



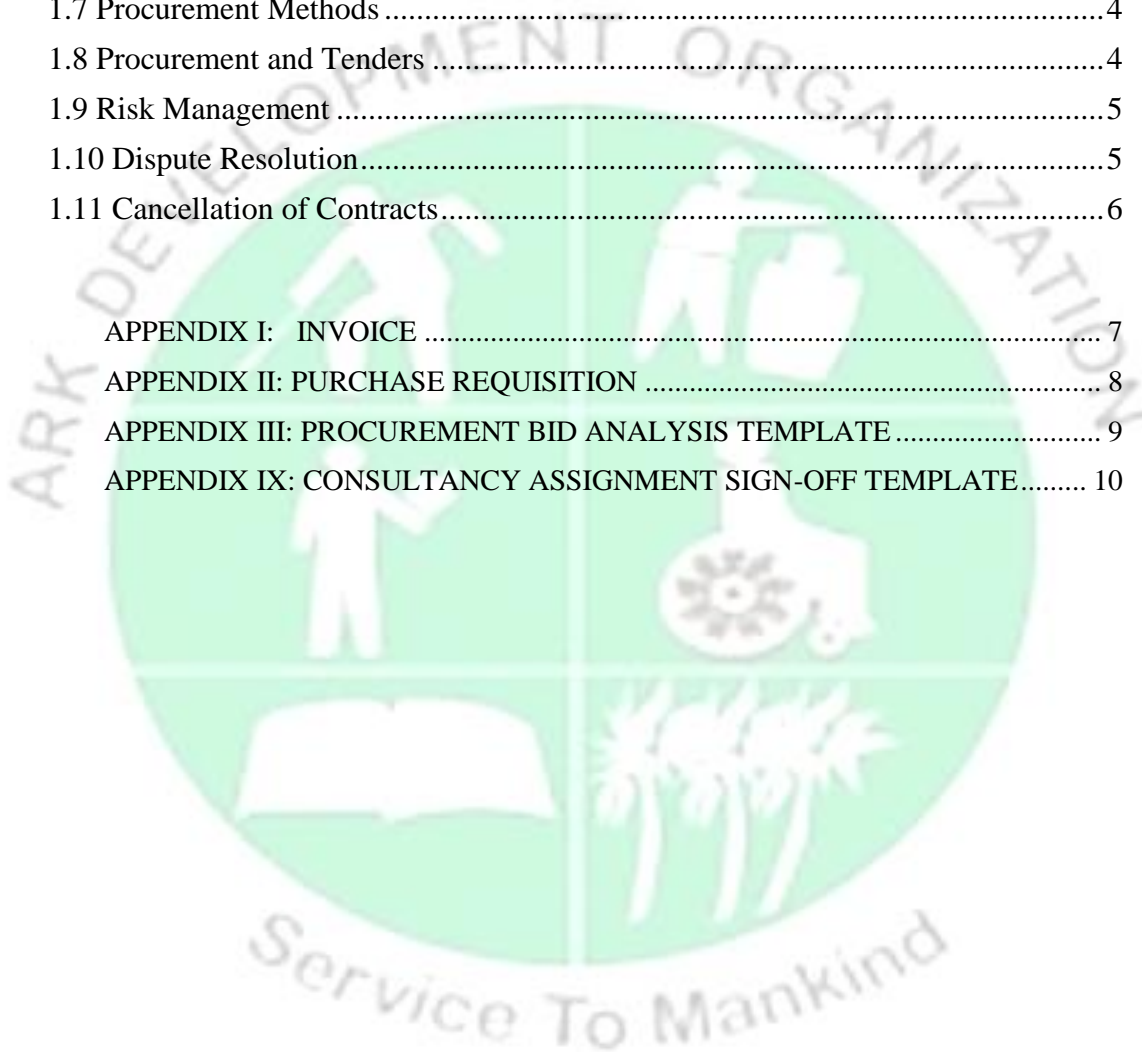
PROCUREMENT POLICY AND PROCEDURE

ARK DEVELOPMENT ORGANIZATION

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Revised: August 2022.

1.1 Preamble

Ark Development Organization (ADO) believes in creating a world of equal opportunities through improving the lives of deprived women, children and the disabled through capacity building, evidence-based advocacy and participatory innovative programs and the operationalization of social enterprises. In pursuit of this mission, ADO requires goods and services from external sources for the implementation of the projects and interventions. ADO is mindful of the fact that it has been entrusted with both Donor and private funding to carry out its mandate. Expenditure involving procurement processes is a significant proportion of the annual budget. Thus, this Procurement Policy sets out the principles that shall govern the procurement of goods and services of ADO.

1.2 Purpose

This policy aims to ensure that ADO obtains the best value for money in the procurement of goods and services and provides guidelines to promote consistent application of procurement best practice and international standards and to ensure transparency and accountability. The selection, contracting, management and monitoring of suppliers or service providers shall be in line with the principles of efficiency and economy, equal opportunity, transparency, sustainability and best value for money..

1.3 Scope of Application

This policy covers the procurement of goods and services required by ADO and is supported by procedures that give effect to the policy requirements. It covers the standard procurement cycle from project initiation to final delivery or performance and contract completion.

1.4 Framework

ADO's vision, mission and objectives; as well as operational plan that covers Administrative, Human Resource and Financial procedures and the Anti-Corruption and Bribery policy should be read in conjunction with this policy to influence effective management processes.

1.5. Policy Principles

The procurement of goods and services shall be conducted in a manner that is based on the principles set out below.

- **Best interest:** to carry out procurement activities in a manner that best enables the organization to reach its general and specific objectives in line with applicable procurement policies and procedures.
- **Value for Money:** the selection of the service provider will be made by balancing combination of whole-life cost, quality and sustainability to meet ADO's requirements.
- **Competition:** Procurement will be carried out on a competitive basis and respect the prescribed competitive thresholds. Requests for Direct Awards where a competitive process is not to be undertaken should normally be limited to exceptional cases.
- **Equitable and Unbiased Selection:** No bidder shall be unjustifiably discriminated against and no bidder shall receive an unfair competitive advantage. Contracts should however not be awarded to entities determined to be ineligible in terms of this policy.
- **Transparency:** The information on the procurement process must be available to everyone unless there is a valid reason to keep it confidential. Procurement and

selection will be carried out in a transparent manner. Selection criteria in the case of open competition will be clearly stated and publicized.

- **Efficiency and Effectiveness:** Procurement should be carried out in a manner that makes efficient use of the ADO's resources. The work involved and associated costs of a procurement process should be commensurate with the character, volume and type of procurement. The contract will be awarded to the Highest Rated Quote/Proposal that has fully complied with the terms of the procurement process.
- **Adequate planning:** Sufficient time should be allowed for a procurement process to ensure timely and successful implementation of activities and to ensure compliance with the principles of the procurement policy.
- **Procurement Ethics:** Trust in the integrity of the procurement function is essential to the organization. All parties involved must observe the highest ethical standards during all stages of the procurement process. Contracts must not be awarded to organizations/individuals who have been involved in exclusionary behaviours. Staff Members are prohibited from accepting any gift, payment, consideration or benefit of any kind that could be considered an inducement for the award of a contract.
- **Avoidance of Conflict of Interest:** A conflict of interest can be broadly defined as a situation in which the impartiality of a person could be questioned due to an actual or potential clash between their personal and professional interests. Conflicts of interest are not necessarily unethical or wrong, but they do have to be declared and managed where they exist.
- **Sustainability:** Procurement of goods and services should consider the possible effects on the environment, local economic circumstances, human health and safety and preference should be given to those offers that make a positive impact on the environment.

1.6. Types of Procurement

- **Goods and supplies:** Supplies are trackable goods, such as a projector or a mobile phone, materials, and consumables. They tend to be consumed or be in use over the short to medium-term but to have a shorter lifespan than fixed assets. Consideration should be given to sustainability and environmental issues when considering the procurement of goods and supplies.
- **Fixed assets:** A fixed asset is a tangible item of property with a useful life of longer than one year and which exceeds the cost level set by the ADO for capitalizing assets. According to the ADO's accounting policies, any individual item with a cost above GH¢10,000 is considered a fixed asset.
- **General services:** Services such as repairs and maintenance of equipment or furniture, janitorial or security services, lease of office space, offsite storage, transport services, importation and logistics services, media advertisements, health maintenance services, and other similar services.
- **Events:** Events is an umbrella term in this policy to cover all types of meetings, training sessions, workshops, seminars, and other similar events required as part of the programmed and institutional activities of ADO. It is the expected price of this contract that determines whether the procurement method should be a non-competitive or a competitive process.
- **Consulting Services:** These are activities requiring external technical and professional expertise beyond ADO's internal capacity, such as research, feasibility studies, and related services and are provided by individual consultant or firms.

1.7 Procurement Methods

Within the relevant thresholds the process shall be open on equal terms to all legal and natural persons, regardless of their origin, nationality, gender or other characteristics as applicable.

- Sole Sourcing: This is contracting without competition. A “sole source” procurement can be defined as any contract entered into without a competitive process, based on a justification that only one known source exists or that only one single supplier can fulfill the requirements. With this, the Project Manager will source and negotiate an agreement with one supplier, and it is not necessary to obtain three quotes. Sole sourcing is allowed in the following circumstances:
 - Only One supplier exist
 - One single supplier can fulfill requirements
- Small Purchases: this is procurement less than GH¢5,000. With this, only one invoice is required.
- Competitive with two (2) quotes: with this the threshold is between GH¢5,000 and GH¢10,000. This is a competitive process where quotes are sought from several identified suppliers. A minimum of two quotes must be sought. The quotes are evaluated, and a supplier is chosen based on the selection criteria that were indicated in the specifications document.
- Competitive with three (3) quotes: with this the threshold is GH¢10,000 and above. This is a competitive process where quotes are sought from several identified suppliers. A minimum of three quotes must be sought. The quotes are evaluated, and a supplier is chosen based on the selection criteria that were indicated in the specifications document. This method would also apply to Expression of Interests (EOIs) and open tenders.

1.8 Procurement and Tenders

- Purchasing activities shall be valid only after the appropriate authorization has been obtained.
- In line with the guiding principle of transparency, the organization publishes information on its procurement activities on social media platforms.
- Purchases worth less than GH¢ 5,000.00 will not need proforma invoices before approval.
- Purchases up to GH¢ 10,000.00 shall be supplied after vetting by the purchasing Committee after consideration of a minimum of 2 quotations from reputable suppliers
- At least 3 quotations must be obtained for all other purchases whose value is between GH¢ 10,000.00 and above. The Purchasing Committee shall vet the quotations obtained.
- Procurement requests shall be initiated by the Projects Manager who will also check and verify the availability of the budget allocation before preparing the Purchasing Order.

- The Purchase Order must reflect the same terms as were given by the supplier to the Purchasing Committee as the case may be.
- The EXECUTIVE DIRECTOR must approve and authorise the Purchase Order and evidence this by her/his signature on the Order itself.
- The Purchase Order must give detailed specifications of the items required, the supplier of the item (s), the date of the Purchase Committee award and the budget line to be charged.
- The Purchase Order must spell out clearly the terms of supply and must include the following details:-
 - Date
 - Name of supplier
 - Quantities and units of supplies
 - Description and specifications of items
 - Due date of delivery of supplies
 - Terms of payment
 - Name and signature of the officer who has prepared the Order
 - Authorizing signature.
- Procurement requests must not exceed the budget provisions and therefore must be checked against the budget before their approval and authorisation by the EXECUTIVE DIRECTOR.
- The Purchasing committee, in its deliberations, must consider the following:
 - That tenders comply with all the terms and specifications required.
 - The reputation of the firms that have submitted the bids
 - Prices
 - Quality
 - That tendered prices are in line with budgetary provisions.

1.9 Risk Management

Risk analysis and risk management is carried out under policies approved by the organization. There are a variety of risks inherent in the procurement process. The impact of any unwanted event occurring and the likelihood of that happening will vary depending on the nature and value of the procurement. Staff Members involved in procurement are required to consider risk when planning procurement processes, and in the management of contracts.

1.10 Dispute Resolution

Whenever possible, an attempt shall be made to settle any dispute arising from the interpretation or execution of a contract by informal negotiations between the supplier or service provider and the Project Manager. If informal negotiations are unsuccessful in settling disputes, these should be escalated to the Executive Director to consider for recommendation to the Board in terms of the General Conditions of Contract.

1.11 Cancellation of Contracts

In exceptional circumstances, it may be considered in the best interests of the ADO to cancel a contract due to, inter alia, non-performance by a service provider. It may also be the case that a service provider wishes to cancel a contract. In these circumstances the procurement committee will consider and approve the cancellation.



APPENDIX I: INVOICE

**ARK DEVELOPMENT ORGANIZATION
INVOICE**

Invoice Number: _____

Date: _____

Invoice to: _____

Attention of: _____

INVOICE DETAILS

Description

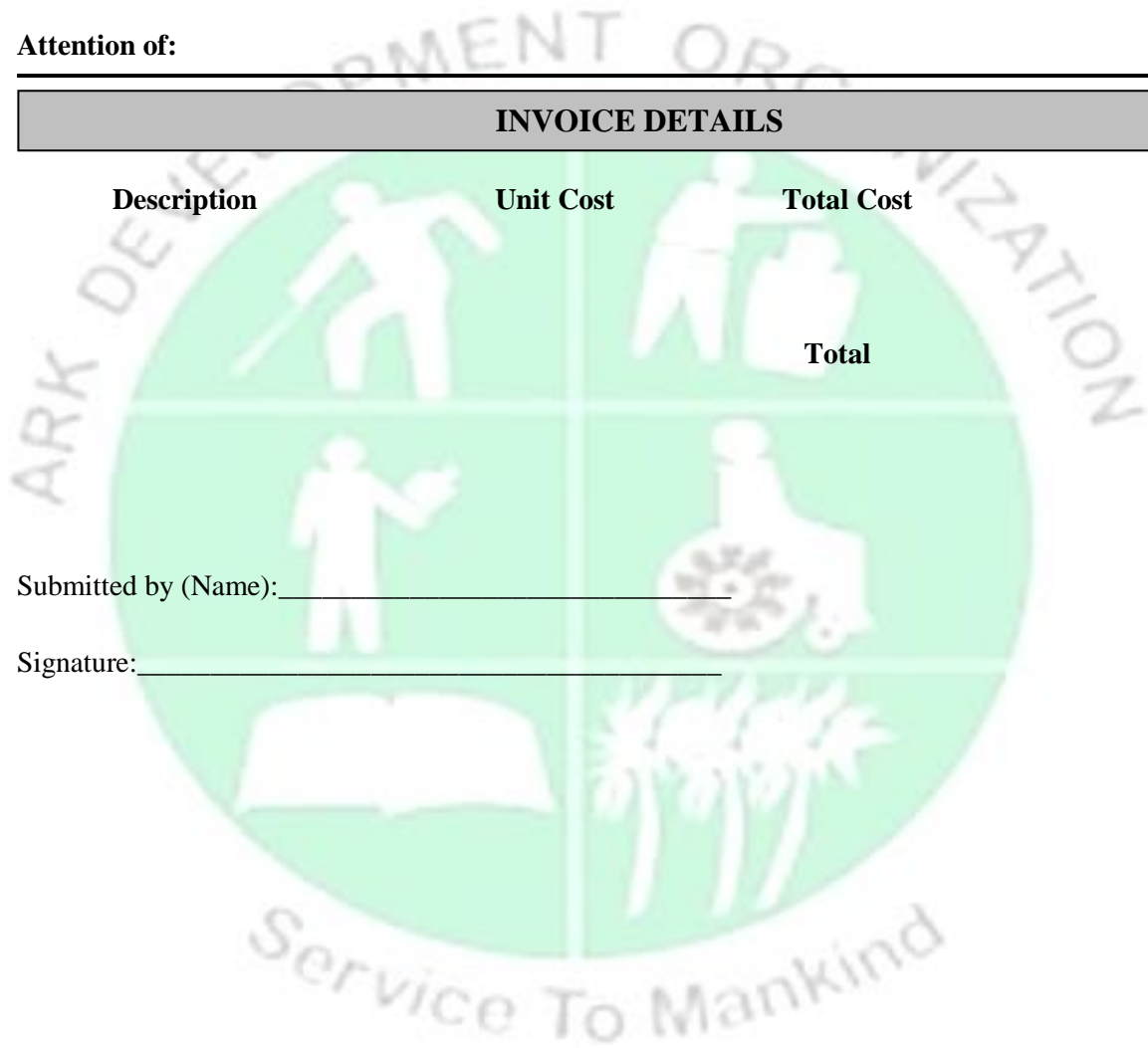
Unit Cost

Total Cost

Total

Submitted by (Name): _____

Signature: _____



APPENDIX II: PURCHASE REQUISITION

ARK DEVELOPMENT ORGANIZATION			
Awo Yaa Amankwah I Street, Near Star Photos, Nsawam-E/R, EG-039-8230 0244-101915, 0543-911895 arkdevelopmento@gmail.com / arkdevelopmentorganization388@gmail.com			
PURCHASE REQUISITION			
PR No:		PR Date:	
Purchasing Department Please purchase the following items:			
Quantity	Number	Description	Amount (GHC)
Purpose or Use:			
<i>For Programmes Department</i>		<i>Approved:</i>	
<i>Date:</i>			

APPENDIX III: PROCUREMENT BID ANALYSIS TEMPLATE

Date of Analysis									
Project Period									
Partner Name									
Project Name									
Description/Specification and requirement of purchases/services/consultancy etc									
Anticipated cost/budget									
Date goods/services required									
Procurement Type/Method									Select from Drop Down
Description of procurement process followed (including how invoices were sourced or received)									
OVERVIEW OF BIDS/QUOTES/INVOICES/PROPOSALS RECEIVED									
Number of bids/invoices/proposals received									
Number of bids/invoices/proposals fully met requirements									
If less than 3 bids received, explain reasons									Note: Conditions for sole sourcing: 1 Only One supplier exist 2 One single supplier can fulfill requirements
If sole sourcing, provide Justification									A "sole source" procurement can be defined as any contract entered into without a competitive process, based on a justification that only one known source exists or that only one single supplier can fulfill the requirements.
SUMMARY OF TOP 3 BIDS/INVOICES/PROPOSALS RECEIVED									
Bid details	Bidder/Supplier 1			Bidder /Supplier 2			Bidder Supplier 3		
Supplier name									
Date of bid									
CRITERIA FOR SELECTION (Scores 1- low 2- medium 3- High)									
	Details of Bid	Score	Details of Bid	Score	Details of Bid	Score			
Total cost/fees/price									
Estimated delivery date/timescale to complete actions/work									
Specification/Details of services/methodology Supplier proposes to provide									
Confirm specification meets requirement									
Extra service/quality provided									
Other criteria: please indicate									
Ranking of bids									
Comments									
PREFERRED BID/SUPPLIER/CONSULTANT									
Summary of reasons for selection of preferred bidder/supplier									
							Note: Attach preferred invoice/proposal as well as the other 2 invoices		
RECOMMENDATION									
Finance	Recommendation			Program			Recommendation		
Name:				Name:					
Role title:				Role title:					
Signature :				Signature :					
APPROVAL BY HEAD OF ORGANISATION IF EXCEEDS €5,000									
Name:				REMARKS /COMMENTS					
Position:									
Signature									
Date:									



APPENDIX IX: CONSULTANCY ASSIGNMENT SIGN-OFF TEMPLATE

Consultancy Assignment Sign-Off Template

Name of Consultant:

Assignment:

Period of Assignment:

Contract Amount:

<u>Deliverable</u>	<u>Status</u> (<u>Delivered/partly</u> <u>Delivered/Not delivered</u>)	<u>Remarks</u>

<u>Payment Amount</u>	<u>Full Payment/Part</u> <u>Payment</u>	<u>Basis for</u> <u>Recommendation of</u> <u>Payment</u>	<u>Previous</u> <u>Payment</u> <u>made</u>

**Attach necessary documentation (contract, report or evidence of work done if applicable). If Documents cannot be attached please make reference to where report can be located.*

Overall assessment of Assignment:

Recommendations:

Signed:

Date:

Approved:

Date: