

PROCUREMENT POLICY

JULY, 2020

Name	Designation	Date	Signature
Eng. Margaret Ogai	Hon. Secretary	25/6/2021	
Eng. Carren Oyolla	Hon. Treasurer	30/6/2021	
Eng. Nathaniel Matalanga	President	30/6/2021	

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LIST OF ABBREVIATION

#	Abbreviation	Meaning
1.	CEO	Chief Executive Officer
2.	EXCOM	Executive Committee
3.	IAC	Inspection and Acceptance Committee
4.	IEK	Institution of Engineers of Kenya
5.	LPO	Local Procurement Order
6.	LSO	Local Service Order
7.	PAC	Procurement Advisory Committee
8.	PPADR	Public Procurement and Asset Disposal Regulations
9.	TEC	Tender Evaluation Committee
10.	TOC	Tender Opening Committee



PROCUREMENT POLICY

1. INTRODUCTION

the Institution of Engineers of Kenya (IEK) is the learned society of the engineering profession and co-operates with national and other international institutions in developing and applying engineering to the benefit of humanity. IEK has over 7,000 members drawn from engineers working in various government institutions (both national and county), consultancies, contractors, educators, designers, manufacturers and other persons interested in engineering.

The IEK sustainable procurement policy is intended to provide guidelines, and make provisions for proper and efficient management and administration of procurement processes by ensuring quality and efficient delivery of goods and services to members while ensuring effective competition is enhanced in the procurement processes.

2. KEY OBJECTIVES

The procurement Policy key objectives are;

- I. To deliver an efficient tender management system that will ensure receipt of goods, works and services based on the 5 rights – right time, quality, place, cost and quantity
- II. To deliver an efficient contract management system that will enhance continuity in supply of quality materials, services and works on time

3. SCOPE

This policy applies to all procurement activities within the Institution of Engineers of Kenya to promote the strategic ideals of the procurement in liaison with all the employees and other stake holders who are involved in the procurement and provision of goods, works and services

4. POLICY DEFINITION

This Procurement policy is a statement of procedures, guidelines, instructions, rules and Regulations to be followed by Institution of Engineers of Kenya for the purpose of sustainably procuring goods, service or works efficiently, economically, transparently in a fair and most economical means and in compliance with the existing laws.



5. PROCUREMENT DEFINED

Procurement is the process of acquisition of the required goods, works or services, by way of purchase, lease, hire purchase, license, tenancy, and franchise or by contractual means of any type of works, assets services or goods in any combination.

6. POLICY DEVELOPMENT

This policy will be reviewed 'as and when' need arises and following any new Public Procurement Regulation Authority guideline policies, the Council work plans and the Council's strategic goals and objectives.

7. VALUES OF INSTITUTION OF ENGINEERS OF KENYA PROCUREMENT

As stipulated in the statutes, the following general principles shall guide the processes while executing procurement on behalf of the Institution;

- I. Fairness, Integrity and Transparency
- II. Effective Competition
- III. Best Value for Money

8. CONFLICT OF INTEREST

All IEK office bearers and secretariat staff are prohibited from activities that might present conflicts of interest in their relationship with the Institution. Office bearers and staff of IEK may not use their positions and privileges to their benefit at the Institution's expense. In all cases where an office bearer or staff member of the Institution has a financial interest in any corporate transaction, the official or staff member is required to fully declare such and abstain from all decision making processes related to the transaction. Failure to do so will attract disciplinary action by the Council.

9. RESPONSIBILITIES

9.1 PROCUREMENT ADVISORY COMMITTEE (PAC)

The PAC shall comprise one member of EXCOM, an ordinary council member, and the CEO. The PAC shall oversight procurement activities of the council. The CEO shall prepare monthly summary of all major procurement activities to be presented to the PAC for review.



9.2 CHIEF EXECUTIVE OFFICER

The Chief Executive Officer in consultation with EXCOM has the overall responsibility for the execution of the procurement process including appointment of members of various procurement committees.

9.3 TENDER OPENING COMMITTEE

The Chief Executive Officer in consultation with Hon. Sec shall appoint a tender opening committee specifically for the procurement in accordance with the Public Procurement and Disposal Regulations (PPADR) 2020 section 25 and pursuant to the provisions of the ACT section 78.

9.4 TENDER EVALUATION COMMITTEE

The chief executive officer in consultation with Hon. Sec shall appoint the Tender Evaluation committee.


The main role of the Tender Evaluation Committee (TEC) shall be to select bids based upon technical and financial considerations the best submittal for a particular procurement request and in accordance to requirements set out under Regulation 28 of the Public Procurement and Asset Disposal Regulations 2020 and pursuant to section 80 of the ACT.

9.5 USER DEPARTMENT/COMMITTEES

A user department/Committee of the council shall be responsible for initiating procurement requirements and forwarding them to the procurement unit and participate in the evaluation of tenders, proposals and quotations in accordance with Regulation 34 of the Public Procurement and Asset Disposal Regulations (PPADR) 2020.

9.6 PROCUREMENT UNIT

The CEO shall establish The Procurement unit within the organization structure whose responsibility is to serve internal customers and members with the timely and cost effective procurement of goods, works and services. This shall be accomplished through product knowledge, competitive bidding, negotiation of special pricing agreements/contracts and the monitoring of vendor performance.



9.7 INSPECTION AND ACCEPTANCE COMMITTEE

To make sure that there is accountability, an Inspection and Acceptance Committee is established for verification of goods, services and works. The committee signs for acceptance of delivered goods and services and confirms that what is received is what was ordered. See annex 2 for a sample of the form that must be filled by the committee.

10. PROCUREMENT PROCESS

10.1 PROCUREMENT PLAN

The CEO in collaboration with the standing committees shall prepare annual procurement plans. The procurement plans shall be reviewed by the procurement advisory committee (PAC). The PAC shall present the reviewed annual procurement plan to the council for approval.

10.2 PREPARATION OF TENDER DOCUMENTS

The CEO in collaboration with the standing committees shall prepare tender documents providing specifications for goods, works and services to be procured. The PAC shall the review the tender documents to ensure compliance. The PAC ~~present~~ then present the tender document to the EXCOM of the council for approval for tender document over ksh. 100,000/=. For the tenders whose value is less than ksh. 100,000, the CEO will approve.

10.3 APPROVAL OF SHORTLIST/PREQUALIFIED

The CEO or head of procurement shall prepare short list or prequalification form. The prequalification form shall be sent to the suppliers for expression of interest. On receipt of the interested suppliers, the CEO/head of procurement would prepare the pre-qualified list and present to Hon. Secretary for review. The Hon. Secretary shall then seek approval of the EXCOM.

10.4 ISSUE OF TENDER DOCUMENTS

The CEO shall issue the tenders whose value is less than ksh. 500,000 while the Hon. Secretary shall issue tenders whose value is between ksh. 500,000 and 1,000,000. The president shall issue tenders whose value is over ksh. 1,000,000.



10.5 TENDER OPENING COMMITTEE (TOC)

The Chief Executive Officer shall propose to the Hon. Secretary the names of at least 3 persons appointed in a tender opening committee specifically for the procurement in accordance with the Public Procurement and Disposal Regulations (PPADR) 2020 section 25 and pursuant to the provisions of the ACT section 78.

10.6 TENDER EVALUATION COMMITTEE (TEC)

The CEO shall propose to the Hon. Secretary the names of at least 3 persons to be appointed to the tender evaluation committee.

10.7 TENDER AWARD/LSO

The CEO shall award the tenders whose value is less than ksh. 500,000 while the Hon. Secretary shall award tenders whose value is between ksh. 500,000 and 1,000,000. The president shall award tenders whose value is over ksh. 1,000,000.

10.8 CONTRACT SIGNING

The CEO shall sign the tenders whose value is less than ksh. 500,000 while the Hon. Secretary shall sign tenders whose value is between ksh. 500,000 and 1,000,000. The president shall sign tenders whose value is over ksh. 1,000,000.

10.9 PROCUREMENT MONITORING

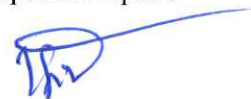
The CEO shall appoint contract monitoring team to monitor the performance of the active procurement. The shall prepare quarterly monitoring reports to the PAC to review. The PAC shall then appraise the council on the procurement progress.

10.10 INSPECTION AND ACCEPTANCE COMMITTEE

The CEO shall appoint the Inspection and acceptance committee (IAC) to inspect and accept all delivered goods, works, and services. The IAC shall prepare a report and submit to the CEO for review. The CEO shall then submit the reviewed report to the PAC for approval.

10.11 PAYMENT OF SUPPLIERS

On receipt of inspection and acceptance committee report, delivery note, the procurement officer shall inform the supplier to submit an invoice. The CEO shall review the invoice and submit to the Hon. Treasurer for payment attaching invoice, LPO, inspection and acceptance report.



10.12 CONTRACT IMPLEMENTATION TEAM (CIT)

The contract shall be an adhoc team responsible of ensuring effective implementation of the contract. The CIT shall consist of the user department/committee/CEO. The CIT shall prepare progress reports to be submitted to PAC for review. The PAC will then appraise the EXCOM on the same.

11. MAINTAINING PROCUREMENT RECORDS

The procurement officer shall prepare and maintain all procurement documents in a manner that is easily traceable. The documents shall be submitted to the CEO for review and then to Hon. Secretary for approval.

12. INVENTORY AND STORES MANAGEMENT (ASSET MANAGEMENT)

12.1 Storage

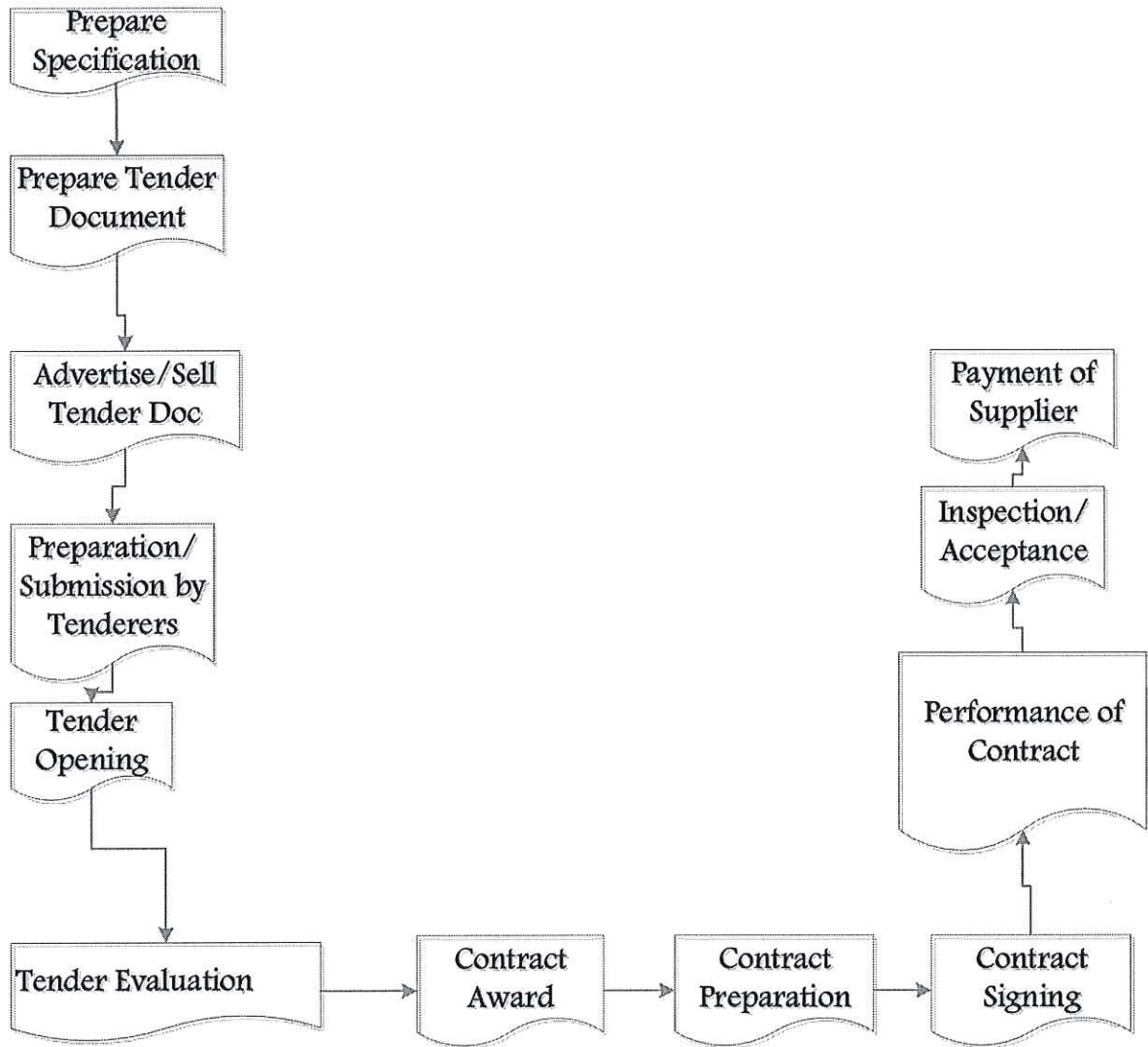
The Institution will maintain a store for keeping stationery, office supplies, and other such equipment. The store must be a secure place that is under lock and key and with limited access.

12.2 Inventory Management

The procurement officer shall tag all procured assets and prepare an asset register. The procurement officer shall submit the asset register to the CEO for review. The CEO shall review and submit to the Hon. Treasurer for approval.



OPEN TENDER PROCESS



ANNEX A: METHODS OF PROCUREMENT

3.1 Methods of Procurement

The Law provides for three (3) main methods of procurement. These are: -

- a) Cash Imprest
- b) Request for Quotation (RFQ)
- c) Open Tender

There are however, some exceptions to these methods. These are: -

I. Restricted Tendering Method

This method is used in procuring large and complex goods, services or works. The procedures are similar to those used in open tendering, except that the invitations to tender are addressed to a limited number of qualified candidates. Candidates to be invited using restricted tender should not be less than three.

II. Open International Procedures

This method is used in cases where an effective competition could not be attained during open national tendering. In such cases, foreign firms are invited to tender.

III. Direct Procurement

Direct procurement is used when single sourcing for goods, services or works in cases where there are no alternative suppliers or firms to compete for business.

This method can also be used during emergencies or national disasters.

3.2 Processes of Buying

a) Through Imprest

When buying through imprest, the following steps shall be followed through:

- A request (requisition) is forwarded by the user to the one with authority to commit funds for expenditure (AIE holder) for approval, then directed to the procurement/ supplies office.
- Costing is done based on the technical specifications
- Imprest (cash) is applied for and is used to buy the item
- The item is then received by the stores clerk. It is then recorded on the stores ledger



and control card.

- Eventually the item is issued to the user through counter requisition and issue voucher

b) Through Quotations

When it is agreed as per regulations to buy through quotation: -

- A requisition is written and approval /authority given/granted. Request for Quotation (RFQ) forms are sent out to potential bidders (at least 3).

The quotation should be submitted within 7 days.

The forms are filled, submitted back and opened by the Procurement Committee for award of contract to supply.

Minutes are then confirmed and LPOs are raised.

- For services, LSOs are raised.
- Receiving is as above but verification is done by the inspection and Acceptance committee which consists of 3 or more members.
- Members must commit themselves in writing to the decisions made.

Buying through quotation must be done on the basis of the limitations imposed by the Public Procurement and Asset Disposal ACT, 2015 and the Regulations 2020.


c) Through Open Tender

The principal document here is tender form that details the items required plus their respective quantities. This is where prices are filled. Confidential Business Questionnaire (CBQ) is also mandatory. Other documents include; declaration forms.

Tenders are advertised in any widely circulated daily edition.

The duration of tender must be 21 days. The advertisement captures the closing date and time, venue of opening and where to deposit the bids. The location of the tender box must also be indicated. Prices quoted must be valid for 90 days. Counting starts from the date the tender closes (on the 21st day).

The tender committee opens the bids on the 21st day, marks and signs the documents. Each member of the committee must sign (initial) every page of the tender document. After the



analysis is done, the committee critically examines and makes decisions on the tenders and recommends the awards. Letters of acceptance are written in two copies. If a supplier accepts the offer, an LPO is raised.

3.3 Financial Limits

The PPDR (2020) specify how much money a procurement entity should commit in purchasing through each of the methods. This puts a limit on how much funds should be committed.

This is referred to as the threshold matrix or financial limit of procurement.

METHOD OF PROCUREMENT	CEILINGS (Kshs)
Cash Imprest	15000 and below
Quotations	15001- 500,000 (for good, works and services)
Restricted Tendering	500,001- 2,999,999
Open Tender	3 million and above (for goods) 1 million and above (for services)



Annex 2: Inspection and acceptance committee

We the undersigned, being members of the IAC appointed by the Accounting Officer through letter Ref: _____ dated: _____
_____ Confirm that we have performed the assignment diligently and issued this acceptance certificate for the procurement object indicated below:

Contract Title and No.:

Date of Contract:

Supplier/Contractor:

Value of Contract:

Particulars of the contract:

Contract items (list as necessary):

Contract delivery due date:

Actual delivery date:

Procuring Entity:

Contract Manager:

Signed:
1. Name: _____ Signature: _____
2. Name: _____ Signature: _____
3. Name: _____ Signature: _____
4. Name: _____ Signature: _____



Annex 3: Local Procurement Order.

NO.....

To:.....	Dated..... Contract Ref No..... Quotation Ref. No.....
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Please deliver the following goods on or before..... To the delivery address under the terms and conditions stated on the reverse side of this purchase order. If you accept these conditions return the second copy of this order signed by an authorized organization. Invoices must be sent without delay with goods to.....
..... (procuring entity)

Item No.	Description	Quantity	PRICE PER UNIT		AMOUNT	
			SHS.	CTS	SHS	CTS.

Delivery address.....

Signed.....
Designation.....
Procuring entity.....
Vote
Head/subhead.....

Account No.....

Annex 6 : Annual Procurement Plan

S er ia l N o.	Description	U n i t o f i s s u e	Q t y r e q u i r e d	E s t i m a t e d u n i t c o s t	P r o c u r e m e n t m e t h o d	S o u r c e o f F u n d s (B u d g e t I t e m)	E s t i m a t e d T o t a l C o s t	Dates for completion of key procurement processing activity							R E S E R V A T I O N S C H E M E (A L L / Y W F W D / W O M E N / Y O U T H / P W D)	
								P R E P A R A T I O N O F B I D D O C.	I N V I T E / A D V E R T I S E T E N D E R	B I D O P E N I N G	B I D E V A L U A T I O N	T E N D E R A W A R D	C O N T R A C T S I G N I N G	S i g n o f c o n t r a c t		D A T E F O R C O M P L E T I O N O F C O N T R A C T S t a r t D a t e
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