

## KWC PROCUREMENT POLICY

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### **Introduction**

The purpose of KWC procurement policy is to ensure that all purchases made by the officers of the organization shall be made in accordance with these procurement standards. KWC's procurement transactions irrespective of the method or Ghana Cedi value shall be undertaken on competitive basis and in accordance with Ghana Public Procurement Act, 2003 (Act 654).

### **Definition**

Businesses and individuals that provide goods and services to KWC are considered its vendors. This procurement policy is about streamlining the process for heightened efficiencies and managing vendor relationships to ensure that the agreements made are mutually beneficial for both parties.

This policy establishes standards and guidelines for the procurement of supplies, equipment and services to KWC and it is to ensure that they are obtained as economically as possible through an open and competitive process, and that contracts are managed with good administrative practices and sound business judgment.

### **Procurement Objectives and Governance**

The primary objectives of this document are to ensure that:

- Procurement at KWC is in line with best practice;
- Procurement practices comply fully with statutory regulations and directives;
- Savings and performance targets are met

The Code of Conduct of KWC governs the performance, behaviour and actions of board members, employees, directors, volunteers, or agents who are engaged in any aspect of procurement, including, but not limited to, purchasing goods and services; awarding contracts and the administration and supervision of contracts.

1. No staff, officer, director, volunteer or agent of KWC participates in the selection, award or administration of a bid or contract if a conflict of interest is real or apparent to a reasonable person.

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2. KWC identifies the occurrence of conflicts of interest when any employee, officer, director, volunteer or agent of KWC has a financial, family or any other beneficial interest in the vendor firm selected or considered for an award.

3. No KWC staff, officer, director, volunteer or agent does business with, award contracts to, or show favoritism towards a member of his/her immediate family, spouse's family or to any company, vendor or concern who either employs or has any relationship to a family member; or award a contract or bid which violates the spirit or intent of Ghana's procurement laws and policies established to maximize free and open competition among qualified vendors.

As permitted by law, rule, policy or regulation, KWC pursues appropriate legal, administrative or disciplinary action against an employee, officer, director, volunteer, vendor or vendor's agent who is alleged to have committed, has been convicted of or pled no contest to a procurement related infraction. If the said person has been convicted, disciplined or pled no contest to a procurement violation, he/she is removed from any further responsibility or involvement with grants management, procurement actions or bids, consistent with national policy.

### **Solicitation and Competition**

All procurement transactions at KWC are conducted to provide – to the maximum extent possible – free and open competition among suppliers. KWC analyses the need for the procurement, to avoid the purchase of unnecessary items. The purchaser identifies and clearly specifies standards for the goods or services desired, and seeks competitive offers where possible to obtain the best possible quality at the best possible price.

**For procurements under GHC1,000 in value, the decision is made by the Finance Officer.**

### **Best Practices**

In general: the Accounts Officer undertakes some form of cost or price analysis and documents in the procurement files (See Appendix 1) in connection with every procurement action. Price analysis are accomplished in various ways, including the comparison of price quotations submitted and market prices, together with discounts.

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**For procurements from GHC1,001 to GHC5,000 in value, prior approval is obtained from the Executive Director.**

### **Best practice**

**Three (3) Invoices** are sought for goods and services exceeding GHC1,000. Procurement files include the following:

- Basis for contractor selection.
- Justification for lack of competition when competitive bids or offers are not obtained.
- Basis of award, cost or price.

Whenever possible, KWC engages in affirmative efforts to utilise small businesses, minority owned firms, and women's business enterprises.

### **Selection**

- Price is one of the factors in the evaluation of responses, but KWC is required to take the lowest price if other factors are important to the decision.
- There is an objective method for selection, and any factors for evaluation and selection are listed in the procurement documents.
- Awards are made to the offer or whose terms are responsive to the solicitation and is most advantageous to KWC (price, quality and other factors considered).
- An offer is rejected when it is in KWC's interest to do so.

**For procurements over GHC5,000 in value, approval from the Chair of the Audit Committee is required.**

### **Best practice**

Documentation at a minimum, procurement records clearly show how KWC:

- Executes price sampling for large purchases;
- Selects the method of procurement and the type of contract to be used;
- Determines which bids or proposals to accept and which to reject; and

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- Determines the basis for the contract cost or price.

See Appendix 2 for sample Score Sheet for Evaluation of Tenders.

### **Purchases**

KWC staff making purchases as part of the organizational activity shall follow the following guidelines:

- Requisition form – The employee requesting a product or service shall fill the requisite form and have it approved by the Executive Director and sends it to the Finance Manager except where the cost of the transaction is less than GHC 1000.00 and in that case the Finance Manager will approve.
- Purchase Order Form – The finance division issues the order form after it is signed by the Executive Director. The finance division will make the necessary arrangement based on KWC procurement standards and user division to purchase the item on the basis of the order form.
- Delivery Slip- This slip is issued after purchase is made and item delivered and the item inspected by the Finance Manager. Where this is not applicable, the supplier invoice is initialed by the finance manager to indicate that the item ordered has been delivered.

All source documentation supporting any business transaction is retained and filed in an appropriate manner (See Appendix 1 for Procurement File documents).

### **Contract Administration**

KWC has an overall system of contract administration that ensures proper oversight and management of procurement actions. KWC evaluates all contractor performance and documents, as appropriate, whether contractors have met the terms, conditions and specifications of the contract. This includes progress inspections/reports, interim products, inspection of goods delivered or services rendered, and other such methods that provide assurance that the goods or services purchased are being delivered within the scope of the contract.

KWC's contract administration system ensures that:

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- The method of procurement is documented and records maintained for about five (5) years after final payment is made;
- All activities are carried out and costs incurred in compliance with applicable requirements; and
- Before payment is made, services performed are verified to be adequate and consistent with the contract's scope of services.

### **ADOPTION**

This policy was adopted by the Board of Directors of the Kumasi Wood Cluster Association on;

Date: 4th June 2019

Signature: *Alhassan Attah*

Name: Alhassan Attah

Position: Chairman of KWC Board

### *Appendix 1 – The Procurement File*

The procurement file is expected to contain the following:

- a record of meetings at which it was decided to engage external support and the reasons justifying this decision;
- the business case;
- the cost benefit analysis (if performed);
- all correspondence with the Finance section
- the contract notice;
- all advertising related to the Tender;
- the Requests for Tender (RFT);
- all clarifications sent to those who requested the tenders;
- the report of the opening of the tenders;
- the successful tender. (Unsuccessful tenders should be archived together with a copy of the RFT, the contract notice and the evaluation report);
- the evaluation report;
- the acceptance by management of the evaluation team's report
- the acceptance letter to the successful tender informing of the result of the tender competition;
- the letters to the unsuccessful tenders;
- the contract award notices;
- the contract;
- the project management plan (including the risk assessment);
- the minutes of all project management meetings (including the project inception meeting);
- all orders to the contract holder for work-packages/services;
- all requests/responses for project changes;
- for framework agreements all correspondence, including orders, relating to individual contracts/draw downs;
- all requests for payment by the contract holder;
- all requests for expenses, supporting documentation and vouched expense claims from the contract holder;
- all acceptance notes for deliverables and services;
- all acceptance notes for expenses
- all correspondence with contract holder, including emails;

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- all progress reports;
- the reports of any mid-term or term reviews;
- the final report
- the post-implementation review or review/reports by third parties.

### *Appendix 2: Sample Score Sheet for Evaluation of Tenders*

#### **Example: - Consultancy for the Development of Strategic Plan**

Award Criteria	Quality of proposal in addressing requirements of project	Relevant knowledge, skills and expertise of personnel assigned to project	Ultimate Cost (including expenses)	Company access to relevant international information	Proposed methodology	Timeframe for delivery	Total marks awarded
Total Points available	25	25	25	10	10	5	100
Company A	20	20	22	8	5	5	80

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Company B	22	18	15	6	5	5	71
Company C	20	15	10	5	8	5	63

Outcome: - Company 'A' received the highest number of points and is recommended for the contract

Signed: - Evaluation team .....

Date:.....