Procurement Policy and Procedures Manual

1. Purpose

The purpose of this policy is for AoP to establish standardized rules and procedures for the acquisition of goods, works, and services. The policy ensures that all procurement is conducted in a transparent, competitive, fair, and cost-effective manner while upholding integrity and accountability.

2. Scope

This policy applies to:

- All AoP departments, programs, and projects within the organization;
- All AoP staff, consultants, and agents involved in procurement;
- All funds to AoP, regardless of source [donor-funded, internally generated, or otherwise].

3. Policy Statement

AoP commits to:

- Procuring quality goods and services at the best value for money;
- Ensuring transparency, fairness, and integrity in procurement processes;
- Preventing fraud, corruption, and conflict of interest;
- Complying with donor, legal, and regulatory requirements.

4. Objectives

- To promote economy and efficiency in procurement activities;
- To ensure accountability and transparency in decision-making;
- To strengthen internal controls and minimize risk;
- To build trust among stakeholders and partners.

5. Key Principles

1. **Transparency:** Procurement processes and decisions are open and well-documented.
2. **Competition:** Encourage fair competition to obtain best value.
3. **Accountability:** All procurement actions must be properly authorized and justified.
4. **Integrity:** Zero tolerance for fraud, bribery, or unethical behavior.
5. **Value for Money:** Optimal balance between quality, cost, and time.
6. **Fairness:** Equal treatment of all suppliers and bidders.
7. **Sustainability:** Preference for environmentally and socially responsible procurement.

6. Procurement Organization and Responsibilities

Role	Responsibility
Board of Directors	Approves procurement policy and high-value procurements.
Executive Director	Provides overall oversight and final approval authority.
Procurement Committee	Reviews and recommends supplier selections.
Finance Department	Confirms budget availability and ensures payments are supported.
Internal Audit / Compliance	Reviews procurement compliance and control processes.

7. Procurement Planning

- The AoP Annual **Procurement Plan [APP]** prepared based on approved budgets and project needs.
- The AoP APP must include description, estimated cost, source of funds, procurement method, and timeline.
- Updates are made on the APP on a quarterly basis.

8. Procurement Methods and Thresholds

Procurement method depends on the estimated value of purchase:

Procurement Method	Threshold (USD or local currency equivalent)	Description
Petty Cash / Direct Purchase	Up to [e.g., $300]	For small, routine items. Requires receipt and approval.
Request for Quotation (RFQ)	$301 – $1,000	Minimum of 3 written quotations required.
Competitive Bidding (Open Tender)	Above $2,000	Publicly advertised; sealed bids invited.
Restricted Tender	Case-by-case	Used when limited suppliers are available or for specialized goods.
Sole Source / Direct Contracting	Exceptional cases only	Requires written justification and approval by Executive Director.

(Thresholds can be adapted to your organization's size and donor requirements.)

9. Procurement Process

Step 1: Requisition

- Department completes Purchase Requisition Form with clear specifications, quantity, and justification.
- Finance verifies budget availability.
- Approved requisition sent to Procurement Officer.

Step 2: Solicitation of Bids

- Procurement Officer issues RFQ/Tender Documents to eligible suppliers.
- Bids must be received in sealed envelopes or through an approved electronic system.
- All bids logged in a Bid Receipt Register.

Step 3: Evaluation and Selection

- **Procurement Committee** reviews bids based on pre-established criteria (price, quality, delivery time, past performance).
- Evaluation results recorded in a Bid Evaluation Report.
- Winning supplier recommended for approval.

Step 4: Approval and Award

- Procurement Officer prepares Purchase Order (PO) or Contract Agreement.
- Approval levels depend on amount thresholds.
- Signed copies sent to supplier and Finance.

Step 5: Delivery and Inspection

- Receiving department verifies goods/services against order specifications.
- Goods Received Note [GRN] or Service Completion Certificate issued.

Step 6: Payment

- Supplier submits invoice with supporting documents [PO, GRN, etc.].
- Finance processes payment upon verification and approval.

Step 7: Record Keeping

- All procurement documents [requisition, bids, evaluation, PO, GRN, invoices] must be filed securely for 7 years.

10. Conflict of Interest

- All staff and committee members must sign a Conflict of Interest Declaration Form.
- No staff may participate in procurement decisions where they have a personal or financial interest.
- Violations are subject to disciplinary action or termination.

11. Ethical and Anti-Fraud Provisions

- Zero tolerance for fraud, bribery, or collusion.
- Suppliers found engaging in unethical conduct will be disqualified and blacklisted.
- Procurement staff must adhere to the Code of Conduct and Anti-Fraud Policy.
- Whistleblowing mechanisms available for confidential reporting.

12. Emergency Procurement

- May be used only in genuine emergencies [e.g., disaster response].
- Must be justified in writing and approved by the Executive Director.
- Procurement documentation must still be maintained.

13. Procurement Records and Reporting

- Procurement Officer maintains:
    - Procurement Register
    - Supplier Database
    - Contract Register
    - Purchase Order Register
- Monthly and quarterly procurement reports submitted to management.

14. Supplier Management

- Maintain an Approved Vendor List [AVL] updated annually.
- Evaluate supplier performance regularly [quality, reliability, compliance].
- Poor-performing suppliers may be suspended or removed from the list.