

PROCUREMENT AND DISPOSAL POLICY MANUAL
Of the CECI (Community Empowerment for Creative Innovation)
August, 2019



Community Empowerment for Creative Innovation (CECI)

"Building Empowered, Peaceful & Self-reliant Youth"

Table of Contents

1. Procurement and disposal concepts.....	3
2. Purpose.....	3
3. Procurement manual priorities.....	3
4. Scope.....	4
5. Review and update of the Manual.....	4
6. Interpretation.....	4
7. Ethical Code of Conduct.....	7
8. Fundamental principle and general rules of procurement.....	8
9. Procurement planning and initiation.....	17
10. Sourcing and invitation to bid.....	20
11. Generation and evaluation of bids.....	21
12. Contract award, contracting and contract management.....	24

	13. Methods of
procurement.....	32
	14. Micro
procurement.....36
	15. Quotation
procurement.....	.36
	16. Framework
contracts.....	...37
	17. Procedures for handling complaints from
providers.....	37
	18. Record
keeping.....37
	19. Disposal of
assets.....38
20. Declaration.....40

1.0 Procurement and Disposal Management Concepts

Procurement means the *acquisition of any type of works, services or supplies or any combination thereof*. This may be by purchase, rental, lease, hire- purchase, license, tenancy, franchise, or any other contractual means.

Procurement by its nature involves expenditure of an organization's resources and it is therefore important that such expenditure results into the acquisition of quality goods, works or services and that the organization intending to procure obtains value for money.

Disposal means the divestiture of the assets, including intellectual and proprietary rights and goodwill, and any other rights of CECI by any means, including sale, rental, lease, franchise, auction, or any combination thereof.

The procurement and disposal policy provisions herein are based on the nationally and internationally accepted procurement standards and best practices

This policy document outlines the procedures to be adopted in carrying out procurement and disposals of assets at CECI and it highlights the different methods of procurement, the bidding and evaluation process and lays down some basic principles that govern procurement. It further identifies the roles of the Administration Office, the User department, the Contracts Committee, the Evaluation Committee and the Executive Director in the procurement process.

1.6 Purpose

The purpose of this Policy is;

- a. to set out guidelines for the CECI staff who are engaged in management of its procurement and disposal activities, in order to ensure compliance with administrative policy requirements of management,
- b. to provide a detailed guidance and best practice to CECI staff on managing individual procurements,
- c. to help the various stakeholders understand the procurement processes and to achieve uniformity and order in processing of procurement transactions.

1.7 Procurement Manual Priorities

This manual seeks to address five key priorities as follows:

1. A competitive process designed to meet CECI peculiar needs and requirements;
2. Increased stakeholder involvement throughout the procurement process so as to achieve the desired goals and objectives;
3. Timely communication regarding the effective movement and flow of information right from the ultimate beneficiaries through to the vendors; and from the vendors back to the ultimate beneficiaries;
4. Achievement of value for money through a combination of whole life costs and appropriate total quality to meet the requirements of CECI.
5. Transparency, effectiveness and efficiency in the whole procurement process so as to build a work ethic which ensures that the products or services procured meet the needs of CECI.

1.8 Scope

- 1) The content of this manual applies to the procurement of all goods, works and services (consultancy and non-consultancy services) for CECI, including procurement requirements for new and existing projects.
- 2) Where donor funded procurement is required to follow the procurement rules of the donor or funding agency, those rules will prevail over the procedures in this manual to the extent that there is any conflict.
- 3) However, the procedures in this manual will continue to apply in all areas where they are consistent with the rules of the donor. Where any concurrence or “no objection” is required from a donor or funding agency, CECI Contracts Committee approval, and any other applicable approvals specified in this manual, shall be obtained, prior to obtaining donor approval.
- 4) All procurements and disposal requirements (services, supplies, and works) including renewal of expiring contracts of CECI, shall be carried out in accordance with the principles, rules and procedures set out within the provisions of this Policy manual and well recognized best practices.
- 5) The procedures contained in this manual cover the whole procurement cycle from initiation through to contract completion. They provide guidance on handling the procurement of goods, works, routine services and consultancy services. The manual also includes procedures for disposal of CECI assets.

1.9 Review and Update of the Manual

- a. This manual shall be subject to revisions in order to cater for changes in the operating business environment; the changes in the CECI needs, administrative structures and operations; introduction of any national and international legislations; and the adoption of new improved procedures and practices.
- b. Revised versions of existing procurement procedures or additional procurement procedures on new subjects will be issued by the Governing Council.

2.0 Interpretation

In this policy manual, unless the context permits otherwise the following words and phrases shall have the following meanings;

1. **“Accounting Officer”** means - the Executive Director of CECI.
2. **“Award”** means an adjudicatory decision by a contracts committee approving recommendation of evaluation committee to accept the bid of a specified provider;
3. **“Best Practices”** means the industry standards
4. **“Bid”** means an offer to provide or to acquire works, services or supplies or any combination thereof, and shall include pre-qualification where applicable;
5. **“Bidder”** means a physical or artificial person intending to participate or participating in public procurement or disposal proceedings;
6. **“Best Evaluated Bid”** - Bid which is determined to be the most economic after evaluating all terms and conditions of the bid;
7. **“Bid Period”** - Period between the date of publication of the invitation to bid and the closing date for the submission of bids.

8. **"Bid Validity Period"** - Period of time subsequent to the closing date for submission of the bids for which the bid price and the conditions of the bid are not subject to any change by the bidder.
9. **"Bidding Documents"** means solicitation documents;
10. **"Bid Notice"** means any advertisement by which eligible providers are invited to submit written offers to provide or acquire works, services and supplies, or any combination of them in case of procurement and disposal respectively;
11. **"Consultancy Service"** means a service of an intellectual or advisory nature, provided by a practitioner who is skilled and qualified in a particular field or profession; and includes, but is not limited to, legal services, engineering design or supervision, accountancy, auditing, financial services, procurement services, training and capacity building services, management advice, policy studies and advice and assistance with institutional reform;
12. **"Consultant"** means an individual who, or a firm, company, corporation, organisation or partnership which provides consultancy services;
13. **"Consultants Qualifications Selection Method"** means the method of selecting where a procuring and disposing entity:
 - a. (prepares the terms of reference to request expressions of interest and information on the consultants experience in order to develop a short list;
 - b. selects a consultant with the most appropriate qualifications;
 - c. requests the consultant with the most appropriate qualifications to submit a combined technical and financial proposal;
 - d. evaluates the combined technical and financial proposal; and
 - e. invites the consultant for negotiations;
14. **"Contract"** means an agreement between a CECI and a provider, resulting from the application of the appropriate and approved procurement or disposal procedures and proceedings as the case may be, concluded in pursuance of a bid award decision of a Contracts Committee or any other appropriate authority;
15. **"Contract Management"** - Management of a contract including, but not limited to, performance and compliance with the terms and conditions of the awarded contract by the provider and CECI.
16. **"Corrupt Practice"** includes the offering, giving, receiving, or soliciting of anything of value to influence the action of a public official in the procurement or disposal process or in contract execution;
17. **"Council"** - Governing Council of the CECI.
18. **"Day"** - Working day of the week (8.00 am to 5.00 pm) except Saturday, Sunday and public holidays.
19. **"Disposal"** means the divestiture of the assets, including intellectual and proprietary rights and goodwill, and any other rights of Baylor Uganda by any means, including sale, rental, lease, franchise, auction, or any combination thereof;
20. **"Disposal Process"** means the successive stages in the disposal cycle, including planning, choice of procedure, measures to solicit offers from bidders, examination and evaluation of those offers and award of contract;
21. **"Emergency"** means circumstances which are urgent, unforeseeable and not caused by dilatory conduct;
22. **"Emergency Situation"** means a circumstance which is urgent or unforeseeable or a situation which is not caused by dilatory conduct

23. **“Fixed Budget Selection Method”** refers to a method of selecting consultants with the best technical proposal that is within the budget;
24. **“Framework Contract”** - Contractual arrangement which allows CECI to procure works, services or supplies that are needed continuously or repeatedly at an agreed price over a period of time, through the placement of a number of orders.
25. **“Foreign Provider”** means a provider whose business is not registered in Uganda;
26. **“Fraudulent Practice”** includes a misrepresentation of facts in order to influence a procurement or disposal process or the execution of a contract to the detriment of Baylor Uganda and includes collusive practices among bidders prior to or after bid submission designed to establish bid prices at artificial non-competitive levels and to deprive Baylor Uganda of the benefits of free and open competition;
27. **“Goods or supplies”** - Means objects of every kind and description including raw materials, products, equipment be it in solid, liquid or gaseous form, electricity, as well as services that are linked to the supply of the goods if the value of those services does not exceed that of the goods themselves.
28. **“Least Cost Selection Method”** refers to the method of selecting consultants where the lowest priced proposal meeting the minimum qualifying score of the technical proposal is selected;
29. **“Lowest Bid”** - Lowest price offered for a given contract;
30. **“National Provider”** means a provider registered in Uganda and wholly owned and controlled by Ugandans;
31. **“Non-Consultancy Service”** means a service of a skilled or a non-skilled nature, which is not a consultancy service; and includes, cleaning, security and maintenance and repair services;
32. **“Offer”**—Means quotation;
33. **“Pre-qualification”** means a screening process designed to ensure that invitations to bid are confined to capable providers;
34. **“Prequalified providers”** - Means providers registered by CECI;
35. **“Proposal** - Means an offer made by a consultant in response to a request for consultancy services addressed to it by CECI on the basis of appropriate terms of reference.
36. **“Procurement”** means acquisition by purchase, rental, lease, hire purchase, license, tenancy, franchise, or any other contractual means, of any type of works, services or supplies or any combination;
37. **“Contracts Committee”** - Committee that is responsible for award of tenders.
38. **“Procurement Process”** means the successive stages in the procurement cycle including planning, choice of procedure, measures to solicit offers from bidders, examination and evaluation of those offers, award of contract, and contract management;
39. **“Provider”** means a natural person or an incorporated body including a consultant, contractor or supplier licensed by a competent authority to undertake business activities;
40. **“Quality Based Selection Method”** means the method of selecting consultants that uses quality as the primary factor and the technical proposal of the consultants are evaluated and only the financial proposal of the best evaluated consultant is opened and negotiated upon;
41. **“Quality Cost Based Selection Method”** means the method of selecting consultants which takes into account the quality of the proposal and the cost of the services in the selection of the consultant.

- 42. **“Quotation”** - Means an offer made by a provider (supplier) in response to a request for goods/supplies addressed to it by CECI based on specifications.
- 43. **“Record”** - Document relating to any stage of a procurement or disposal process.
- 44. **“Services”** means any object of procurement or disposal other than works and supplies, and includes professional, non - professional and commercial types of services as well as supplies and works which are incidental to, but not exceeding the value of those services;
- 45. **“Solicitation Documents”** means bidding documents or any other documents inviting bidders to participate in procurement or disposal proceedings; and includes documents inviting potential bidders to pre-qualify, and standard bidding documents;
- 46. **“Specifications”** means the description of an object of procurement or disposal in accordance with national and international standards adopted and approved by the National Bureau of Standards, or other appropriate trade associations and professions, the use of which shall be mandatory in all bidding documents;
- 47. **“Supplies”** means goods, raw materials, products, equipment, livestock, assets, land or objects of any kind and description in solid, liquid or gaseous form, or in the form of electricity, or intellectual and proprietary rights as well as works or services incidental to the provision of those supplies where the value of the works or services does not exceed the value of the supplies;
- 48. **“Statement of Requirements”** - Document that contains a full and complete description of the requirement that is the subject of the procurement.
- 49. **“Stock items** - Means goods/supplies directly or frequently used by many corporate units.
- 50. **“Supplier or contractor”** - Potential party or the party to a procurement contract with Baylor – Uganda.
- 51. **“Tender”** means “bid”;
- 52. **“Terms of Reference”** - Document prepared by CECI defining the requirements for an assignment and means to be made available, concerns to be taken into account as well as the expected results;
- 53. **“Works”** means any work associated with the construction, reconstruction, demolition, repair, or renovation of a building or structure, on the surface or underground, on and underwater, and includes the preparation, excavation, erection, assembly, installation, testing and commissioning of any plant, equipment or materials, decoration and finishing, turnkey projects, build own and operate projects, build operate and transfer projects or any arrangement of this nature, or any other form of private and public partnerships or joint development activities, all or any of which may include management, maintenance, testing, commissioning and training; as well as supplies or services incidental to those works where the value of the incidental supplies or services does not exceed the value of the works.

2.1 ETHICAL CODE OF CONDUCT

- 1) CECI shall always conduct all its procurement operations in an ethical and just manner.
- 2) Any attempt by a bidder to obtain confidential information, or influence the tender evaluation or contracts will lead to the rejection of its bid.
- 3) Based on the nature of the responsibilities associated with procurement decision making, or personnel who would be in a position to influence a solicitation and award selection process, it is

imperative that these individuals exercise higher standards of ethical conduct in the procurement process to avoid any perception of impropriety.

- 4) Any perception of improper or unethical behavior in the procurement process directly and negatively impacts on the image and credibility of the employees and CECI.
- 5) All CECI staff engaged to deliver specific services shall sign the Code of Ethical Conduct. The code shall be signed when the staff have been appointed or co-opted on the respective committees.
- 6) All providers of works, services or supplies shall be required to sign a declaration of compliance with those codes of conduct determined by CECI from time to time. The declaration shall be signed at time of bid submission.
- 7) More specifically, all bid documents and contracts for works, supplies and services must include a clause stipulating that bids will be rejected or contracts terminated if it emerges that the award or execution of a contract has given rise to bribes or commissions.
- 8) Apart from the bid opening session, the proceedings of the evaluation and contracts committee are conducted in camera and are confidential.
- 9) Any tender evaluation or contracts committee member or observer who has a potential conflict of interest with any bid or bidder must declare it and immediately withdraw from the respective Committee. He/she will be excluded from participating further in any capacity in the evaluation and review meetings.
- 10) In order to maintain the confidentiality of the proceedings, participation in the evaluation and contracts committee meetings is strictly limited to the members of the evaluation committee and any observers authorized by the Accounting Officer.
- 11) Bids should not leave the room/building in which the committee meetings take place before the conclusion of the work of the respective committee. They should be kept in a safe place when not in use.
- 12) Suspected or observed violations of this policy must be promptly reported to the Governing Council and Executive Director of CECI. In all cases of suspected or observed violations, facts and sound judgment shall be exercised.

2.2 FUNDAMENTAL PRINCIPLES AND GENERAL RULES OF PROCUREMENT

A Basic Procurement and Disposal Principles in the PPDA ACT, 2003

1. All public procurement and disposal shall be conducted in accordance with the basic principles set out in sections 44 to 54 of the PPDA Act 2003.
2. A bidder shall not be excluded from participating in public procurement and disposal on the basis of nationality, race, religion, gender or any other criterion not related to qualification, except to the extent provided for in this Act.
3. All procurement and disposal shall be conducted in a manner which promotes transparency, accountability and fairness.
4. Subject to this Act, all procurement and disposal shall be conducted in a manner to maximize competition and achieve value for money.
5. A procuring and disposing entity shall not, except when required to do so by an order of court, disclose any information where the disclosure would:-
 - o Amount to a breach of the law;

- o Impede law enforcement;
 - o Prejudice legitimate commercial interests of the parties;
 - o Inhibit fair competition; or
 - o In any way not be in the public interest, until the successful bidder is notified of the award.
- 6. All procurement and disposal shall be conducted in a manner which promotes economy, efficiency and value for money.
- 7. All procurement and disposal shall be carried out in accordance with the Codes of Ethics that may be specified from time to time by the Authority.
- 8. A procuring and disposing entity shall permit providers to participate in the procuring process without regard to nationality, except in cases in which the procuring and disposing entity decides to limit the participation on the basis of nationality on grounds specified either in regulations made under this Act or by any other competent authority.
- 9. A procuring and disposing entity that limits participation on the basis of nationality on grounds set out in sub-section (1) shall:
 - i. Obtain prior written approval of the Authority; and
 - ii. Include the exception to nationality and the grounds relied on in the bidding documents as well as in the record of that procurement or disposal process.
- 10. A procuring and disposing entity shall use open bidding as the preferred method of procurement and disposal.
- 11. A contract shall be awarded to the bidder with the best evaluated offer ascertained on the basis of the methodology and criteria detailed in the bidding documents.

B CECI Procurement Principles

All procurements and disposal activities of CECI shall be conducted in a manner that promotes the following awarding principles. These principles will help to ensure that suitably qualified bidders are chosen without bias and that the best value for money is obtained, with the full transparency appropriate to the use of CECI funds. CECI principles conform to the above Basic Procurement and Disposal Principles in the PPDA ACT, 2003.

C The Awarding principles

The basic principle governing the award of contracts is competitive bidding. The purpose is twofold: to ensure transparency of operations and to obtain the desired quality of services, supplies or works at the best possible price. While implementing these guidelines the users:

- a. Will recognize that competition is the basis for efficient and effective procurement and therefore they will select the most appropriate method that maximizes competition for the specific procurement as defined in these guidelines.
- b. Must ensure importance of fairness, integrity, transparency, accountability, non-discrimination and good governance in the procurement process.
- c. Must use a procurement process that promotes economy and efficiency in the procurement of services, supplies and works resulting in the best value for money.
- d. **Non-discrimination:** A bidder on CECI contracts shall not be excluded from participating in procurement and disposal on the basis of nationality, race, religion, gender or any other criterion not related to qualification.

- e. **Participation:** CECI must ensure the necessary measures to ensure the widest possible participation on equal terms in invitations to bidders for works, supplies and services contracts, including measures to:
 - 1. Ensure publication of invitations through various forms of public notices;
 - 2. Eliminate discriminatory practices or technical specifications which might stand in the way of widespread participation on equal terms;
 - 3. Ensure that all the award criteria are specified in the bid document;
 - 4. Ensure that the bid selected conforms to the requirements of the bid document and meets the award criteria stated therein.
- f. **Non-retroactive award:** Contracts are considered to take effect from the date of signature of the last signatory. This means that no disbursements can be effected and no goods and services provided prior to the signature of the contract and/or addendum. Contracts or contract addenda cannot be awarded retroactively (i.e. after the end of the execution period) under any circumstances. All contracts must show the true dates of signature of the contracting parties.
- g. **Use of standard documents:** Standard contracts and document formats must be used.
- h. **Record keeping:** Written records of the procurement process must be kept confidential and retained by the accounting officer for a minimum period of five years from payment of the final installment. The documents to be conserved must include all the preparatory documents as well as the originals of all bids submitted and any related correspondence.
- i. **Availability of funds:** Before initiating any procurement procedure, the funds must be available and within the current organization budget. However, a procurement may be launched with a suspense clause, before resources or a financing decision have been earmarked, but shall be cancelled if the resources have not been received by CECI. In such situations no contract will be signed until the funds are available.
- j. **Non-splitting** Bids must not be split artificially to circumvent the procurement thresholds or evade the rules set out in this manual. 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.

D Prequalification of Bidders

- i. Pre-qualification may be used to obtain a shortlist of bidders that can be called on to bid for various procurements.
- ii. Pre-qualification may be used where:
 - 1. The works, services or supplies are highly complex, specialized or require detailed design or methodology;
 - 2. The costs of preparing a detailed bid would discourage competition;
 - 3. The evaluation is particularly detailed and the evaluation of a large number of bids would require excessive time and resources from a procuring and disposing entity.

- iii. Pre-qualification shall be open to all providers using public advertisement of a pre- qualification notice, which shall invite potential bidders using at least one publication of wide circulation to ensure effective competition.
- iv. A provider shall submit sealed written pre-qualification submissions or expressions of interest.
- v. Pre-qualification shall be based on the capability and resources of a bidder, taking into account:
 - 1. Experience and performance in similar contracts;
 - 2. Capabilities with respect to equipment, manufacturing or construction facilities;
 - 3. The qualifications and experience of personnel;
 - 4. Financial capability to perform the proposed contract;
 - 5. Facilities or representation at or near the location for performance of the contract;
 - 6. The available capacity to undertake the assignment;
 - 7. Supplier convenience to the organization;
 - 8. Reputation, stature and reliability of supplier;
 - 9. Efficiency in delivery and cost;
 - 10. Litigation record; and
 - 11. Any other relevant criteria.
- vi. In using the pre-qualification method, solicitation documents shall be sent to a number of bidders which is appropriate to ensure effective competition from among the providers who submitted pre-qualification submissions or expressions of interest and who meet the prequalification criteria

E Grounds for Exclusion

Bidders will be excluded from participation in procurement procedures at CECI if:

- 1) 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 and are the subject of proceedings concerning those matters;
- 2) They have been convicted of an offence concerning their professional conduct by a judgment against which no appeal is possible;
- 3) They have been guilty of grave professional misconduct proven by any means which the accounting officer can justify;
- 4) They have been the subject of a judgment for fraud, corruption or involvement in a criminal or illegal activity;
- 5) They are subject of conflict of interest and are guilty of misrepresentation in supplying the information required as a condition of participation in any bid or fail to supply this information.

F Administrative and Financial Penalties

- i. Bidders or contractors who have made false declarations, have made substantial errors or committed irregularities and fraud, or have been found in serious breach of their contractual obligations may be excluded from all contracts financed by CECI for a maximum of five years from the date on which the infringement is established.
- ii. Bidders or contractors who have made false declarations, have committed substantial errors or irregularities and fraud, may also be subject to financial penalties representing 2% to 10% of the total estimated value of the contract being awarded.
- iii. Where the award procedure proves to have been subject to substantial errors, irregularities or fraud, the accounting officer shall suspend the procedure and may take whatever measures are necessary, including the cancellation of the bid.
- iv. Where, after the award of the contract, the award procedure or the performance of the contract prove to have been subject to substantial errors, irregularities or fraud, the accounting officer may, depending on the stage reached, refrain from concluding the contract or suspend performance of the contract or, where appropriate, terminate the contract.
- v. Where such errors, irregularities or fraud are attributable to the contractor or bidder, the accounting officer may in addition refuse to make payments, may recover amounts already paid or may terminate all the contracts concluded with this contractor, in proportion to the seriousness of the errors, irregularities or fraud.
- vi. The purpose of suspending the contract is to verify whether presumed substantial errors and irregularities or fraud have actually occurred. If they are not confirmed, performance of the contract will resume as soon as possible.

G PROCUREMENT STRUCTURES

A *Composition of Stakeholders*

For the purpose of this manual, the procurement structures in CECI shall be composed of the following players/stakeholders;

1. The Governing Council
2. The Executive Director
3. The Contracts Committee
4. The Procurement and Disposal Unit
5. The Evaluation Committee
6. The User Departments

B The Governing Council

1. The GC/Council shall play an advisory role by providing guidance and advice to CECI pertaining to compliance to this manual as well as application of procurement best

practices. It shall also be responsible for approval of any updates and/or amendments to this manual.

2. All major procurement decisions that cannot be conclusively resolved by the Executive Director shall be referred to the Council for guidance and advice.

C The Executive Director

The Executive Director will bear the overall responsibility for the execution of the procurement process in CECI. The roles of the Executive Director shall include the following:

1. Ensure the establishment of the contracts committee and appoint the Chairperson of that committee in line with the procurement guidelines;
2. Appoint an alternate member or members of the contracts committee with full voting and decision making powers where any substantive member or members of this committee may not be in position or able to discharge their functions as required or requested;
3. Certifying the availability of funds to support the procurement or disposal activities;
4. Observe the tender evaluation or contract committee meetings;
5. Approve contracts committee decisions and reports, communicating award decisions and signing contracts for procurement or disposal activities on behalf of CECI;
6. Ensuring that the implementation of the awarded contract is in accordance with the terms and conditions of the award and these guidelines;
7. Suspend or cancel the appointment of any member of the contracts committee and cause to investigate any complaints by providers arising out of the execution of the procurement or disposal function by CECI.

D The Contracts Committee

1. The members of the Contracts Committee shall be appointed by the Management Team (MT).
2. The tenure of the members of the Contracts Committee shall be two years and the MT will have overall discretion of re-appointing a member for another term.
3. Members of the Contracts Committee shall be appointed with regard to their technical competence and skills required for the discharge of the roles and responsibilities of the Contracts Committee.
4. The Contracts Committee may co-opt external adviser depending on the nature and complexity of the subject of procurement.
5. The Contracts Committee's main role is to review the evaluation reports, adjudicate on the recommendations therein, and make the award of decision.
6. The award decisions shall be communicated by the Contracts Committee Secretary to the Executive Director for concurrence with two days of completion of the Contracts Committee deliberations.

7. In making the award decisions, the Contracts Committee shall ensure that there is compliance to this manual.
8. Membership on the Contracts Committee shall be a role added to the member appointed, and shall therefore not attract any additional benefits to the appointed member of staff.
9. Notwithstanding subsection 6, external advisors/consultants engaged in the course of the procurement process shall be compensated by CECI for their time input/skills/expertise at rates agreed between them and CECI.

E The Procurement and Disposal Unit

Procurement in CECI shall be centralized, and all procurement transactions shall be managed by the Procurement and Disposal Unit.

The roles of the Procurement and Disposal Unit shall include the following:

- 1) manage all procurement or disposal activities of CECI;
- 2) implement the decisions of the Contracts Committee;
- 3) work with the respective CECI departments to prepare annual procurement plans;
- 4) work with the user departments to prepare statements of requirements;
- 5) prepare bidding/solicitation documents;
- 6) prepare advertisements of bid opportunities;
- 7) issue bidding/solicitation documents;
- 8) prepare and maintain a list of providers for goods, services and works;
- 9) prepare contract documents;
- 10) issue signed contract documents;
- 11) maintain and archive records of the procurement and disposal process;
- 12) Prepare procurement monthly reports to the Executive Director, with copies to the CECI Management Team (MT).

The Procurement and Disposal Unit shall, in consultation with the respective user departments and the Executive Director, appoint the members of the evaluation committee.

F The Evaluation Committee

1. The Evaluation Committee shall be constituted on ad hoc basis by the Head of the Procurement and Disposal Unit.
2. The Evaluation Committee constituted shall be responsible for conducting a bid evaluation.
3. The composition of the members of the committee shall be based on the technical competence required to evaluate the bid under consideration. Membership will have minimum of three persons and a maximum of six depending on the scope and complexity of the assignment/procurement. The evaluation committee shall always include an additional and ex official staff from the Procurement and Disposal Unit who shall be the secretary.
4. The members of the evaluation committee shall be of an appropriate level of seniority and experience, depending on the value and the complexity of the procurement requirement. 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:

- o procurement and contracting skills;
 - o financial management skills;
 - o technical skills relevant to the subject of the procurement;
 - o legal expertise
- 5. External Advisors/consultants shall be co-opted on to the evaluation committee depending on the nature and complexity of the assignment. Inclusion of such persons shall be approved by the Executive Director.
- 6. Evaluation Committee shall conduct bid evaluations and produce a signed bid evaluation report within a period of two weeks from the date of bid closing.
- 7. Members of the Evaluation Committee shall be required to declare that they do not have any conflict of interest prior to commencement of the evaluation exercise.
- 8. All members of the evaluation committee shall be required to sign the bid evaluation report.
- 9. Membership on the Evaluation Committee shall be a role added to the member selected, and shall therefore not attract any additional benefits to the selected member of staff.
- 10. Notwithstanding subsection 8, external advisors/consultants engaged in the course of the procurement process shall be compensated by CECI for their time input/skills/expertise at rates agreed between them and CECI.

G The User Departments

1. The User Departments shall prepare annual procurement plans based on the approved budgets, which shall be submitted to the Procurement and Disposal Unit for consolidation and implementation. The Procurement Plans shall be submitted to the Procurement and Disposal Units prior to the commencement of the new financial year.
2. The User Departments shall further have the following roles:
 - a. initiate procurement requirements;
 - b. prepare Statements of Requirements(specifications for goods, Terms of Reference for Services and Bills of Quantities for Works) in consultation with the Procurement and Disposal Unit; and submit them to the Procurement and Disposal Unit;
 - c. Manage contracts in accordance with the terms and conditions of the contract;
 - d. Participate in the verification of goods delivered/services consumed/works executed;
 - e. Certify invoices for payment to providers based on a satisfactory verification report.
3. In order to maintain independence of functions and power, the Executive Director and a member of the Management Team shall not be a member of the

Contracts Committee; and a member of the Contracts Committee shall not be part of the evaluation committee. A staff of the Procurement and Disposal Unit shall not be part of the Contracts Committee, but shall be required to be in attendance when the Contracts Committee is making deliberations, for purposes of providing clarifications.

2.3 PROCUREMENT PLANNING AND INITIATION

A Procurement Planning

The user department shall plan all its procurement in a rational manner and in particular shall:-

- a) avoid emergency procurement wherever possible;
 - b) aggregate its requirements wherever possible, to obtain value for money and reduce procurement costs;
 - c) make use of framework contracts wherever appropriate to provide an efficient, cost effective and flexible means to procure services, supplies or works that are required continuously or repeatedly over a set period of time; and
 - d) Avoid splitting or fragmenting of procurement requirements.
- B The procurement plans shall be based on the prevailing and anticipated market conditions as well as forecasted demand.
- C The Product Facility department shall, in particular, prepare Quantifications and Forecasts for Pharmaceutical products (including those to be supplied by donors).
- D The procurement plans shall be approved (signed-off) by the respective Head of Department, and then forwarded to the Procurement and Disposal Unit for consolidation prior to commencement of a new financial year.
- E Consolidation of planned spending for specific commodities will ensure reduced procurement transaction costs, minimize delivery times, and improve customer service levels internally and externally.
- F The Procurement Plan shall contain the following elements:
1. a detailed breakdown of activities of works, services or supplies to be procured and the time when they will be required;
 2. a schedule of procurement requirements in order of priority;
 3. a statement of required resources supported by a schedule of the projected funding; and
 4. a plan of the likely sourcing method for each requirement.
- G The Procurement plans may be updated on a needs basis during the course of the financial year; supported with justification.

B Description of Requirements

1. Procurement requirements shall be documented using a Procurement Requisition Form and shall include:-
 - a. a clear indication of services, works or supplies required;
 - b. the estimated value of the services, works or supplies;
 - c. authentication of availability of funding; and
 - d. the approval of the procurement requirement by the Head of Department

2. In estimating the value of the services, works or supplies required and authenticating the availability of funds, Baylor- Uganda shall ensure that the estimate is realistic and that:-
 - a. the estimate is based on up-to-date information;
 - b. technical advice is sought, where required; and
 - c. the authentication of availability of funds takes into account the total acquisition costs.
 - d. The estimated cost shall include applicable taxes and other related fees/costs.
3. The user department shall prepare detailed specifications (for supplies), Terms of Reference/Scope of Work (for services) and Bills of Quantities (for works). The user department shall consult the Procurement and Disposal Unit or other relevant departments in the course of preparation of the requirements.
4. For purposes of this section, a distinction shall be made between supplies and services:
 - a. **"Supplies"** means goods, products, equipment or objects of any kind and description in solid, liquid or gaseous form as well as works or services incidental to the provision of those supplies where the value of the works or services does not exceed the value of the supplies;
 - b. **"Services"** means any object of procurement other than works and supplies, and includes professional, non - professional and commercial types of services as well as supplies and works which are incidental to, but not exceeding the value of those services.
 - c. Services are further subdivided into consultancy and non-consultancy services:
 - d. **"Consultancy service"** means a service of an intellectual or advisory nature, provided by a practitioner who is skilled and qualified in a particular field or profession and includes, but is not limited to, strategic planning, change management, implementation and benchmarking.
 - e. **"Non-consultancy service"** means a service of a skilled or non-skilled nature, which is not a consultancy service, and includes, but is not limited to, cleaning, security and maintenance and repair services.
 - f. **"Products for Resale"** - in the context of CECI, these shall entail finished products purchased by CECI and are eventually to be sold to retailers or final consumers for profit.
5. The detailed specifications/Scope of Work shall cover the fundamental needs of CECI in respect of the goods/services concerned. A specification shall contain a complete, precise and unambiguous description of the supplies or services required and shall include, where appropriate:
 - a) a clear definition of the scope of the proposed purchase;
 - b) the purpose and objectives of the proposed purchase;
 - c) a full description of the requirement;
 - d) a generic specification to an appropriate level of detail;
 - e) a functional description of the qualities, including any environmental or safety features required of the subject of the procurement;
 - f) performance parameters, including outputs, timescales, and any indicators or criteria by which the satisfactory performance of the specification can be judged;

- g) process and materials descriptions;
 - h) dimensions, symbols, terminology, language, packaging, marking and labeling requirements; and
 - i) any other relevant industry standard.
- 6. In circumstances where an item cannot easily be described, use of samples shall be acceptable. In such cases, all the potential suppliers shall be availed a uniform opportunity to examine the sample before submitting their offers.
- 7. No specification shall be issued with reference to a particular trademark, brand name, patent, design, type, specific origin, producer, manufacturer, catalogue or numbered item, except where, for compatibility purposes or, the purchase has to be made from the previous vendor. (for example, in the case of procurement of compatible spare parts).
- 8. Notwithstanding procedures in sub-section H.B.7, the Product Facility shall be mandated to make specifications with reference to particular brands for pharmaceutical products only, in response to demand for specific items required by clients.
- 9. Specific service performance levels shall also be determined by the user department and shall clearly stipulate supplier's performance measures against set parameters.
- 10. The specifications/terms of reference/Bills of Quantities and Scope of Works shall be signed off by the respective Head of Department.

C Requisitioning

- a. The user department representative shall complete a Procurement Requisition Form (See Appendix 4) and attach the approved requirements, and these shall be submitted to the Procurement and Disposal Unit.
- b. Forstockable items, the requester shall confirm that the items are not available in the Baylor-Uganda stores prior to preparing a requisition. If the items are available in the stores, then stores Requisition shall be raised instead.

D Procurement Thresholds

- 1. The following financial thresholds shall be used in the execution of the procurement transactions:
 - a. Simple Price Quotes: total value not more than UGX 10 Million
 - b. Medium Sized tenders: total value exceeding UGX 10 Million but not more than UGX 50 Million
 - c. Large sized tenders: total value exceeding UGX 50 Million.
- 2. The thresholds will be as indicated in the documents (For Procurement Methods for Supplies, Works and Non – Consultancy Services) and (For Procurement Methods for Consultancy Services).

2.4 SOURCING AND INVITATION TO BID

A Identification of Suitable Suppliers

1. The Procurement and Disposal Unit shall have overall responsibility to identify potential suppliers from whom the goods/services could be sourced.
2. In identifying suppliers, the potential sources shall include:
 - a) Pre-qualified List of providers;
 - b) Knowledge of the Market/Market Research;
 - c) Suggestions from Stakeholders; or
 - d) Publication of an EOI.
 - e) Professional Bodies and/or Regulatory Agencies

This step will result in the generation of a long list of potential suppliers that could be invited to participate in a particular procurement process.

3. Where there are enough vendors on the pre-qualified list of providers, the Procurement and Disposal Unit shall stick to vendors on that list.
4. For all items/products required by the Product Facility department, the Procurement and Disposal Unit shall stick to the list of vendors as provided by the Procurement and Disposal Unit. However, where a donor agency has a preferred vendor, the donor agency's propositions shall be upheld.
5. The Procurement and Disposal Unit shall validate the providers on the long list in order to satisfy itself that the vendors to be invited deal in the kind of requirements needed are experienced and financially stable, are legally established and that doing business with them presents limited or no foreseeable risk to CECI.
6. Owing to the successful vendor validation exercise, a shortlist shall be generated. The shortlist shall contain a minimum of three providers, and the number shall be increased depending on the nature and complexity of the requirement.
7. Notwithstanding procedures in sub section I.A.6, if any specific commodities required for CECI's core programs can be supplied by the Product Facility, then the Product Facility shall be the preferred supplier specifically for the CECI Branded Products. For the rest of the commodities, the ProductFacility shall be the preferred supplier as long as their price is lower or equal to that of the other suppliers.

B Preparation of Bidding/Solicitation Documents

1. It shall be the responsibility of the Procurement and Disposal Unit to prepare and issue the RFQ/RFP. User departments shall not be permitted to send out RFQ/RFPs. The Head of Procurement and Disposal Unit shall satisfy him/herself that the RFQ/RFP is complete with the statement of requirements and relevant terms and conditions for bidding, as well as the evaluation criteria.
2. The RFQ/RFP shall be issued to suppliers either by email or in hard copy. Irrespective of the mode of issuance, care shall be observed to ensure that the issuance of the RFQ/RFP is done at the same time to all suppliers. The RFP shall specify the mode of receipt of the vendor responses.

3. Suppliers shall be given a minimum of 2 working days for Simple Price Quotes; ~~minimum 10 working~~ days for Medium sized tenders and minimum 20 working days for Large sized tenders; within which to analyze the requirements, prepare responsive bids and submit their offers to CECI.
4. Notwithstanding procedures in subsection 6.2.3, the Product Facility shall ensure that Framework Agreements for a specific period are signed with suppliers or manufactures of pharmaceutical products; and call off orders issued to these providers as and when needs arises; in order to promptly respond to demand.
5. The bidding period may be varied upwards depending on the nature and complexity of the requirements. However, this shall be in writing to all vendors participating in a procurement activity.

2.5 GENERATION AND EVALUATION OF BIDS

A Receipt and Opening of Bids

1. The method of receipt of provider's responses shall be by bid box, courier or electronic means.
2. Where the bid box is to be used, the Procurement and Disposal Unit shall ensure that providers have access to the bid box at all times during working hours until the closing deadline. The providers shall be required to register the bid at the reception prior to placing the bid in the bid box.
3. Where a bid is too large to be placed in the bid box, a staff of the Procurement and Disposal Unit shall:
 - a. issue a receipt/acknowledgement for the bid;
 - b. ensure that the bid is kept securely until the deadline for bid submission; and
 - c. ensure that the bid is taken to the location for bid opening with the sealed bid box and included in the bid opening.
4. Where a bid is delivered by courier, a staff of the Procurement and Disposal Unit shall ensure that such bid is registered and included in the bid opening;
5. Where the requirement is for electronic submission; a designated email address shall be created and be communicated to the bidders. The Procurement and Disposal Unit shall designate a Procurement Coordinator and one member of the Contracts Committee to access the email account only at the deadline of bid submission. The password for the email account shall be equivalent to a dual key control.
6. All bids received shall be registered in the tender opening register.
7. Bids shall be opened in the presence of a member of the Contracts Committee and details recorded on the bid opening register.
8. For Large sized tenders, bidders or their representatives may be invited to witness the bid opening.

B Evaluation of bids

1. The evaluation committee shall conduct the evaluation of providers responses in line with the evaluation criteria specified in the RFP/RFQ. No other criteria shall be introduced during bid evaluation.

A Evaluation of bids for supplies

This shall be by technical compliance to the specifications in the RFP/RFQ. The evaluators shall seek to ascertain whether a vendor is compliant and substantially responsive to the technical requirements. Failure of a bid at this stage of the evaluation shall prevent the vendor from being considered for financial/commercial evaluation. Compliance to the technical specifications shall be on a pass/fail basis.

Financial Evaluation:

The provider with the most economically advantageous bid shall be recommended for contract award. At this stage, the committee shall determine if it is necessary to conduct negotiations with the most economically advantageous provider.

B Evaluation of bids for non-consultancy services:

For non-consultancy services where the provider is required to demonstrate creativity and innovation, preparation of an approach or methodology for performing a specific procurement activity; a scoring system shall be used. The evaluation committee shall assign appropriate weights to the technical and financial aspects of the proposal. A minimum qualifying mark shall be established and a vendor who scores below this mark shall be eliminated at this level.

For non-consultancy services where a vendor is required to perform tasks that have already been pre-determined (e.g. distribution of fliers, transportation of equipment or drugs from one place to another etc); technical compliance selection shall be used. The evaluators shall seek to ascertain whether a vendor is compliant and substantially responsive to the technical requirements. Failure of a bid at this stage of the evaluation shall prevent the vendor from being considered for financial/commercial evaluation. Compliance to the technical specifications shall be on a pass/fail basis.

Financial Evaluation

Where merit points have been applied, the proposal with the lowest cost shall be given a financial score of 100 and other proposals given financial scores that are inversely proportional to their prices. The total score shall be obtained by weighting the quality and cost scores and adding them.

The supplier obtaining the highest total score (technical and financial) shall be recommended for contract award and invited for negotiations if deemed necessary.

Where technical compliance selection has been applied to evaluate non-consulting services, the vendor with the most economically advantageous bid shall be recommended for contract award.

C Evaluation proposals for consultancy services

The evaluation criteria shall be based on the weight attached to each aspect of the consultancy requirement. The criteria shall contain weights, and the weighting shall be a reflection of the importance of each aspect of the requirement. The main criteria disclosed in the RFP shall be divided into sub criteria. The sub criteria shall not be exceedingly detailed to render the evaluation a mechanical exercise more than a professional assessment of the proposals. The following is a guide into the sub criteria:

1. Consultant's experience relevant to the assignment

- 1 to 3 years
- 3 to 7 years
- 7 to 10 years

2. Quality of the Methodology proposed

- Technical approach and methodology
- Work plan
- Organization and staffing

3. Qualifications of the key staff proposed

- General qualifications (general education and training, length of experience, positions held, time with the consulting firm as staff).
- Adequacy for the assignment: (education, training, and experience in the specific sector, field, subject, and so forth, relevant to the particular assignment)

The Evaluation committee shall evaluate each proposal on the basis of its responsiveness to the Terms of Reference. 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. Each member of the evaluation committee shall individually score the proposals and the results shall be collated by the Secretary of the evaluation committee. The committee shall then convene to discuss any variations in the scores as well as any observations made during the evaluation.

At the end of the process, the evaluation committee shall prepare an evaluation report of the "quality" of the proposals.

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 exercise.

Financial Evaluation:

After the evaluation of quality is completed, financial proposals of only the firms that have qualified shall be opened in the presence of a member of the Contracts Committee. The evaluation committee 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 CECI (local currency or fully convertible foreign currency) as stated in the RFP.

The proposal with the lowest cost shall be given a financial score of 100 and other proposals given financial scores that are inversely proportional to their prices. The total score shall be obtained by weighting the quality and cost scores and adding them.

The bidder obtaining the highest total score (technical and financial) shall be recommended for contract award and invited for negotiations if deemed necessary.

Where only one bid is received in response to a tender; and the bidder has been found to be non-responsive to the technical requirements, the activity/item shall be re-tendered.

The secretary of the evaluation committee shall prepare an evaluation report, which shall be signed by all members of the evaluation committee. The evaluation report shall contain information relating to the solicitation process, details of invitation, information relating to bid receipt and opening, evaluation process including methodology, and recommendation for contract award.

C Approval of Evaluation Report

The evaluation report shall be submitted to the Contracts Committee by the Procurement and Disposal Unit for discussion and approval. Proceedings of the Contracts Committee regarding a particular procurement activity shall be communicated in writing to the Executive Director for concurrence, and later to the Head of Procurement, who shall then proceed to implement the decisions.

D Negotiations

1. Where negotiations have been recommended, the evaluation committee shall hold such negotiations with the most economically advantageous vendor.
2. Negotiations may relate to any or a combination of the following:
 - a. minor alteration of the technical details of the statement of requirements;
 - b. a change of quantities for budgetary reasons;
 - c. finalizing the payment arrangements;
 - d. agreeing final delivery or work schedules to accommodate any changes required by CECI;
 - e. the proposed methodology or staffing;
 - f. inputs required from CECI; and
 - g. Clarifying details that were not apparent or could not be finalized at the time of bidding.
3. Negotiations shall not be conducted to:
 - a. substantially change the technical quality or details of the requirement, including the tasks or responsibilities of the bidder; or
 - b. substantially alter anything which formed a crucial or deciding factor in the evaluation of the vendor.
4. Where negotiations are not successful with the first ranked vendor, negotiations can be considered with the second best most economically advantageous bidder.

E Approval of Negotiation Report

Upon conclusion of the negotiations, the evaluation committee shall prepare a negotiation report which shall be signed off by the respective members of the committee, and subsequently approved by the Contracts Committee.

2.6 CONTRACT AWARD, CONTRACTING AND CONTRACT MANAGEMENT

A Criteria for Contract Award

Contracts are awarded on the basis of award criteria applicable to the content of the bid in one of the following two ways:

- a. Under the automatic Contract, in which case the contract is awarded to the bid which, while being in order and satisfying the conditions laid down, quotes the lowest price;
- b. Under the best-value-for-money procedure (i.e. the most economically advantageous bid).

B Contract Award

1. Before the period of validity of bids expires, and on the basis of the approved evaluation report by the contracts committee, the Accounting Officer notifies the successful bidder in writing that its bid has been accepted and draws attention to any arithmetical errors which were corrected during the evaluation process. The unsuccessful vendors shall also be notified in writing and duly informed of the respective areas why their offers were unsuccessful.
2. Three originals of the standard contract are signed by both parties.
3. The bidder is required to sign the contract within 7 days from the date of receipt of the contract. If the successful bidder fails to do this within the specified deadline or indicates at any stage that it is not willing or able to sign the contract, the bidders cannot be awarded the contract. In this case the contract preparation process must be restarted from with a new bid prepared using the bid which has achieved the next highest score (provided that that bid passed the technical threshold and is within the maximum budget available for the contract).
4. The Accounting Officer informs unsuccessful bidders of decisions reached concerning the award of the contract as soon as possible, including the grounds for any decision not to award a contract for which there has been competitive bidding or to recommence the procedure.

C Cancellation of Contract

1. The contracts committee may, before the contract is signed, abandon the procurement and cancel the Contract without the bidders being entitled to claim any compensation.
2. Cancellation may occur where:
 - a. The tender procedure has been unsuccessful, i.e. no qualitatively or financially worthwhile bid has been received or there is no response at all;
 - b. The economic or technical data of the project have been fundamentally altered;
 - c. Exceptional circumstances or force measures render normal performance of the contract impossible;
 - d. All technically compliant bids exceed the financial resources available;
 - e. There have been irregularities in the procedure, in particular where these have prevented fair competition.
3. After canceling a bid procedure, the contract committee may decide:
 - a. To launch a new bid;
 - b. To open negotiations with one or more bidders who participated in the Contract, provided that the original terms of the contract have not been substantially altered (this option is not available if the reason for cancellation is that there have been irregularities in the Contract which may have prevented fair competition);
 - c. Not to award the contract.

5. In no event will CECI be liable for any damages whatsoever including, without limitation, damages for loss of profits, in any way connected with the cancellation of bid even if CECI has been advised of the possibility of damages.
6. The publication of a procurement notice does not commit CECI to any contractual obligation.
7. In accordance with subsection 6.0.B.1, the contract award notice shall allow 5 working days within which any unsatisfied bidder should make an appeal. This shall however, not apply to simple price quotes. If no appeal is received within this period, the Procurement and Disposal Unit shall proceed to prepare a contract document (for Large and medium sized requirements) and a Purchase Order for Simple Price Quotes.
8. If, after notification of award, a bidder wishes to ascertain the grounds on which its bid was not selected, it shall address its request to the Head of Procurement and Disposal Unit, who will provide written explanation. Any request for explanation from one bidder shall relate only to its own bid; information about the bid of competitors will not be addressed.

D Contracting

A Commencement of Contracts

1. A tender evaluation shall submit a recommendation for award of a contract to the contracts committee after completion of the evaluation process and any post qualification and negotiation process.
2. The contracts committee shall consider the recommendation in the same way as any other submission to the contracts committee.
3. Approval, by the Accounting Officer of a recommendation by a contracts committee shall be an award of contract decision. However, an award of contract decision by the contracts committee shall not amount to a contract binding CECI to a provider.
4. The Accounting Officer shall proceed, within five days of acceptance of the contracts committee decision to award a contract, invite a provider to sign a contract.
5. A contract document, purchase order, letter of bid acceptance or other communication in any form conveying acceptance of a bid that binds CECI to a contract with the provider, shall not be issued prior to an award of a contract by the contracts committee and approval of the decision by the Accounting Officer.
6. A contract shall be formed when the contract is signed by all parties to the contract and shall:
 - a. Clearly identify the obligations of each party;
 - b. Correlate all payments with the corresponding input, obligation or deliverables by a provider, in a specific identifiable and measurable manner;
 - c. Provide effective supervision arrangements, where required;
 - d. Provide adequate monitoring and cost control measures, where required;
 - e. Include adequate and clear delivery, acceptance and handover or commissioning arrangements, where required; and
 - f. The procedure and right of the parties to terminate the contract.
7. A contract document shall be in accordance with the form of contract specified in the bidding document.
8. CECI shall not engage providers to commence supply of goods, provision of services or execution of works without a signed contract or Purchase order.

9. The Procurement and Disposal Unit shall within 3 working days after contract award prepare the contract document in consultation with the user and legal departments.
10. The contract document shall contain all the commercial terms and conditions and shall take into account the unique nature of the requirement.
11. The draft contract shall be sent to the provider for perusal and agreement prior to signature; and the provider shall be required to revert within 4 working days.
12. Once the contractual terms and conditions have been agreed upon, the contract shall be signed by Baylor – Uganda's authorized signatory (the Executive Director or as otherwise delegated). Signing of the Purchase Orders shall be delegated by the Executive Director to any other department head as appropriately determined.
13. The following procedure shall be followed:
 - a. three (03) copies of the contract are prepared by the Procurement and Disposal Unit;
 - b. the contracts are sent to the supplier by the Procurement and Disposal Unit;
 - c. the supplier returns the signed contracts to the Procurement;
 - d. The Procurement and Disposal Unit checks that the Supplier has signed in the correct manner and on the correct page/s and that the contract is dated correctly for the CECI signature;
 - e. The Procurement and Disposal Unit arranges for the authorized signatory to sign on behalf CECI;
 - f. The supplier is sent their copy of the contract.
 - g. A copy of the contract is kept with the Procurement and Disposal Unit, and another copy kept with the User department.
14. A contract signatory shall initial all pages of a contract.
15. At least two originals of the contract shall be produced by the procurement and disposal unit.

E Contract Management

1. For every contract that CECI enters into with a provider, a contract manager shall be appointed to ensure that the execution of the contract is in accordance with the agreed terms.
2. After a contract has been placed, contract management, except the capacity to amend or terminate, shall pass from a procuring and disposal unit to a user department.
3. A procurement and disposal unit shall provide a copy of the contract to a user department.
4. A user department shall nominate an existing member of staff with appropriate skills and experience from within their department or outside their department or a contract management team, with appropriate skills and experience, as a contract manager. Upon receipt of a contract, a contract manager shall prepare a contract implementation plan, and forward a copy to the to the procurement and disposal unit for monitoring purposes.
5. 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 procurement and disposal unit.
6. A user department shall report to a procurement and disposal unit:
 - a. Any departure from the terms and conditions of a contract; and

- b. Any 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.
- 7. A contract may be managed by a body or person external to CECI, provided the user department supervises the external contract manager.
- 8. A contract manager shall:
 - a. Manage the obligations and duties of CECI as specified in the contract; and
 - b. Ensure that the provider performs the contract in accordance with the terms and conditions specified in the contract and in accordance with CECI requirements.
 - c. Ensure that a provider meets all performance or delivery obligations in accordance with the terms and conditions of a contract;
 - d. Ensure that a provider submits all required documentation in accordance with the terms and conditions of a contract;
 - e. Ensure that CECI meets all payment and other obligations in accordance with the terms and conditions of a contract;
 - f. Ensure there is adequate cost, quality and time control where appropriate;
 - g. Ensure that there is compliance with the guidelines and best practices;
 - h. Ensure that all contract obligations are complete prior to closure of the contract file;
 - i. Ensure all contract management records are kept and archived as required;
 - j. Issue any required variations or change orders (change in price, completion date or statement of requirements which is provided for in the contract to facilitate adaptations to unanticipated events or changes in requirements), in accordance with the terms and conditions of a contract;
 - k. Provide full details of a required contract amendment to the procurement and disposal unit and to obtain a contracts committee's approval prior to issue of any amendment;
 - l. Manage handover or acceptance procedures;
 - m. To provide full details of any proposed termination of a contract to a procurement and disposal unit and to obtain the approval of the contracts committee prior to termination; and
 - n. To submit reports on the progress or completion of a contract as required by a procurement and disposal unit or an accounting officer.
- 9. A contract which provides for a variation or change order shall include a limit on a variation or change order which shall not be exceeded without a contract amendment. A competent officer, for purposes of this regulation, shall be defined in the contract.
- 10. Where the contract manager or a procurement and disposal unit believe that a contract should be terminated, the contract manager or the procurement and disposal unit shall submit a recommendation for termination with a copy of the contract to a contracts committee.
- 11. A recommendation for termination of a contract shall state:
 - a. The name of a provider and the procurement reference number;
 - b. Reasons for the termination;
 - c. The actions taken to avoid termination, where applicable;
 - d. The contractual grounds for the termination;

- e. The costs, if any, resulting from the termination; and
 - f. Any other relevant information.
12. No contract shall be terminated prior to obtaining the approval of a contracts committee.
13. Where a contract is terminated, a procuring and disposing entity shall, where appropriate, inform the Authority of the provider involved, the reasons for the termination.

F Amending and Modifying Contracts

1. An amendment to a contract refers to a change in the terms and conditions of an awarded contract.
2. Where a contract is amended in order to change the original terms and conditions, the amendment to the contract shall be prepared by the procurement and disposal unit.
3. A contract amendment shall not be issued to a provider prior to:
 - a. obtaining approval from a contracts committee;
 - b. Commitment of the full amount of funding of the amended contract price over the required period of the revised contract; and
 - c. Obtaining approval from other concerned bodies including the Attorney General, after obtaining the approval of a contracts committee.
4. A contract amendment for additional quantities of the same items shall use the same or lower unit prices as the original contract.
5. No individual contract amendment shall increase the total contract price by more than fifteen percent of the original contract price.
6. Where a contract is amended more than once, the cumulative value of all contract amendments shall not increase the total contract price by more than 25 percent of the original contract price.
7. Contract modifications must be formalized through an administrative order (not applicable to grants) or an addendum to the contract. Contract modifications may be due to the fact that a technical expert has died, is ill, or has resigned or where additional works cannot be technically or economically separated from the main contract without serious inconvenience to the initial works or where such additional works, although separable from the performance of the initial contract, are absolutely necessary to its completion. For supplies, the only exception is that additional supplies are required from the same contractor because use of other supplies will lead to incompatibility or disproportionate technical difficulties in operation and maintenance.
8. Substantial modifications to the contract, including modifications to the total contract amount, must be made by means of an addendum. Such an addendum must be signed by the contracting parties.
9. The following general principles must always be respected:
 - a. A request for contract modifications should not automatically be accepted by the Accounting Officer. There must be justified reasons for modifying a contract. The Accounting Officer must examine the reasons given and reject requests which have little or no substantiation.
 - b. Contracts can only be modified within the execution period of the contract. The purpose of the addendum must be closely connected with the nature of the project covered by the initial contract. Requests for contract modifications must be made (by one contracting party to the other) well in advance and in any case before the end of the implementation period to allow

for the addendum to be signed by both parties before the expiry of the execution period of the contract.

- c. Major changes, such as a fundamental alteration of the Terms of Reference/Technical Specifications, cannot be made by means of an addendum as the addendum must not alter the competition conditions prevailing at the time the contract was awarded.
- d. For complementary services, a new contract should be signed. For additional services, an addendum should be prepared.

G Preparing an Addendum

1. In preparing an addendum, the Accounting Officer must proceed as follows:

- a. All references in the proposed addendum to article numbers and/or annexes to be modified must correspond to those in the initial contract.
- b. Any addendum modifying the budget must include a replacement budget showing how the full budget breakdown of the initial contract has been modified by this addendum (and any previous addenda).
- c. If the budget is modified by the proposed addendum, the payment schedule must also be modified accordingly, taking into account any payments already made in the course of the contract.
- d. The addendum should have explanatory notes providing a technical and financial justification for making the modifications in the proposed addendum a copy of the request for (or agreement to) the proposed modifications;
- e. Three originals of the proposed addendum, should be signed and any attachments.

H Verification of goods delivered, services provided or works executed

Payment documentation relating to goods delivered, services provided or works executed under the contract shall be prepared by the Procurement and Disposal Unit using a Payment Requisition Form. The complete documentation shall then be forwarded to the Finance Department to effect payment.

1. Prior to preparation of a Goods Received Note, all good/services shall be verified within three (3) days from the date of delivery.
2. Verification shall be carried out by a representative from the user department and a member of the Procurement and Disposal Unit handling the procurement process. Appropriate Verification Forms shall be used.
3. Where the staff mentioned in sub-section 8.8.2 are not technically competent to conduct the verification, another member of staff with relevant technical skills shall conduct the verification. If there is totally no technical staff internally, then CECI shall seek external technical assistance from a competent authority or individual.
4. Verification for goods shall confirm the following:
 - a. the correct quantity has been supplied;
 - b. the correct brand / product has been supplied;
 - c. the goods are not damaged in any way; and
 - d. the goods provided are of the correct quality/specifications.
 - e. the right timing as per contract/LPO
 - f. the right shelf life as per contract/LPO

5. Verification for services shall confirm the following:
 - a. The service provided is to the same standard as prescribed in the Terms of Reference;
 - b. All deliverables under the contract have been provided;
6. Verification for works executed shall be based on the regular works supervision and monitoring reports prepared by the Supervisor of the works.
7. In line with subsection K.H.4 (iv), the verifiers shall make an item-by-item commentary on the technical specifications of the products, indicating whether the products delivered have met the specifications earlier agreed upon between CECI and the supplier. Where there is a shortage or other deficiency in the goods delivered, this shall be noted in the verification report and the supplier shall be notified in writing. The Goods Received Note shall not be completed until the issue is resolved.
8. In line with subsection 8.8.5, the user department representative who is responsible for monitoring the services of the provider shall certify in writing that the deliverables are of satisfactory quality and in accordance with the agreed Terms of Reference and contract terms and conditions. Where there is a deficiency in the service provided, the provider shall be informed in writing, and the Goods Received Note shall not be completed until the issue is resolved.
9. Verification shall cover 100 percent of the delivered products; and shall not be done on a sample basis.
10. The verifiers shall prepare and sign a verification report which shall be submitted to the Head of Procurement.
11. Payment for goods delivered, services provided or works executed shall not be effected when the verification report is not completed/provided.

I Contract Payment

1. The contract shall specify the payment terms that shall apply to a contract and these shall include:
 - a. Payment method;
 - b. Payment structure;
 - c. Payment documents;
 - d. Payment period; and
 - e. Payment currency.
2. A payment request from a provider shall require an original invoice from the provider certifying the payment due.
3. Payment for any sum of money due under a contract may only be made in the name of a provider stated in a contract through recognized banking channels and practices.
4. No payment shall be made to any person other than a provider, unless the provider requests and confirms in writing the details of the recipient of a payment.
5. The period for payment shall be fifteen days from certification of invoices, except where this is varied in the special conditions of contract.
6. The Accounting Officer shall ensure that all payment requests are processed promptly within the payment period specified in a contract.

7. Payment shall be made in the currency stated in the contract.
8. A payment structure may include:
 - a. Stage payments, which shall be linked to specific deliverables or milestones and which may be stated in percentage terms of the defined amount or in specific amounts;
 - b. Regular interim payments, which shall be based on general progress or the work performed and may relate to a specified time period or a measurement of work performed; or
 - c. A retained payment, which shall be linked to a specific contract event, such as installation or warranty.
9. Except where best practices or market forces dictate, CECI shall not enter into a contract which requires an advance payment. Where an advance payment is consistent with best practices, an advance payment security shall be required and the requirement for a payment security shall be stated in the contract.
10. An advance payment shall be recovered from subsequent payments made to a provider, which shall be subject to a percentage deduction equal to the percentage paid as advance payment.
11. Payments shall be linked to specific and verifiable deliverables, contract event, time period, or work which should be stated in the solicitation documents and the resulting contract.
12. Individual payments shall not exceed the cost or value of the deliverable, period or work to which it is linked; and payment may require the provision of a payment security if, during the delivery of the works, services or supplies, risk or title remains with the provider.
13. Where the procurement and disposal unit has determined that a retained payment is appropriate, the contract shall state:
 - a. The percentage or amount of the total contract value to be retained;
 - b. The period or the event at which the retention is to be released; and
 - c. The documents that shall prove or certify the period or event in paragraph (b)

2.7 METHODS OF PROCUREMENT

There are twelve different procurement procedures that shall be used by CECI each allowing for a degree of competition and value for money:

A Emergency Situations

1. An emergency situation shall include circumstances which are, unforeseeable or a situation not caused by dilatory conduct where:
 - a. CECI or its stakeholders and beneficiaries are seriously threatened by or actually confronted with a disaster, catastrophe, war or an act of God;
 - b. life or the quality of life or environment may be seriously compromised;
 - c. the conditions or quality of goods, equipment, or buildings may seriously deteriorate unless action is urgently and necessarily taken to maintain them in their actual value or usefulness; or
 - d. An investment project is seriously delayed for want of minor items.

2. Where an emergency situation occurs, the requester shall provide comprehensive written justification, stating reasons giving rise to the emergency situation.
3. An urgent situation arising out of inadequate planning by the user department shall not constitute reason for emergency.
4. The Executive Director shall approve procurement using emergency procedures. The Procurement and Disposal Unit shall obtain at least one quote and subsequently prepare a Purchase Order or Contract.

B Direct Contracting/Single Sourcing

1. A sole source is where only one provider exists who is able to meet the requirements of the procurement, due to patents or a monopoly situation. Direct Contracting/Single Sourcing shall also be used where there is need to vary the quantities or scope of services or works before or after contract award.
2. Where only a sole source exists, the Procurement and Disposal Unit shall verify that only a sole source exists and ensure that the sole provider is eligible and qualified prior to finalizing the recommendation of the source.
3. Notwithstanding procedures in sub section 9.2.2, the Executive Director shall have overall discretion to directly appoint a provider regardless of value of services; especially in circumstances where the procurement item is of asensitive nature such as Forensic Investigations and Special/surprise audit exercises.
4. Direct contracting shall be used to achieve efficient and timely procurement, where the circumstances do not permit a competitive method.
5. Direct contracting may be used where:
 - a. There is insufficient time for any other procedure such as in an emergency situation; or
 - b. The works, services or supplies are available from only one provider; or
 - c. An existing contract could be extended for additional works, services or supplies of a similar nature and no advantage could be obtained by further competition, if the prices on the extended contract are reasonable; or
 - d. Additional works, services or supplies are required to be compatible with existing supplies, works or services and its advantageous to purchase the additional works, services or supplies from the original supplier, provided the prices on the additional contract are reasonable; or
 - e. It is essential or preferable to purchase additional works, services or supplies from the original supplier to ensure continuity for downstream work, including continuity in technical approach, use of experience acquired or continued professional liability, if the prices on the additional contract are reasonable;

C Prequalification of Providers

1. CECI shall conduct a prequalification process for items or non - consulting services of a routine nature.
2. Pre-qualification shall be used to identify providers who have adequate capabilities, resources and experience to perform a contract.
3. Vendor shall be retained on the prequalified list for a period of two years.
4. Where a procurement process is undertaken for the first time, and the providers that will have qualified for the final evaluation shall be automatically added to the pre-qualified list of providers.

5. Pre-qualification shall be open to all providers using public advertisement in a newspaper, internet, other media coverage of wide national or international circulation. The prequalification notice shall state the items for which the potential providers can apply for; as well as the necessary information that should be submitted and criteria for pre-qualification.
6. The bidding period for pre-qualification shall be 10 working days.
7. The Procurement and Disposal Unit shall manage the pre-qualification process, and will consult the User Department or other technical specialists, on drafting the pre-qualification notice and criteria.
8. The pre-qualification shall be based on the capability and resources of a bidder, taking into account:
 - a. Legal existence of the provider
 - b. experience in similar contracts
 - c. performance on similar contracts
 - d. capabilities with respect to equipment
 - e. financial capability of the provider
 - f. litigation record
9. The assessment/evaluation of pre-qualification submissions shall be in accordance with the requirements and criteria stated in the pre-qualification notice.
10. Upon completion of the prequalification exercise, CECI shall enter into framework agreements for a specified period with the providers for supply or provision of goods/services of a routine nature. Depending on the nature of the required items/services, framework agreements can be entered into with 2 providers for the same item.

D Expressions of Interest

1. Expression of Interest is a form of pre-qualification for consultancy services, and shall apply to pre-qualification of consultancy firms; and Individual Consultants who may be required to provide specialized services to CECI.
2. The Expressions of Interest shall be based on the capability and resources of a consultant, taking into account:
 - a. experience in similar assignments
 - b. performance on previous assignments
 - c. the qualifications and experience of personnel
 - d. litigation record

3. Notwithstanding procedures in subsection L.D.1, in circumstances where CECI requires Technical Services from any government entity, the Executive Director shall directly request for such services from the respective Ministry Department or Agency.

E Procurement by Third Party Providers

1. Where the user department identifies needs that will best be handled by Third Party Providers, the user department shall provide justification to the Head of Procurement including a cost benefit analysis as to why such requirements should be outsourced.
2. Items or services to be outsourced to Third Party Providers shall be of such a unique nature, that CECI has no capability and expertise to manage the procurement process for such items internally.

3. Where a decision to outsource has been made by CECI Management, the outsourcing contract shall be for a specified period as CECI senior management shall determine, and shall include explicit performance measures to be monitored.
4. The outsourcing contract shall allow CECI to negotiate rates for specific services or products under the contract, before such services or products are supplied by the provider.

F Open Domestic Bidding

1. Open domestic bidding is a procurement method which is open to participation on equal terms by all providers through advertisement of the procurement opportunity.
2. Open domestic bidding shall be used to obtain maximum possible competition and value for money.
3. Nothing shall prevent a foreign or international bidder from participating in open domestic bidding.
4. Open domestic bidding shall be open to all bidders following a public advertisement of a Bid Notice in at least one widely read national newspaper, internet and other media coverages.
5. Bidding documents may be issued to prospective bidders at a fee, the cost of which shall be agreed upon by the respective Contracts Committees.
6. A public bid opening may be held in accordance with the procedures laid out in this manual.

G Open International Bidding

1. Open international bidding is the procurement method which is open to participation on equal terms by all providers, through advertisement of the procurement opportunity and which specifically seeks to attract foreign providers.
2. Open international bidding is used to obtain the maximum possible competition and value for money, where national providers may not necessarily make this achievable.
3. Open international bidding shall be open to all bidders following the public advertisement of a Bid Notice in a publication of wide international circulation including the internet and other media coverage.
4. Bidding documents may be issued to prospective bidders at a fee, the cost of which shall be agreed upon by the Contracts Committee.
5. A procuring and disposing unit may use pre-qualification under open domestic or open international bidding to obtain a shortlist of bidders, where the non-consultancy services or supplies are highly complex, specialized or require detailed design or methodology; or the costs of preparing a detailed bid would discourage competition; or the evaluation is particularly detailed and the evaluation of a large number of bids would require excessive time and resources from a procuring and disposing entity; or the bidding is for a group of similar contracts, for the purposes of facilitating the preparation of a shortlist.

H Restricted Domestic Bidding

1. Restricted domestic bidding is the procurement method where bids are obtained by direct invitation without open advertisement.
2. Restricted domestic bidding is used to obtain competition and value for money to the extent possible, where the value or circumstances do not justify or permit the open bidding procedure.

3. The procurement process shall involve issue of an invitation to bid which shall be addressed to a limited number of potential bidders on the prequalification list without advertising the opportunity in a Bid Notice.

I Restricted International Bidding

1. Restricted international bidding is the procurement procedure where bids are obtained by direct invitation without open advertisement and the invited bidders include foreign providers.
2. Restricted international bidding shall be used to obtain competition and value for money to the extent possible where the value or circumstances do not justify or permit an open bidding Method and the short listed bidders include foreign providers.
3. The procurement process shall involve issue of an invitation to bid which shall be addressed to a limited number of potential bidders on the prequalified list without advertising the opportunity in a Bid Notice.

2.8 Micro procurement

1. Micro procurement is a procurement method which shall be used for very low value procurement requirements.
2. Micro procurement shall be used to achieve efficient and timely procurement where the value does not justify a competitive procedure.
3. Where micro procurement method is used; (1.) the original invoice or receipt evidencing the supplies procured and the price paid shall be obtained and signed by the official procuring the supplies; (2.) at least three quotations shall be obtained for a comparison.
4. A micro procurement process shall not require:
 - a. Issuance of a bidding document;
 - b. Submission of a bid;
 - c. A public bid opening session;
 - d. The use of an evaluation committee;
 - e. Issue of a notice of best evaluated bidder; and
 - f. Issue of a notice of award of contract
5. Micro procurement method shall not be used to- (1.) to split procurements in order to avoid using the appropriate procurement method; or (2.) for the procurement of works, services or supplies where they are required continuously or repeatedly over a set period of time or for which a framework contract is required.

2.9 Quotation Procurement

1. Quotation procurement is a simplified procurement and disposal methods which compare price quotations obtained from a number of providers. This method shall be used to obtain competition and value for money to the extent possible, where the value or circumstances do not justify or permit open or restricted bidding procedures. Quotations shall be used in works and supplies while Proposals shall be used for services.
2. At least three price quotations shall be required except where it is justified that less than three suppliers exist in the market, or a particular brand of supplies is available from less than three suppliers, or similar goods or services can be purchased from a supplier, who has been supplying

any such goods, services or supplies within the last six months and can supply such goods, supplies or services at the same price and without upward variation of any incidental costs.

3. The contracts committee shall approve at least three bidders who comply with the technical and professional requirements and select the bidder with the best value for money in case of services and cheapest compliant offer in case of supplies and works.

3.0 Framework Contracts

1. A framework contract is an agreement between one or more bidders the purpose of which is to establish the terms governing specific contracts which may be awarded during a given period, particularly as regards the duration, subject, price, implementation rules and the quantities envisaged.
2. The duration of such contracts may not exceed one year, save in exceptional cases justified in particular by the subject of the framework contract and approved by the contracts committee.
3. The contracts committee may not make undue use of framework contracts or use them in such a way that the purpose or effect is to prevent, restrict or distort competition and framework contracts shall respect the principles of transparency, proportionality, equal treatment, non-discrimination and of sound competition.
4. The contracts committee shall, where appropriate approve the use of a framework contract for the frequent procurement of regularly required items.

3.1 Procedure for Handling Complaints from providers

1. Where a bidder is dissatisfied with the results of the bidding process, they shall lodge an appeal in writing to the Executive Director within 5 working days after the notice of contract award.
2. The appeal application shall be based on facts and shall state the details of the procurement requirement to which the complaint relates; the grounds for dissatisfaction; and documentary or other evidence supporting the complaint.
3. The Executive Director or as otherwise delegated to a member of the Senior Management Team, shall stop the procurement process, examine the appeal, investigate the complaint and respond to the bidder within 5 working days.

3.2 Record keeping

1. The Procurement and Disposal Unit shall be responsible for maintaining all procurement records of CECI.
2. Procurement records maintained by CECI shall contain the following information:
 - a. a request to initiate procurement proceedings;
 - b. a copy of the published advertisement or shortlist;
 - c. a copy of Invitation To Bid and any amendments or clarifications;
 - d. a copy of all bids evaluated or clarifications requested and responses received;
 - e. the evaluation report;
 - f. minutes of meetings on procurement, including pre-bid and negotiation meetings;
 - g. a notification to the successful bidder;
 - h. all correspondences between CECI and a bidder or potential bidder;
 - i. a copy of the signed contract document/LPO, including any signed contract amendments;

- j. any variations or change orders issued under the contract;
- k. minutes of any meetings related to contracts management, including contract progress or review meetings;
- l. delivery documents evidencing delivery of supplies or completion certificates in relation to a contract for services or works under the contract;
- m. Verification report for goods delivered, services provided or works executed;
- n. a copy of all invoices for works, services or supplies including work papers verifying the accuracy of payments claimed and details of the actual payment authorized by a contract manager;
- o. a copy of cumulative payment worksheets evidencing management of all payments made; and
- p. a copy of any claims made by the contract manager on behalf of CECI in respect of any warranty, non-warranty, short supply, damage and other claims upon the provider or upon CECI.

3.3 DISPOSAL OF ASSETS

1. An asset is any item in which a future economic benefit will eventuate and it possesses a cost or other value that can be reliably measured; has a useful life greater than one year and the initial value to the entity of the item is greater than or equal to UGX 1,000,000.
2. The decision to dispose assets shall be influenced by a range of factors which include the following:
 - a. Items are beyond their economic life;
 - b. Items are no longer required for their original purpose;
 - c. Items have reached their optimum selling time to maximize returns; and/or
 - d. Items are of a hazardous nature.
3. The basic Disposal Principles in the PPDA ACT, 2003 states that Disposal of assets may be by way of the following methods:
 - a. Public auction where the professional valuation of an individual asset or lot does not exceed the value stated in the guidelines;
 - b. Direct negotiation where disposal on the open market would raise legal or human rights issues and the consideration received is not less than the professional valuation;
 - c. Destruction of assets where there is no residual value or no grounds of national security or public interest;
 - d. Conversion or classification of assets into another form for disposal by sale such as scrap metal or land fill;
 - e. Trade-in; and
 - f. Transfer to another procuring and disposing entity.

However, the disposal of assets may be in accordance with national and internationally acceptable standards and best practices. CECI will use any of the methods of disposal that may deem fit to its circumstance as in indicated below in this part.

A Compilation of list of items for Disposal

The procurement and disposal unit shall prepare an asset register which shall record the description of the asset, location, ownership details, quantity, condition and certain financial information relating to the asset valuations.

1. Annually, the Executive Director shall constitute an adhoc Asset Disposal Committee composed of three members i.e. a member from the Procurement and Disposal Unit, a member from the Management Team and any other staff.
2. The Asset Disposal Committee shall be responsible for compiling a list of all the items that are obsolete, unusable/unserviceable, surplus stock or equipment or items that have exhausted their useful life.
3. Assets to be disposed off shall be grouped in contracts or lots in a manner which attracts maximum possible competition.
4. In the case of pharmaceutical products, the Product Facility shall develop a management plan for consumption of stock that is due to expire in the next 6 months.

B Valuation of Assets

1. During compilation of the items for disposal, the Asset Disposal Committee shall indicate the name of the asset, location, current state of the asset, and approximate present value of the asset.
2. The compiled list of items for disposal shall be approved by the Executive Director.
3. Prior to the disposal proceedings, a second independent, market-based valuation shall be obtained from an appropriate authority or provider in order to provide an indication of the present value of the asset.
4. The results of the valuation by the Asset Disposal Committee shall be confidential and shall not be disclosed to the independent valuer.
5. CECI shall use an average of the two valuations to determine a reserve price for the asset, which shall be the minimum sale price of the asset.
6. The procurement and disposal unit shall:
 - a. Recommend items for disposal with reserve prices and forward them to the contracts committee for approval;
 - b. Determine condition of assets for disposal; and
 - c. Examine the disposal options and recommend a disposal method to the contracts committee.
7. The contracts committee on receipt of a disposal request from the procurement and disposal unit shall decide whether:
 - a. The disposal of the asset is appropriate;
 - b. The method of disposal is appropriate, will achieve the best net outcome and is a fair and open process;
 - c. Any asset needs to be repaired or maintained to increase its attractiveness to buyers;
 - d. Appropriate action is to be taken to write-off or write-down the asset; and
 - e. Adequate records of disposal exist for management, audit and review purposes.

C Methods of Disposal

- a. In disposing off assets, CECI staff shall be given first priority to buy the assets.
- b. Where the bids received from the staff are below the reserve price, or where the staff have not expressed any interest in purchasing the items, the items shall be sold by public bidding.

D Disposal Process by Sale to CECI Staff

1. The Asset Disposal Committee shall publish a non-public invitation notice on all CECI notice boards, staff email and intranet. The notice shall indicate the list of items for disposal and their respective location and condition. The notice shall indicate that the items shall be sold, as is, where is.
2. The Asset Disposal Committee shall request for written sealed bids from interested staff.
3. The advertising period for Sale to Staff shall be five (5) working days.
4. A staff shall not be permitted to bid for more than one similar item.
5. A member of the Asset Disposal Committee shall not be permitted to participate in the disposal process as a bidder.
6. The sealed bids shall be deposited in the bid box at or before the deadline of submission determined by the Asset Disposal Committee. Late bids shall not be accepted.
7. The bids shall be opened by the Asset Disposal Committee, and details of the bidder, the items bided for and amounted quoted recorded.
8. Evaluation of bids shall be done by the Asset Disposal Committee; and shall be based on price only.
9. A post-bid negotiation shall not be permitted;
10. The Asset Disposal Committee shall make the award decision and communicate to all staff who participated in the bidding.
11. Staff that will have been awarded shall pay for the items within two (2) working days from the date of issuance of the award notice. Payment will be made by cash to the Finance Department and a receipt shall be issued as proof of payment. If payment is not made within the prescribed time frame, the second-best evaluated bidder shall be awarded unless his/her bid falls within the category described in clause 10.3.2 above.
12. Upon payment, the awarded staff shall collect the item from the CECI premises within two (2) days at his/her own cost, on presentation of his/her receipt as proof of full payment.

E Confidentiality

1. The Asset Disposal Committee shall maintain the highest level of confidentiality during the disposal process, to the extent that any information related to reserve prices, evaluation/comparison of bids and recommendations for award shall not be disclosed to bidders or any other person not officially concerned with the disposal process, until the award to the successful bidder has been published.
2. Any efforts by a bidder to influence the Asset Disposal Committee's processing of bids or award decision shall result in automatic rejection of his/her bid.

F Other Methods of Disposal

1. **The Asset Disposal Committee shall select other disposal methods as follows:**

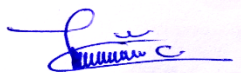
- a. public auction – shall be used in line with subsection 10.3.2;
- b. donation - shall include free distribution of pharmaceutical products that are about to expire, especially where the intended beneficiary shall make further use of the product. For other items which have neither been bought staff or the public, the items shall be donated in line with the Baylor- Uganda's CSR Policy.
- c. destruction of assets - shall include incineration in case of expired commodities in line with the Environmental Management Policy.
- d. direct negotiation where disposal on the open market would raise legal or human rights issues and the consideration received is not less than the professional valuation;
- e. conversion or classification of assets into another form for disposal by sale such as scrap metal or land fill;
- f. trade-in; and
- g. transfer to another procuring and disposing entity.

2 Records of disposal shall contain the following documents, where appropriate:

- a. An appointment of the members of the Asset Disposal Committee,
- b. a copy of an invitation notice;
- c. Valuation reports by the Asset Disposal Committee and the independent valuer;
- d. a record of the bid opening;
- e. a copy of all bids evaluated;
- f. the evaluation report
- g. minutes of meetings on the disposal;
- h. records of receipts of payment and hand over certificates.
- i. An Asset disposal report

3.4 Declaration

This Procurement and Disposal Policy Manual was approved by the CECI Board of Directors this day Friday 1st November, 2019.



Mr. Juma Robert John Paul
The sitting Chairperson of the Board,
Community Empowerment for Creative Innovations (CECI).

