance for this shall be 8:00pm to 7:00am of the day and this cost shall be charged to the vehicle cost centre.
18. Vehicle requests for official use beyond office hours shall be made by relevant staff members and submitted to the Senior Administrative Assistant early enough taking into consideration that the privacy and security of staff members shall be respected.
19. Two airport drivers have been identified to drop the staff members at their homes for flights arriving after 7:00pm or the early flights before 7:00am. The SAA shall make contact with these drivers for picks to and from the airport.
20. In order to ease the payment process, it is recommended that the staff member shall pay for the taxi fare and claim this on the basis of the official receipt attached at the time of submission of his/her travel report.

Vehicle maintenance and repairs

21. ASARECA vehicles shall be serviced in accordance with the service agreements basing on the approved repair/service order.
22. Drivers shall have the responsibility for supervising the repairs and maintenance of the motor vehicles allocated to them to ensure that the vehicles are always roadworthy. Drivers of ASARECA vehicles shall be liable for prosecution for driving defective vehicles when apprehended by traffic police.

23. When a need for repair and/or a routine service has been identified, a *service/repair order* shall be completed and submitted to the **HHR & Admin** for approval.
24. Upon approval, the respective driver shall take the vehicle to the designated dealer/service provider for the repair or routine service whichever is applicable.
25. The **Senior Administrative officer** shall verify that the repairs and/or service has been completed in line with the order given before payment is authorised,
26. The **Senior Administrative officer** shall obtain an *invoice* from the dealer/service provider and verify these against the *service/repair orders*. Any inconsistencies in the invoices must be brought to the attention of the respective dealer/service provider and resolved before payment is recommended.
27. The **Senior Administrative Assistant** shall prepare a quarterly report on repairs and maintenance for all motor vehicles and submit to **Head of Human Resource & Administration** for review.

Emergencies

28. In case of an accident, the driver shall immediately contact the Police and Senior Administrative officer or Administrative Assistant and provide a list of injured passengers, nature of injury and location of the accident. Unless the driver has serious bodily injuries, he/she shall not leave the scene of the accident until relieved by the police.
29. If the accident occurs in a place where the residents may take the law into their own hands, the driver shall immediately drive to the nearest police station and report the case.
30. If the accident occurs and the vehicle is rendered immobile, the driver shall make the necessary arrangements to have the vehicle towed to the nearest designated dealer/service provider for safe custody. If the driver or passengers are injured, arrangements shall be made by the SAO to take the injured to the nearest reputable hospital even though they may have received first aid or the injuries appear minor.

Key control processes

1. A vehicle movement log book shall be maintained for each motor vehicle and monthly review of the car logbooks shall be carried out by the **Senior Administrative Assistant**.
2. Monthly fuel consumption report shall be prepared by the **Senior Administrative Officer** and reviewed by the **Head of Human Resource & Administration**.
3. Quarterly report on repairs and maintenance shall be prepared by the **Senior Administrative Officer** and submitted to **HHR & Admin**.

Policy Objectives

To ensure:

1. All assets of are comprehensively insured with a reputable insurance company; and
2. That there is adequate insurance cover for all staff in accordance with the law.

Policy Statement

All assets of ASARECA shall be comprehensively insured.

Documents

Key documents include:

- Insurance policies
- Documents of title
- Fixed assets register
- Employment contracts

Responsibility

- Executive Secretary
- Head of Finance
- Head of Human Resource & Administration Officer
- Senior Administrative Officer

Procedures

1. The **Head of Human Resource & Administration** shall be responsible for insuring all assets of ASARECA with a reputable insurance company.
2. Procurement of a reputable insurance company shall be done in accordance with the procurement guidelines in this manual. Policy documents shall be securely kept by the Head of Human Resource & Administration.
3. Request for insurance of assets shall be prepared by the **Head of Human Resource & Administration** and submitted to the **Head of Finance** for review and approval. The request shall then be submitted to the **Executive Secretary** for final approval.
4. Upon approval, payment of the relevant insurance premium shall be done by following the procedures for payment. **Refer to Ref – 4.9.1 Payments.**
5. The Head of Human Resource & Administration shall maintain a register for all the insured assets.
6. All staff have the responsibility to report any event that may result into loss to the Head of Human Resource & Administration.
7. In case of loss, insurance claims shall be initiated by the **Senior Administrative Officer** and submitted to the Head of Human Resource & Administration and Head of Finance for review and approval respectively.
8. Upon approval, the Head of Human Resource & Administration shall submit a claim form to the insurance company and ensure the claim is paid.

9. The Senior Administration officer shall ensure that insurance cover for all insurable assets is valid at all times.

Key Control Processes

1. The Head of Human Resource & Administration shall ensure that all assets are comprehensively insured.
2. The Head of Human Resource & Administration shall review the insurance register against the FAR to ensure that all insurable assets are insured.

Policy Objectives

To ensure:

1. That the offices are properly maintained;
2. That the office premises are kept clean and well maintained to safeguard the wellbeing of its employees, visitors and the general public; and
3. That the operations of ASARECA are conducted with due consideration to the protection of the environment.

Policy Statement

All office premises of ASARECA shall be well maintained and kept secure at all times.

Documents

Key document:

- Tenancy agreement

Responsibility

- Head of Human Resource & Administration
- Senior Administrative officer
- Senior Administrative Assistant
- All staff

Procedures

1. The **Head of Human Resource & Administration** is responsible for ensuring that the office premises are well maintained and secure at all times and that the necessary tools for this are available.
2. The **Head of Human Resource & Administration** shall allocate the different sections of the office premises to be cleaned amongst the cleaners/messengers.
3. The office premises shall be cleaned daily by the responsible staff.
4. All staff have a responsibility of notifying the Senior Administration officer of any need for repair and maintenance on the office premises.
5. The **Senior Administrative Officer** shall assess the extent of repair and maintenance required and based on this, submit a *requisition* for the repairs to the Head of Human Resource & Administration for approval. Where the office premises are rented, the repairs and maintenance shall be undertaken in accordance to the tenancy agreement.
6. If the extent of the repairs/maintenance to undertaken is small, the Senior Administrative officer shall identify the service provider otherwise, the procedures for procurement shall be followed.
7. Where the repairs and/or maintenance are to be undertaken by ASARECA, the requisition shall be submitted to the Finance unit for processing. This shall then be forwarded to the procurement and contracts officer to secure the services of a reputable service provider.
8. The Senior Administration officer shall certify the work done before payment to the service provider is made.

9. The **Head of Human Resource & Administration** in collaboration with the Senior Administrative officer shall carry out an audit and management review of all health and safety management system at least once in every two years.
10. All staff shall ensure that their conduct does not put others at risk by reporting all health hazards or unsafe conditions to the Senior Administrative officer and familiarising themselves with all notices, leaflets and information regarding health and safety.
11. The Head of Human Resource & Administration shall have all staff trained at the work place to ensure that they are well equipped to participate fully in the identification, reporting and management of unsafe acts or conditions.

Key Control Processes

1. The Senior Administrative officer shall carry out spot check on the work done and ensure that is satisfactory.
2. The Senior Administrative officer shall inspect the works done for repairs and maintenance before payment is made.
3. The **Head of Human Resource & Administration** shall carry out an audit and management review of all health and safety management system at least once in every two years.

Policy Objectives

To ensure that:

1. The offices premise are kept secure at all time; and
2. There are adequate controls and procedures in place to safeguard the ASARECA resources;

Policy Statement

There shall be adequate security for all resources with ASARECA premises.

Documents

Key documents shall include:

- Contracts with security company
- Visitors' book

Responsibility

- Head of Human Resource & Administration
- Senior Administrative Officer
- Procurement Unit
- All staff

Procedures

1. The Head of Human Resource & Administration shall ensure that the office is secure at all times by providing security systems to protect all staff and the property of ASARECA.
2. All staff working after official work hours shall ensure that main doors are closed and the lights turned off before leaving the office premises.
3. No personal money or valuables shall be left unattended to. The insurance of the building does not cover personal property.
4. The procurement unit shall enlist services of a reputable security company to provide security services to ASARECA.
5. All staff shall be issued with identity cards and shall display them at all times while at ASARECA premises. A visitor's book shall be maintained at the gate to be signed by all visitors. A visitor's card shall be issued to the visitor who will be required to display the same while at ASARECA premises before gaining entry to the premises of ASARECA.
6. The Head of Human Resource & Administration shall ensure that there is a provision in the security contract to ensure that the security guards are periodically rotated.
7. All assets of ASARECA shall be kept in designated and secure locations.
8. All staff shall be responsible for reporting any suspicious people that are seen on the premises of ASARECA.
9. Fire extinguishers shall be located at designated areas within the offices of ASARECA and these shall be used for protection against fire.

Key Control Processes

1. A contract shall be signed with a reputable security company and this shall be periodically reviewed.
2. The Head of Human Resource & Administration shall ensure that the office premises are kept secure by locking and opening the main door to the office.
3. The **Head of Human Resource & Administration** is responsible for ensuring that all assets are uniquely engraved or tagged.



SECTION 6

PROCUREMENT AND
DISPOSAL GUIDELINES

Policy Objectives

To ensure that;

1. Principles and procedures regarding procurement and disposal activities of ASARECA are well explained to all staff;
2. Roles of the Procurement and Contracting Unit and other committees are well explained;
3. There is maximum value for money through an orderly, efficient and effective execution of procurement and disposal activities; and
4. Transparency and competition is secured throughout the procurement and disposal processes.

Policy Statement

All staff members shall comply with the following general principles:

1. Procurement of goods, works and services shall be undertaken using an appropriate procurement method as stipulated in this manual or in accordance with donor requirements;
2. There shall be transparency in the procurement and disposal processes.

Documents

Key documents include:

- Strategic plan
- Grant Agreement with funding/donor organisation
- Budget for the year
- Annual work plans
- Capital budget plans
- Procurement plan
- Operations work plan

Responsibility

- Board of Directors
- Executive Secretary
- Procurement and Contracting Officer
- Head of Finance
- Budget Holder
- All Staff

Guiding Principles

1. The ASARECA Board is responsible for setting the strategic direction of ASARECA, for monitoring its achievements and for ensuring ASARECA's financial integrity at all times. The Executive Secretary (ES) is responsible for the leadership and management of ASARECA and is accountable to the Board.
2. The Executive Secretary shall have overall responsibility over all procurement undertaken by ASARECA and the application and implementation of this Manual. The Executive Secretary may delegate the procurement responsibilities to a senior staff in accordance with the provisions of this Operations manual.

6.1 Introduction

3. The Theme Leaders/Heads of Units shall originate all requests for procurements and shall prepare and document the procurement request. The procurement requests which shall be in accordance with the approved procurement plans shall be forwarded to the Procurement and Contracting Unit for processing. The proposals/quotations shall be evaluated by duly appointed evaluation committees and reports approved by the procurement committee for procurements above US\$ 5,000 and the Executive Secretary for all procurements below US\$ 5,000.
4. All staff members of ASARECA shall exercise due diligence during the procurement process and shall comply in good faith with the procurement policies and procedures. While due care has been taken to build into the Operations Manual adequate and comprehensive internal controls, the mere application of these regulations shall not absolve any staff of ASARECA from exercising due diligence in carrying out their duties. All secretariat staff shall be sensitized on procurement procedures and their responsibility to adhere to the provisions in the Operations Manual and the Bank's procurement regulations on a regular basis by the Procurement and Contracting Unit.

A) Basic Principles

The following main principles underlie proficient procurement and shall guide the procurement process at ASARECA and its sub grantees:

1. Economy and efficiency to achieve quality, cost effectiveness and timely delivery in procurement;
2. Equitable, fair and open competition giving all eligible/qualified bidders an opportunity to participate;
3. Accountability of use of funds; and
4. Transparency of procurement process.

The policies and procedures in this procurement manual are designed to meet these principles.

B) Solicitation documents

Each Solicitation document shall ensure that:

1. the statement of requirements defines the requirement precisely and in a manner that leaves no doubt or assumption by a bidder;
2. the most equitable evaluation methodology is chosen to compare and evaluate bids received;
3. the evaluation criteria is included to ensure that the evaluation considers all appropriate factors;
4. the most appropriate type of contract shall result from the procurement proceedings in terms of contractual protection to ASARECA and the Provider, inclusive of payment terms and method of payment;
5. the basis of the prices and costs required are adequately defined so that they can be meaningfully compared and later inserted into any resulting contract to represent the full cost of the procurement requirement.
6. The Solicitation Documents shall benchmark with acceptable National and WB Documents. In unclear areas and for Consultancies reference shall be made to the latter.

C) Eligibility

1. Participation in tenders and in the award of the contracts shall be open to organisations or individuals from any country. Member's states that are part of ASARECA shall be considered as comprising domestic or National firms for purposes of conducting open domestic/national tendering.
2. No organisation or bidder shall be excluded from evaluation and contract award for reasons unrelated to its capability and resources to successfully execute the contract. ASARECA shall carry out a due diligence on the technical and financial qualifications of bidders to be assured of their capabilities in relation to the specific contract.

3. Exceptions to the foregoing include:
 - a. Firms of a country or goods manufactured in a country may be excluded if, (i) as a matter of law or official regulation, ASARECA countries of operation prohibit commercial relations with that country, provided that the donor is satisfied that such exclusion does not preclude effective competition for the supply of goods or works required, or (ii) by an act of compliance with a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations, the ASARECA Country/ies of operation, prohibits any import of goods from, or payments to, a particular country, person, or entity. Where any ASARECA country of operation prohibits payments to a particular firm or for particular goods by such an act of compliance, that firm may be excluded.
 - b. A firm which has been engaged by ASARECA to provide consulting services for the preparation or implementation of a project, and any of its affiliates, shall be disqualified from subsequently providing goods, works, or services resulting from or directly related to the firm's consulting services for such preparation or implementation. This provision does not apply to the various firms (consultants, contractors, or suppliers) which together are performing the contractor's obligations under a turnkey or design and build contract.
 - c. Government-owned enterprises in the ASARECA Countries of operation may participate only if they can establish that they (i) are legally and financially autonomous, (ii) operate under commercial law, and (iii) are not dependent agencies of ASARECA or the Sub-grantee.
 - d. A firm declared ineligible by the donor (or the World Bank) or ASARECA due to fraud and/or corruption related matters.
 - e. ASARECA staff or management involved in procurement process have a financial interest in, or close relatives working with, the organisation or individual;
 - f. They are bankrupt or being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities or who are subject to an injunction against running business by a court of law; or
 - g. They have not fulfilled obligations relating to the payment of taxes in accordance with the legal provisions of the country where they are established.

D) Misprocurement

At ASARECA

1. The donor shall not finance expenditures for goods, works and services which have not been procured in accordance with the agreed provisions in the Grant Agreement with the donor/s and as further elaborated in the Procurement Plan (Ref section 6.2 Procurement Plan of this manual).
2. ASARECA shall prevent and mitigate any occurrence of mis-procurement by strict adherence to the provision of the financing agreement, procurement regulations and prevention of fraud and corruption. Should mis-procurement be declared by the donor, the Board shall direct the ES to take such corrective action as may be necessary in the circumstances to rectify the breach; suspend or discipline the officer responsible for the breach and apply any other remedies that will make good the suspected mis-procurement

At Sub grantees

3. ASARECA shall not finance expenditures for goods and works which have not been procured in accordance with the agreed provisions in the sub grant Agreement with the sub grantee and as further elaborated in the sub grantee Procurement Plan submitted to ASARECA. In such cases, ASARECA will declare mis-procurement, and it will cancel that portion of the sub grant allocated to the goods and works that have been mis-procured by sub grantees. Even once the contract is awarded after obtaining a “no objection” from ASARECA, ASARECA may still declare mis-procurement if it concludes that the “no objection” was issued on the basis of incomplete, inaccurate, or misleading information furnished by the sub grantee or the terms and conditions of the contract had been modified without ASARECA’s approval

E) Fraud and Corruption

At ASARECA

ASARECA and its stakeholders as well as prospective suppliers of goods and services are required to observe the highest standards of ethics and refrain from corrupt and fraudulent tendencies during the procurement and execution of contracts. In pursuit of this policy, ASARECA shall require that all bidders concerned take measures to ensure that no transfer of gifts, payments or other benefits to ASARECA officials and/or procurement/management staff with decision making responsibility or influence, occur.

In pursuance of this policy, the Donors:

1. Define, for the purposes of this provision, the terms set forth below as follows:
 - a. “corrupt practice” is the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party;
 - b. “fraudulent practice” is any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation;
 - c. “collusive practice” is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party;
 - d. “coercive practice” is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;
 - e. “obstructive practice” is
 - deliberately destroying, falsifying, altering or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede a donor’s investigation into allegations of a corrupt, fraudulent, coercive or collusive practice; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation, or
 - acts intended to materially impede the exercise of the donor’s inspection and audit rights provided for under the Grant Agreement
2. Will reject a proposal for award if it determines that the bidder recommended for award has, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in competing for the contract in question;
3. Will cancel the portion of the Grant allocated to a contract if it determines at any time that representatives of the Grantee or of a beneficiary of the Grant engaged in corrupt, fraudulent, collusive, or coercive practices during the procurement or the execution of that contract, without the Grantee having taken timely and appropriate action satisfactory to the donor to address such practices when they occur;

4. Will sanction a firm or individual, including declaring ineligible, either indefinitely or for a stated period of time, to be awarded donor financed contract if it at any time determines that the firm has, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in competing for, or in executing, a contract financed by Donor funds; and
5. Will have the right to require that a provision be included in bidding documents and in contracts financed by the Donor funds, requiring bidders, suppliers and contractors to permit the donor to inspect their accounts and records and other documents relating to the bid submission and contract performance and to have them audited by auditors appointed by the Donor.

At Sub grantees

ASARECA too shall require all sub grantees, as well as their bidders, suppliers, and contractors and their subcontractors to observe the highest standard of ethics during the procurement and execution of such contracts. In pursuance of this policy, ASARECA:

1. Defines, for the purposes of this provision, the terms set forth below as follows:
 - a. "corrupt practice" as in 1(a) above;
 - b. "fraudulent practice" as in 1 (b) above;
 - c. "collusive practice" as in 1 (c) above;
 - d. "coercive practice" as in 1 (d) above;
 - a. "obstructive practice" is
 - deliberately destroying, falsifying, altering or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede an ASARECA's investigation into allegations of a corrupt, fraudulent, coercive or collusive practice; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation, or
 - acts intended to materially impede the exercise of ASARECA's inspection and audit rights provided for under the sub grantee agreement.
2. Will reject a proposal for award if it determines that the bidder recommended for award has, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in competing for the contract in question;
3. Will cancel the portion of the sub grant allocated to a contract if it determines at any time that representatives of the sub grantee or of a beneficiary of the sub grant engaged in corrupt, fraudulent, collusive, or coercive practices during the procurement or the execution of that contract, without the sub grantee having taken timely and appropriate action satisfactory to ASARECA to address such practices when they occur;
4. Will sanction a firm or individual, including declaring ineligible, either indefinitely or for a stated period of time, to be awarded ASARECA financed contract if it at any time determines that the firm has, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in competing for, or in executing, a contract financed by ASARECA funds; and
5. Will have the right to require that a provision be included in bidding documents and in contracts financed by ASARECA funds, requiring bidders, suppliers and contractors to permit ASARECA to inspect their accounts and records and other documents relating to the bid submission and contract performance and to have them audited by auditors appointed by ASARECA

F) Procurement Reviews

1. The donor may require to carry out a review of ASARECA's procurement procedures, documents, bid evaluations, award recommendations, and contracts to ensure that the procurement process is carried out in accordance with the agreed procedures.
2. ASARECA too may require to carry out a review of sub grantees' procurement procedures, documents, bid evaluations, award recommendations, and contracts to ensure that the procurement process is carried out in accordance with the agreed procedures.
3. The donor shall review the procurement arrangements proposed by ASARECA in the Procurement Plan for its conformity with the Grant Agreement.

At ASARECA

Prior Review

1. Regarding contracting, the donor shall require prior review:
 - a. In cases where prequalification is used, ASARECA shall, before prequalification submissions are invited, furnish the donor with the draft documents to be used, including the text of the invitation to prequalify, the prequalification questionnaire, and the evaluation methodology, together with a description of the advertising procedures to be followed, and shall introduce such modifications in the said procedure and documents, as the donor shall reasonably request. The report evaluating the applications received by ASARECA, the list of proposed prequalified bidders, together with a statement of their qualifications and of the reasons for the exclusion of any applicant for prequalification, shall be furnished to the donor for comments before the applicants are notified of the ASARECA's decision. ASARECA shall make such additions to, deletions from, or modifications in the said list as the donor shall reasonably request.
 - b. Before bids are invited, ASARECA shall furnish to the donor for comments, draft bidding documents, including the invitation to bid; instructions to bidders, including the basis of bid evaluation and contract award; and the conditions of contract and specifications for the civil works, supply of goods, or installation of equipment, etc., as the case may be, together with a description of the advertising procedures to be followed for the bidding (if prequalification has not been used), and shall make such modifications in the said documents as the donor shall reasonably request. Any further modification shall require the donor's approval before it is issued to the prospective bidders.
 - c. After bids have been received and evaluated, ASARECA shall, before a final decision on the award is made, furnish to the donor, in sufficient time for its review, a detailed report (prepared, if the donor shall so request, by experts acceptable to the donor), on the evaluation and comparison of the bids received, together with the recommendations for award and such other information as the donor shall reasonably request. The donor shall, if it determines that the intended award would be inconsistent with the Grant Agreement and/or the Procurement Plan, promptly inform ASARECA and state the reasons for such determination. Otherwise, the donor shall provide its no objection to the recommendation for contract award. ASARECA shall award the contract only after receiving the "no objection" from the donor.

- d. If ASARECA requires an extension of bid validity to complete the process of evaluation, obtain necessary approvals and clearances, and to make the award, it should seek the donor's prior approval for the first request for extension, if it is longer than four weeks, and for all subsequent requests for extension, irrespective of the period.
 - e. If after publication of the results of evaluation, ASARECA receives protests or complaints from bidders, a copy of the complaint and a copy of the ASARECA's response shall be sent to the donor for information.
 - f. If as a result of analysis of a protest ASARECA changes its contract award recommendation, the reasons for such decision and a revised evaluation report shall be submitted to the donor for no objection.
 - g. The terms and conditions of a contract shall not, without the donor's prior approval, materially differ from those on which bids were requested for or prequalification of Contractors, if any, was invited.
 - h. One conformed copy of the contract shall be furnished to the donor promptly after its execution and prior to delivery to the donor of the first application for withdrawal of funds from the Grant Account in respect of such contract. Where payments for the contract are to be made out of a Special Account (SA), a copy of the contract shall be furnished to the donor prior to the making of the first payment out of the SA in respect of such contract.
 - i. All evaluation reports shall be accompanied by a summary of the procurement on a form provided by the donor. The description and amount of the contract, together with the name and address of the successful bidder, shall be subject to release by the donor upon receipt of the signed copy of the contract.
2. *Modifications.* In the case of contracts subject to prior review, before granting a material extension of the stipulated time for performance of a contract, agreeing to any modification or waiver of the conditions of such contract, including issuing any change order or orders under such contract (except in cases of extreme urgency) which would in aggregate increase the original amount of the contract by more than 15 percent of the original price, ASARECA shall seek the donor's no objection to the proposed extension, modification, or change order. If the donor determines that the proposal would be inconsistent with the provisions of the Grant Agreement and/or Procurement Plan, it shall promptly inform ASARECA and state the reasons for its determination. A copy of all amendments to the contract shall be furnished to the donor for its record.
 3. *Translations.* If a contract awarded under ICB procedures is subject to prior-review and is written in the national language, (or the language used nation-wide in an ASARECA country of operation for commercial transactions) a certified translation of the contract in the internationally used language specified in the bidding documents (English or French) shall be furnished to the donor together with the conformed copy of the contract. Such certified translations shall also be furnished to the donor, for any subsequent modifications of such contracts.

Post Review

4. ASARECA shall retain all documentation with respect to each contract up to two years after the closing date of the Grant Agreement. This documentation would include, but not be limited to, the signed original of the contract, the analysis of the respective proposals, and recommendations for award, for examination by the donor or by its consultants.

5. ASARECA shall also furnish such documentation to the donor upon request, if the donor determines that the goods, works or services were not procured in accordance with the agreed procedures, as reflected in the Grant Agreement and further detailed in the Procurement Plan approved by the donor or that the contract itself is not consistent with such procedures or is declared mis-procurement.

At Sub Grantees

1. Regarding contracting, ASARECA shall require prior review:
 - a. In cases where prequalification is used, Sub Grantees shall, before prequalification submissions are invited, furnish ASARECA with the draft documents to be used, including the text of the invitation to prequalify, the prequalification questionnaire, and the evaluation methodology, together with a description of the advertising procedures to be followed, and shall introduce such modifications in the said procedure and documents, as ASARECA shall reasonably request. The report evaluating the applications received by Sub Grantees, the list of proposed prequalified bidders, together with a statement of their qualifications and of the reasons for the exclusion of any applicant for prequalification, shall be furnished to ASARECA for comments before the applicants are notified of the Sub Grantee's decision. Sub Grantees shall make such additions to, deletions from, or modifications in the said list as ASARECA shall reasonably request.
 - b. Before bids are invited, Sub Grantees shall furnish to ASARECA for comments, draft bidding documents, including the invitation to bid; instructions to bidders, including the basis of bid evaluation and contract award; and the conditions of contract and specifications for the civil works, supply of goods, or installation of equipment, etc., as the case may be, together with a description of the advertising procedures to be followed for the bidding (if prequalification has not been used), and shall make such modifications in the said documents as ASARECA shall reasonably request. Any further modification shall require ASARECA's approval before it is issued to the prospective bidders.
 - c. After bids have been received and evaluated, Sub Grantees shall, before a final decision on the award is made, furnish to ASARECA, in sufficient time for its review, a detailed report (prepared, if ASARECA shall so request, by experts acceptable to ASARECA), on the evaluation and comparison of the bids received, together with the recommendations for award and such other information as ASARECA shall reasonably request. ASARECA shall, if it determines that the intended award would be inconsistent with the Sub Grant Agreement and/or the Procurement Plan, promptly inform Sub Grantee and state the reasons for such determination. Otherwise, ASARECA shall provide its no objection to the recommendation for contract award. Sub Grantees shall award the contract only after receiving the "no objection" from ASARECA.
 - d. If Sub Grantee requires an extension of bid validity to complete the process of evaluation, obtain necessary approvals and clearances, and to make the award, it should seek ASARECA's prior approval for the first request for extension, if it is longer than four weeks, and for all subsequent requests for extension, irrespective of the period.
 - e. If after publication of the results of evaluation, Sub Grantee receives protests or complaints from bidders, a copy of the complaint and a copy of the Sub Grantee's response shall be sent to ASARECA for information.

- f. If as result of analysis of a protest the Sub Grantee changes its contract award recommendation, the reasons for such decision and a revised evaluation report shall be submitted to ASARECA for no objection.
 - g. The terms and conditions of a contract shall not, without the ASARECA's prior approval, materially differ from those on which bids were requested for or prequalification of Contractors, if any, was invited.
 - h. One conformed copy of the contract shall be furnished to ASARECA promptly after its execution and prior to delivery to ASARECA of the first application for withdrawal of funds from the Sub Grant Account in respect of such contract. Where payments for the contract are to be made out of a Special Account (SA), a copy of the contract shall be furnished to ASARECA prior to the making of the first payment out of the SA in respect of such contract.
 - i. All evaluation reports shall be accompanied by a summary of the procurement on a form provided by ASARECA. The description and amount of the contract, together with the name and address of the successful bidder, shall be subject to release by ASARECA upon receipt of the signed copy of the contract.
2. *Modifications.* In the case of contracts subject to prior review, before granting a material extension of the stipulated time for performance of a contract, agreeing to any modification or waiver of the conditions of such contract, including issuing any change order or orders under such contract (except in cases of extreme urgency) which would in aggregate increase the original amount of the contract by more than 15 percent of the original price, the Sub Grantees shall seek the ASARECA's no objection to the proposed extension, modification, or change order. If ASARECA determines that the proposal would be inconsistent with the provisions of the Sub Grant Agreement and/or Procurement Plan, it shall promptly inform Sub Grantees and state the reasons for its determination. A copy of all amendments to the contract shall be furnished to ASARECA for its record.
 3. *Translations.* If a contract awarded under ICB procedures is subject to prior-review and is written in the national language, (or the language used nation-wide in Sub Grantees' country of operation for commercial transactions) a certified translation of the contract in the internationally used language specified in the bidding documents (English or French) shall be furnished to ASARECA together with the conformed copy of the contract. Such certified translations shall also be furnished to ASARECA, for any subsequent modifications of such contracts.

Post Review

1. Sub grantees shall retain all documentation with respect to each contract up to two years after the closing date of the Sub-Grant Agreement. This documentation would include, but not be limited to, the signed original of the contract, the analysis of the respective proposals, and recommendations for award, for examination by the donor or by its consultants.
2. Sub Grantees shall also furnish such documentation to ASARECA upon request, if ASARECA determines that the goods, works or services were not procured in accordance with the agreed procedures, as reflected in the Sub Grant Agreement and further detailed in the Procurement Plan approved by ASARECA or that the contract itself is not consistent with such procedures or is declared a mis-procurement

G) Procurement Implementation Arrangements

I - Bulk purchases of consumables, including stationery

Procedures that must be followed:

No.	Activity	Responsibility
1	A form is issued to all units and themes to assess requirements	Administration Units
2	Requirements are consolidated (whereby all items in stock are deducted)	Administration
3	A request for bulk purchase is prepared	Administration
4	Request is reviewed for Budget control	Finance
5	Approved requisition goes to Procurement for action	Procurement
6	Administration receives goods and distributes to user departments and units	Administration

II-Purchase of Equipment

Procedures that must be followed:

No.	Activity	Responsibility
	Requests for purchases are approved by Budget holder	Themes/Units
	Purchase requisitions are reviewed by Finance for Budget control purposes	Finance
	Procurement receives purchase order and starts procurement process	Procurement
	Procurement gives copy of Purchase order to administration	Procurement
5.	Administration receives the equipment and enters detail into asset register	Administration
6.	Equipment is passed on to user department who signs the Goods received note	Administration, Procurement

This section defines the roles and responsibilities of various bodies/units within ASARECA which shall be responsible for ensuring efficient and effective procurement within ASARECA. These shall include:

1. Procurement Committee;
2. Evaluation Committee;
3. Procurement and Contracting Unit;
4. User departments/Units.

Procurement Committee

1. A Procurement Committee, comprising of a chairperson, secretary and 3 other officers shall be appointed by the ES to serve for three years.
2. The committee shall be responsible for award of large (more than US\$ 5,000) procurements of Goods, works and Services.
3. The Committee shall award the contracts based on recommendations from the Evaluation Committee (See functions of the Evaluation Committee below).
4. The ES shall appoint, in writing, 5 members to serve in the committee; the Procurement and Contracting Unit shall serve as the secretariat to the Procurement Committee and shall have no voting role. The Procurement Committee shall have a chair appointed by Executive Secretary. The Quorum for holding Committee meetings shall be three members, excluding the secretariat.
5. The deliberations of the Procurement Committee shall all be recorded in minutes by its secretariat.
6. In executing its powers the Procurement Committee shall ensure that all its decisions meet the basic principles and specific donor rules of public procurement and disposal and in particular shall:
 - a. Approve solicitation documents and any addenda before their issue to bidders and, in particular, authorise and ensure the following -
 - the completeness and suitability of the statement of requirements (specifications and Terms of Reference);
 - the appropriateness and applicability of the proposed evaluation methodology and criteria contained in the solicitation documents;
 - the appropriateness of the type of contract to the procurement requirement;
 - the appropriateness of the special conditions of contract proposed for any resulting contract; and
 - that the bidding period is reasonable, having regard to the complexity of the requirements for the assignment;
 - b. Approve:
 - the membership of Evaluation Committees;
 - technical, financial or combined evaluation reports;
 - the membership and objectives of a negotiation team; and
 - the outcome of any negotiations;
 - c. Approve contract documents in line with the award decision; and
 - d. Approve contract amendments.

7. The appointed persons shall be deemed suitable to ensure that the Procurement Committee:
 - a. has a proven track record of sound judgment;
 - b. has an appropriate level of seniority and experience in decision-making;
 - c. includes experience in at least one recognised professional discipline;
 - d. does not have more than two members from one department; and
 - e. includes specific knowledge and experience in the procuring and disposing entity.
8. The Executive Secretary may at any time terminate the appointment of a member of the Procurement Committee:
 - a. for abuse of office;
 - b. for corruption;
 - c. for incompetence;
 - d. for physical or mental incapacity which renders the member incapable of performing his or her duties;
 - e. for failure to attend three consecutive scheduled meetings without reasonable grounds;
 - f. for conviction of an offence involving moral turpitude;
 - g. declared bankrupt by a court of law; or
 - h. on any other reasonable ground.
9. Where a member of the Procurement Committee is unable to attend a meeting, and he/she provides reasonable and sound reasons, he or she shall be allowed to send written comments and the committee shall proceed and meet as long as there is quorum;
10. A Procurement Committee shall consider each submission made and, based on the information contained in the forms and the supporting documents submitted by the Evaluation Committee, approve or reject the submission made.
11. A Procurement Committee may give a conditional approval to a submission, where there is a minor issue to be resolved. The condition shall be resolved before final approval or else the submission shall be rejected.
12. A Procurement Committee shall give in writing the reasons for rejecting a submission.
13. A decision of a Procurement Committee shall be unanimous or, where unanimity cannot be achieved, shall be by simple majority of the members present.
14. Where there is a tie in the vote of the Procurement Committee the submission shall be rejected.
15. The secretary of the Procurement Committee shall record the minutes of each Procurement Committee meeting using the relevant form, which may be supported by detailed minutes.
16. The minutes of each Procurement Committee meeting shall include-
 - a. a register of attendance, signed by all members, advisors and observers indicating whether each member's attendance was for all or only part of the meeting and indicate the items on the agenda in which the members participated;
 - b. the code of ethics, signed by all members and other persons attending the meeting; and
 - c. a record of the decisions made for each submission considered by the Procurement Committee together with details of any conditions to approved submissions, and reasons for the rejected submissions.

17. The record of each Procurement Committee meeting shall include the key issues discussed in relation to each submission or item on the agenda, including any advice given by an advisor or any disagreement between members.
18. A Procurement Committee may co-opt an advisor to assist it in the discharge of its functions.
19. An advisor shall not take part in the decisions of the Procurement Committee and shall only attend a part of a meeting which considers the matter on which the advice is required.
20. A Procurement Committee may require any member of a user department, an Evaluation Committee or a negotiation team to attend a Procurement Committee meeting as an advisor to offer clarifications on a submission.
21. The chairperson of a Procurement Committee shall preside over the meeting of the Procurement Committee and, in the chairperson's absence; a member from among those present shall be elected to preside over the meeting.
22. The chairperson working with the Procurement and Contracting Unit, shall be responsible for-
 - a. Convening the Procurement Committee meetings and guiding the drawing up of the agenda;
 - b. Ensuring that the agenda specifies-
 - the date, time and venue of the Procurement Committee meeting;
 - the submissions to be considered;
 - issues to be discussed; and
 - any advisor or observer to attend the meeting;
 - c. Ensuring that-
 - the performance of the Procurement Committee is in accordance with ASARECA and funder/donor requirements;
 - order is maintained and productive work done at all meetings;
 - open and participatory debate by members present is possible at all meetings;
 - specialist/technical advice is obtained if so required; and
 - the minutes of the Procurement Committee meetings are confirmed by members and signed as required.
23. The secretary of the Procurement Committee shall be responsible for:-
 - a. assisting the chairperson in convening meetings and preparing the agenda;
 - b. organising and providing the necessary facilities for meetings of the Procurement Committee;
 - c. ensuring that the agenda, submissions and any other documentation are distributed to members of the Procurement Committee within a reasonable time before any meeting;
 - d. recording the minutes of the meetings;
 - e. keeping all records of the Procurement Committee, including, but not limited to agendas, submissions and minutes;
 - f. co-ordinating all activities of the Procurement Committee;
 - g. preparing reports of the Procurement Committee; and
 - h. monitoring the term of membership of Procurement Committee members and notifying the Executive Secretary accordingly

Evaluation Committee

1. This Committee shall be appointed by the Procurement Committee.
2. The membership of the Evaluation Committee shall be recommended by the Procurement and Contracting Unit, and approved by the Procurement Committee.
3. The Evaluation Committee shall be an *ad hoc* Committee formed to evaluate a specific tender or procurement.
4. The committee shall comprise a technical person/advisor, a person from the user unit and the Procurement and Contracting Unit staff, among other members.
5. The Evaluation Committee may comprise separate technical and financial Evaluation Committees, depending on how the procurement is structured.
6. The Committee shall be responsible for evaluating the contract based on the pre-determined criteria and recommending award of contracts.
7. The Committee shall prepare evaluation reports containing its recommendation of award to the Procurement Committee for approval and award.
8. The number of members of the Evaluation Committee shall depend on the value and complexity of the procurement requirement, but shall in all cases be a minimum of three (the technical person and the representative of a user unit must be part of the three in the quorum).
9. The members shall be of an appropriate level of seniority and experience, depending on the value and complexity of the procurement requirement.
10. The Evaluation Committee shall include members with a relevant type of skills and experience and the skills required shall be determined by the nature of the procurement requirement, but may include-
 - a. end-user representatives;
 - b. procurement and contracting skills;
 - c. financial management skills;
 - d. technical skills relevant to the subject of the procurement;
 - e. legal expertise; or
 - f. Industry development expertise.
11. In order to maintain independence of functions and powers, a member of a Procurement Committee shall not form the majority of the membership of an Evaluation Committee.

Procurement and Contracting Unit

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

Specifically, the unit shall be responsible for the following roles, among others:

1. Preparing and updating procurement plans in consultation with user departments;
2. Preparing bids/RFP documents;
3. Preparing and publishing procurement opportunities;
4. Handling bid opening;
5. Preparing contract documents in line with award decisions;
6. Responding to bidders complaints;
7. Ensuring that contract awards are published;
8. Monitoring contract management;
9. Securing requisite approvals from the Procurement Committee, the ED or donors where applicable;
10. Acting as secretariat to the procurement and Evaluation Committees;
11. In consultation with the user departments, nominate Evaluation Committee members for approval by the Procurement Committee;
12. Managing contract negotiations;
13. Reviewing requests for contract amendments/variations and advising the Procurement Committee on their approval;
14. Ensuring procurement records are filed;
15. Providing support to sub-grantees on procurement issues;
16. Reviewing and approving sub-grantee procurement plans; and
17. Any other procurement related activity.

User Departments/ Units

All departments within ASARECA shall make procurement requisitions to the Procurement and Contracting Unit. Below are some of the responsibilities of the user Units:

1. Preparing the unit's procurement plan in consultation with the budget holders and the Procurement and Contracting Unit;
2. Updating the procurement plan to reflect the actual implementation dates;
3. Initiating procurement and disposal requirements and defining needs (preparation of terms of reference and specifications);
4. Participating in Evaluation Committee meetings and providing technical input as applicable;
5. Managing contract implementation including ensuring that contractors/ suppliers deliver as per their contracts and payments are made in a timely manner;
6. Attending procurement meetings as required

Language

1. Bid documentation and all published procurement notices shall be prepared in English.
2. In addition to being prepared in English, the pre-qualification and bid documents may, at ASARECA's option, also be prepared in the national language of the country where the contract is to be undertaken (or the language used nation-wide in that country for commercial transactions).
3. If the pre-qualification and bid documents are prepared in two languages, bidders shall be permitted to submit their bids in either of these two languages. In such a case, the contract signed with the winning bidder shall be written in the language in which its bid was submitted, in which case this language shall be the one that governs the contractual relations between ASARECA and the winning bidder.
4. If the contract is signed in a language other than English and the contract is subject to a review by ASARECA and/or donors, Sub-grantees shall provide the translation of the contract in the internationally used language in which the bidding documents were prepared.

5. The winning bidder is to sign the contract in only one language version.
6. Where the bid was prepared in the national language of the country where the contract is to be undertaken (and this language is not English), the resulting reports or deliverables shall be prepared in both English and the national language of the country where the contract is to be undertaken

Confidentiality

1. The procurement process is confidential from the time of receipt of tenders to the notification of the award and eventual contracting.
2. Information relating to the evaluation, comparison or clarification of tenders, proposals or quotations or the contents of tenders, proposals or quotations and recommendations concerning awards shall not be disclosed to the applicants, their representatives or to persons not officially involved in the process.
3. Bids and information relating to applicants shall be regarded as classified until after the evaluation and award process is finalised.

Conflict of Interest

All members of ASARECA procurement, evaluation and other committees involved in the procurement of goods and/or services will declare any conflicts of interest with bidders prior to the initiation of any evaluation of tenders. These persons will be excluded from participating in the procurement process. Any non-declaration in this regard should result in appropriate action being instituted against such members and should also result in the company involved being disqualified. Prior to any meeting held in respect of any evaluation, adjudication or award of a contract, all persons will be required to acknowledge in writing that they have no conflict of interest in respect of the tender being considered.

Key control processes

1. All procurement and disposal needs of ASARECA shall be coordinated by the Procurement and Contracting Unit.
2. All procurements for values more than US\$ 5,000 shall be handled by the Procurement Committee.

Policy Objectives

To ensure that;

1. There is maximum value for money through an orderly, efficient and effective execution of procurement activities;
2. There is financial predictability, accountability and control over procurement budgets; and
3. Emergency procurement and disposal are minimised or avoided.

Policy Statement

Procurement of goods, works and services shall be guided by the annual procurement plan prepared by the Procurement and Contracting Unit and approved by the Executive Secretary and the respective donors.

Documents

Key documents shall include:

- Procurement plan
- Annual work plans
- Capital budget plans
- Grant Agreement
- Budget for the year
- Operations work plan
- Strategic plan

Responsibility

- Executive Secretary
- Procurement and Contracting Officer
- Head of Finance
- Budget Holders

Procedures

1. Each **budget holder** shall prepare a list of procurement and disposal activities based on the *approved work plans and budgets*, which shall be submitted to the **Procurement and Contracting Unit** to facilitate orderly execution of procurement activities. All procurement activities of ASARECA shall be included in the procurement plan approved by the Executive Secretary and donor, if so required
2. The Procurement and Contracting Unit shall consolidate all the annual plans for procurement from the different budget holders into one annual procurement plan for ASARECA to enhance financial predictability, accounting and control over *procurement budgets*
3. The procurement plan shall indicate the budget lines from which the procurement is to be funded as well as the receiving partner. The procurement plan shall be prepared in the format provided under **Appendix 6.2a**).
4. The procurement plan shall be updated on an annual basis. The procurement plan shall provide the following information relating to each major category of procurement i.e. works, goods and services:
 - a. Number of contracts (broken down into packages and lots)
 - b. Contract description
 - c. Amount for each contract; procurement methods to be used
 - d. Whether procurement requires prior or post review by the donor/funder
 - e. Various dates (both target and actual) ranging from preparation to contract signing.

5. The Procurement and Contracting Officer (**PCO**) shall use the consolidated *procurement plan* to plan, organise, forecast and schedule the total procurement and disposal activities for ASARECA for the financial year.
6. The consolidated annual procurement plan for ASARECA shall include-
 - a. a detailed breakdown of activities of works, goods and services to be procured;
 - b. a schedule of procurement requirements in order of priority;
 - c. a statement of required resources supported by a schedule of the projected funding;
 - d. a plan of the likely method of procurement for each requirement and the likely time required for each stage in the procurement cycle; and
 - e. details of measures to be taken to prevent recourse to the use of direct procurement.
7. Planning for a procurement activity shall take into account the following considerations:-
 - a. aggregation of requirements to achieve lower unit costs;
 - b. allocation of biddable lots to ensure that requirements are not split up without justified reason;
 - c. common procurement of common user items with sub grantees, where possible;
 - d. joint procurement with sub grantees, where possible;
 - e. pre-qualification to cover groups of contracts where similar works, services or supplies requiring a pre-qualification exercise are required during the financial year, or where it would facilitate short-listing of bidders;
 - f. scheduling of available resources to process the procurement requirements of ASARECA, in particular those relating to evaluations teams; and
 - g. the need for framework contracts where appropriate, to the individual procurement requirements.
8. The procurement requirements shall be aggregated for:-
 - a. all budget holders/units of ASARECA;
 - b. a complete financial year or other appropriate period of time; and
 - c. any other appropriate circumstance, such as those catering for sub grantees.
9. The aggregation of requirements shall take into account:-
 - a. the market structure for the items required;
 - b. items which are of a similar nature and which are likely to attract the same potential bidders;
 - c. the optimum size and type of contract to attract the greatest and most responsive competition or the best prices;
 - d. items which shall be subject to the same method of procurement and bidding conditions;
 - e. items which shall be ready for bidding at the same time;
 - f. items which shall be subject to the same conditions of contract;
 - g. potential savings in time or transaction costs;
 - h. the appropriate size of contract to facilitate the application of any preference and reservation schemes; and
 - i. the optimum number and size of contracts to facilitate management and administration of contracts by ASARECA.
10. All Procurement shall be carried out in accordance with the approved procurement plan and no procurement shall be conducted outside the approved procurement plan.

11. The annual procurement plan and any other amendments to it during the year shall require the approval of the Executive Secretary and the donor, where applicable.
12. The Procurement and Contracting Unit shall not, with the intention of avoiding a particular method of procurement or the benefits of scale, split up procurement requirements which can be procured as a single contract.
13. Splitting of procurement or disposal requirements, which are broadly similar or related, shall only be permitted when the split offers clear and calculable economic or technical advantages.
14. The Procurement and Contracting Unit may divide requirements allocated to a single procurement process into separate lots, where it is anticipated that the award of several separate contracts would result in the best overall value for ASARECA.
15. Where requirements are divided into lots, which may result in separate contracts, the choice of a procurement method shall be determined by the total value of all the lots and not the estimated value of each individual lot.

Key control processes

1. The procurement plan shall be based on the annual work plans prepared by the different budget holders of ASARECA.
2. All procurements of works, goods and services shall be guided by the approved annual procurement plan.
3. The Procurement and Contracting Unit shall prepare an annual procurement plan that shall be approved by the Executive Secretary and the respective donor. No procurement shall be undertaken unless it is reflected in the approved procurement plan.

Appendix 6.2a Procurement Plans

Consultants

Project/Program: _____ MDTF Grant No.: **TF093070** Sub Grant no. _____

No.	List of Contracts	Selection method	Lump sum/Time Based	Estimated Amount (US\$)	Prior/Post Review	Plan vs. Actual	Preparation ToR & Submission	No-Objection Date-	Request for expression of interest	Submission date	Evaluation report – Shortlist	Request for proposals (Invitation)	Submission/ opening	Technical Evaluation report	Approval of report/ no objection	Opening of financial Proposals	Evaluation report	Negotiations & Contract Award	Contract Signature	Final report
01						Plan Actual	3-6Wks	2 Wks	1-1.5 Wks	2Wks	2Wks	Request for proposals (Invitation)	4-12Wks	2-3Wks	1-2Wks	2Wks	1-2Wks	2-4W	1-3 wks	
02						Plan Actual														
03						Plan Actual														
04						Plan Actual														
05						Plan Actual														
06						Plan Actual														
07						Plan Actual														

Note: Please indicate the time period for each activity

Works and Goods

Project/Program: _____ Sub Grant No. _____
 MDTF Grant No.: 093070 _____

No.	Description	Basic Data										Draft bid documents, including specification and quantities			Bidding Period		Bid Evaluation		Contract Finalization			
		Package Number	Lot Number	Lump sum/ Bill of Quantities	Procurement Method	Estimated Amount (US\$)	Pre or Post Qualification	Prior/ Post Review	Plan vs. Actual	Preparation & Submission by	No-Objection Date	Advertisement Online, UNDB, National Press	Bid Invitation Date	Bid Closing Date	Submission Bid Evaluation Report	No-Objection Date	Contract Amount (US\$)	Date of Contract Award	Date of Contract Signature	Arrival Of goods		
01	List of contracts								4-7 weeks	1-1.5 wks	1.5-2 wks	6 to	12 weeks	1-3 weeks	1-1.5 wks		1 wk	1.5-3wks				
02							Plan															
03							Actual															
04							Plan															
05							Actual															
06							Plan															
07							Actual															

Policy Objectives

To ensure that:

1. There is maximum value for money through an orderly, efficient and effective execution of procurement activities;
2. There is transparency and competition in the procurement process;
3. All procurement method are adequately explained
4. The best procurement method for goods, works and services is applied;
5. Proper procedures are in place to document the bidding process at ASARECA; and
6. Mis-procurement is eliminated.

Policy Statement

All staff members shall comply with the following general principles:

1. There shall be transparency and competition in all procurement activities of ASARECA;
2. The procurement of goods, works and services shall be undertaken in accordance with ASARECA procurement guidelines;
3. The splitting of orders shall not be allowed; and
4. Proper documentation of the bidding processes and procedures shall be followed.

Documents

Key documents and related Policies and Procedures include:

- Procurement Requisition Form (PRF)
- Individual Donor procurement guidelines as may be applicable from time to time
- MDTF/World Bank procurement guidelines

Responsibility

- Executive Secretary
- Procurement and Contracting Officer
- Head of Finance
- Budget Holder

A) Procurement methods

1. To the maximum extent possible all contracts shall be procured on a competitive basis. International Competitive Bidding (ICB) is the preferred procurement method for goods and works at ASARECA. ICB provides all eligible prospective bidders with timely and adequate notification of ASARECA's requirements and an equal opportunity to bid for the required goods and works, irrespective of the bidder's country of operation. ASARECA shall, through the procurement plan, determine the procurement method to be used. All procurement shall be undertaken in strict compliance with the approved procurement plan.
2. The procurement methods shall be clearly identified in the procurement plan submitted for approval that shall be sought and received before inviting tenders or publishing notices for tenders.
3. The procurement methods are summarised in the table below. The thresholds given in the table are based on the maximum budget for the contract in question.

The detailed procedures to be used for the procurement of goods, works and services are outlined below:

A.1 Pre-qualification

1. Pre-qualification may be appropriate for both specific and routine goods, works and services. Only those providers short listed through pre-qualification would be invited to submit a bid.
2. The invitation to pre-qualify for bidding shall be advertised. The scope of the contract and a clear statement of the requirements for qualification shall be sent to those who responded to the invitation.
3. Pre-qualification shall be based entirely upon the capability and resources of prospective participants to perform the particular contract satisfactorily, taking into account:
 - a. experience and past performance on similar contracts;
 - b. capabilities with respect to personnel, equipment, and construction or manufacturing facilities; and
 - c. financial position.
4. The pre-qualification criteria shall be specified in the pre-qualification documents and can be in the form of pass/fail criteria.
5. ASARECA shall inform all applicants of the results of pre-qualification and the procurement solicitation documents shall be made available to the participants.
6. To ensure competitiveness, a minimum of six participants shall be pre-qualified and invited to bid. However, if less than six participants respond, ASARECA shall document the persons or entities to which the requests were sent and proceed to consider those bids received.
7. Following the pre-qualification, a shortlist of participants who meet the criteria shall be prepared. This list shall be updated annually or as ASARECA's needs may dictate.
8. The pre-qualification documents, procedures and decisions shall be, where applicable, submitted to the donors for "no objection".

A.2) Open bidding

1. Under open bidding procedures, all interested eligible firms are given an equal opportunity to submit a bid. The invitation to bid is widely advertised, in at least one (1) national/regional newspapers and posting on the ASARECA website.
2. Under open bidding procedures, all natural or legal persons wishing to bid can obtain or receive, on request, the bid documents (which may or may not have to be paid for), in accordance with the procedures laid down in the contract notice.
3. Open bidding can be conducted internationally or nationally. International Competitive bidding entails placing an advert in a newspaper with international readership and inviting all suppliers, local and international to respond. National competitive bidding, on the other hand entails placing a newspaper advertisement nationally or domestically inviting local bidders only, to respond. For purpose of ASARECA, local bidders shall be taken to mean bids originating from the countries in which ASARECA operates.
4. Where national competitive bidding method has been used, foreign bidders (bids not originating from the countries in which ASARECA operates) responding to a local advert shall not be excluded from bidding.

A.3) Limited International Bidding

1. Limited International Bidding (LIB) is essentially ICB by direct invitation without open advertisement.
2. Under LIB procedures, bids shall be sought from pre-selected approved participants, without any open advertisement. The participants shall be pre-selected from the shortlist of bidders obtained from the Pre-qualification process under open bidding procedures or from ASARECA's database.
3. The participants' list will be broad enough to ensure effective competition. The list will include at least six (6) participants or all participants when there are only a small number.
4. It may be an appropriate method of procurement where the following conditions are satisfied:
 - a. The time and cost required to examine and evaluate a large number of tenders would be disproportionate to the value of the goods or works and services; and
 - b. There are only a few known suppliers of the goods or works and services.

A.4) Shopping

1. Shopping shall be used for procuring readily available off-the shelf or standard specification goods, standard or routine services and works. This method is based on comparing price quotations from at least three (3) bidders, to ensure a competitive process. The three or more bidders invited to bid shall not be inter-related organisations (in terms of ownership and directorship). The request for quotations shall indicate the description and quantity of goods, the terms of reference for the services, which will specify the scope, as well as the desired delivery/performance/completion time and place.
2. Shopping shall be used in cases where ASARECA will carry out procurement for readily available off-the shelf items or products and services of a similar nature, and will include the following features:
 - a. the invitation, normally to not less than three (3) firms,
 - b. the tender and contract documentation can be prepared in a simple format;
 - c. no public or formal opening of tenders is required; and
 - d. tenders can be submitted by fax or electronic mail.

The successful quotation shall be the quotation with the lowest price that meets the requirements set out in the request for quotations. The terms of the accepted offer shall be incorporated in a purchase order or brief contract.

A.5) Direct contracting

This is a procurement method that does not involve open competition. It may be used for goods or works and services and may be an appropriate method under the following circumstances:

- a. The extension of an existing contract awarded in accordance with the procedures for Open or restricted Tendering for additional goods or works and services of a similar nature would clearly be economic and efficient and where no advantage would be obtained by further competition.
- b. A product or equipment can only be provided by a single firm because of:
 - exclusive capabilities, exceptional worth or proprietary rights; and
 - there is only one person who can supply the goods or works being procured and there is no reasonable alternative or substitute for the goods or works.

- c. Standardisation with existing equipment is determined to be important and justified, and compatible goods cannot be provided by other suppliers;
- d. There is an urgent need for the goods or works and services being procured, because of the urgency the other available methods of procurement are impractical and the circumstances that gave rise to the urgency were not foreseeable and were not the result of dilatory conduct on the part of ASARECA.
- e. The contractor responsible for a process design requires the purchase of critical items from a particular supplier as a condition of a performance guarantee; and
- f. In exceptional cases, such as in response to natural disasters.

B) Procurement Thresholds

Types of procurement and Methods	International Competitive Bidding (ICB)	National Competitive Bidding (NCB)	Request for quotations (Shopping)
Goods	Above US\$ 500,000	Below US\$ 500,000	Below US\$ 50,000
Works	Above US\$ 5,000,000	Above US\$ 100,000	Below US\$ 100,000
Services	Refer to services section	Refer to services section	Refer to services sections

C) Micro Procurement

Micro procurement shall apply to purchases of less than US\$ 5,000. These shall be procured using a simple method by requesting for three simple quotations. A comparison sheet shall be compiled and a purchase order issued to the lowest bidder. The Procurement Committee's approval shall not be required for this type of procurement; however the procurement should be included in the approved annual procurement plans.

D) Valuation of Contracts

For the purpose of determining the applicable procurement method, ASARECA shall ensure that the estimation of the contract value is made correctly and cover all costs related to the specific contract, whether it is a so called one-off contract or a time-based contract for a certain period of time.

ASARECA shall not structure procurement as two or more procurements for the purpose of avoiding the use of a procurement procedure.

E) Time limits

Sufficient time shall be allowed for the preparation and submission of all applications to pre-qualify or tender. The following minimum time limits shall apply:

Pre-qualification	Calendar days
Submission of qualification documents	30 days
International Competitive Bidding (ICB)	42 days
Limited International Bidding	42 days
Restricted/Selective tendering	42 days
Request for quotations/shopping	5 days
Micro procurement	Depending on the need

The time limits may be extended subject to the size and complexity of the tender.

F) Advertising

1. ASARECA shall take such steps as are reasonable to bring the invitation to tender or propose, to the attention of those who may wish to submit tenders/proposals under the open tendering method.
2. A bid notice shall be published in at least one newspaper, which must be of wide circulation to reach sufficient prospective bidders to ensure effective competition.
3. A bid notice shall be displayed on ASARECA's website and notice board not later than the date of publication of the bid notice and shall remain on display until after the closing date for submission of bids.
4. Notices of invitations to bid shall be drafted so as to permit and encourage the widest possible response.
5. If a contributing donor requires the invitation notices to be submitted to them for placement on their websites, then these will be shared accordingly.
6. A nominal fee may be charged for bid documents to cover costs of reproduction and of despatching the documents by courier.

G) Records Management

The following procurement records shall be maintained by the Procurement and Contracting Unit of ASARECA, where appropriate, to facilitate future review of procurement activities,

- a. a request to initiate procurement proceedings;
- b. a copy of the published advertisement or shortlist;
- c. a copy of the pre-qualification and solicitation documents and any amendments or clarifications;
- d. Requests for no objections;
- e. Letters of no objection;
- f. a record of bid closing and bid openings;
- g. a copy of all bids evaluated or clarifications requested and responses received;
- h. the evaluation reports;
- i. minutes of meetings on procurement, including pre-bid and negotiation meetings;
- j. notification of award letters;
- k. acceptance letters from awarded service providers;
- l. the contract documents and any amendments;
- m. all correspondences between ASARECA and a bidder or potential bidder; and
- n. a copy of all submissions to and all decisions of the Procurement Committee related to the procurement including, but not limited to, the choice of procurement method, approval of pre-qualification and solicitation documents, approval of evaluation reports, contract award, approval of contract documents and contract amendments and any decision to suspend or cancel procurement proceedings.

Contract management records maintained by the budget holder units shall include-

- a. a copy of the signed contract document, including any signed contract amendments;
- b. any variations or change orders issued under the contract;
- c. post-contract documents relating to the fulfilment of contract obligations, in particular, copies of bank guarantees or payment guarantees;

- d. minutes of any meetings related to contracts management, including contract progress or review meetings;
- e. delivery documents evidencing delivery of supplies or completion certificates in relation to a contract for services or works under the contract;
- f. a copy of all invoices for works, goods and services including work papers verifying the accuracy of payments claimed and details of the actual payment authorised by a contract manager;
- g. a copy of cumulative payment worksheets evidencing management of all payments made;
- h. all correspondence between ASARECA and the provider; and
- i. a copy of all submissions to the procurement committee and decisions related to the contract management including, but not limited to, the approval of contract amendments.

H) Bid opening

1. Under open and restricted tendering processes ASARECA, the solicitation document shall contain instructions to bidders regarding the:
 - a. date and time of the bid opening;
 - b. precise location of the bid opening; and
 - c. information to be read out and recorded at the bid opening. The information to be read out at the bid opening shall be in accordance with the solicitation document and shall include;
 - the name of the bidder;
 - the presence or absence of a bid security and the form or amount of any bid security, where such bid security was requested in the solicitation document;
 - the total price of the bid, including the currency and amount;
 - the technical score obtained by the bid under one stage-two envelope, two stage-two envelope or two stage submission methods where applicable; and
 - any other information required as may be stated in the solicitation documents
2. Bids with a threshold of US\$ 5,000 and above shall only be opened in the presence of at least one (1) member of the Procurement Committee, and in the presence of the bidders who choose to attend.
3. Bids submitted under one stage-two envelope, two stage-two envelope or two stage submission methods, the presence of the bidder representative shall be required during the financial bid opening meeting.

I) Evaluation

1. Bid evaluation shall be conducted in accordance with the methodology and criteria stated in the bid documents and a written evaluation report shall be produced. No other methodology or criteria shall be used except that stipulated in the solicitation documents.
2. An evaluation shall be conducted by an Evaluation Committee, which shall prepare a report to be approved by the Procurement Committee.
3. A preliminary examination shall be conducted to determine whether a bidder is eligible and whether a bid is administratively compliant to the basic instructions and requirements of the solicitation document.
4. The preliminary examination shall be conducted on a pass or fail basis only. *Only substantial omissions shall lead to rejection of a bid.*

5. A bid which is evaluated as 'not qualified' or non compliant shall be rejected and eliminated from further evaluation.
6. A detailed evaluation shall be conducted only on a bid, which is determined to be eligible and compliant during the preliminary examination.
7. An assessment shall be conducted by the Evaluation Committee on whether each bid conforms to all the terms and conditions of the solicitation document, without material deviation or reservation.
8. Any bid which is declared to be non responsive shall be rejected and not evaluated further; a responsive bid shall be further subject to a merit point evaluation
9. Once both the technical and financial bids have been evaluated, the results shall be passed on to the Procurement Committee for final decision making and both the winners and the unsuccessful bidders shall be informed of the decision.

Key control processes

1. Members of the bid Evaluation Committee shall not be members of the Procurement Committee;
2. All procurement activities shall be properly and adequately documented;
3. The bid evaluation processes shall be completed within the bid validity period

Policy Objectives

To ensure that:

1. There is maximum value for money through an orderly, efficient and effective execution of procurement of goods and works;
2. Transparency and competition is secured throughout the procurement process; and
3. Goods/works delivered meet the specifications agreed with the suppliers/contractors.

Policy Statement

All staff members shall comply with the following general principles:

1. The procurement of goods and works is to be conducted with the ultimate aim of optimising value for money to the benefit of ASARECA;
2. Clearly written specifications shall be prepared by the user department and approved by the respective budget holder; and
3. Procurement of goods and works shall be undertaken in the most transparent manner that is consistent with the ASARECA procurement guidelines.

Documents

Key documents and related Policies and Procedures include:

- Procurement Requisition Form (PRF)
- Specifications
- Procurement plan
- Bid documents
- Evaluation report
- Contract executed with supplier/contractor

Responsibility

- Executive Secretary
- Procurement and Contracting Officer
- Head of Finance
- Budget Holder
- All Staff

Procedures

Goods contracts involve the design, manufacture, delivery to place of destination, assembly and commissioning of goods together with other tasks specified in the contract, for example, maintenance, repairs, installation and after sales services.

Works contracts refer to agreements entered into for construction services and have their objectives as either the execution, or both the execution and design of works related to building or civil engineering.

A) International Competitive Bidding

1. The objective of International Competitive Bidding (ICB), as described in this manual, is to provide all eligible prospective bidders with timely and adequate notification of ASARECA's requirements and an equal opportunity to bid for the required goods and works.

Type and Size of Contracts

2. The bidding documents shall clearly state the type of contract to be entered into and contain the proposed contract provisions appropriate therefore. The most common types of contracts provide for payments on the basis of a lump sum, unit prices, reimbursable cost plus fees, or combinations thereof. Reimbursable cost contracts are acceptable to the Donor only in exceptional circumstances such as conditions of high risk or where costs cannot be determined in advance with sufficient accuracy. Such contracts shall include appropriate incentives to limit costs.
3. The size and scope of individual contracts will depend on the magnitude, nature, and location of the project. For projects requiring a variety of goods and works, separate contracts generally are awarded for the supply and/or installation of different items of equipment and plant and for the works.
4. For a project requiring similar but separate items of equipment or works, bids may be invited under alternative contract options that would attract the interest of both small and large firms, which could be allowed, at their option, to bid for individual contracts (slices) or for a group of similar contracts (package). All bids and combinations of bids shall be received by the same deadline and opened and evaluated simultaneously so as to determine the bid or combination of bids offering the lowest evaluated cost to ASARECA.
5. In certain cases the Donor may accept or require a turnkey contract under which the design and engineering, the supply and installation of equipment, and the construction of a complete facility or works are provided under one contract. Alternatively, the ASARECA may remain responsible for the design and engineering, and invite bids for a single responsibility contract for the supply and installation of all goods and works required for the project component. Design and build, and management contracting³ contracts are also acceptable where appropriate.

Two-Stage Bidding

6. In the case of turnkey contracts or contracts for large complex facilities or works of a special nature or complex information and communication technology, it may be undesirable or impractical to prepare complete technical specifications in advance. In such a case, a two-stage bidding procedure may be used, under which first unpriced technical proposals on the basis of a conceptual design or performance specifications are invited, subject to technical as well as commercial clarifications and adjustments, to be followed by amended bidding documents⁴ and the submission of final technical proposals and priced bids in the second stage.

³ In construction, a management contractor usually does not perform the work directly but contracts out and manages the work of other contractors, taking on the full responsibility and risk for price, quality, and timely performance. Conversely, a construction manager is a consultant for, or agent of, ASARECA, but does not take on such risks. (If financed by the Bank, the services of the construction manager should be procured under the Consultant Guidelines. See footnote 2.)

⁴ In revising the bidding documents in the second stage the ASARECA shall respect the confidentiality of the bidders' technical proposals used in the first stage, consistent with requirements of transparency and intellectual property rights.

Notification and Advertising

7. Timely notification of bidding opportunities is essential in competitive bidding. For projects that include ICB ASARECA is required to prepare and submit to the Donor a draft General Procurement Notice. The Bank will arrange for its publication in *UN Development Business online (UNDB online)* and in the *Development Gateway's dgMarket*.⁵ The Notice shall contain information concerning ASARECA, amount and purpose of the Grant, scope of procurement under ICB, and the name, telephone (or fax) number, and address of the ASARECA's agency responsible for procurement and the address of the Website where specific procurement notices will be posted. If known, the scheduled date for availability of prequalification or bidding documents should be indicated. The related prequalification or bidding documents, as the case may be, shall not be released to the public earlier than the date of publication of the General Procurement Notice.
8. Invitations to prequalify or to bid, as the case may be, shall be advertised as Specific Procurement Notices in at least one newspaper of national circulation in the ASARECA's countries of operation (or in the official gazette, or in an electronic portal with free access). Such invitations shall also be published in *UNDB online* and in *dgMarket*. Notification shall be given in sufficient time to enable prospective bidders to obtain prequalification or bidding documents and prepare and submit their responses.

Prequalification of Bidders

9. Prequalification is usually necessary for large or complex works, or in any other circumstances in which the high costs of preparing detailed bids could discourage competition, such as custom-designed equipment, industrial plant, specialized services, some complex information and technology and contracts to be let under turnkey, design and build, or management contracting. This also ensures that invitations to bid are extended only to those who have adequate capabilities and resources. Prequalification shall be based entirely upon the capability and resources of prospective bidders to perform the particular contract satisfactorily, taking into account their (a) experience and past performance on similar contracts, (b) capabilities with respect to personnel, equipment, and construction or manufacturing facilities, and (c) financial position.⁶
10. The invitation to prequalify for bidding on specific contracts or groups of similar contracts shall be advertised and notified as described in paragraphs 7 and 8 above. The scope of the contract and a clear statement of the requirements for qualification shall be sent to those who responded to the invitation. All such applicants that meet the specified criteria shall be allowed to bid. ASARECA shall inform all applicants of the results of prequalification. As soon as prequalification is completed, the bidding documents shall be made available to the qualified prospective bidders. For prequalification for groups of contracts to be awarded over a period of time, a limit for the number or total value of awards to any one bidder may be made on the basis of the bidder's resources. The list of prequalified firms in such instances shall be updated periodically. Verification of the information provided in the submission for prequalification shall be confirmed at the time of award of contract, and award may be denied to a bidder that is judged to no longer have the capability or resources to successfully perform the contract.

⁵ UNDB is a publication of the United Nations. Subscription information is available from: Development Business, United Nations, GCPO Box 5850, New York, NY 10163-5850, USA (Website: www.devbusiness.com; e-mail: dbsubscribe@un.org); Development Gateway Market is an electronic portal of Development Gateway Foundation, 1889 F Street, N.W. Washington, DC 20006, USA (Website: www.dgmarket.com).

⁶ The World Bank has prepared a Standard Prequalification Document for use by its Borrowers, where appropriate.

B. Bidding Documents

General

11. The bidding documents shall furnish all information necessary for a prospective bidder to prepare a bid for the goods and works to be provided. While the detail and complexity of these documents may vary with the size and nature of the proposed bid package and contract, they generally include: invitation to bid; instructions to bidders; form of bid; form of contract; conditions of contract, both general and special; specifications and drawings; relevant technical data (including of geological and environmental nature); list of goods or bill of quantities; delivery time or schedule of completion; and necessary appendices, such as formats for various securities. The basis for bid evaluation and selection of the lowest evaluated bid shall be clearly outlined in the instructions to bidders and/or the specifications. If a fee is charged for the bidding documents, it shall be reasonable and reflect only the cost of their printing and delivery to prospective bidders, and shall not be so high as to discourage qualified bidders. ASARECA may use an electronic system to distribute bidding documents, provided that the Donor is satisfied with the adequacy of such system. If bidding documents are distributed electronically, the electronic system shall be secure to avoid modifications to the bidding documents and shall not restrict the access of Bidders to the bidding documents. Guidance on critical components of the bidding documents are given in the following paragraphs.
12. ASARECA shall use the appropriate *Standard Bidding Documents* (SBDs) issued by the Donor with minimum changes, acceptable to the Donor, as necessary to address project-specific conditions. Any such changes shall be introduced only through bid or contract data sheets, or through special conditions of contract, and not by introducing changes in the standard wording of the World Bank's SBDs. Where no relevant standard bidding documents have been issued, ASARECA shall use other internationally recognized standard conditions of contract and contract forms acceptable to the Donor

Validity of Bids and Bid Security

13. Bidders shall be required to submit bids valid for a period specified in the bidding documents which shall be sufficient to enable ASARECA to complete the comparison and evaluation of bids, review the recommendation of award with the Donor (if required in the Procurement Plan), and obtain all the necessary approvals so that the contract can be awarded within that period.
14. ASARECA shall have the option of requiring a bid security. When used, the bid security shall be in the amount and form specified in the bidding documents⁷ and shall remain valid for a period of four weeks beyond the validity period for the bids, in order to provide reasonable time for ASARECA to act if the security is to be called. Bid security shall be released to unsuccessful bidders once the contract has been signed with the winning bidder. In place of a bid security, ASARECA shall require bidders to sign a declaration accepting that if they withdraw or modify their bids during the period of validity or they are awarded the contract and they fail to sign the contract or to submit a performance security before the deadline defined in the bidding documents, the bidder will be suspended for a period of time from being eligible for bidding in any contract with ASARECA.

⁷ The format of the bid security shall be in accordance with the standard bidding documents and shall be issued by a reputable bank or financial institution selected by the bidder. If the institution issuing the security is located outside the country of the Borrower, it shall have a correspondent financial institution located in the country of Borrower to make it enforceable.

Language

15. Prequalification and bidding documents and the bids shall be prepared in English. The contract signed with the winning bidder shall be written in the language so selected for the bidding documents, and this language shall be the one that governs the contractual relations between ASARECA and the winning bidder. If the contract is signed in a language other than English and the contract is subject to Donor's prior review, ASARECA shall provide the Donor with a translation of the contract in the internationally used language in which the bidding documents were prepared. Bidders shall not be required nor permitted to sign contracts in two languages.

Clarity of Bidding Documents

16. Bidding documents shall be so worded as to permit and encourage international competition and shall set forth clearly and precisely the work to be carried out, the location of the work, the goods to be supplied, the place of delivery or installation, the schedule for delivery or completion, minimum performance requirements, and the warranty and maintenance requirements, as well as any other pertinent terms and conditions. In addition, the bidding documents, where appropriate, shall define the tests, standards, and methods that will be employed to judge the conformity of equipment as delivered, or works as performed, with the specifications. Drawings shall be consistent with the text of the specifications, and an order of precedence between the two shall be specified.
17. The bidding documents shall specify any factors, in addition to price, which will be taken into account in evaluating bids, and how such factors will be quantified or otherwise evaluated. If bids based on alternative designs, materials, completion schedules, payment terms, etc., are permitted, conditions for their acceptability and the method of their evaluation shall be expressly stated.
18. All prospective bidders shall be provided the same information, and shall be assured of equal opportunities to obtain additional information on a timely basis. ASARECA shall provide reasonable access to project sites for visits by prospective bidders. For works or complex supply contracts, particularly for those requiring refurbishing existing works or equipment, a pre-bid conference may be arranged whereby potential bidders may meet with ASARECA representatives to seek clarifications (in person or online). Minutes of the conference shall be provided to all prospective bidders with a copy to the Donor (in hard copy or sent electronically). Any additional information, clarification, correction of errors, or modifications of bidding documents shall be sent to each recipient of the original bidding documents in sufficient time before the deadline for receipt of bids to enable bidders to take appropriate actions. If necessary, the deadline shall be extended. The Donor shall receive a copy (in hard copy format or sent electronically) and be consulted for issuing a "no objection" when the contract is subject to prior review.

Standards

19. Standards and technical specifications quoted in bidding documents shall promote the broadest possible competition, while assuring the critical performance or other requirements for the goods and/or works under procurement. As far as possible, ASARECA shall specify internationally accepted standards such as those issued by the International Standards Organization with which the equipment or materials or workmanship shall comply. Where such international standards are unavailable or are inappropriate, national standards may be specified. In all cases, the bidding documents shall state that equipment, material, or workmanship meeting other standards, which promise at least substantial equivalence, will also be accepted.

Use of Brand Names

20. Specifications shall be based on relevant characteristics and/or performance requirements. References to brand names, catalog numbers, or similar classifications shall be avoided. If it is necessary to quote a brand name or catalog number of a particular manufacturer to clarify an otherwise incomplete specification, the words “or equivalent” shall be added after such reference. The specification shall permit the acceptance of offers for goods which have similar characteristics and which provide performance at least substantially equivalent to those specified.

Pricing

21. Bids for goods shall be invited on the basis of CIP⁸ (place of destination) for all goods manufactured abroad, including those previously imported, and EXW⁹ (ex works, ex factory, or off-the-shelf) plus cost of inland transportation and insurance to the place of destination for goods manufactured or assembled in the country of operation of ASARECA. Bidders shall be allowed to arrange for ocean and other transportation and related insurance from any eligible source. Where installation, commissioning, or other similar services are required to be performed by the bidder, as in the case of “supply and installation” contracts, the bidder shall be required to quote for these services, in addition.
22. In the case of turnkey contracts, the bidder shall be required to quote the price of the installed plant at site, including all costs for supply of equipment, marine and local transportation and insurance, installation, and commissioning, as well as associated works and all other services included in the scope of contract such as design, maintenance, operation, etc. Unless otherwise specified in the bidding documents, the turnkey price shall include all duties, taxes, and other levies.¹⁰
23. Bidders for works contracts shall be required to quote unit prices or lump sum prices for the performance of the works, and such prices shall include all duties, taxes, and other levies. Bidders shall be allowed to obtain all inputs (except for unskilled labor) from any eligible source so that they may offer their most competitive bids.

Price Adjustment

24. Bidding documents shall state either that (a) bid prices will be fixed or (b) that price adjustments will be made to reflect any changes (upwards or downwards) in major cost components of the contract, such as labor, equipment, materials, and fuel. Price adjustment provisions are usually not necessary in simple contracts involving delivery of goods or completion of works within eighteen months, but shall be included in contracts, which extend beyond eighteen months. However, it is normal commercial practice to obtain firm prices for some types of equipment regardless of the delivery time and, in such cases, price adjustment provisions are not needed.

⁸ Refer to INCOTERMS 2000 for further definitions. Published by the International Chamber of Commerce, 38 Cours Albert 1er, 75008 Paris, France. CIP is carriage and insurance paid to (named place of destination). This term may be used irrespective of the mode of transport, including multimodal transport. CIP term is for custom duties and other import taxes unpaid, payment for which is the responsibility of the Borrower, either for goods previously imported or that will be imported. For previously imported goods, the quoted CIP price shall be distinguishable from the original import value of these goods declared to customs and shall include any rebate or mark-up of the local agent or representative and all local costs except import duties and taxes, which will be paid by the purchaser.

⁹ The EXW price shall include all duties, sales, and other taxes already paid or payable for the components and raw materials used in the manufacture or assembly of the equipment, offered in the bid.

¹⁰ Goods in bids for turnkey contracts may be invited on the basis of DDP (named place of destination) and Bidders should be free to choose the best arrangement between imported goods or goods manufactured in the country of the Borrower, in the preparation of their bids.

25. Prices may be adjusted by the use of a prescribed formula (or formulae), which breaks down the total price into components that are adjusted by price indices specified for each component or, alternatively, on the basis of documentary evidence (including actual invoices) provided by the supplier or contractor. The use of the formula method of price adjustment is preferable to that of documentary evidence. The method to be used, the formula (if applicable), and the base date for application shall be clearly defined in the bidding documents. If the payment currency is different from the source of the input and corresponding index, a correction factor shall be applied in the formula, to avoid incorrect adjustment.

Transportation and Insurance

26. Bidding documents shall permit suppliers and contractors to arrange transportation and insurance from any eligible source. Bidding documents shall state the types and terms of insurance to be provided by the bidder. The indemnity payable under transportation insurance shall be at least 110 percent of the contract amount in the currency of the contract or in a freely convertible currency to enable prompt replacement of lost or damaged goods. For works, a contractor's All Risk form of policy usually shall be specified. For large projects with several contractors on a site, a "wrap-up" or total project insurance arrangement may be obtained by the Borrower, in which case ASARECA shall seek competition for such insurance.
27. As an exception, if ASARECA wishes to reserve transportation and insurance for the import of goods to national companies or other designated sources, bidders shall be asked to quote FCA (named place) or CPT (named place of destination)¹¹ prices in addition to the CIP (place of destination) price specified in paragraph 21 above. Selection of the lowest evaluated bid shall be on the basis of the CIP (place of destination) price, but ASARECA may sign the contract on FCA or CPT terms and make its own arrangement for transportation and/or insurance. Under such circumstances, the contract shall be limited to the FCA or CPT cost. If ASARECA does not wish to obtain insurance coverage in the market, evidence shall be provided to the Donor that resources are readily available for prompt payment in a freely convertible currency of the indemnities required to replace lost or damaged goods.

Currency Provisions

28. Bidding documents shall state the currency or currencies in which bidders are to state their prices, the procedure for conversion of prices expressed in different currencies into a single currency for the purpose of comparing bids, and the currencies in which the contract price will be paid. The following provisions (paragraphs 29 to -33 below) are intended to (a) ensure that bidders have the opportunity to minimize any exchange risk with regard to the currency of bid and of payment, and hence may offer their best prices; (b) give bidders in countries with weak currencies the option to use a stronger currency and thus provide a firmer basis for their bid price; and (c) ensure fairness and transparency in the evaluation process.

Currency of Bid

29. Bidding documents shall state that the bidder may express the bid price in any international accepted currency. If the bidder wishes to express the bid price as a sum of amounts in different foreign currencies, they may do so, provided the price includes no more than three foreign currencies. Furthermore, ASARECA shall require bidders to state the portion of the bid price representing local costs incurred in the currency¹² of the country of operation of ASARECA.

¹¹ INCOTERMS 2000 for free carrier (named place) and for carriage paid to (named place of destination), respectively.

¹² Referred to hereafter as local currency and this case it is Uganda Shillings.

30. In bidding documents for works, the ASARECA may require bidders to state the bid price entirely in the local currency, along with the requirements for payments in up to three foreign currencies of their choice for expected inputs from outside the Borrower's country, expressed as a percentage of the bid price, together with the exchange rates used in such calculations.

Currency Conversion for Bid Comparison

31. The bid price is the sum of all payments in various currencies required by the bidder. For the purpose of comparing prices, bid prices shall be converted to a single currency selected by the Borrower (local currency or fully convertible foreign currency) and stated in the bidding documents. The Borrower shall make this conversion by using the selling (exchange) rates for those currencies quoted by an official source (such as the Central Bank) or by a commercial bank or by an internationally circulated newspaper for similar transactions on a date selected in advance, such source and date to be specified in the bidding documents, provided that the date shall not be earlier than four weeks prior to the deadline for the receipt of bids, nor later than the original date for the expiry of the period of bid validity.

Currency of Payment

32. Payment of the contract price shall be made in the currency or currencies in which the bid price is expressed in the bid of the successful bidder.
33. When the bid price is required to be stated in the local currency but the bidder has requested payment in foreign currencies expressed as a percentage of the bid price, the exchange rates to be used for purposes of payments shall be those specified by the bidder in the bid, so as to ensure that the value of the foreign currency portions of the bid is maintained without any loss or gain.

Terms and Methods of Payment

34. Payment terms shall be in accordance with the international commercial practices applicable to the specific goods and works.
 - a. Contracts for supply of goods shall provide for full payment on the delivery and inspection, if so required, of the contracted goods except for contracts involving installation and commissioning, in which case a portion of the payment may be made after the Supplier has complied with all its obligations under the contract. The use of letters of credit is encouraged so as to assure prompt payment to the supplier. In major contracts for equipment and plant, provision shall be made for suitable advances and, in contracts of long duration, for progress payments during the period of manufacture or assembly.
 - b. Contracts for works shall provide in appropriate cases for mobilization advances, advances on contractor's equipment and materials, regular progress payments, and reasonable retention amounts to be released upon compliance with the Contractor's obligations under contract.
35. Any advance payment for mobilization and similar expenses, made upon signature of a contract for goods or works, shall be related to the estimated amount of these expenses and be specified in the bidding documents. Amounts and timing of other advances to be made, such as for materials delivered to the site for incorporation in the works, shall also be specified. The bidding documents shall specify the arrangements for any security required for advance payments.

36. Bidding documents shall specify the payment method and terms offered, whether alternative payment methods and terms will be allowed and, if so, how the terms will affect bid evaluation.

Alternative Bids

37. The bidding documents shall clearly indicate when bidders are allowed to submit alternative bids, how alternative bids should be submitted, how bid prices should be offered and the basis on which alternative bids shall be evaluated.

Conditions of Contract

38. The contract documents shall clearly define the scope of work to be performed, the goods to be supplied, the rights and obligations of ASARECA and of the supplier or contractor, and the functions and authority of the engineer, architect, or construction manager, if one is employed by ASARECA, in the supervision and administration of the contract. In addition to the general conditions of contract, any special conditions particular to the specific goods or works to be procured and the location of the project shall be included. The conditions of contract shall provide a balanced allocation of risks and liabilities.

Performance Security

39. Bidding documents for works shall require security in an amount sufficient to protect ASARECA in case of breach of contract by the Contractor. This security shall be provided in an appropriate form and amount, as specified by ASARECA in the bidding document. The amount of the security may vary, depending on the type of security furnished and on the nature and magnitude of the works. A portion of this security shall extend sufficiently beyond the date of completion of the works to cover the defects liability or maintenance period up to final acceptance by ASARECA; alternatively, contracts may provide for a percentage of each periodic payment to be held as retention money until final acceptance. Contractors may be allowed to replace retention money with an equivalent security after provisional acceptance.
40. In contracts for the supply of goods, the need for performance security depends on the market conditions and commercial practice for the particular kind of goods. Suppliers or manufacturers may be required to provide a guarantee to protect against nonperformance of the contract. Such security in an appropriate amount may also cover warranty obligations or, alternatively, a percentage of the payments may be held as retention money to cover warranty obligations, and any installation or commissioning requirements. The security or retention money shall be reasonable in amount.

Liquidated Damages and Bonus Clauses

41. Provisions for liquidated damages or similar provisions in an appropriate amount shall be included in the conditions of contract when delays in the delivery of goods, completion of works or failure of the goods or works to meet performance requirements would result in extra cost, or loss of revenue or loss of other benefits to ASARECA. Provision may also be made for a bonus to be paid to suppliers or contractors for completion of works or delivery of goods ahead of the times specified in the contract when such earlier completion or delivery would be of benefit to ASARECA.

Force Majeure

42. The conditions of contract shall stipulate that failure on the part of the parties to perform their obligations under the contract will not be considered a default if such failure is the result of an event of force majeure as defined in the conditions of contract.

Applicable Law and Settlement of Disputes

43. The conditions of contract shall include provisions dealing with the applicable law and the forum for the settlement of disputes. International commercial arbitration has practical advantages over other methods for the settlement of disputes. Therefore, the Donors recommend that ASARECA use this type of arbitration in contracts for the procurement of goods and works. The Donor shall not be named arbitrator or be asked to name an arbitrator. In case of works contracts, supply and installation contracts, and turnkey contracts, the dispute settlement provision shall also include mechanisms such as dispute review boards or adjudicators, which are designed to permit a speedier dispute settlement.

C. Bid Opening, Evaluation, and Award of Contract

Time for Preparation of Bids

44. The time allowed for the preparation and submission of bids shall be determined with due consideration of the particular circumstances of the project and the magnitude and complexity of the contract. Generally, not less than six weeks from the date of the invitation to bid or the date of availability of bidding documents, whichever is later, shall be allowed for ICB. Where large works or complex items of equipment are involved, this period shall generally be not less than twelve weeks to enable prospective bidders to conduct investigations before submitting their bids. In such cases, ASARECA shall convene pre-bid conferences and arrange site visits. Bidders shall be permitted to submit bids by mail or by hand. ASARECA shall also use electronic systems permitting bidders to submit bids by electronic means, provided the Donor is satisfied with the adequacy of the system, including, inter alia, that the system is secure, maintains the confidentiality and authenticity of bids submitted, uses an electronic signature system or equivalent to keep bidders bound to their bids, and only allows bids to be opened with due simultaneous electronic authorization of the bidder and ASARECA. In this case, bidders shall continue to have the option to submit their bids in hard copy. The deadline and place for receipt of bids shall be specified in the invitation to bid.

Bid Opening Procedures

45. The time for the bid opening shall be the same as for the deadline for receipt of bids or promptly thereafter, and shall be announced, together with the place for bid opening, in the invitation to bid. ASARECA shall open all bids at the stipulated time and place. Bids shall be opened in public; bidders or their representatives shall be allowed to be present (in person or online, when electronic bidding is used). The name of the bidder and total amount of each bid, and of any alternative bids if they have been requested or permitted, shall be read aloud (and posted online when electronic bidding is used) and recorded when opened and a copy of this record shall be promptly sent to the Donor and to all bidders who submitted bids in time. Bids received after the time stipulated, as well as those not opened and read out at bid opening, shall not be considered.

Clarifications or Alterations of Bids

46. Except as otherwise provided in paragraphs 2.63 and 2.64, bidders shall not be requested or permitted to alter their bids after the deadline for receipt of bids. ASARECA shall ask bidders for clarification needed to evaluate their bids but shall not ask or permit bidders to change the substance or price of their bids after the bid opening. Requests for clarification and the bidders' responses shall be made in writing, in hard copy or by an electronic system satisfactory to the Bank.

Confidentiality

47. After the public opening of bids, information relating to the examination, clarification, and evaluation of bids and recommendations concerning awards shall not be disclosed to bidders or other persons not officially concerned with this process until the publication of contract award.

Examination of Bids

48. ASARECA shall ascertain whether the bids (a) meet the eligibility requirements (b) have been properly signed, (c) are accompanied by the required securities or required declaration signed as specified in paragraph 2.14 of the Guidelines, (d) are substantially responsive to the bidding documents, and (v) are otherwise generally in order. If a bid is not substantially responsive, that is, it contains material deviations from or reservations to the terms, conditions, and specifications in the bidding documents, it shall not be considered further. The bidder shall not be permitted to correct or withdraw material deviations or reservations once bids have been opened.

Evaluation and Comparison of Bids

49. The purpose of bid evaluation is to determine the cost to ASARECA of each bid in a manner that permits a comparison on the basis of their evaluated cost. Subject to paragraph 57 below, the bid with the lowest evaluated cost, but not necessarily the lowest submitted price, shall be selected for award.
50. The bid price read out at the bid opening shall be adjusted to correct any arithmetical errors. Also, for the purpose of evaluation, adjustments shall be made for any quantifiable non-material deviations or reservations. Price adjustment provisions applying to the period of implementation of the contract shall not be taken into account in the evaluation.
51. The evaluation and comparison of bids shall be on CIP (place of destination) prices for the supply of imported goods and EXW prices, plus cost of inland transportation and insurance to the place of destination, for goods manufactured within the Borrower's country, together with prices for any required installation, training, commissioning, and other similar services.
52. Bidding documents shall also specify the relevant factors in addition to price to be considered in bid evaluation and the manner in which they will be applied for the purpose of determining the lowest evaluated bid. For goods and equipment, other factors may be taken into consideration including, among others, payment schedule, delivery time, operating costs, efficiency and compatibility of the equipment, availability of service and spare parts, and related training, safety, and environmental benefits. The factors other than price to be used for determining the lowest evaluated bid shall, to the extent practicable, be expressed in monetary terms, or given a relative weight in the evaluation provisions in the bidding documents.
53. Under works and turnkey contracts, contractors are responsible for all duties, taxes, and other levies, and bidders shall take these factors into account in preparing their bids. The evaluation and comparison of bids shall be on this basis. Bid evaluation for works shall be strictly in monetary terms. Any procedure under which bids above or below a predetermined assessment of bid values are automatically disqualified is not acceptable. If time is a critical factor, the value of early completion to ASARECA shall be taken into account according to criteria presented in the bidding documents, only if the conditions of contract provide for commensurate penalties for non-compliance.
54. ASARECA shall prepare a detailed report on the evaluation and comparison of bids setting forth the specific reasons on which the recommendation is based for the award of the contract.

Domestic Preferences

55. At the request of ASARECA, and under conditions to be agreed under the Grant Agreement and set forth in the bidding documents, a margin of preference may be provided in the evaluation of bids for:
- goods manufactured in the country of ASARECA when comparing bids offering such goods with those offering goods manufactured abroad; and
 - works in member countries below a specified threshold of GNP¹³ per capita, when comparing bids from eligible domestic Contractors with those from foreign firms.

Extension of Validity of Bids

3. ASARECA shall complete evaluation of bids and award of contract within the initial period of bid validity so that extensions are not necessary. An extension of bid validity, if justified by exceptional circumstances, shall be requested in writing from all bidders before the expiration date. The extension shall be for the minimum period required to complete the evaluation, obtain the necessary approvals, and award the contract. In the case of fixed price contracts, requests for second and subsequent extensions will be permissible only if the request for extension provides for an appropriate adjustment mechanism of the quoted price to reflect changes in the cost of inputs for the contract over the period of extension. Whenever an extension of bid validity period is requested, bidders shall not be requested or be permitted to change the quoted (base) price or other conditions of their bid. Bidders shall have the right to refuse to grant such an extension. If the bidding documents require a bid security, bidders may exercise their right to refuse to grant such an extension without forfeiting their bid security, but those who are willing to extend the validity of their bid shall be required to provide a suitable extension of bid security.

Post qualification of Bidders

4. If bidders have not been prequalified, ASARECA shall determine whether the bidder whose bid has been determined to offer the lowest evaluated cost has the capability and resources to effectively carry out the contract as offered in the bid. The criteria to be met shall be set out in the bidding documents, and if the bidder does not meet them, the bid shall be rejected. In such an event, ASARECA shall make a similar determination for the next-lowest evaluated bidder.

Award of Contract

5. ASARECA shall award the contract, within the period of the validity of bids, to the bidder who meets the appropriate standards of capability and resources and whose bid has been determined (i) to be substantially responsive to the bidding documents and (ii) to offer the lowest evaluated cost. A bidder shall not be required, as a condition of award, to undertake responsibilities for work not stipulated in the bidding documents or otherwise to modify the bid as originally submitted.

Publication of the Award of Contract

6. Within two weeks of receiving the Donor's "no objection" to the recommendation of contract award, ASARECA shall publish in UNDB online and in dgMarket the results identifying the bid and lot numbers and the following information: (a) name of each bidder who submitted a bid; (b) bid prices as read out at bid opening; (c) name and evaluated prices of each bid that was evaluated; (d) name of bidders whose bids were rejected and the reasons for their rejection; and (e) name of the winning bidder, and the price it offered, as well as the duration and summary scope of the contract awarded.

¹³ Gross national product as defined annually by the Bank.

Rejection of All Bids

7. Bidding documents usually provide that ASARECA shall reject all bids. Rejection of all bids is justified when there is lack of effective competition, or bids are not substantially responsive or when bid prices are substantially higher than existing budget. Lack of competition shall not be determined solely on the basis of the number of bidders. Even when only one bid is submitted, the bidding process may be considered valid, if the bid was satisfactorily advertised and prices are reasonable in comparison to market values. ASARECA shall, after the Donor's prior approval, reject all bids. If all bids are rejected, ASARECA shall review the causes justifying the rejection and consider making revisions to the conditions of contract, design and specifications, scope of the contract, or a combination of these, before inviting new bids.
8. If the rejection of all bids is due to lack of competition, wider advertising shall be considered. If the rejection is due to most or all of the bids being non-responsive, new bids may be invited from the initially prequalified firms, or with the agreement of the Donor from only those that submitted bids in the first instance.
9. All bids shall not be rejected and new bids invited on the same bidding and contract documents solely for the purpose of obtaining lower prices. If the lowest evaluated responsive bid exceeds ASARECA's pre-bid cost estimates by a substantial margin, ASARECA shall investigate causes for the excessive cost and consider requesting new bids as described in the previous paragraphs. Alternatively, ASARECA may negotiate with the lowest evaluated bidder to try to obtain a satisfactory contract through a reduction in the scope and/or a reallocation of risk and responsibility, which can be reflected in a reduction of the contract price. However, substantial reduction in the scope or modification to the contract documents may require rebidding.
10. The Donor's prior approval shall be obtained before rejecting all bids, soliciting new bids, or entering into negotiations with the lowest evaluated bidder.

Debriefing

11. In the publication of Contract Award referred to in paragraph 59 the Borrower shall specify that any bidder who wishes to ascertain the grounds on which its bid was not selected, should request an explanation from ASARECA. ASARECA shall promptly provide an explanation of why such bid was not selected, either in writing and/or in a debriefing meeting, at the option of ASARECA. The requesting bidder shall bear all the costs of attending such a debriefing.

D. Modified ICB

Operations Involving a Program of Imports

12. Where the Grant provides financing for a program of imports, ICB with simplified advertising and currency provisions may be used for large-value contracts, as defined in the Loan Agreement.¹⁴
13. The simplified provisions for notification of ICB procurement do not require a General Procurement Notice. Specific Procurement Notices shall be inserted in at least one newspaper of national circulation in ASARECA's countries of operation (or in the official gazette, if any, or in an electronic portal with free access) in addition to UNDB online and dgMarket. The period allowed for submission of bids may be reduced to four weeks. Bidding and payment may be limited to one currency widely used in international trade.

¹⁴ Procurement of smaller contracts is normally carried out in accordance with procedures followed by the private or public entity handling the imports, or other established commercial practices acceptable to the Bank, as described in para. 3.12.

Procurement of Commodities

14. Market prices of commodities, such as grain, animal feed, cooking oil, fuel, fertilizer, and metals, fluctuate, depending upon the demand and supply at any particular time. Many are quoted in established commodity markets. Procurement often involves multiple awards for partial quantities to assure security of supply and multiple purchases over a period of time to take advantage of favorable market conditions and to keep inventories low. A list of prequalified bidders may be drawn up to whom periodic invitations are issued. Bidders may be invited to quote prices linked to the market price at the time of or prior to the shipments. Bid validities shall be as short as possible. A single currency in which the commodity is usually priced in the market, may be used for bidding and payment. The currency shall be specified in the bidding document. Bidding documents may permit telexed or faxed bids or bids submitted by electronic means, and in such cases either no bid security is required, or standing bid securities valid over a specified period of time have been submitted by prequalified bidders. Standard contract conditions and forms consistent with market practices shall be used.

E) Other Methods of Procurement

General

15. This Section describes the methods of procurement that can be used where ICB would not be the most economic and efficient method of procurement, and where other methods are deemed more appropriate. The Donor's policies with respect to margins of preference for domestically manufactured goods and works contracts do not apply to methods of procurement other than ICB.

Limited International Bidding

16. Limited International Bidding (LIB) is essentially ICB by direct invitation without open advertisement. It may be an appropriate method of procurement where (a) there is only a limited number of suppliers, or (b) other exceptional reasons may justify departure from full ICB procedures. Under LIB, ASARECA shall seek bids from a list of potential suppliers broad enough to assure competitive prices, such list to include all suppliers when there are only a limited number. Domestic preferences are not applicable in the evaluation of bids under LIB. In all respects other than advertisement and preferences, ICB procedures shall apply, including the publication of the Award of Contract as indicated in paragraph 59

National Competitive Bidding

17. National Competitive Bidding (NCB) is the competitive bidding procedure normally used for public procurement in the countries of ASARECA operation, and may be the most appropriate way of procuring goods or works which, by their nature or scope, are unlikely to attract foreign competition. To be acceptable for use in Donor-financed procurement, these procedures shall be reviewed and modified as necessary to assure economy, efficiency, transparency, and broad consistency with the provisions included in this manual. NCB may be the most appropriate method of procurement where foreign bidders are not expected to be interested because (a) the contract values are small, (b) works are scattered geographically or spread over time, (c) works are labor intensive, or (d) the goods or works are available locally at prices below the international market. NCB procedures may also be used where the advantages of ICB are clearly outweighed by the administrative or financial burden involved.
18. Advertising may be limited to the national press or official gazette, or a free and open access website. Bidding documents may be only in a national language of ASARECA member country (or the language used nationwide in the ASARECA member country for commercial transactions), and the currency of ASARECA member country is generally used for the purposes of bidding and payment. In addition, the bidding documents shall

provide clear instructions on how bids should be submitted, how prices should be offered, and the place and time for submission of bids. Adequate response time for preparation and submission of bids shall be provided. The procedures shall provide for adequate competition in order to ensure reasonable prices, and methods used in the evaluation of bids and the award of contracts shall be objective and made known to all bidders in the bidding documents and not be applied arbitrarily. The procedures shall also include public opening of bids, publication of results of evaluation and of the award of contract and provisions for bidders to protest. If foreign firms wish to participate under these circumstances, they shall be allowed to do so.

Shopping

19. Shopping is a procurement method based on comparing price quotations obtained from several suppliers (in the case of goods) or from several contractors (in the case of civil works), with a minimum of three, to assure competitive prices, and is an appropriate method for procuring readily available off-the-shelf goods or standard specification commodities of small value, or simple civil works of small value. Requests for quotations shall indicate the description and quantity of the goods or specifications of works, as well as desired delivery (or completion) time and place. Quotations may be submitted by letter, facsimile or by electronic means. The evaluation of quotations shall follow the same principles as of open bidding. The terms of the accepted offer shall be incorporated in a purchase order or brief contract.

Direct Contracting

20. Direct contracting is contracting without competition (single source) and may be an appropriate method under the following circumstances:
 - a. An existing contract for goods or works, awarded in accordance with procedures acceptable to the Donor, may be extended for additional goods or works of a similar nature. The Donor shall be satisfied in such cases that no advantage could be obtained by further competition and that the prices on the extended contract are reasonable. Provisions for such an extension, if considered likely in advance, shall be included in the original contract.
 - b. Standardization of equipment or spare parts, to be compatible with existing equipment, may justify additional purchases from the original Supplier. For such purchases to be justified, the original equipment shall be suitable, the number of new items shall generally be less than the existing number, the price shall be reasonable, and the advantages of another make or source of equipment shall have been considered and rejected on grounds acceptable to the Donor.
 - c. The required equipment is proprietary and obtainable only from one source.
 - d. The Contractor responsible for a process design requires the purchase of critical items from a particular Supplier as a condition of a performance guarantee.
 - e. In exceptional cases, such as in response to natural disasters.
6. After the contract signature, ASARECA shall publish in UNDB online and in dgMarket the name of the contractor, price, duration, and summary scope of the contract. This publication may be done quarterly and in the format of a summarized table covering the previous period.

Force Account

7. Force account, that is, construction by the use of ASARECA's own personnel and equipment, may be the only practical method for constructing some kinds of works. The use of force account may be justified where:
 - a. quantities of work involved cannot be defined in advance;
 - b. works are small and scattered or in remote locations for which qualified construction firms are unlikely to bid at reasonable prices;

- c. work is required to be carried out without disrupting ongoing operations;
- d. risks of unavoidable work interruption are better borne by ASARECA than by a Contractor; and
- e. there are emergencies needing prompt attention.

Procurement from United Nations Agencies

6. There may be situations in which procurement directly from specialized agencies of the United Nations (UN), acting as suppliers, pursuant to their own procedures, may be the most appropriate way of procuring: (a) small quantities of off-the-shelf goods, primarily in the fields of education and health; and (b) specialized products where the number of suppliers is limited such as for vaccines or drugs.

Performance-Based Procurement

7. Performance Based Procurement, also called Output-Based Procurement, refers to competitive procurement processes (ICB or NCB) resulting in a contractual relationship where payments are made for measured outputs instead of the traditional way where inputs are measured. The technical specifications define the desired result and which outputs will be measured including how they will be measured. Those outputs aim at satisfying a functional need both in terms of quality, quantity and reliability. Payment is made in accordance with the quantity of outputs delivered, subject to their delivery at the level of quality required. Reductions from payments (or retentions) may be made for lower-quality level of outputs and, in certain cases, premiums may be paid for higher quality level of outputs. The bidding documents do not normally prescribe the inputs, nor a work method for the contractor. The contractor is free to propose the most appropriate solution, based on mature and well proven experience and shall demonstrate that the level of quality specified in the bidding documents will be achieved.
8. Performance Based Procurement (or Output Based Procurement) can involve: (a) the provision of services to be paid on the basis of outputs; (b) design, supply, construction (or rehabilitation) and commissioning of a facility to be operated by ASARECA; or (c) design, supply, construction (or rehabilitation) of a facility and provision of services for its operation and maintenance for a defined period of years after its commissioning. For the cases where design, supply and/or construction are required, prequalification is normally required and the use of Two-Stage Bidding as indicated in paragraph above shall apply.

N) Contracting procedures

a) Contracting- Overview

9. Once a supplier/contractor has been selected and agreed upon, the Procurement and Contracting Unit shall prepare contracts using the latest updated template for contracting.
10. Separate contracts must be prepared for each supplier/contractor.
11. The *final contract(s)* shall then be forwarded to the **ED** for signing and afterwards to the relevant respective supplier/contractor for signature.
12. It is the responsibility of the Procurement and Contracting Unit to ensure that the supplier/contractor has read and understood the contract clauses and that the supplier is expected to adhere to them. Any queries that are raised by the supplier/contractor, guidance shall be sought from the Procurement and Contracting Unit
13. The signed contract shall be filed and a copy forwarded to the finance unit, budget holder and the contract manager.

b) Signing of the contract

14. After the appeals period has passed the contract shall be signed by the ED, after the signing of the successful bidder. The supplier shall submit a performance guarantee (where applicable) within the stated period.
15. The contract must be dated. It shall not enter into force before the date on which it is signed by the parties. The parties shall be bound by the contract from the moment both parties have signed.

c) Contract administration

16. After signing the contract the procedures described under **section 6.6 –Contract management** of this manual shall be followed to ensure that the contractor/supplier performs in accordance with the terms of the contract.

d) Contract closeout

17. The contract shall be closed out in an orderly fashion upon satisfactory completion by the supplier/contractor. Final payment to the supplier/contractor shall be withheld until the supplier/contractor provides evidence that it has met all of its obligations under the contract and all required certifications (including acceptance of the deliveries by the relevant ASARECA user units) have been executed.

e) Appeals

18. Any bidder who is dissatisfied with the award or decision to award a contract shall submit such protest in writing to the Executive Secretary no later than ten days after the notification of award or the announcement of the decision to award, whichever occurs first. The written protest shall include the basis for the protest and the relief sought. The Executive Secretary shall issue a decision in writing within ten days after receipt of the appeal stating the reasons for the action taken. This decision shall be final unless the bidder appeals within ten days of the written decision by instituting legal action in the Uganda court of law.

Framework Contracts

A framework contract shall be used where the quantity of goods or works is not defined and where-

- a. There is a need to have works “on call” and the extent and timing of the requirement cannot be defined in advance; or
- b. Requirements are needed repeatedly or continuously over a period of time and having the requirement available on a “call off” basis would reduce procurement costs or lead times.

Common supplies like stationery and consumables will be aggregated and procured annually through framework contracts so as to enable user units through PCO to place orders for urgently needed supplies at short notice and at a competitive price.

Key control processes

1. All procurements of goods and services shall be handled by the Procurement Committee and approved by the ED.
2. Clearly written *specifications* shall be prepared by the user department and approved by the contracts committee and these shall together with the evaluation criteria, form the basis for the selection of suppliers.
3. Contracts shall be prepared for each supplier/contractor and these shall be reviewed and approved before signing by the respective parties.

Policy Objectives

To ensure that;

1. There is maximum value for money through an orderly, efficient and effective execution of procurement of services;
2. Transparency and competition is secured throughout the selection process of consultancy or services
3. Clearly written terms of references (ToR) to determine the scope of work for the consultants are prepared;
4. Consultants who best fit the requirements of the ToRs are selected; and
5. Consultancy services are delivered at the highest level of standard and quality in a timely manner.

Policy Statement

All staff members shall comply with the following general principles:

1. The procurement of consultancy services shall be conducted in accordance with ASARECA procurement guidelines with the ultimate aim of optimising value for money; and
2. Clearly written terms of references (ToR) to determine the scope of work for the consultants shall be prepared for every consultancy to be procured.

Documents

Key documents shall include:

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

Responsibility

- Executive Secretary
- Procurement and Contracting Officer
- Head of Finance
- Budget Holder
- All Staff

Applicability

1. Consultancy is the provision of services provided for the identification and preparation of projects, feasibility studies, research, maintenance, monitoring and evaluations, audits among others. Service contracts shall also include the provision of technical advisory services, where a service provider is to provide advisory role, to manage or supervise a project.
2. ASARECA engages consultancy services that are considered necessary to aid the implementation and achievement of the theme/project objectives. These are normally engaged to:
 - a. Provide additional skills, expertise, guidance and support to the themes;
 - b. Build and strengthen capacity in terms of programme implementation;
 - c. Assist in the documentation of programmes implementation; and
 - d. Temporarily fill essential staffing gap.

Consultants Database

1. The programmes operated by ASARECA are considered to be specialised areas of work with a limited resources base. Consequently a database of consultancy service providers in these specialist areas shall be maintained. The consultancy service providers may include individuals, companies, partnerships, NGOs and other institutions.
2. The Procurement and Contracting Officer (PCO) shall have the responsibility of maintaining the consultants' database based on input from programme staff.
3. It is the responsibility of the Theme Leaders/Heads of Units to ensure that they provide sufficient input on the quality of the work produced by the Consultants engaged. This shall be submitted to the **PCO** for purposes of updating the database.

A) Quality- and Cost-Based Selection (QCBS)

This is the preferred selection method for consultants

The Selection Process

1. QCBS uses a competitive process among short-listed firms that takes into account the quality of the proposal and the cost of the services in the selection of the successful firm. Cost as a factor of selection shall be used judiciously. The relative weight to be given to the quality and cost shall be determined for each case depending on the nature of the assignment.
2. The selection process shall include the following steps:
 - a. preparation of the TOR;
 - b. preparation of cost estimate and the budget;
 - c. advertising;
 - d. preparation of the short list of consultants;
 - e. preparation and issuance of the RFP [which should include: the Letter of Invitation (LOI); Instructions to Consultants (ITC); the TOR and the proposed draft contract];
 - f. receipt of proposals;
 - g. evaluation of technical proposals: consideration of quality;
 - h. public opening of financial proposals;
 - i. evaluation of financial proposal;
 - j. final evaluation of quality and cost; and
 - k. negotiations and award of the contract to the selected firm.

Terms of Reference (TOR)

3. ASARECA shall be responsible for preparing the TOR for the assignment. TOR shall be prepared by a person(s) or a firm specialized in the area of the assignment. The scope of the services described in the TOR shall be compatible with the available budget. TOR shall define clearly the objectives, goals, and scope of the assignment and provide background information (including a list of existing relevant studies and basic data) to facilitate the consultants' preparation of their proposals. If transfer of knowledge or training is an objective, it should be specifically outlined along with details of number of staff to be trained, and so forth, to enable consultants to estimate the required resources. TOR shall list the services and surveys necessary to carry out the assignment and the expected outputs (for example, reports, data, maps, surveys). However, TOR should not be too detailed and inflexible, so that competing consultants may propose their own methodology and staffing. Firms shall be encouraged to comment on the TOR in their proposals. ASARECA's and consultants' respective responsibilities should be clearly defined in the TOR.

Cost Estimate (Budget)

4. Preparation of a well-thought-through cost estimate is essential if realistic budgetary resources are to be earmarked. The cost estimate shall be based on the ASARECA's assessment of the resources needed to carry out the assignment: staff time, logistical support, and physical inputs (for example, vehicles, laboratory equipment). Costs shall be divided into two broad categories: (a) fee or remuneration (according to the type of contract used) and (b) reimbursables, and further divided into foreign and local costs. The cost of staff time shall be estimated on a realistic basis for foreign and national personnel.

Advertising

5. For all projects funded from MDTF, ASARECA is required to prepare and submit to the World Bank a draft General Procurement Notice. The Donor will arrange for its publication in *UN Development Business online* (*UNDB online*) and in the *Development Gateway's dgMarket*.¹⁵ To obtain expressions of interest, ASARECA shall include a list of expected consulting assignments in the General Procurement Notice,¹⁶ and shall advertise a request for expressions of interest for each contract for consulting firms in the national gazette or a national newspaper or in an electronic portal of free access. In addition, contracts expected to cost more than US\$ 200,000 shall be advertised in *UNDB online* and in *dgMarket*. ASARECA may also advertise requests for expressions of interest in an international newspaper or a technical magazine. The information requested shall be the minimum required to make a judgment on the firm's suitability and not be so complex as to discourage consultants from expressing interest. Not less than 14 days from date of posting on *UNDB online* shall be provided for responses, before preparation of the short list.

Short List of Consultants

6. ASARECA is responsible for preparation of the short list and shall give first consideration to those firms expressing interest that possess the relevant qualifications. Short lists shall comprise six firms with a wide geographic spread, with no more than two firms from any one country and at least one firm from a developing country, unless qualified firms from developing countries are not identified. The Bank may agree to short lists comprising a smaller number of firms in special circumstances, for example, when only a few qualified firms have expressed interest for the specific assignment or when the size of the contract does not justify wider competition. For the purpose of establishing the short list, the nationality of a firm is that of the country in which it is registered or incorporated and in the case of Joint Venture, the nationality of the firm appointed to represent the Joint Venture. The Donor may agree with ASARECA to expand or reduces short list; however, once the Donor has issued a "no objection" to a short list, the ASARECA shall not add or delete names without the Bank's approval. Firms that expressed interest, as well as any other firm that specifically so requests, shall be provided the final short list of firms.
7. The short list may comprise entirely national consultants (firms registered or incorporated in ASARECA countries of operation), if the assignment is below the ceiling (or ceilings) established in the Procurement

¹⁵ UNDB is a publication of the United Nations. Subscription information is available from: Development Business, United Nations, GPO Box 5850, New York, NY 10163-5850, USA (Website: www.devbusiness.com; e-mail: dbsubscribe@un.org); Development Gateway Market is an electronic portal of Development Gateway Foundation, 1889 F Street NW, Washington, DC 20006, USA (Website: www.dgmarket.com).

¹⁶ The General Procurement Notice is prepared by the Borrower and submitted to the Bank, which will arrange for its publication in *United Nations Development Business* (UNDB online) and in *Development Gateway Market* (dgMarket).

Plan approved by the Donor,¹⁷ a sufficient number of qualified firms is available for having a short list of firms with competitive costs, and when competition including foreign consultants is prima facie not justified or foreign consultants have not expressed interest. However, if foreign firms express interest, they shall be considered.

8. The short list shall preferably comprise consultants of the same category, similar capacity, and business objectives. Consequently, the short list should normally be composed of firms of similar experience or of not-for-profit organizations (NGOs, Universities, UN Agencies, etc.) acting in the same field of expertise. If mixing is used, the selection should be made using Quality-Based Selection (QBS) or Selection Based on the Consultants' Qualifications (CQS) (for small assignments)¹⁸. The short list shall not include Individual Consultants.

Preparation and Issuance of the Request for Proposals (RFP)

9. The RFP shall include (a) a Letter of Invitation, (b) Information to Consultants, (c) the TOR, and (d) the proposed contract. ASARECA shall use the applicable standard RFPs issued by the Donor with minimal changes, acceptable to the Donor, as necessary to address project-specific conditions. Any such changes shall be introduced only through the RFP data sheet. ASARECA shall list all the documents included in the RFP. ASARECA may use an electronic system to distribute the RFP, provided that the Donor is satisfied with the adequacy of such system. If the RFP is distributed electronically, the electronic system shall be secure to avoid modifications to the RFP and shall not restrict the access of short-listed consultants to the RFP.

Letter of Invitation (LOI)

10. The LOI shall state the intention of ASARECA to enter into a contract for the provision of consulting services, the source of funds, the details of the client and the date, time, and address for submission of proposals.

Instructions to Consultants (ITC)

11. The ITC shall contain all necessary information that would help consultants prepare responsive proposals, and shall bring as much transparency as possible to the selection procedure by providing information on the evaluation process and by indicating the evaluation criteria and factors and their respective weights and the minimum passing quality score. The ITC shall indicate an estimate of the level of key staff inputs (in staff time) required of the consultants or the total budget, but not both. Consultants, however, shall be free to prepare their own estimates of staff time to carry out the assignment and to offer the corresponding cost in their proposals. The ITC shall specify the proposal validity period, which should be adequate for the evaluation of proposals, decision on award, Bank review, and finalization of contract negotiations.

Contract

12. ASARECA shall adopt and use the appropriate Standard Form of Contract issued by the World Bank with minimum changes, acceptable to the Bank, as necessary to address specific country and project issues. Any such changes shall be introduced only through Contract Data Sheets or through Special Conditions of Contract and not by introducing changes in the wording of the General Conditions of Contract included in the Bank's Standard Form. These forms of contract cover the majority of consulting services. When these forms are not appropriate (for

¹⁷ Dollar ceilings shall be determined in each case, taking into account the nature of the project, the capacity of national consultants, and the complexity of the assignments. The ceiling (or ceilings) shall not in any case exceed the amount defined in the Country Procurement Assessment Report (CPAR) for the Country of the Borrower. The dollar ceilings for each borrowing country will be posted in the Bank's website.

¹⁸ Dollar thresholds defining "small" shall be determined in each case, taking into account the nature and complexity of the assignment, but shall not exceed US\$200,000.

example, for pre-shipment inspection, procurement services, training of students in universities, advertising activities in privatization, or twinning) ASARECA shall use other contract forms acceptable to the Bank.

Receipt of Proposals

13. ASARECA shall allow enough time for the consultants to prepare their proposals. The time allowed shall depend on the assignment, but normally shall not be less than four weeks or more than three months (for example, for assignments requiring establishment of a sophisticated methodology, preparation of a multidisciplinary master plan). During this interval, the firms may request clarifications about the information provided in the RFP. ASARECA shall provide these clarifications in writing and copy them to all firms on the short list (who intend to submit proposals). If necessary, the ASARECA shall extend the deadline for submission of proposals. The technical and financial proposals shall be submitted at the same time. No amendments to the technical or financial proposal shall be accepted after the deadline. To safeguard the integrity of the process, the technical and financial proposals shall be submitted in separate sealed envelopes. The technical envelopes shall be opened immediately by a committee of officials drawn from the relevant units (technical, finance, procurement, as appropriate), after the closing time for submission of proposals. The financial proposals shall remain sealed and shall be deposited with a reputable public auditor or independent authority until they are opened publicly. Any proposal received after the closing time for submission of proposals shall be returned unopened. ASARECA may use electronic systems permitting consultants to submit proposals by electronic means, provided the Bank is satisfied with the adequacy of the system, including, inter alia, that the system is secure, maintains the confidentiality and authenticity of proposals submitted, uses an electronic signature system or equivalent to keep consultants bound to their proposals, and only allows proposals to be opened with due simultaneous electronic authorization of the consultant and ASARECA. In this case, consultants shall continue to have the option to submit their proposals in hard copy.

Evaluation of Proposals: Consideration of Quality and Cost

14. The evaluation of the proposals shall be carried out in two stages: first the quality, and then the cost. Evaluators of technical proposals shall not have access to the financial proposals until the technical evaluation, including any Bank reviews and no objection, is concluded. Financial proposals shall be opened only thereafter. The evaluation shall be carried out in full conformity with the provisions of the RFP.

Evaluation of the Quality

15. ASARECA shall evaluate each technical proposal (using an Evaluation Committee of three or more specialists in the sector), taking into account several criteria: (a) the consultant's relevant experience for the assignment, (b) the quality of the methodology proposed, (c) the qualifications of the key staff proposed, (d) transfer of knowledge, if required in the TOR, and (e) the extent of participation by nationals among key staff in the performance of the assignment. Each criterion shall be marked on a scale of 1 to 100. Then the marks shall be weighted to become scores. The following weights are indicative. The actual percentage figures to be used shall fit the specific assignment and shall be within the ranges indicated below, except with the approval of the Bank. The proposed weights shall be disclosed in the RFP.

Consultant's specific experience:	0 to 10 points
Methodology:	20 to 50 points
Key personnel:	30 to 60 points
Transfer of knowledge: ¹	0 to 10 points
Participation by nationals: ²	0 to 10 points
Total:	100 points

ASARECA shall normally divide these criteria into sub-criteria. For example, sub-criteria under methodology might be innovation and level of detail. However, the number of sub-criteria shall be kept to the essential. The Bank recommends against the use of exceedingly detailed lists of sub-criteria that may render the evaluation a mechanical exercise more than a professional assessment of the proposals. The weight given to experience can be relatively modest, since this criterion has already been taken into account when short-listing the consultant. More weight shall be given to the methodology in the case of more complex assignments (for example, multidisciplinary feasibility or management studies).

16. Evaluation of only the key personnel is recommended. Since key personnel ultimately determine the quality of performance, more weight shall be assigned to this criterion if the proposed assignment is complex. ASARECA shall review the qualifications and experience of proposed key personnel in their *curricula vitae*, which must be accurate, complete, and signed by an authorized official of the consulting firm and the individual proposed. The individuals shall be rated in the following three sub-criteria, as relevant to the task:
 - a. General qualifications: general education and training, length of experience, positions held, time with the consulting firm as staff, experience in developing countries, and so forth;
 - b. Adequacy for the assignment: education, training, and experience in the specific sector, field, subject, and so forth, relevant to the particular assignment; and
 - c. Experience in the region: knowledge of the local language, culture, administrative system, government organization, and so forth.
17. ASARECA shall evaluate each proposal on the basis of its responsiveness to the TOR. A proposal shall be considered unsuitable and shall be rejected at this stage if it does not respond to important aspects of the TOR or it fails to achieve a minimum technical score specified in the RFP.
18. At the end of the process, ASARECA shall prepare a Technical Evaluation Report of the “quality” of the proposals and, in the case of contracts subject to prior review, submit it to the Donor for its review and “no objection”. The report shall substantiate the results of the evaluation and describe the relative strengths and weaknesses of the proposals. All records relating to the evaluation, such as individual mark sheets, shall be retained until completion of the project and its audit.

Evaluation of Cost

19. After the evaluation of quality is completed and the Donor has issued its no objection, ASARECA shall inform the consultants who have submitted proposals, the technical points assigned to each consultant and shall notify those consultants whose proposals did not meet the minimum qualifying mark or were considered non responsive to the RFP and TOR that their financial proposals will be returned unopened after the signature of the contract. ASARECA shall simultaneously notify the consultants that have secured the minimum qualifying mark, the date, time, and place set for opening the financial proposals. The opening date shall be defined allowing sufficient time for consultants to make arrangements to attend the opening of the financial proposals. The financial proposals shall be opened publicly in the presence of representatives of the consultants who choose to attend (in person or online). The name of the consultant, the technical points, and the proposed prices shall be read aloud (and posted online when electronic submission of proposals is used) and recorded when the financial proposals are opened, and a copy of this record shall be promptly sent to the Donor. ASARECA shall also prepare the minutes of the public opening and a copy of this record shall be promptly sent to the Donor and to all consultants who submitted proposals.

20. ASARECA shall then review the financial proposals. If there are any arithmetical errors, they shall be corrected. For the purpose of comparing proposals, the costs shall be converted to a single currency selected by ASARECA (local currency or fully convertible foreign currency) as stated in the RFP. The Borrower shall make this conversion by using the selling (exchange) rates for those currencies quoted by an official source (such as the Central Bank) or by a commercial bank or by an internationally circulated newspaper for similar transactions. The RFP shall specify the source of the exchange rate to be used and the date of that exchange rate, provided that the date shall not be earlier than four weeks prior to the deadline for submission of proposals, nor later than the original date of expiration of the period of validity of the proposal.
21. For the purpose of evaluation, “cost” shall exclude local identifiable indirect taxes¹⁹ on the contract and income tax payable in the ASARECA member countries on the remuneration of services rendered in those countries by non-resident staff of the consultant. The cost shall include the entire consultant’s remuneration and other expenses such as travel, translation, report printing, or secretarial expenses. The proposal with the lowest cost may be given a financial score of 100 and other proposals given financial scores that are inversely proportional to their prices. Alternatively, a directly proportional or other methodology may be used in allocating the marks for the cost. The methodology to be used shall be described in the RFP.

Combined Quality and Cost Evaluation

22. The total score shall be obtained by weighting the quality and cost scores and adding them. The weight for the “cost” shall be chosen, taking into account the complexity of the assignment and the relative importance of quality. The weight for cost shall normally be 20 points out of a total score of 100. The proposed weightings for quality and cost shall be specified in the RFP. The firm obtaining the highest total score shall be invited for negotiations.

Negotiations and Award of Contract

23. Negotiations shall include discussions of the TOR, the methodology, staffing, ASARECA’s inputs, and special conditions of the contract. These discussions shall not substantially alter the original TOR or the terms of the contract, lest the quality of the final product, its cost, and the relevance of the initial evaluation be affected. Major reductions in work inputs should not be made solely to meet the budget. The final TOR and the agreed methodology shall be incorporated in “Description of Services,” which shall form part of the contract.
24. The selected firm shall not be allowed to substitute key staff, unless both parties agree that undue delay in the selection process makes such substitution unavoidable or that such changes are critical to meet the objectives of the assignment.²⁰ If this is not the case and if it is established that key staff were included in the proposal without confirming their availability, the firm may be disqualified and the process continued with the next ranked firm. The key staff proposed for substitution shall have qualifications equal to or better than the key staff initially proposed.
25. Financial negotiations shall include clarification of the consultants’ tax liability in the ASARECA’s country of operation (if any) and how this tax liability has been or would be reflected in the contract. As Lump-Sum Contracts payments are based on delivery of outputs (or products), the offered price shall include all costs (staff time, overhead, travel, hotel, etc.). Consequently, if the selection method for a Lump-sum contract

¹⁹ All indirect taxes levied on the contract invoices, at National, State (or Provincial) and Municipal levels.

²⁰ Defining realistic proposal validity periods in the RFP and carrying out an efficient evaluation minimizes this risk.

included price as a component, this price shall not be negotiated. In the case of Time-based Contracts, payment is based on inputs (staff time and reimbursables) and the offered price shall include staff rates and an estimation of the amount of reimbursables. When the selection method includes price as a component, negotiations of staff rates should not take place, except in special circumstances, like for example, staff rates offered are much higher than typically charged rates by consultants for similar contracts. Consequently, the prohibition of negotiation does not preclude the right of the client to ask for clarifications, and, if fees are very high, to ask for change of fees, after due consultation with the Donor. Reimbursables are to be paid on actual expenses incurred at cost upon presentation of receipts and therefore are not subject to negotiations. However, if the client wants to define ceilings for unit prices of certain reimbursables (like travel or hotel rates), they should indicate the maximum levels of those rates in the RFP or define a per diem in the RFP.

26. If the negotiations fail to result in an acceptable contract, ASARECA shall terminate the negotiations and invite the next ranked firm for negotiations. ASARECA shall consult with the Donor prior to taking this step. The consultant shall be informed of the reasons for termination of the negotiations. Once negotiations are commenced with the next ranked firm, ASARECA shall not reopen the earlier negotiations. After negotiations are successfully completed and the Donor has issued its no objection to the initialled negotiated contract, ASARECA shall promptly notify other firms on the short list that they were unsuccessful.

Publication of the Award of Contract

27. After the award of contract, ASARECA shall publish in *UNDB online* and in *dgMarket* the following information: (a) the names of all consultants who submitted proposals; (b) the technical points assigned to each consultant; (c) the evaluated prices of each consultant; (d) the final point ranking of the consultants; (e) the name of the winning consultant and the price, duration, and summary scope of the contract. The same information shall be sent to all consultants who have submitted proposals.

Debriefing

28. In the publication of the award of contract referred to above ASARECA shall specify that any consultant who wishes to ascertain the grounds on which its proposal was not selected, should request an explanation from ASARECA. ASARECA shall promptly provide the explanation as to why such proposal was not selected, either in writing and/or in a debriefing meeting, at the option of the consultant. The requesting consultant shall bear all the costs of attending such a debriefing.

Rejection of All Proposals, and Re-invitation

29. ASARECA will be justified in rejecting all proposals only if all proposals are non-responsive because they present major deficiencies in complying with the TOR or if they involve costs substantially higher than the original estimate. In the latter case, the feasibility of increasing the budget, or scaling down the scope of services with the firm should be investigated in consultation with the Donor. Before all the proposals are rejected and new proposals are invited, ASARECA shall notify the Donor, indicating the reasons for rejection of all proposals, and shall obtain the Donor's "no objection" before proceeding with the rejection and the new process. The new process may include revising the RFP (including the short list) and the budget. These revisions shall be agreed upon with the Donor.

Confidentiality

30. Information relating to evaluation of proposals and recommendations concerning awards shall not be disclosed to the consultants who submitted the proposals or to other persons not officially concerned with the process, until the publication of the award of contract.

B) Other Methods of Selection of Consultants

General

31. This section describes the selection methods other than QCBS, and the circumstances under which they are acceptable. All the relevant²¹ provisions of Section under QCBS shall apply whenever competition is used.

Quality-Based Selection (QBS)

32. QBS is appropriate for the following types of assignments:
 - a. complex or highly specialized assignments for which it is difficult to define precise TOR and the required input from the consultants, and for which the client expects the consultants to demonstrate innovation in their proposals (for example, country economic or sector studies, multisectoral feasibility studies, design of a hazardous waste remediation plant or of an urban master plan, financial sector reforms);
 - b. assignments that have a high downstream impact and in which the objective is to have the best experts (for example, feasibility and structural engineering design of such major infrastructure as large dams, policy studies of national significance, management studies of large government agencies); and
 - c. assignments that can be carried out in substantially different ways, such that proposals will not be comparable (for example, management advice, and sector and policy studies in which the value of the services depends on the quality of the analysis).
30. In QBS, the RFP may request submission of a technical proposal only (without the financial proposal), or request submission of both technical and financial proposals at the same time, but in separate envelopes (two-envelope system). The RFP shall provide either the estimated budget or the estimated number of key staff time, specifying that this information is given as an indication only and that consultants shall be free to propose their own estimates.
31. If technical proposals alone were invited, after evaluating the technical proposals using the same methodology as in QCBS, ASARECA shall ask the consultant with the highest ranked technical proposal to submit a detailed financial proposal. ASARECA and the consultant shall then negotiate the financial proposal²² and the contract. All other aspects of the selection process shall be identical to those of QCBS, including the publication of the Award of Contract except that only the price of the winning firm is published. If consultants were requested to provide financial proposals initially together with the technical proposals, safeguards shall be built in as in QCBS to ensure that the price proposal of only the selected firm is opened and the rest returned unopened, after the negotiations are successfully concluded.

²¹ All provisions of Section II shall be applied with the modifications and suppressions required by the method for selecting consultants used in the specific case. Advertisement for expression of interest is not required when single-source selection is used.

²² Financial negotiations under QBS includes negotiations of all consultant's remuneration and other expenses.

Selection under a Fixed Budget (FBS)

32. This method is appropriate only when the assignment is simple and can be precisely defined and when the budget is fixed. The RFP shall indicate the available budget and request the consultants to provide their best technical and financial proposals in separate envelopes, within the budget. TOR should be particularly well prepared to make sure that the budget is sufficient for the consultants to perform the expected tasks. Evaluation of all technical proposals shall be carried out first as in the QCBS method. Then the price proposals shall be opened in public and prices shall be read out aloud. Proposals that exceed the indicated budget shall be rejected. The Consultant who has submitted the highest ranked technical proposal among the rest shall be selected and invited to negotiate a contract. The publication of the Award of Contract shall be as described under QCBS above.

Least-Cost Selection (LCS)

33. This method is only appropriate for selecting consultants for assignments of a standard or routine nature (audits, engineering design of non-complex works, and so forth) where well-established practices and standards exist. Under this method, a “minimum” qualifying mark for the “quality” is established. Proposals, to be submitted in two envelopes, are invited from a short list. Technical proposals are opened first and evaluated. Those securing less than the minimum qualifying mark are rejected, and the financial proposals of the rest are opened in public. The firm with the lowest price shall then be selected and the publication of the Award of Contract shall be as described under QCBS. Under this method, the minimum qualifying mark shall be established, understanding that all proposals above the minimum compete only on “cost.” The minimum qualifying mark shall be stated in the RFP.

Selection Based on the Consultants’ Qualifications (CQS)

34. This method may be used for small assignments for which the need for preparing and evaluating competitive proposals is not justified. In such cases, ASARECA shall prepare the TOR, request expressions of interest and information on the consultants’ experience and competence relevant to the assignment, establish a short list, and select the firm with the most appropriate qualifications and references. The selected firm shall be asked to submit a combined technical-financial proposal and then be invited to negotiate the contract.
35. ASARECA shall publish in UNDB online and in dgMarket the name of the consultant to which the contract was awarded, and the price, duration, and scope of the contract. This publication may be done quarterly and in the format of a summarized table covering the previous period.

Single-Source Selection (SSS)

36. Single-source selection of consultants does not provide the benefits of competition in regard to quality and cost, lacks transparency in selection, and could encourage unacceptable practices. Therefore, single-source selection shall be used only in exceptional cases. The justification for single-source selection shall be examined in the context of the overall interests of the client and the project, and the Donor’s responsibility to ensure economy and efficiency and provide equal opportunity to all qualified consultants.
37. Single-source selection may be appropriate only if it presents a clear advantage over competition: (a) for tasks that represent a natural continuation of previous work carried out by the firm (see next paragraph), (b) in emergency cases, such as in response to disasters and for consulting services required during the period of time immediately following the emergency, (c) for very small assignments, or (d) when only one firm is qualified or has experience of exceptional worth for the assignment.

38. When continuity for downstream work is essential, the initial RFP shall outline this prospect, and, if practical, the factors used for the selection of the consultant shall take the likelihood of continuation into account. Continuity in the technical approach, experience acquired, and continued professional liability of the same consultant may make continuation with the initial consultant preferable to a new competition subject to satisfactory performance in the initial assignment. For such downstream assignments, ASARECA shall ask the initially selected consultant to prepare technical and financial proposals on the basis of TOR furnished by ASARECA, which shall then be negotiated.
39. If the initial assignment was not awarded on a competitive basis or was awarded under tied financing or if the downstream assignment is substantially larger in value, a competitive process acceptable to the Donor shall normally be followed in which the consultant carrying out the initial work is not excluded from consideration if it expresses interest. The Donor will consider exceptions to this rule only under special circumstances and only when a new competitive process is not practicable.
40. ASARECA shall publish in UNDB online and in dgMarket the name of the consultant to which the contract was awarded and the price, duration, and scope of the contract. This publication may be done quarterly and in the format of a summarized table covering the previous period.

Selection of Particular Types of Consultants

41. *Selection of UN Agencies as Consultants.* UN agencies may be hired as the consultants, where they are qualified to provide technical assistance and advice in their area of expertise. However, they shall not receive any preferential treatment in a competitive selection process, except that ASARECA may accept the privileges and immunities granted to UN agencies and their staff under existing international conventions and may agree with UN agencies on special payment arrangements required according to the agency's charter, provided these are acceptable to the Donor. To neutralize the privileges of UN Agencies, as well as other advantages such as tax exemption and facilities, and special payment provisions, the QBS method shall be used. UN agencies may be hired on a single-source selection basis if the criteria required under single source is fulfilled.
42. *Use of Nongovernmental Organizations (NGOs).* NGOs are voluntary non-profit organizations that may be uniquely qualified to assist in the preparation, management, and implementation of projects, essentially because of their involvement and knowledge of local issues, community needs, and/or participatory approaches. NGOs may be included in the short list if they express interest and provided that ASARECA and the Donor are satisfied with their qualifications. ASARECA shall preferably not include consulting firms in the short list for services for which NGOs are better qualified. For assignments that emphasize participation and considerable local knowledge, the short list may comprise entirely NGOs. If so, the QCBS procedure shall be followed, and the evaluation criteria shall reflect the unique qualifications of NGOs, such as voluntarism, non-profit status, local knowledge, scale of operation, and reputation. ASARECA may select the NGO on a single-source basis, provided the criteria are fulfilled.
43. *Auditors.* Auditors typically carry out auditing tasks under well-defined TOR and professional standards. They shall be selected according to QCBS, with cost as a substantial selection factor (40–50 points) or by the “Least-Cost Selection”. For very small assignments CQS may be used.
44. *Selection of Individual Consultants:* Individual consultants are employed on assignments for which (a) teams of personnel are not required, (b) no additional outside (home office) professional support is required, and (c) the experience and qualifications of the individual are the paramount requirement. When coordination, administration, or collective responsibility may become difficult because of the number of individuals, it would be advisable to employ a firm.

45. Individual consultants are selected on the basis of their qualifications for the assignment. Advertisement is not required and consultants do not need to submit proposals. Consultants shall be selected through comparison of qualifications of at least three candidates among those who have expressed interest in the assignment or have been approached directly by the ASARECA. Individuals' considered for comparison of qualifications shall meet the minimum relevant qualifications and those selected to be employed by ASARECA shall be the best qualified and shall be fully capable of carrying out the assignment. Capability is judged on the basis of academic background, experience, and as appropriate, knowledge of the local conditions, such as local language, culture, administrative system and government organisation.
46. From time to time, permanent staff or associates of a consulting firm may be available as individual consultants. In such cases, the conflict of interest provisions described in these guidelines shall apply to the parent firm.
47. Individual consultants may be selected on a sole-source basis with due justification in exceptional cases such as: (a) tasks that are a continuation of previous work that the consultant has carried out and for which the consultant was selected competitively; (b) assignments with total expected duration of less than six months; (c) emergency situations resulting from natural disasters; and (d) when the individual is the only consultant qualified for the assignment.

c) Contracting with the consultant

1. Once a consultant has been selected and agreed upon together with the fee rate payable, the **PCO** shall prepare contracts by using the latest updated template for contracting.
2. Separate contracts must be prepared for each consultant.
3. The *final contract(s)* shall then be forwarded to the **ED** for signing and afterwards to the relevant respective consultant for signature.
4. It is the responsibility of the **Procurement and Contracting Unit** to ensure that the consultant has read and understood the contract clauses and that the consultant is expected to adhere to them. Any queries that are raised by the consultant, guidance shall be sought from the **ED**.
5. The signed contract shall be filed and a copy forwarded to **Head of Finance**, budget holder and the contract manager.

c) Signing of the contract

The contract shall be executed in triplicate copies. The ED shall sign after the successful bidder has signed the contract. A copy shall be given to the bidder and the two copies retained by ASARECA.

The contract shall be dated. It shall enter into force on the date specified therein.

e) Contract administration

After signing the contract the procedures described under **section 6.6 –Contract management**-of this manual shall be followed to ensure that the consultant performs in accordance with the terms of the contract

f) Contract closeout

The contract shall be closed out in an orderly fashion upon satisfactory completion of the services by the consultant. Final payment to the consultant shall be withheld until the consultant provides evidence that it has met all of its obligations under the contract and all required certifications (including acceptance of the services by the relevant User Unit) have been executed.

g) Appeals

Any bidder who is dissatisfied with the decision to award a contract shall submit such protest in writing to the Executive Secretary no later than ten days after the notification of award. The written protest shall include the basis for the protest and the relief sought. The ED shall issue a decision in writing within ten days after receipt of the appeal stating the reasons for the action taken. This decision shall be final unless the bidder appeals within ten days of the written decision by instituting legal action in the Uganda court of law.

The ED may decide to continue with the contracting while the case is being heard in the court of law, or to hold proceedings until the court's verdict is announced.

h) Assistance to Consultants

1. ASARECA shall ensure that the Consultants are provided with the appropriate assistance to facilitate their work while in the field. This will normally be in the form of:
 - i. Notifying the relevant people or Implementing partners of the employment of the consultants and the nature of their work;
 - ii. Provide the consultants with letters of introduction where necessary;
2. The **budget holder** and the **Contract manager** shall be responsible for providing the relevant assistance.
3. The consultants shall not be provided with the facilities outlined below since these are incorporated in the daily rates paid to them
 - i. ASARECA's Laptops or access to computer equipment
 - ii. Transport arrangements
 - iii. Office facilities e.g. stationery, printing and photocopying
 - iv. Secretarial facilities
4. Any requests for the services or facilities by the Consultants shall be approved by the **ED** or **FO** as these have additional cost implications to ASARECA.
5. In the event of uncertainty regarding consultancy services, guidance and advice must be sought from the **PCO**.

Key control processes

1. All procurements for consultancy services shall be subject to approval by the ES after recommendations by the Procurement Committee.
2. The user department shall prepare clear written *Terms of Reference (ToR)*; these together with evaluation criteria shall be approved by the Procurements committee and shall form the basis for the selection of consultants.
3. A contract shall be prepared for each consultant who shall be reviewed and approved before signing by the respective parties.

Policy Objectives

To ensure that;

1. Contracts are executed in accordance with the agreed terms;
2. Maximum value for money is obtained by ASARECA from all procurements; and
3. There is an orderly, efficient and effective execution of contracts.

Policy Statement

All staff members shall comply with the following general principles:

A contract manager shall be appointed to ensure that the execution of the contract is in accordance with the agreed terms.

Documents

Key documents shall include:

- Annual work plans
- Contract for the procurement activity
- Grant Agreement with funding/donor organisation
- Operations work plan
- Strategic plan

Responsibility

- Procurement and Contracting Officer (PCO)
- Budget Holders
- Contract Manager (Designated staff)

Procedures

1. After a contract has been signed, contract management, except the in the capacity to amend or terminate, shall pass from a Procuring and Contracting Unit to a user department/budget holder. The user department shall accordingly appoint a contract manager to oversee the execution of the contract.
2. The Procurement and Contracting Officer (PCO) shall provide a copy of the contract to a user department/budget holder.
3. Upon receipt of a contract, a contract manager shall prepare a contract implementation plan, and forward a copy to the Procurement and Contracting Unit for monitoring purposes.
4. Where a user department has any reservations or difficulties with the terms or conditions of the contract, they shall be discussed and resolved with the **PCO**.
5. The user department shall report to the **PCO**:
 - a. any need for departure from the terms and conditions of a contract; and
 - b. any need for alterations to the conditions of a contract, either before or during the course of implementation that in effect could have impacted on the evaluation and rankings of the bid and the choice of provider.

6. The user department shall nominate an existing member of staff, as a contract manager. The user department may nominate a member of staff of another user department as contract manager, where appropriate.
7. A contract of high value or which is complex or forms part of a larger project may be assigned to a contract management team, which shall have the same responsibilities as a contract manager. Where, applicable, the contract management team shall be appointed by the Executive Secretary before the commencement of actual work. The contract management team shall constitute at least one member from the user unit/budget holder.
8. A contract may be managed by a body or person external to ASARECA, provided the user department supervises the external contract manager.
9. A contract manager shall-
 - a. manage the obligations and duties of ASARECA specified in the contract; and
 - b. ensure that the consultant performs the contract in accordance with the terms and conditions specified in the contract and ASARECA's requirements.
10. The functions of the contract manager are;
 - a. to ensure that-
 - b. a consultant meets all performance or delivery obligations in accordance with the terms and conditions of a contract;
 - c. a consultant submits all required documentation in accordance with the terms and conditions of a contract;
 - d. ASARECA meets all payment and other obligations in accordance with the terms and conditions of a contract;
 - e. there is adequate cost, quality and time control where appropriate;
 - f. there is compliance with the guidelines set forth in this manual and best practices;
 - g. all contract obligations are complete prior to closure of the contract file; and
 - h. all contract management records are kept and archived as required;
 - i. to issue any required variations or change orders, in accordance with the terms and conditions of a contract;
 - j. to provide full details of a required contract amendment to the Procurement and Contracting Unit and to obtain a contracts committee's approval prior to issue of any amendment;
 - k. to manage handover or acceptance procedures;
 - l. to provide full details of any proposed termination of a contract to a Procurement and Contracting Unit and to obtain the approval of the Procurements Committee prior to termination; and
 - m. To submit reports on the progress or completion of a contract as required by Procurement and Contracting Unit or the Executive Secretary.
11. Role of the Procurement and Contracting Unit in contract management
 - a. Monitoring contract management
 - b. Review payment requests and recommend payment

Key control processes

1. A contract manager shall be appointed for each contract and shall oversee the performance of the contract.

Policy Objectives

To ensure that;

1. There is guidance on disposal of property of ASARECA;
2. Maximum value is obtained from disposal activities; and
3. There is transparency and competition throughout the disposal process.

Policy Statement

All staff members shall comply with the following general principle:

1. The disposal of all properties shall be conducted in the most transparent manner and in accordance with ASARECA guidelines with the ultimate aim of optimising value.

Documents

Key documents shall include:

- Disposal request
- Evaluation report

Responsibility

- Executive Secretary
- Procurement and Contracting Officer
- Head of Finance
- Head of Administration
- Procurement Committee

Procedures

1. The **Head of Administration** shall ensure that the assets of ASARECA are reviewed on an annual basis to identify those, which are obsolete and need to be subjected to disposal.
2. The Head of Administration shall be responsible for initiating the disposal process of assets under its management.
3. Assets to be disposed of shall be grouped in contracts or lots in a manner, which attracts maximum possible competition.
4. Approval to commence disposal proceedings shall be given by the **ED**, or any authorised officer.
5. The final authority to dispose off assets of ASARECA shall be granted by the Board of Directors. However the donor that funded the property to be disposed shall be consulted before a final decision has been reached.
6. Prior to the disposal proceedings, all assets shall be valued by an independent valuer. No valuation for assets where the cost of valuation is likely to be in excess of the money expected to be realised through the disposal process shall be carried out.
7. Records of disposal shall contain the following documents, where appropriate:
 - a. a request to initiate disposal proceedings, including a report from HoA;
 - b. a copy of an invitation notice, if any;
 - c. copies of solicitation documents, their amendments or clarifications and any additional information such as auctioneer's catalogue or general descriptive literature
 - d. a report of inspection of the assets by potential bidders;
 - e. a record of the bid opening;
 - f. a copy of all bids evaluated, clarifications requested and responses received;
 - g. the evaluation report;
 - h. minutes of meetings on the disposal, including negotiation proceedings;

- i. a copy of a letter of bid acceptance to a successful bidder, if any;
- j. the contract/sale agreement/cash receipt, if any;
- k. all documents related to contracts management, including records of receipts of payment and hand over certificates;
- l. a copy of the updated asset register for ASARECA;
- m. all correspondences between ASARECA and the bidder, auctioneer or third party disposal agent; and
- n. a copy of all submissions to the Procurement Committee and all decisions related to the disposal, including, the choice of disposal method, approval of solicitation documents, approval of an evaluation report, approval of negotiations, contract award decision, approval of contract documents and any decision to suspend or cancel disposal proceedings.

Disposal Methods

1. A disposal method shall be approved by the Executive Secretary, once a no objection, where applicable, has been obtained from the respective donor. The Procurement and Contracting Unit shall select one of the following disposal methods:
 - a. public auction;
 - b. public bidding;
 - c. sale to ASARECA staff;
 - d. direct negotiations;
 - e. transfer to a sub grantee;
 - f. destruction of assets.
2. The Procurement and Contracting Unit shall take into account the following factors in selecting a disposal method:
 - a. the potential market value of the asset;
 - b. the volume of the asset, whether one-off or bulk;
 - c. the number and location of potential bidders;
 - d. the location of the asset;
 - e. restrictions on export or end-users;
 - f. national security and public interest issues;
 - g. health and safety issues;
 - h. legal or human rights issues;
 - i. environmental considerations;
 - j. the trade-in value of the asset; and
 - k. the possibility of transferring the asset to a sub grantee
3. A public auction may be used where there are no conditions of end-user or export restrictions attached to the sale or there is a large number of potential bidders or assets to be disposed of in one location and where an on site auction is arranged to avoid transport costs.
4. Public bidding may be used:
 - a. for high-value or unusual assets;
 - b. for assets located in remote areas;
 - c. for assets that have a geographically dispersed potential market;
 - d. for assets with end-user or export restrictions attached to their sale;
 - e. where conditions need to be attached to the sale of the asset; or
 - f. where post-bid negotiations may be required.

5. Disposal may be by sale to an ASARECA staff. This method shall only be used:
 - a. where there is no likely benefit or financial advantage to ASARECA in using any other disposal method;
 - b. where the assets for disposal are of low value items which are unlikely to attract public interest;
 - c. where the personal use of disposal assets would directly benefit the performance of a the ASARECA staff in the execution of his or her duties within ASARECA; or
 - d. in remote locations, where any other method of disposal would be difficult.

6. Direct negotiations may be used where:
 - a. the market is limited and a single buyer who is willing to pay the reserve price has been identified;
 - b. national security, public interest, legal or human rights issues or environmental considerations are served by selling to a particular company, group or individual;
 - c. a potential buyer is a tenant, occupier or user of an asset at the time the decision to dispose of the asset is made, and it is reasonable to give that person first option to buy the asset at a market rate; or
 - d. an asset is located on a potential buyer's premises on a hire or free-use basis and it is reasonable to give that person first option to buy the asset at a market rate.

The Executive Secretary shall approve the use of direct negotiations disposal method prior to the commencement of disposal proceedings

7. Transfer to any other sub grantee may be used where the sub grantee shall make further use of the asset

8. Destruction of an asset shall be the least favoured method of disposal, but may be used-
 - a. on grounds of national security or public interest, health and safety, legal or human rights issues or environment considerations; or
 - b. where the asset has no residual value and it cannot be transferred to a sub grantee or converted or classified into another form with any value.

Key control processes

1. All disposals shall be approved by the ED and/ or the respective donor.
2. A disposal method shall be determined by the disposal committee and approved by the ED.

