



**PROCUREMENT**

**POLICY AND**

**MANUAL**

# PROCUREMENT AND DISPOSAL POLICY

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## ACRONYMS

<b>AO</b>	Accounting Officer
<b>C&amp;D</b>	Consultancy and Design
<b>CQS</b>	Consultants Qualifications Selection
<b>FBS</b>	Fixed Budget Selection
<b>FIFO</b>	First in First Out
<b>GDP</b>	Gross Domestic Product
<b>CEO</b>	Chief Executive Officer
<b>HUD</b>	Head of User Department
<b>HOPE</b>	Head of Procuring Entity
<b>ICT</b>	Information Communication Technology
<b>KNBS</b>	Kenya National Bureau of Statistics
<b>LC</b>	Letter of Credit
<b>LCS</b>	Least Cost Selection
<b>LPO</b>	Local Purchase Order
<b>LSO</b>	Local Service Order
<b>PE</b>	Procuring Entity
<b>PEs</b>	Procuring Entities
<b>PFM</b>	Public Financial Management
<b>PPDGM</b>	Public Procurement and Disposal General Manual
<b>PPRA</b>	Public Procurement Regulatory Authority
<b>PPARB</b>	Public Procurement Administrative Review Board
<b>PS</b>	Permanent Secretary
<b>QBS</b>	Quality Based Selection

<b>QCBS</b>	Quality and Cost Based Selection
<b>RFP</b>	Request for Proposal
<b>RFQ</b>	Request for Quotations
<b>SMART</b>	Specific, Measurable, Achievable, Realistic, Time bound
<b>SMEs</b>	Small and Medium Enterprises
<b>SO</b>	Stores Officer
<b>SSS</b>	Single Source Selection
<b>TOR</b>	Terms of Reference
<b>MC</b>	Management Committee

## GLOSSARY

<b>Act</b>	Public Procurement and Asset Disposal Act 2015
<b>Acceptance</b>	Refers to the acceptance of goods, works or services by the Tender Processing Committee in part or in full, qualified or not following an inspection
<b>Aggregation</b>	Process by which procurement requirements are aggregated together to gain economies of scale
<b>Appeal</b>	Means a request for administrative review filed with the Administrative Review Board
<b>Announcement</b>	the act of announcing publicly through appropriate media the forecast or opening or results of procurement proceedings
<b>Auction (Public)</b>	An auction is a process of buying and selling goods or services by offering them up for bid, taking bids, and then selling the item to the winning bidder. In economic theory, an auction may refer to any mechanism or set of trading rules for exchange. There are several variations on the basic auction form, including time limits, minimum or maximum limits on bid prices, and special rules for determining the winning bidder(s) and sale price(s).
<b>Authorization</b>	The act of granting an authorization by the specified authority in the manual, regulations or the Act to validate a stage of the procurement proceedings. For example, the authorization to initiate a purchase as recorded by the Initial Purchase Request or the authorization to accept the goods delivered as represented by the Certificate of Receipt and Acceptance (or Goods Received Note). Authorizations for the procurement and disposal proceedings are defined in the Schedule I - the Procurement Thresholds Matrix and Schedule II - the Disposal Thresholds Matrix of the Public Procurement and Disposal Regulations.
<b>Asset</b>	In business and accounting, assets are everything owned by a person or company (all tangible and intangible property) that can be converted into cash. Since this includes intangible valuables such as stocks and accounts and notes receivable, whose cash value is not clear until they are sold, assets can also be defined as a probable future economic benefit obtained

or controlled by a person or company as a result of a past transaction or event.

**Award** The process of awarding a contract ensues from the notification to the selected vendor.

**Baseline** A snapshot. A position or situation that is recorded with the specific intention of using it to compare against some future position, usually to demonstrate that change has been achieved. Although the position may be updated later, the baseline remains unchanged and available as a reminder of the original state and as a comparison against the current position. In planning, a baseline captures when the activities within the Plan were originally intended to occur. When a Plan is base lined, the currently planned start and finish dates of all Tasks and Activities within the plan are separately recorded. If the plan is subsequently updated with any changes to these dates, any slippage can be measured against the originally planned (baseline) dates. A Plan is normally baseline once it has been signed off by the Project Board. Products that have passed their quality checks and are approved are baseline products. Anything 'baseline' should be under version control in configuration management and 'frozen', i.e. no changes to that version are allowed.

**Bidding documents** the standard documents elaborated by the PPRA or the procuring entity for the purpose of procuring goods, works, services or consulting services. These documents must be utilized by the procuring entities

**Carbon footprint** Amount of carbon emissions produced by man in living operations.

**Contract File** The file that contains all supporting documentation pertaining to a specific contract and its execution by both parties such as all correspondence, interim payments, survey reports, delivery data, inspection reports, etc. as detailed in chapter 9 of the Manual. The contract file contents are compulsory requirements for providing audit trails. See also procurement file as both files are linked.

**Contract Administrator** The official nominated to manage and supervise the contract execution by the contractor on behalf of the procuring entity. The contract Administrator is the only official responsible for the contract management and is responsible for maintaining the contract file. All other functions such as accounting and payment cannot be performed



by the contract administrator alone and are subject to internal controls.

- Contingency Plan** A plan that provides an outline of decisions and resources to be taken if defined circumstances, outside the control of the project/programme, should occur. In risk management - a series of activities you plan in advance that you can put in place to reduce or eliminate the Impact of a Risk after it has occurred. Sometimes referred to as a Fallback Plan. A plan that identifies and defines appropriate responses to be taken when a risk occurs.
- Contingent liability** includes Government guarantee for loan or foreign currency transfer by a Procuring Entity in the event that the entity defaults to service the terms of the agreement then the Government may step in
- Contractor** The status of a vendor or successful bidder or candidate that has entered into a contract with a procuring entity.
- Corruption** means 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 in accordance with the Anti-Corruption and Economic Crimes, Act 2003
- Countermeasure In risk management** - a series of activities you can carry out to reduce either the Likelihood or Impact of a Risk (or both) before it occurs. Sometimes referred to as a Mitigation Strategy. Countermeasures and Contingency Plans are often managed collectively under the term Management Actions.
- Direct Procurement** A method of procurement that does not requires the use of the competitive bidding. Direct procurement is strictly regulated; see chapter 7.4 of the manual.
- Debarred contractor** All bidders in public procurement who are officially prevented or refused to participate in public procurement proceedings.
- Disposal (Cycle)** The cycle that starts with the initiation of the process of disposing of unserviceable, obsolete or surplus stores, other assets and equipment and is considered ended when the disposal has been completed and accepted.

<b>Disposal Plan</b>	The document prepared by each procuring entity annually to plan all disposals decided to be necessary
<b>Eligible</b>	The status that means a bidder satisfies all criteria to participate to public procurement and disposal proceedings
<b>Emergency</b>	In relation to procurement derives from an “urgent need” as interpreted within the Public Procurement and Disposal Act. A procurement proceeding that is justified by an emergency means the need for goods, works, services or consulting in circumstances where there is an imminent or actual threat to public health, welfare, safety, or damage to property such that engaging in tendering proceedings or other procurement methods would not be practicable.
<b>Fake Corruption</b>	False competition where the bid received is coming from one source.
<b>Feasibility study</b>	A feasibility study is an early study of a problem to assess if a solution is feasible. The study will normally scope the problem, identify and explore a number of solutions and make a recommendation on what action to take. Part of the work in developing options is to calculate an Outline Business Case for each as one aspect of comparison. The Framework includes a Feasibility Study as the first phase of a project, although it is sometimes necessary to have a large study carried out as a project in its' own right.
<b>Force Majeure</b>	Means an event or series of event which were not foreseeable and are not the result of dilatory conduct and result in the temporary delay or permanent stopping of the contract execution. Such cases are related to natural disasters, climatic events and wars. Force Majeure cannot unilaterally be declared and has to be approved by the Accounting Officer. The PPRA may provide guidance on the cases and necessary conditions to be met to apply force Majeure. In case of Force Majeure, a contractor’s performance bond cannot be forfeited nor can the contractor make claims other than demobilization costs if provided for under the contract.
<b>Framework</b>	Contract Means a contractual arrangement which allows a Procuring Entity to procure goods, works or services that are needed continuously or repeatedly at an agreed price over an agreed period of time, through placement or a number of orders which may include consortium buying.

- Goods** The manual refers to “Goods” as being any item or package that can be procured through the purchase of any goods including perishables, equipment or software, off-the-self or made to design, that does not require any other works or services than necessary to ship, inspect, deliver, install and test the specifications, quality and functioning of the acquire good. Goods may include food, consumables such as stationery, fuel, computers, software, machinery, lab equipment.
- Intangible** Intangibles also have different meaning depending on the context: - In business, intangibles are commonly referred to as intangible assets or intellectual capital. - In law, legally created intangibles are referred to as intellectual property and include trademarks, patents, customer lists, and copyright.
- International Competition** Refers to the announcement of tender proceedings through international media and the opening of competition to all potential bidders regardless of their origin
- Inspection** An inspection is, most generally, an organized examination or formal evaluation exercise. It involves the measurements, tests, and gauges applied to certain characteristics in regard to an object or activity. The results are usually compared to specified requirements and standards for determining whether the item or activity is in line with these targets. Inspections are usually non-destructive.
- Inventory** Inventory is a list for goods and materials, or those goods and materials themselves, held available in stock by a business.
- Knowledge Management** The explicit management of project-related information within a project or programme (or even across the Office). Knowledge, in this context, is interpreted as anything that someone else might find useful. It can therefore consist of leading practice, guidance, exemplary material, reports, and rules of thumb and so on. There are two Critical Success Factors in implementing knowledge management: A knowledge-sharing culture, in which individuals are encouraged and happy to contribute, and indeed actively do contribute, knowledge to a central knowledge base; an infrastructure that enables easy access to the knowledge and good indexing of the information held. The infrastructure supporting knowledge management is often called a

“knowledgebase”. At its simplest this can be a filing cabinet full of shared documents

<b>Linkages</b>	Relationships that exists between different components, and thus institutions, of the public financial management
<b>Lotting</b>	Process by which procurement requirements are divided into lots to segregate into smaller packages or packages that requires specific set of qualifications
<b>Mitigation Strategy</b>	See Countermeasure.
<b>Negotiation</b>	Negotiation is a dialogue intended to resolve disputes or to produce an agreement upon courses of action, and to craft outcomes to satisfy various interests. It is the primary method of alternative dispute resolution. Negotiation occurs in business, non-profit organizations, and government branches, legal proceedings, among nations and in personal situations such as marriage, divorce, parenting, and everyday life. In this manual negotiation refers to the dialogue between a procuring entity and one or more vendors in arriving at an agreement on prices, timing and deliverables as part of procurement proceedings for the selection of a vendor and prior to the award of a contract.
<b>Obsolete stores</b>	Obsolescence is the state of being which occurs when an object or service is no longer wanted even though it may still be in good working order. Obsolescence frequently occurs because a replacement has become available that is superior in one or more aspects.
<b>Open Tender</b>	The preferred procurement method of Kenya that implies opening competition to the market with any restriction
<b>Procurement Threshold Matrix</b>	The Matrix established to regulate the authorization necessary for each threshold by type of methods and type of purchase
<b>Payment</b>	The transfer of monies operated from the procuring entity to the contractor following partial or full acceptance of the goods, works and services.
<b>Procurement File</b>	The file that contains all supporting documentation pertaining to a specific procurement requirement as detailed in chapter 6, 7, 8 and 9 of the Manual. The file contents are compulsory requirements for providing audit trails. See also contract file

- Procurement Plan** The document prepared by each procuring entity annually to plan all procurement requirements necessary to perform the activity plan of the procuring entity. Procurement plan can include procurement for multi-annual delivery, multi-annual contracts, and next fiscal year delivery.
- Programme** A collection of Projects which are managed together coherently (often as a major undertaking) and which all contribute to a common strategic Vision and realize benefits, which is almost always concerned with effecting change of some description. Programmes also often incorporate other 'business as usual' items of work. A programme is usually characterized by: its size - it is usually large; a focus on an overall business outcome rather than individual deliverables; its breadth – it usually cuts across organizational boundaries, involving more than one division or group; and the degree of autonomy of the individual projects - they can be managed individually, but need to be managed as a whole to deliver the goal(s) effectively.
- Project Evaluation** A series of activities you carry out to ascertain whether a Project has achieved its Goal. Often evaluation activities are left until the end of a project, but they should generally be planned from the start. This avoids the problem, for instance, of having no Baseline against which to evaluate the project.
- Project Plan** A high-level plan showing the major products of the project, when they will be delivered and at what cost. The project plan should also show the key milestones of Gateway Reviews and Project Board meetings. An initial Project Plan is presented as part of the Project Initiation Document. This is revised as information on actual progress appears. It is a major control document for the Project Board to measure actual progress against expectations.
- Public Financial Management** The scope of financial management includes the collection, custody and disbursement of public money; the coordination of expenditure according to a well-formulated plan; the management of public debt and financial assets; and the general control of the financial operations of the state. It also includes the preparation of the budget,

its execution and the external auditing and scrutinizing of the finances of the state.

**Public Property** Public property is property which is owned by a government or community, as opposed to private property, which is owned by non-government parties such as individuals, groups, or corporations. In many republican democracies, "public property" is said to be owned by the people as a common. (In other types of state, such property is said to be owned by the "state" or the "crown".) Most public property is accessible to the general public, such as zoos, libraries, schools, and parks; some is reserved for restricted use, such as military bases and research laboratories.

**Quality Assurance** Refers to planned and systematic processes that provide confidence in a product's suitability for its intended purpose. It is a set of activities intended to ensure that goods, works and/or services satisfy the requirements.

**Receipt (of goods, works and services)** Corresponds to the phase of the procurement cycle when the contractors delivers to the procuring entity. At that stage the entity may accept or reject the delivery partially or fully. Once goods, works or services are received and accepted, the procuring entity takes responsible for their custody, unless otherwise specified in the contract for partial receipt of works.

**Regulations** Public Procurement and Disposal Regulations 2006

**Request for Proposal** A procurement method specifically applied to consulting and other intellectual services such as design.

**Request for Quotation** A procurement method specifically applied below a specified threshold allowing for a faster bidding process than in the case of Open Tender.

**Retroactive Approvals** Procurement approvals given by the authority's entity or person after the action approved has already taken place or has happened.

**Restricted Tender** A procurement method that relies on the establishment of a list of authorized bidders who will be offered the opportunity to bid for a specific procurement package. The establishment of

the list is subject to conditions defined in the Regulations and the Act.

**Reserve Price**

The minimum price at which a seller is willing to sell a good or service. Reservation prices are commonly used in auctions

**Review Report**

The report issued by the Review Board or Review Panel

**Risk (Register)**

A situation which may occur in the future and which, if it were to occur, could impact on the ability of a Project or Programme to deliver one or more of its Goals or Objectives. There is commonly a great deal of confusion between risks and Issues. However, it is more important to decide whether the problem needs to be managed and, if so, what Management Actions need to be taken, than it is to spend too much time debating whether it is a risk or an issue. The simplest way of distinguishing risks from issues is to ask whether the Likelihood of the situation occurring is 100% (i.e. certain): if so (or if it has already happened!), then it is an issue; if not, it is a risk. A risk may therefore later become an issue once the uncertainty over whether or not it will happen has been removed. When considering risks, you should think about what may stop you from achieving the Outcomes as well as Outputs of the project or programme as well as the extent to which Critical Success Factors are in place that will ensure success. Risks are normally recorded on a Risk Register.

**Stakeholders**

Any person or organization having an interest in the progress or outcomes of a Project or Programme – usually because they are either part of it or affected by what it delivers. The process of working out which stakeholders are most and least important to successful project delivery is called Stakeholder Analysis and the processes by which input from, and communications with, them are collectively controlled is called Stakeholder Management.

**Single Source -Sole Suitable Contractor-** Refers to the procurement that is made through a non-competitive bidding process relying on one bidder only. See the conditions pertaining to single source in chapter 7

<b>Services - Intellectual &amp; Consulting</b>	Specific services requiring high content of intellectual work. C&D services are procured through specific procurement method such as Request for Proposal. C&D services are differentiated from all the other service that do not necessitate high content of intellectual work to be performed: insurances, cleaning, etc.
<b>Services</b>	Services are defined in these regulations as all services except those requiring a high level of intellectual work.
<b>Specification</b>	A specification is an explicit set of requirements to be satisfied by a material, product, or service
<b>Standards</b>	A technical standard is an established norm or requirement. It is usually a formal document that establishes uniform engineering or technical criteria, methods, processes and practices. A technical standard can also be a controlled artifact or similar formal means used for calibration. Reference Standards and certified reference materials have an assigned value by direct comparison with a reference base. A primary standard is usually under the jurisdiction of a national standards body. Secondary, tertiary, check standards and standard materials may be used for reference in a metrology system. A key requirement in this case is (metrological) traceability, an unbroken paper trail of calibrations back to the primary standard
<b>Supply Chain Management</b>	Supply Chain Management spans all movement and storage of raw materials, work-in-process inventory, and finished goods from point-of-origin to point-of-consumption
<b>Sub-contract</b>	A contract between the contractor (the party to a contract with a procuring entity) and another private sector agent. Sub-contracting is strictly regulated in order to ensure that the procuring entity contracts with an agent that has the capacity and ability to deliver on the procurement requirements and that takes responsibility for it.
<b>Tender Evaluation</b>	Process of identifying which bid offers the best value for money. The criteria that is specified in the invitation to tender document are the basis for decision making.



<b>Threshold</b>	Reference is made by this term to the nominal amount above which a procurement method cannot be applied. It represents the highest estimated amount for applying a method, irrespective of any other considerations.
<b>Transfer</b>	Refers to a method of disposal by which a procuring entity transfers an asset, stores or other to another procuring entity
<b>Unserviceable</b>	The state of being which occurs when an equipment cannot be service to be made functional or at least at a reasonable cost
<b>Urgent Need</b>	shall be interpreted to be applicable only where there is an imminent or actual threat to public health, welfare, safety, or damage to property such that engaging in tendering proceedings or any other procurement methods would not be practicable
<b>Valuation</b>	Valuation is the process of estimating the market value of an asset. Valuations can be done on assets, for example, such as stores, equipment, physical assets such as buildings, business enterprises, or intangible assets such as patents and trademarks
<b>Vendor (Bidder)</b>	A private or parastatal operator that is competing in a procurement proceeding or is a contractor to a procuring entity.
<b>Waste Management method</b>	A method of disposal of obsolete or unserviceable of stores, assets and equipment regulated in chapter 12

## 1. INTRODUCTION

Stima Investment Cooperative Society Ltd is an investment company registered under the Cooperative Act whose main mandate is to carry out investment activities using member's funds.

Stima Investment Cooperative (SIC) was formed in the year 2005 due to the constraints that were experienced by the members of Stima Sacco in establishing who will be the owners of a plot they had bought next to their office.

The main contention was that upon leaving the Sacco, the member does not enjoy the benefits of the building yet he/she contributed towards the building. In view of this, the Board of Stima Sacco approved formation of another Cooperative which will have its own members and carry out investment functions only.

The main purpose of incorporation was to bridge the gap in Stima Sacco in terms of carrying out investment options which the Sacco could not invest in. The investment options will include: -

- Shares in at the bourse
- Investment in real Estate
- Investment in Fixed deposit
- Any other viable investment option

## 2. PREAMBLE

It is widely believed that the efficiency and quality of service delivery in an organization is greatly enhanced by sound "**Resources management**". Such management covers the procurement function and the inventory control. There is need therefore for the Society's procurement unit to establish a policy for timely supply of goods, services, works and other inputs necessary for efficient operations and ultimate attainment of its long-term goals/mission.

The Society has operated from inception without a clearly defined procurement policy to meet ever increasing challenges associated with institutional growth.

This will cover **Procurement Policy and Procedures (PPP)** to cover the procurement issues to be addressed, not only by the Procurement Division, but also by all the employees and other stake holders who are involved in the procurement and provision of goods and services to this organization.

### **3. POLICY DEFINITION**

This Procurement policy is a statement of procedures, guidelines, instructions, rules and regulations to be followed by Stima investment Co-operative for the purpose of procuring goods, service or works efficiently, economically, transparently and equally facilitate disposal of unserviceable goods or material and assets in a fair and most economical means and in compliance with the existing laws.

### **4. PROCUREMENT DEFINED**

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

### **5. CITATION**

These rules shall be cited as Stima Investment Co-operative procurement policy (herein referred to as Procurement policy and Procedures (PPP) to regulate and outline the processes and procedures to be followed by the Stima investment Co-operative in carrying out the procurement and disposal of goods, services and works.

### **6. PROCUREMENT POLICY**

#### **6.1 Objectives**

- 1) To spell out standard procurement practice and procedures.
- 2) To provide easily understood advice, guidance and operation instructions on all matters relating to procurement of goods, services and works within the Society.
- 3) To specify duties and responsibilities of Stima Investment Co-operative personnel involved in the procurement process.
- 4) To introduce procurement guidelines applicable to Stima Investment Co-operative and internalize compliance with the provisions of Public Procurement and Asset Disposal Act.
- 5) Facilitate efficient accountability of resources availed for acquisition for required Goods, Services and works.
- 6) To inculcate professionalism in procurement with a view to obtaining best value for money.

- 7) To act as a basic training tool in procurement, for Stima investment Co-operative employees and act as a reference document for persons involved in making procurement decisions within Stima investment Co-operative.
- 8) Facilitate easy monitoring of all procurement plans.

The purpose of this manual is to provide procurement policies and objectives, outline procedures related to the procurement process, and list the responsibilities of various individuals and departments.

Stima Investment's procurement procedures have been formulated in recognition of the following five important objectives:

- 1) To assure quality
- 2) To assure on-schedule delivery
- 3) To obtain reasonable prices
- 4) To assure compliance with the Public Procurement and Disposal Act.
- 5) To effectively serve our customers

## **6.2 Vision**

To be a world-class provider of professional and good-first-time procurement service to all users.

## **6.3 Mission**

To manage the effective and efficient procurement of quality products and services at the best value from reputable vendors through outstanding customer service, first-rate supply chain management, while maintaining unyielding integrity and adherence to all procurement by-laws.

## **6.4 Strategies for Achieving the Procurement Mission**

We strive to continuously improve the procurement process to keep abreast of world-class practices, and have hence established strategic focus on namely, supplier development, internal client support, and internal efficiency enhancement.

In particular, we will:

- 1) Share best practices for adoption by all Stima Investment employees and stakeholders.

- 2) Position the right people for the right job, and foster a continuous learning culture.
- 3) Continuously improve our procurement processes and practices, and solicit support from internal users in agreeing on focuses and priorities for improvement.
- 4) Participate in the development, sharing and application of knowledge for best practices in procurement.
- 5) Develop and maintain long-term relationships with suitable Suppliers and Business Partners for mutual benefit.

## **7.0 ETHICS**

It is Stima investment Co-operative Society policy to maintain high standards of honesty, integrity, impartiality, courtesy and conduct. Such policy is implemented by prescribing essential standards of ethical conduct without creating unnecessary obstacles. To maintain these standards, Stima investment Co-operative subscribes to the following principles in the procurement of goods and services:

- 1) Give first consideration to the objectives and policies of the society. Strive to obtain the maximum ultimate value for each coin of expenditure.
- 2) Recognize that value represents the combination of quality, service and price, assuring the greatest ultimate economy to the user.
- 3) Demand honesty in sales representation, whether offered through the medium of a verbal or written statement, an advertisement or a sample of the product.
- 4) Grant all competitive bidders equal consideration to regard each transaction on its own merits as well as foster and promote fair, ethical and legal trade practices.

### **7.1 Avoidance of Collusion:**

No Stima investment Co-operative Employee, vendor or person may collude or attempt to collude with any other person to make any proposed price higher than would otherwise have been the case or to have a vendor refrain from submitting a tender, proposal or quotation or withdraw or change a tender, proposal or quotation; or to submit a tender, proposal or quotation with a specified price or with any specified inclusions or exclusions.

In cases of such any of such offences: Both vendors and or persons referred to above shall be disqualified from entering into a contract for the procurement; or if a contract has already been entered into with either person referred to above, the contract shall be voidable at the option of the Society and the vendor or person shall be debarred from any future procurement.

The voiding of a contract does not limit any other legal remedy the Society may have.

## **7.2 Avoidance of Conflict of Interest:**

A person has a conflict of interest with respect to a procurement if the person or a “relative” of the person seeks, or has a direct or indirect pecuniary interest in another person or vendor who seeks, a contract for the procurement; or owns or has a right in any property or has a direct or indirect pecuniary interest that results in the private interest of the person conflicting with his duties with respect to the procurement.

For the purposes of clarity, a “relative” means:

A spouse, child, parent, brother or sister or

A child, parent, brother or sister of a spouse

It is imperative that all officials involved in procurement avoid at all times any conflict or perception of a conflict of interest. Any official who has a conflict of interest or potential conflict of interest with respect to a particular procurement may not take part in the procurement proceedings; and may not, after a procurement contract has been entered into, take part in any decision relating to the procurement or contract. When such an officer refrains from doing his duties pertaining to a specific procurement he or she must disclose the conflict of interest or potential conflict of interest in writing to the Chief Executive Officer.

If a person participates in a procurement procedure despite a conflict of interest or a potential conflict of interest and the contract is awarded to the person or his relative or to another person in whom one of them had a direct or indirect pecuniary interest, the contract shall be voidable at the option of Stima investment Co-operative.

For the purpose of this section, a person has a potential conflict of interest with respect to a procurement procedure if the person could benefit financially due to ongoing business relations with one of the vendors seeking a contract or the possibility of receiving sub contracts from one of the vendors seeking a contract shall he or she win the contract

## **7.3 Equal Opportunity**

Any form of discrimination discourages participation in public procurement and undermines any efforts to achieve value for money through open competition. Consequently, no employee may discriminate against any potential bidders or bidders based upon gender, ethnicity, religious affiliation, physical disability, or party affiliation in any procurement proceeding, except specifically and only where such discrimination is a direct and unavoidable consequence of a preference program instituted by the PPRA.

#### **7.4 Confidentiality and Limited Disclosure**

Confidentiality is an important principle to uphold if competition is not to be undermined. It is also an area of potential abuse and so the Society must be diligent in ensuring that confidentiality of bidder information prior to a tendering process is a principle that is upheld at all times.

During or after procurement proceedings, no employee or agent of the Society or member of a board, panel or committee of the Society may disclose information relating to a procurement procedure whose disclosure would impede law enforcement or whose disclosure would not be in the Society's interest. Neither may anyone disclose any information relating to a procurement where such disclosure would prejudice legitimate commercial interests or inhibit fair competition. No information shall be disclosed relating to the evaluation, comparison or clarification of tenders, proposals or quotations; or the contents of tenders, proposals or quotations prior to the bid opening. Where disclosure of the record of procurement proceedings, as shall be required in debriefing bidders or in an investigation as required under the Public Procurement and Asset Disposal Act, an employee or agent may not, except when ordered to do so by a competent court, and subject to the conditions of such an order, disclose any information, which would not be in the society's interest, if its disclosure would be contrary to law, would impede law enforcement, would prejudice legitimate commercial interest of the parties or would inhibit fair competition.

#### **7.5 Avoidance of all Corrupt Practices in Procurement**

It is a direct breach of the Procurement Law to participate in any corrupt practices and the penalties, if discovered, are severe.

Therefore, no person, agent or employee shall be involved in any corrupt practice in any procurement proceeding. If a person or an employee or agent of a person contravenes this requirement the following shall apply:

- 1) The person shall be disqualified from entering into a contract for the procurement; or
- 2) If a contract has already been entered into with the person, the contract shall be voidable at the option of the Society.

The person shall be debarred from any future procurement. Note that the voiding of a contract by the Society does not limit any other legal remedy the Society may have.

#### **7.6 Avoidance of Obstruction and Undue Delay in Procurement Processing**

No person may obstruct or hinder a person carrying out a duty or function under the Procurement Law or exercising a power under the Law or knowingly lie to or mislead a person carrying out a duty or function under the or exercising a power under the Public

Procurement Law. No delay without justifiable cause shall be accommodated with regards to the opening or evaluation of bids or the awarding of contract beyond the prescribed period.

Any person obstructing or unduly delaying a procurement proceeding, including making payment, is breaking the law and shall be sanctioned in Accordance with Section 137 of the Public Procurement and Disposal Act.

#### **7.7 Exerting Inappropriate Influence on any Procurement Procedure**

No Person may unduly influence or exert pressure on any member of an Evaluation Committee or any employee or agent of a Society to take a particular action which favors or tends to favor a particular bidder. Neither may any person open any sealed bid, including such bids as shall be submitted through an electronic system nor any document required to be sealed; or may he or she divulge their contents prior to the appointed time for the public opening of the bid or documents.

### **8.0 PRINCIPLES AND VALUES OF STIMA INVESTMENT COOPERATIVE SOCIETY'S PROCUREMENT**

We strive to: -

- 1) Continually improve communications with customers and suppliers.
- 2) Promote the utilization of technology to simplify operations,
- 3) Add the value of procured goods and services,
- 4) Enhance diversity by promoting opportunities for all.
- 5) Ensure we behave in a way that is consistent with the mission set.
- 6) Adhere to high standards of corporate governance and professional ethics.
- 7) Deliver a sustainable stakeholder value

As per Stima investment Society's Financial Regulations and Rules, as stipulated in the statutes, the following general principles must be given due consideration while executing procurement on behalf of the organization:

- 1) Fairness, Integrity, Transparency
- 2) Effective Competition
- 3) Best Value for Money



### **8.1 Fairness, Integrity and Transparency**

As competition is the basis for efficient, impartial and transparent procurement; Procurement Employees are therefore responsible for protecting the integrity of the procurement process and maintaining fairness in Stima investment Society's treatment of all suppliers. Sound procurement (i.e., openness of the process; probity; complete and accurate records; accountability; confidentiality) establishes and then maintains rules and procedures that are attainable and unambiguous.

### **8.2 Effective Competition**

The objective of Stima investment Society's competitive processes is to provide all eligible prospective suppliers with timely and adequate notification of Stima investment Society's requirements and an equal opportunity to tender for the required goods, civil works and services. Procurement division shall therefore ensure that restrictions are not placed on the competitive processes limiting the pool of potential suppliers, as Stima investment Society does not accept procurement awarded to exclusive contractors or companies.

### **8.3 Best Value for Money**

By and large the core governing principle of Stima investment Society is to obtain the best value for money. In the context of the procurement process, obtaining "best value for money" means selection of the offer, which presents the optimum combination of life-cycle costs and benefits, which meet the user's needs. Best value for money shall not be equated with the lowest initial price option rather requiring an integrated assessment of technical, organizational and pricing factors in light of their relative importance (i.e., reliability, quality, and experience, reputation, past performance, cost/fee realism and reasonableness). The procurement parameters can also include social, environmental and other strategic objectives defined in the procurement plan. The principle of best value for money is applied at the award stage to select the offer that effectively meets the stated requirement.

### **8.4 Environmental Considerations**

It is Stima investment Society's policy to manage its business in an environmentally responsible manner. Environmental responsibility or "green" procurement is the selection of goods and services that minimize environmental impacts. Stima investment Society endeavors to protect the quality and diversity of the environment and continually improve performance in this regard. This means considering the costs of securing raw materials, manufacturing, transporting, storing, handling, using and disposing of products procured.

"Green" procurement is rooted in the principle of pollution prevention, which strives to eliminate or reduce risks to human health and the environment. In order to do so, Stima investment Co-operative staff shall evaluate purchases based on a variety of criteria, ranging

from the necessity of the purchase, resource consumption, waste generation, environmental impact and health of the users.

Stima investment Co-operative's "green" procurement policy promotes the famous four "R" strategies thus:

- 1) Re-think the requirements to reduce environmental impact;
- 2) Reduce material consumption;
- 3) Recycle materials/waste; and
- 4) Reduce energy consumption.

"Green" procurement at the Stima investment Society requires its staff to conduct all activities, including contracting with other entities, in a resource-efficient manner. Thus Stima investment Co-operative will be selective in its choice of products, processes and services to promote the four "R" strategies, taking into consideration the effects of energy consumption, toxicity, ozone depletion, radiation, and the use of recycled materials.

### **8.5 Penalty**

Failure to comply with this manual and any other regulation put in place by procurement authorities, the officer responsible shall be liable for punishment as shall be decided by a disciplinary committee constituted by the Board

## **9.0 VARIOUS RESPONSIBILITIES**

All Senior Managers of the society shall be responsible for the enforcement of and compliance with this procurement policy. It is also their responsibility to ensure their subordinates are familiar with the requirements.

**Responsibilities and authority levels in respect of specific functions within purchasing are as follows: -**

### **9.1 Role of Chief Executive Officer.**

The Chief Executive Officer has the overall responsibility for the execution of the procurement process, and specifically, amongst other things shall be responsible for:

- 1) Ensuring that the Society establishes the relevant committees in accordance with the Public Procurement and Disposal Act and the Regulations;

- 2) Ensuring that Stima Investment establishes a procurement unit staffed to appropriate level with procurement professionals;
- 3) Signing the Local Purchase Order (LPO)
- 4) Appointing members to various committees in the procurement function;
- 5) Ensuring that the procurement plans are approved and reviewed as necessary; Any other functions provided for in the Stima investment Society Procurement and Asset Disposal Manual, Public Procurement and Asset Disposal Act, the Regulations or as shall be directed by the PPRA, are also adhered to.
- 6) The Chief Executive Officer may delegate certain responsibilities to other staff in order to carry out the requirements of the Public Procurement and Asset Disposal Act, Regulations, Standard Bidding Documents, Manuals and directions of the PPRA.
- 7) Signing contracts for the procurement and disposal activities on behalf of the Stima Investment for contracts entered into in accordance with the Act and the Regulations and the Stima Investment manual;
- 8) Ensuring all contracts are complied with;
- 9) Issuing as appropriate Administrative Guides to clarify and implement Circulars issued by the PPRA;
- 10) Cooperate fully with any and all investigations launched by the PPRA;
- 11) Any other functions provided for in the Public Procurement and Asset Disposal Act, the Regulations or as shall be directed by the PPRA.

## **9.2 Role of the Procurement Unit**

The Procurement activities shall be conducted by the Procurement Unit in Stima Investment is committed to serving the society community with the timely and cost-effective procurement of goods and services. This is accomplished through product knowledge, competitive bidding, negotiation of special pricing agreements/contracts and the monitoring of vendor performance. All of these serve to maximize Stima Investment Co-operative's purchasing power.

It is the responsibility of the Procurement Unit therefore to:

- 1) Administer purchasing programs and procedures for the negotiation and acquisition of goods and services.
- 2) Purchase all goods and services for use in such a manner that maximum value will be obtained for the money expended. Purchases shall be made from suppliers whose reputation, financial position and price structures are sufficiently adequate for consideration as logical sources of supply and preferably from our prequalified list of suppliers.

- 3) Maintain vendor and product information for ease of communication and acquisition of supplies, as needed and where applicable.
- 4) Assist with the disposal of surplus materials and equipment.
- 5) Assist in establishing standardization of materials and supplies used at Stima Investment Society.
- 6) Study markets to ascertain prices paid for materials, equipment and services.
- 7) Work towards obtaining savings through improved specifications and supervision of supply sources and recommend changes in quantities to be ordered when conditions warrant.
- 8) Expedite deliveries of undelivered orders, services, materials, equipment requisitioned, and follow up with vendors on overdue materials, services and equipment.
- 9) Institute reports necessary to permit analysis of the Procurement divisions' performance.
- 10) Provide status reports to respective users as requested on all Purchase Requisitions, work in process, and Purchase Orders.
- 11) Support users through training with regard to purchasing guidelines and requisition processing, as necessary.

In conducting its functions, the Procurement Officer shall at all times liaise with the following:

- 1) The end user who initiated the procurement, to ensure that the procurement meets its needs;
- 2) The Evaluation or Disposal Committee, to ensure that all required approvals are obtained promptly; and
- 3) The PPRA and other oversight bodies, to share appropriate information and facilitate the conduct of monitoring and other PPRA functions.

### **9.3 Procurement Officer**

This is the head of the procurement unit and shall be reporting to The Chief Executive Officer.

- 1) The Procurement officer is responsible for policy formulation, and then forwards the recommendations to the Chief Executive Officer where appropriate.
- 2) Responsible for vetting of all the supply requisitions for non-stock items raised by user departments.

- 3) Responsible for the implementation of purchasing objectives, policies, practices, and procedures and directing and supervising the activities of the procurement division.
- 4) Prepares papers for presentation to various committees of the procurement function.
- 5) Writes and the local purchase order (LPO) then forwards to the Chief Executive Officer for approval.
- 6) Ensuring that all procurement procedures are properly documented and records and procurement and disposal files maintained in a secure location;
- 7) Maintain any standing lists of bidders or lists of pre-qualified bidders required by the Stima Investment.
- 8) Prepare, publish and distribute invitations to pre-qualify, pre-qualification documents and invitations to express interest;
- 9) Receive, open and safeguard applications to pre-qualify and expressions of interest;
- 10) Evaluate applications to pre-qualify and assess expressions of interest and other quotations;
- 11) Propose shortlists and lists of pre-qualified bidders to the CEO for approval;
- 12) Issue bidding documents to candidates;
- 13) Propose the membership of Evaluation Committee to the Chief Executive Officer for approval;
- 14) Coordinate the evaluation of bids;
- 15) Participate in or advise Evaluation Committee, as and where appropriate;
- 16) Recommend a negotiating team for appointment by the Chief Executive Officer where negotiations are allowed by the Act and the Regulations and participate in negotiations;
- 17) Prepare and publish notices of proposed award and notices of bid acceptance;
- 18) Prepare contract documents, in line with the award decision;
- 19) Prepare and issue rejection and debriefing letters;
- 20) Ensure that procurement and disposal documents are issued and that records are maintained, in accordance with the Regulations. Maintain and archive documents and records of the procurement and disposal record for the required period;
- 21) Provide information, as required, for any petition or investigation to debar a bidder or contractor or any investigation under review procedures;
- 22) Manage all Procurement and Asset Disposal Activities of the Society;
- 23) Act as a secretariat to the Evaluation and Disposal Committees;
- 24) Co-ordinate the advertising of procurement and disposal opportunities;

- 25) Prepare and submit any reports required under the Public Procurement and Asset Disposal Act, the Regulations and guidelines;
- 26) Monitor contract management by user departments to ensure implementation of contracts in accordance with the terms and conditions of the contracts;
- 27) Report any significant departures from the terms and conditions of the contract to the Chief Executive Officer;
- 28) Recommend for delegation of a procurement or disposal function to another entity by the Chief Executive Officer whenever a need arises;
- 29) Prepare consolidated procurement and disposal plans;
- 30) Advise the Procuring Entities on aggregation and economies of scale buying;
- 31) Co-ordinate internal monitoring and evaluation of the supply chain function;
- 32) Carry out market survey prior to placing of orders or adjudication by the CEO;
- 33) Conduct periodic and annual stock taking;
- 34) Certify the invoices and payment vouchers to suppliers;
- 35) Verify that available stock levels warrant initiating a procurement process;
- 36) Carry out any other functions and duties as are provided under the Public Procurement and Disposal Act and the Regulations and any other functions that might be prescribed in Circulars issued by the PPRA.

#### **9.4 The Evaluation Committee**

The CEO appoints an ad hoc evaluation committee is established in accordance with the Act and Regulations and from within the member of staff, with relevant expertise and where technical expertise is required from outside the society such expertise may be obtained from other procuring entities or procured to join the committee, on recommendation, in writing by the head of procurement function and the committee shall be appointed by the CEO in writing.

The Evaluation Committee has the responsibility of ensuring the selection of bidders are based on fair competition and in compliance with the legal and regulatory framework for the supply of goods works and services.

##### **(a) Composition of the evaluation Committee**

The ad hoc evaluation committee shall consist of: -

1. A chairperson who shall be the head of the user department
2. At least two other members appointed on rotational basis comprising heads of user departments or their representatives
3. A quorum of at least three members including the chairperson
4. Coopted or procured technical expertise to join the committee, where necessary
5. A secretary who shall be the head of procurement function or his appointee in writing as provided

**The role of the secretary as head of secretariat shall be administrative but not limited to: -**

- a) Availing all the relevant documents to the evaluation committee
- b) Facilitating official communication with tenders where clarification is required
- c) Providing logistical support to the evaluation committee
- d) Providing secretariat services to evaluation committee

**The role of the evaluation Committee is to perform the following functions: -**

The evaluation committee shall be responsible for: -

- 1) The technical and financial evaluation of the tenders or proposals availed in strict adherence to the compliance and evaluation criteria set out in the tender document
- 2) Performing the evaluation with all due diligence and within a period of thirty days after the opening of the tenders
- 3) Under no circumstances may any member of an evaluation committee enter into direct communication with any of the tenderers participating in a tender or proposal that such evaluation committee is considering
- 4) An evaluation committee shall prepare a report on the analysis of the tenders availed, and final ratings assigned to each tender and make recommendations and submit the report to the Head of procurement function
- 5) Approve the amendment of contracts in accordance with the terms and conditions spelled out in the Regulations and in this Manual; and
- 6) To undertake any other functions and duties as provided under the Act, the regulations, this manual or instructions issued by the PPRA.

### **9.5 Responsibilities of the User Department**

A user department shall be responsible for -:

- 1) Initiating procurement and disposal requirements and forwarding them to the procurement unit.
- 2) Participate in the evaluation of tenders, proposals and quotations.
- 3) Reporting any departure from the terms and conditions of the contract to the procurement unit.
- 4) Forwarding details of any required variations to contracts to the procurement unit for consideration and action.
- 5) Maintaining and archiving records of contract management.
- 6) Undertaking conformity assessment of supplied goods works and services with the specifications of the contract documents.
- 7) Preparation of technical specifications and submitting the same to the procurement unit.

- 8) Assisting in the preparation of procurement and asset disposal plans.
- 9) Making clarifications on tenders, request for quotations and any other matter as shall be required

#### **9.6 Tender Opening Committee**

The Chief Executive Officer shall appoint a tender opening committee specifically for the procurement in accordance with the following requirements:

- The committee shall have at least three members and
- At least one of the members shall not be directly involved in the processing or evaluation of tenders.

The tender opening committee is different from the evaluation committee. However, a person can be appointed to be a member of both the evaluation committee and the tender opening committee.

#### **9.7 OVERSIGHT COMMITTEE- Executive Committee**

The Executive Committee is a committee of the Board and shall be the oversight committee. The Head of Procurement shall prepare quarterly summary of all major procurement activities to be presented to the Executive Committee for review.

This committee shall equally be informed on any single procurement with amounts more than **Kshs 500,000 (five hundred thousand)** from inception and after tender award before commitment

#### **9.8 Disposal Committee**

This committee's main function is to recommend to The Society the best method of disposing of unserviceable, obsolete or surplus stores or equipment. It comprises at least five (5) members appointed by the Chief Executive Officer:

- a) The chairperson who shall be a head of department;
- b) At least three heads of user departments, of whom one shall be head of the user department disposing off the stores or equipment;
- c) Head of the procurement function as secretary or his or her designate
- d) the head of finance;
- e) the procurement officer who shall be the secretary;

The committee selects a chairman from among its members and meets within 14(fourteen) days of its appointment and subsequently at least once in every quarter.



The committee shall determine items to be sold to staff, or to be disposed by any other methods acceptable in the Public Procurement and Asset Disposal Act and Regulations.

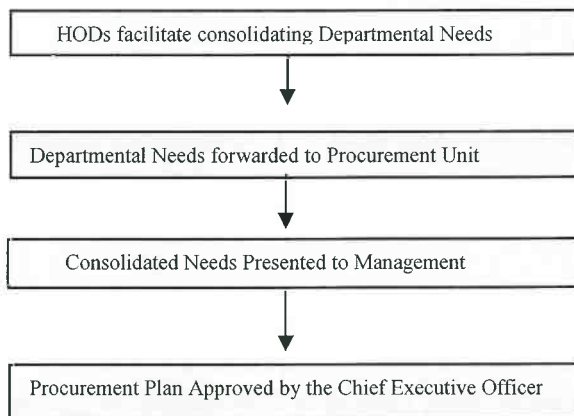
## 10.0 PROCUREMENT PLANNING

A procurement plan shall be prepared for each financial year as part of the annual budget preparation process. There shall be a Procurement Plan proceeding every financial year. The plan shall have a list of all requirements for that year. The plan shall contain at least: -

- a detailed breakdown of the goods, works or services required
- a schedule of the planned delivery, implementation or completion dates for all goods, works or services required
- The projected cost.
- Method of procurement.
- Time/Date item is required.

**NOTE THAT:** - The procurement plan should be prepared and submitted for approval within 30 days from the date of the budget approval.

### 10.1 The Planning Process.



**N/B** No purchases shall be made unless they are in the plan. Emergencies or any eventual need not in the plan shall be approved by the Chief Executive Officer before inception of procurement Process.

## **11.0 PROCUREMENT OF GOODS, WORKS AND SERVICES**

### **11.1 Pre-Qualification Procedure**

Pre-qualification will be used to restrict bidding to a list of bidders who have been identified as qualified to perform the contract satisfactorily. The Pre-qualification mechanism will also be used to pre-qualify bidders for a group of similar contracts or to facilitate the preparation of shortlists under the restricted tendering or request for quotations methods. For example, when establishing a list of contractors that will be used to issue short-list for regular procurement of stationery or computer equipment.

### **11.2 Standing Lists**

Pre-qualified standing lists shall be established for the purpose of selecting bidders for future contracts. Standing lists shall be designed to select on a rotation basis bidder for regular and similar procurement requirements. The establishment of a standing list does not mean the list shall be used for all the procurement requirements of Society.

The pre-qualified standing list shall be updated annually to allow new bidders to be included and to remove those who are no longer qualified. Prequalification shall only be allowed at the time of updating the standing list. Stima investment Co-operative may use pre-qualified list of another organization on approval of the list by the Chief Executive Officer.

### **11.3 Pre-Qualification Announcement**

The pre-qualification proceedings shall be publicly announced by Stima Investment procurement unit through a public notice in newspapers, including international ones if necessary, and on its website where possible. The prequalification notice shall include all the necessary information for a person to make an informed judgment on whether his company is qualified and the contract is of interest.

It shall include: -

- 1) Name, address and contact details of Stima investment Co-operative;
- 2) An outline of the procurement requirement, including the nature of goods, works or services
- 3) A statement of the key requirements and criteria to pre-qualify;
- 4) Instructions on obtaining the pre-qualification documents, including any fee payable and the language of the documents; and
- 5) Instructions on the location and deadline for submission of applications to pre-qualify.

- 6) The invitation to pre-qualify notice must be published in order to ensure effective competition and shall follow these principles:
- 7) Published in the printed media and in at least one publication of wide enough circulation to reach sufficient bidders to ensure effective competition; and/or

The Stima investment Co-operative procurement unit shall ensure coordination of the publications and that sufficient time is allowed between the effective dates of publication and the date for submission for the bidders to review the procurement requirement, prepare their bids and send them including via international courier where applicable.

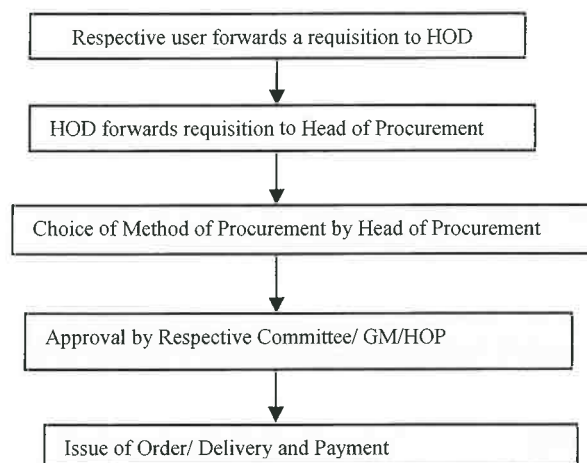
Candidates shall be given at least 14 days to prepare and submit their applications to be pre-qualified. Where foreign bidders are expected to participate, more time shall be allowed as the Society may find necessary.

#### **11.4 Evaluation of Applications**

All applications for pre-qualification received shall be recorded and shall be evaluated. The evaluation can only be based on the criteria, scoring method and scale detailed in the prequalification document. The result of the evaluation shall be a pass or fail for each applicant.

The evaluation shall be carried out by an Evaluation Committee. Minutes, signed and dated, of all the evaluation proceedings shall be kept and the evaluation report shall form the basis for the Chief Executive Officer to make his decision

## 11.5 Authorization of Inception of Procurement Process



All procurement must be approved by the Chief Executive Officer  
Above **Kshs 2,000,000** shall be authorized by the Management Committee

## 11.6 Preparation of Procurement Specifications

The specifications shall be as neutral as possible and not to appear to favor particular bidders.

In case of consultancies the terms of reference (TOR) must be adequate to enable the participating consultants to understand the requirements of the assignment. Specifications are so crucial to the success of procurement and the following points shall be noted:

- 1) Specifications must be prepared by qualified staff from the particular user department.
- 2) The responsibility for preparation of the specifications shall be shared by the user and technical departments and coordinated by the procurement unit.
- 3) The level of specification should be as detailed as possible provided it does not inhibit proper competition.
- 4) Where a specific technology, tool, technique or methodology is required that may be mentioned in the specifications where it is readily available in the market and hence more than one vendor would be able to supply.
- 5) Specifications must be updated and based on adequate market trends.
- 6) A procurement agent or consultant may be engaged to prepare complex specifications.
- 7) Specifications form a very critical part of the bidding documents.

- 8) The evaluation criteria which must be disclosed in the bidding documents shall be partly based on the specifications.
- 9) Specifications must include packing if necessary.
- 10) Preparation of the bidding documents shall not be commenced before the specifications are ready.

## **11.7 Open Tendering Method**

### **(a) Use of Open Tender – Goods, Works and Services**

The Open tender method is the preferred method of procurement and alternative Procurement methods are used only if specific conditions are met. Any single procurement of item of **Kshs 4,000,000** (four million) and above shall go through the open tender method.

Competition is thus a composite result of clarity of specifications, time and transparency of the method selected. The procurement unit shall ensure the selection of the most appropriate method for guaranteeing value for money.

### **(b) Invitation of tenders**

The following possibilities exist:

- (i) Invitation through the publication of an announcement of tendering proceedings in the case of open tendering, where no pre-qualification has been conducted; or
- (ii) Invitation from the list of pre-qualified bidders established where a pre-qualification stage has been conducted.
- (iii) Use of another state organ or public entity list of qualified persons
- (iv) Use of a regulated professional body's registration list

The content of the invitation to tender notice shall be sufficient to inform all the bidders on the procurement requirements key specifications and conditions of execution so as to allow the bidders making an informed decision in order to be responsive and competitive. The following details shall be placed:

- 1) The address and contact details of the Stima Investment;
- 2) The tender unique sequential code assigned to the procurement proceedings by the Stima Investment;
- 3) The nature of the procurement requirement, including a description, of goods, works or services.

- 4) A statement that those submitting tenders or their representatives may attend the opening of tenders;
- 5) A statement of any key technical requirements, qualification requirements and evaluation criteria, and/or any applications of preference margins;
- 6) Instructions on obtaining the bidding documents, including any price payable and the language of the documents; and
- 7) Instructions on the location and deadline for submission of bids.

### **(c) Contents of Bidding Documents for the Open Tender Method**

The bidding documents are an essential interaction document between Stima Investment procurement unit and the potential bidders the bidding documents officially specify the procurement requirements and the proceedings in a legally binding manner. It is therefore critical to dedicate sufficient time and care for their preparation.

The bidding documents shall provide bidders with all the information they may require in order to submit bids that are responsive to the needs of Stima Investment. At this stage, the bidder is not seeking information to make up his decision on whether he will respond to the tender, but is seeking direction to respond technically and financially, be responsive and be competitive. If not, in the case where many bidders would compete but not in accordance with the specifications, it may mean that the tender proceedings have to be declared non-responsive for lack of effective competition. Effective competition is thus achieved by designing with care the bidding document to reflect the requirements and the specifications that are essential to the success of the project and that permits clear, unambiguous comparison to these specifications and amongst the bids. With these principles in mind, the bidding documents shall contain:

- 1) A clear description of the goods, works or services required;
- 2) If works are being procured, relevant drawings and bills of quantities prepared by qualified professionals;
- 3) The general and specific conditions to which the contract will be subject, including any requirement for performance security;
- 4) Instructions to tenderers on the preparation of bids, including any standard forms to be submitted and the required documentary evidence and information including:
  - a. The forms for tenders;
  - b. The number of copies to be submitted with the original tender;
  - c. Any requirement that tender security be provided and the form and amount of any such security;
  - d. Any requirement that evidence be provided of the qualifications of the person submitting the tender;

- e. An explanation of where and when tenders must be submitted, a statement that the tenders will be opened immediately after the deadline for submitting them and an explanation of where the tenders will be opened;
  - f. Instructions on the sealing, packaging, labeling and submission of bids, including the location and deadline for submission and procedures for the withdrawal, modification or replacement of bids;
  - g. A statement that those submitting tenders or their representatives may attend the opening of tenders;
  - h. A statement of the period during which tenders must remain valid.
- 5) A statement of whether alternative bids are permitted or shall be submitted only in addition to the response to the bid (variant proposal) and any instructions relating to alternative bids;
  - 6) Any applicable preference programs and the margin of preference to be applied;
  - 7) Information on the methodology for the evaluation of bids, the evaluation criteria to be applied and the manner in which the criteria shall be applied (with clear scale and scoring);
  - 8) Information on the procedure for contract award, including the requirement for publication of a notice of proposed award and the bidders' right to appeal;
  - 9) A statement that the Stima Investment procurement unit may, at any time, terminate the procurement proceedings without entering into a contract;
  - 10) The terms and conditions of the proposed contract; and
  - 11) Information on the Government's policy on fraudulent activities corrupts practices.
  - 12) A statement on the bidder right to appeal under administrative review.

The bidding documents must detail all specific conditions and requirements.

In describing the specific requirements of the procurement, the Procurement Unit is responsible to provide the necessary advice to the End-User Department so that specifications are clear, give a correct and complete description of what is being procured and allow for fair and open competition among those who may wish to participate in the procurement proceedings.

Such specifications may relate to the performance rather than to design or descriptive characteristics. To the extent possible, they shall as much as possible be based on national or international standards but shall not refer to a particular trademark, name, patent, design, type, producer or service provider or to a specific origin unless there is no other sufficiently precise or intelligible way of describing the requirements. In such an event, the requirements shall allow for equivalents to what is referred to.

#### **(d) Issue and Sale of Bidding Documents**

The issuance of Bidding Document shall be organized by Stima investment Co-operative so as to ensure access and costs efficiency. All bidders responding to the invitation to tender notice must receive by mail and/or electronic mail the bidding document or be able to obtain them at the premises of the Society. The Stima investment Co-operative shall maintain names and addresses of all bidders to whom the documents are issued.

Where a short-list has been established or pre-qualified bidders, determined, the bid documents shall be issued to all bidders on this list at the same time. To the extent possible, the Stima Investment shall issue the bidding documents by electronic mail or any other method the same day.

The Stima investment Co-operative procurement unit may charge a fee for the bidding documents and it shall be calculated to cover the costs related to printing, copying and distribution of the documents only and shall not include any element of profit. In this event, signed receipts for the documents have to be issued and the bidders shall be required to submit a copy of the receipt with their bid. Bidders may request to inspect the bidding documents at the premises of the entity prior to purchasing them. Where a fee is charged the fee must be paid before the closing date of the tender.

The society shall not charge a fee where the tender documents are: -

- a) Obtained electronically
- b) Invitation of interest;
- c) Registration of suppliers;
- d) Prequalification document.

#### **(e) Bidding Period**

The minimum bidding period shall be 14 days for national tenders and 21 days for international tenders. Pre-qualified bidders shall be given not less than 14 days. The days referred to here are calendar days.

Bidders are allowed to ask for clarifications. The Bidding Document has to specify the period after which no questions nor will request for clarifications be responded to.

Should questions raised by the bidders induce a need for change or shall the bidders require changes acceptable to the Society, the bidding documents shall be amended and all the bidders shall be informed simultaneously. Importantly, because such changes may have ramifications, the time remaining before the deadline for submitting tenders when informing the bidders shall be not less than a week to the close of the tender. If this is not



the case, then Stima investment Co-operative will extend the deadline to allow the amendment to the tender documents to be taken into account in the preparation or amendment of the bids.

**(f) Submission and Receipt of Tenders**

Bidders shall submit their tenders in accordance with the instructions given in the tender documents. The submission and receipt of tenders is strictly regulated in order to ensure fairness and equal treatment of all the bidders as well as securing the bids to avoid any collusion. The following criteria must be verified when receiving a tender:

- (i) A tender whether in electronic or manual form must be in writing, signed and in the case of manual submission must be sealed in an envelope;
- (ii) A tender and the envelope it is sealed in must bear the tender number assigned by the Stima investment Co-operative procurement unit and any other reference as specified in the bidding documents;
- (iii) A tender must be submitted before the deadline for submitting tenders and any tender received after that deadline shall be returned unopened or marked “late” and stored unopened.

If a tender delivered by post is inadvertently opened, the fact of that accidental opening must be recorded on the envelope by the person who opened the tender and then the tender has to be resealed and placed in the tender box immediately.

**(g) Bid Securities for the Open Tender Method**

All open tenders will require bid security of not more than 2% of the value of tender. The bidding documents shall clearly state any requirement for a bid security and specify the acceptable forms of the bid security. It is here verified that tender securities shall not be applicable where the bids are not expected to result into a contract like in the case of prequalification tenders and expressions of interest.

The bidding documents shall state that bid securities must be:

- (i) In accordance with the format and wording provided in the bidding document;
- (ii) In a form acceptable to Stima Investment, this shall be:
  - Cash; a bank guarantee; A letter of credit; An Insurance Company Bond where approved by PPRA or
- (iii) Valid for the period prescribed in the bidding document, which shall normally be at least 30 days beyond the expiry of the bid validity period.
- (iv) Bid securities issued by the insurance companies shall be on demand terms.

Stima investment Co-operative has to release bid securities promptly to unsuccessful bidders before expiry of the term of the security on formation of a contract with successful bidder and submission of any required performance security. The bid security of the successful bidder shall not be released, until the contract or the performance security has been received.

The conditions for forfeiture of a bid security shall be specified in the bidding documents. The bidding documents shall state that bidders may withdraw, substitute or modify their bids at any time prior to the deadline for submission of bids, without forfeiting the bid security. The bidding documents shall state the procedures to be followed for withdrawal, substitution or modification.

#### **(h) Modifications to Tenders**

Before the deadline for submitting tenders, a bidder who has already submitted his bid may change or withdraw it. The change or the withdrawal must be submitted in writing before the deadline for submitting tenders and following the instruction to bidders for submitting tenders. After the deadline for submitting tenders, a bidder who submitted any bid cannot change it and any attempt or offer to change the substance of the tender shall be considered as a cause for debarment. Reciprocally, it is strictly forbidden for the Stima Investment or any officer to attempt to have the substance of a tender changed.

Should modifications to the tenders be necessary, the Society will provide copies of the tender documents to all persons who have received or purchased the Bidding Documents and shall consider extending the deadline for submission.

The addendum would be deemed to be part of the tender documents. It is the responsibility of the procurement unit to verify that the amendments do not change the requirement in such a manner that it would have required a different procurement method.

#### **(i) Receipt and Opening of Bids**

Stima investment Co-operative has to make arrangements for the receipt and safe-keeping of bids up until the deadline for submission of bids. These include:

- (i) The provision and security of a bid or tender box, in which bidders are responsible for depositing their bids directly and for which the Stima Investment shall remain responsible to ensure it is locked until the time for bid opening.
- (ii) Where the bids are bulky and cannot be placed in the tender box, they will be placed in the CEO's office unless stated otherwise in the bid document.
- (iii) Where samples were required to be submitted separately, Stima investment Co-operative will acknowledge receipt of each of the bids or samples. Samples may require specific preservation that the Stima Investment shall be responsible for.

The Stima Investment Co-operative procurement unit is responsible for ensuring that bids can be received at all times, issuing receipts and for maintaining an adequate record that shall be audited. Records have to indicate the name of each bidder, the date and time of receipt and the name of the person responsible for receipt. This means ensuring accessibility to the office and tender box and staff availability at the times stated in the tender documents. The Stima investment Co-operative procurement unit is responsible for the safe keeping of all bids from the moment it has discharged the mail, the courier or the bids deposited directly to the Stima Investment Co-operative procurement unit's office. It cannot however be made liable for the loss or delay in delivery of any bid delivered by mail or courier. It is not permitted to disclose the number or identity of bids received, prior to the bid opening, other than to public officials who may require the information as part of their official duties: in such circumstances, the names and reasons for obtaining the information shall be recorded. The bidding process has to be closed precisely at the date and time of the deadline for submission as stated in the bidding document. Where a tender box is used for the receipt of bids, the tender box will then be sealed at the date and time of the deadline and ensure that no further bids are placed in the tender box. The procurement unit shall assign suitable, experienced staff to manage the bid closing.

For any bid that is received after the date and time of the deadline for submission of bids cannot be accepted for the evaluation, but will be declared late and rejected. Therefore, late bids must also be recorded and labeled, stating the date and time of receipt and must be returned unopened to the bidder. Any late bid which is not labeled with the bidder's name has to be recorded and left unopened. The Stima Investment will keep sufficient evidence that a bid was late.

Any bidder who brings a late bid at the time of opening shall be asked to go back with it. When a late tender is rejected, the outer envelope shall be opened for the purpose of identifying the name and address of the bidder. The inner envelope must not be opened, but has to be returned unopened to the bidder. It shall be placed in an outer envelope addressed to the bidder.

The CEO shall appoint a Tender Opening Committee specifically for the procurement requirement in accordance with the principles.

Each member of the Tender Opening Committee shall:

- (i) Sign each tender on one or more pages as determined by the tender opening committee; and
- (ii) Initial, in each tender, against the quotation of the price and any modifications or discounts.

With the exception of late bids, no bids shall be accepted, rejected or evaluated in anyway at the bid opening. Any discrepancies or missing documents shall be recorded in the minutes. The minutes shall contain:

- (i) A record of the procedure followed in opening the tenders; and
- (ii) The particulars of those persons submitting tenders, or their representatives, who attended the opening of the tenders;
- (iii) The names of all bidders whose bids were opened;
- (iv) The presence or absence of a bid security, if one was required;
- (v) The total price of the bid, including the currency and amount and any discounts offered, except where the double envelope procedure is followed;
- (vi) Each member of the tender opening committee shall sign the tender opening minutes.

All Bidders' representatives attending the bid opening shall be requested to sign the record, but the absence of any signature shall not invalidate the record.

All the tender opening documents plus the minutes shall be passed on to the evaluation committee through the head of the procuring unit.

#### **(j) Responsiveness of Bids and Compliance Criteria**

Responsiveness of a bid is determined by the content of the bid itself and the specifications in the bidding documents. Clarifications received or requested for are also considered.

A substantially responsive bid is one which conforms to all the instructions, requirements, terms and conditions of the bidding documents, without material deviation, reservation or omission.

The Evaluation Committee shall conduct an examination to determine whether bids are complete and are responsive to the instructions and requirements of the bidding document.

This preliminary examination shall determine whether:

- 1) The bid has been submitted in the correct format;
- 2) Any required bid security has been submitted, in the correct form and amount and valid for at least the period required;
- 3) The bid has been submitted without material reservations or deviations from the terms and conditions of the bidding document;
- 4) The bid has been correctly signed and authorized;
- 5) The correct number of copies of the bid has been submitted;
- 6) The bid is valid for at least the period required;
- 7) All key documents and information have been submitted;

- 8) Any required samples have been submitted; and
- 9) The bid meets any other key requirements of the bidding document.

A material deviation, reservation or omission shall result in rejection of the bid at this stage: this means that the bid shall not be subject to any further evaluation. Non-material deviations, reservations or omissions shall not result in rejection of the bid.

**(k) Material deviations, reservations or omissions mean:**

- 1) A deviation that affects in any substantial way the scope, the quality or the performance of the works, services or supplies specified in the bidding documents.
- 2) A reservation that would limit in any substantial way, inconsistent with the bidding documents, Stima Investment's rights or the bidder's obligations under any resulting Contract; or
- 3) An omission that when corrected would unfairly affect the competitive position of other bidders presenting substantially responsive and compliant bids.

Any bid which contains a material deviation, reservation or omission is automatically declared rejected and shall not subsequently be made responsive.

Consistency in examination has to be ensured. In case of a deviation, it needs to be quantified to the extent possible in order to be qualified as minor or as a source of non-responsiveness and it shall be taken into account in the evaluation and comparison of tenders. Where examination for responsiveness determines that none of the submitted tenders is responsive the Stima Investment shall notify each person who submitted a tender that the bidding was not responsive.

Responsiveness shall not be solely regarded as an administrative verification but also a technical one. The reason for non-responsive declaration must be clearly stated and factual. Where none of the bids is responsive and financial bids have been submitted in a separate envelope, all the financial bids shall be returned to the bidders unopened. Where only one or two bids are determined responsive the Society shall proceed with the evaluation.

**(l) General Principles**

Only the bids declared responsive shall be evaluated according to the procedures set out below and to the criteria set out in the tender documents. No other criteria than those specified in the bidding documents can be used. Therefore, it is essential to ensure that while establishing the bidding documents, due considerations have been given to the evaluation criteria, the rating scales and the scores assignment. The criteria must, to the extent possible, be objective and quantifiable; and each criterion must be expressed so that

it is applied, in accordance with the procedures below, taking into consideration price, quality and service of the procurement object.

The successful tender shall be the responsive tender with the lowest evaluated price. This means with due consideration of the technical evaluation and the weighting of the technical and financial evaluation where appropriate. The methodology for the evaluation of bids shall consist of two steps: -

- (i) A comparison of each bid to the technical requirements of the description of goods works or services on a pass or fail basis, to determine whether the bids are technically responsive; and
- (ii) The determination of the bid with the lowest evaluated price.

In addition to criteria aiming at assessing the quality of a bid, evaluation criteria shall be related to the performance, characteristics or terms and conditions of a bid, such as delivery or completion schedule, payment schedule, the cost of spare parts or after sales service, operating or maintenance costs or the productivity of equipment.

Any additional evaluation criteria shall be designed to measure the advantage or disadvantage of a factor to the Society. Such advantage or disadvantage shall be quantified in monetary terms and applied as an increase or decrease to the bid price, for purposes of evaluation only. The bidding document shall state the methodology for calculating and applying the adjustment to the bid price where applicable.

#### **(m) Award of Contract**

Adjudication and contract award is the responsibility of the Chief Executive Officer. For each item of procurement to be adjudicated and awarded there will be a comprehensive evaluation report accompanied with a professional opinion which shall be in the following format;

- 1) Purchaser/User
- 2) Background information
- 3) Invitation of Bids
- 4) Submission and opening of bids
- 5) Evaluation of bids.
- 6) Availability of funds for the resultant contract.
- 7) Secretariat comments.
- 8) Request to the Chief Executive Officer to adjudicate and decide.

The Regulations provide that in the adjudication and consideration of the agenda for a procurement contract award, the CEO may make the following decisions.

- 1) Approve the award.

- 2) Reject the application with reasons.
- 3) Approve the contract award subject to minor clarifications or corrections.

Where the CEO rejects an application for contract award the decision must be in writing and shall give further direction. An item rejected by the CEO shall be re-submitted to the him/her for re-adjudication with new information. After the evaluation committee meeting the secretary must prepare the minutes of that meeting which is an official written record of the evaluation committee deliberations and decisions. The minutes must be comprehensive, factual, accurate and precise. The purpose of the minutes is to record a comprehensive process which was followed and the decisions taken or made by the CEO to award the contract to the recommended bidder or otherwise. The minutes shall therefore be written in a special way to ensure that the procurement process as required by the Act and the regulations was followed.

The minutes of the evaluation committee shall have the following format:

- 1) Title (meeting number, f/y, venue and time held)
- 2) Attendance.
- 3) Confirmation of the minutes of the last meeting.
- 4) Matters arising from the minutes.
- 5) Substantive items of agenda for the meeting.
- 6) Any other business.

After the minutes are confirmed by the CEO they must be signed and dated by both the chairman and the secretary.

#### **(n) Notification of Contract Award.**

Before expiry of the validity period of bids, the Society will notify the person who submitted the successful tender that his/ her tender has been accepted. Within a reasonable time as the person submitting the successful tender is notified, the Society must notify all other persons submitting tenders that their tenders were not successful. The notification of a contract award does not change the validity period for a tender or tender security. The successful bidder must reply in writing within 14 days that he has accepted the award. If the bidder refuses to accept the award, its bid security shall be forfeited. The next qualified bidder shall then be considered for contract award.

**NOTE: Any substantial developments or any new information which affects the tender but could not be established during evaluation shall be considered before award.**

#### **(l) Contracts**

The person submitting the successful tender and Stima Investment shall enter into a written contract based on the tender documents, the successful tender and any clarifications

provided. The written contract shall be entered into within the period specified in the notification but not until at least fourteen days have elapsed from the date of the notification. No contract shall be deemed formed between the person who submitted the successful tender and Stima Investment until a written contract is signed by both parties. The Society shall not request or require, as a condition of awarding a contract that a person who submitted a tender undertake responsibilities not set out in the tender documents.

If the bidder submitting the successful tender refuses to enter into a written contract, Stima investment Co-operative shall notify the next most qualified bidder.

**(m) Expediting of orders**

Once the contract is awarded, the procurement unit and the user department shall regularly engage the supplier to ensure that the delivery is on time. The user department shall also be updated regularly on the status of the order.

**11.8 Restricted Tendering Method**

The Restricted Tender Procurement Method shall be used as an alternative procurement method other than open tendering only as allowed by the Act and the Regulations. The procurement method must be provided for in the procurement plan and approved by the CEO.

**Restricted procurement method shall be used in the following cases.**

**Case 1**

Where the procurement is complex and there is a need to restrict bidding to prequalified candidates.

**Case 2**

Where the expected bidders are very many and there is a need to restrict bidding to a manageable number and

**Case 3**

Where there are only a few known bidders and there is no advantage seen in advertising an open tender.

**Thresholds for restricted tender**

	<b>Goods</b>	<b>Works</b>	<b>Services</b>
<b>Case 1</b>	Max Budget	Max Budget	Max Budget
	Min 5,000,000	Min 5,000,000	Min 5,000,000
<b>Case 2</b>	Max Budget	Max Budget	Max Budget
	Min 1,500,000	Min 2,000,000	Min 1,500,000



<b>Case 3</b>	Max Budget	Max Budget	Max Budget
	Min 1,500,000	Min 2,000,000	Min 1,500,000

### **11.9 Direct Procurement Method**

Direct procurement method is not a preferred method because it is completely devoid of competition and transparency. The society therefore will not use it except when it is not avoidable and strictly in accordance with the requirements of the Act and the Regulations. Direct procurement shall be used in the following circumstances.

- 1) When there is only one supplier who can supply the goods works or services being procured and there is no reasonable alternative or substitute for the goods, works or services.
- 2) When there is an emergency thus the goods being produced are urgent and because of the urgency the other available methods of procurement are not practical. However, it must be that the circumstances that gave rise to the urgency were not foreseeable and were not the result of dilatory conduct or negligence on the part of the Stima Investment procurement unit.

Where direct procurement is used no thresholds shall be considered provided the above conditions are met and the procurement method shall as soon as reasonably possible, be approved by the CEO. Contract award shall be by the CEO

In all cases where Direct Procurement is used, having been properly justified, it shall be required that a Negotiation team be set up in accordance with the law. Negotiations under direct procurement method shall include negotiation of the price. The negotiation will consider among other things the prevailing market price a basis of evaluating the quoted price.

The negotiating team shall prepare a report of the negotiations which shall be submitted to the CEO for decision making.

### **11.10 Request for Quotations Method.**

Stima investment Co-operative shall use request for quotations for goods, works and services which are readily available in the market and whose cost is below the set thresholds in schedule one of the regulations.

Stima investment Co-operative procurement unit shall have a pre-qualified suppliers list which is maintained for effective use of the request for quotations procurements method. The set thresholds for request for quotations procurement method are as follows.

Where request for quotations are sought by the Society and two possibilities arise: -

1. Where less than three vendors respond – In this case, the policy of the Society is that the quotations be returned to the vendors without evaluation.
2. Where less than three vendors are responsive upon evaluation- In this case the society will review the circumstances leading non-responsiveness, in the event that the non-responsiveness was due to lack of clarity in the Society specifications, then tender would be cancelled, new and clear specifications would be prepared.  
On the other hand, in the event that the non-responsiveness was due to the failure of the tenderer then the Society shall proceed with the Procurement Process.

**Maximum Expenditure for Goods, Works and Services is Kshs 1,000,000 (one million) for goods and services and 2,000,000 (two million) for works**

In the procurement of goods and services the Stima investment Co-operative procurement unit shall use a request for quotations which shall contain the following information.

- 1) Quotation number and date.
- 2) Name and address of the Stima investment Co-operative procurement unit.
- 3) Date and time of submission of the quotation.
- 4) Particulars of the item including item no, specifications, unit of issue, quantity required.
- 5) Part to be completed by the supplier including unit price, delivery time, discount, brand, country of origin and remarks.
- 6) Space for supplier's signature.
- 7) Space for official use with:

Request for quotations shall be prepared in duplicate and given to the supplier.

After the supplier has completed the request for quotations he shall submit the original duly signed and stamped and retain the duplicate. In deciding the supplier to be invited to quote a procurement unit shall ensure a fair and equal rotation amongst the persons on the pre-qualified suppliers list. When issuing request for quotations to suppliers there is no requirement of placing them in an envelope but when the suppliers submit the RFQ, they must be submitted in sealed envelopes. The procurement unit shall also give clear instructions to the suppliers on the mode of delivery of the sealed envelopes (unless otherwise stated in the tender documents, they shall be deposited in the tender box at the reception). The envelopes shall be addressed to The CEO of Stima investment Co-operative and also clearly indicate the quotation number and closing date. The request for quotations shall be given to as many persons as necessary to ensure effective competition but in any case not to less than three persons.

**Note:** If it is not possible to get at least three persons the CEO shall be requested to approve less than three persons to be invited to quote.

The suppliers shall be given at least one week to prepare and submit their quotations. Where circumstances dictate that less time is allowed this shall be done subject to approval of the Procurement Officer. Request for quotations after being received at Stima investment Co-operative shall be opened by at least three responsible officers one from the procurement unit, and one from the user department.

Unless otherwise, the successful quotation shall be the quotation with the lowest price that meets the requirements set out in the request for quotations. Where the procurement unit is of the view that the successful quotation is higher than the prevailing market price, the procurement unit shall reject the quotations and repeat the process afresh issuing the quotations to other persons in the pre-qualified list. A request for quotations shall be national or international. Where it is international the terms and conditions applicable shall be those generally used in international trade.

It must however be ensured that all the necessary terms and conditions of the procurement contract are incorporated. If the terms and conditions of the contracts shall include the bid document submitted by the winning bidder, then a formal contract must be prepared and signed by the parties.

#### **11.11 Procedure for Low-Value Procurements**

Stima investment Co-operative may use a low - value procurement procedure where the estimated value of the goods, works or services being procured is less than or equal to **Kshs 10,000. Such procurement shall be approved by the Procurement Officer**

**Note** however that procurement beyond **Kshs 10,000** must be approved by the CEO.

This method is used where:

- 1) The Stima investment Co-operative procurement unit does not see any benefit accruing to it in terms of time or cost implications by using any other procurement method.
- 2) The procedure is not used to avoid competition.
- 3) The procurement is made through direct shopping from a reputable outlet or provider identified by the Stima investment Co-operative procurement unit.
- 4) An original receipt or invoice is obtained to account for the money and item purchased.

### **11.12 Specially Permitted Procurement Procedure**

The Procurement Act provides that Stima investment Co-operative may use a procurement procedure specially permitted by PPRA. A specially permitted procurement procedure is any procurement method, without limitation, identified and explained by the Society not provided for in the Act and the Regulations and has been specially permitted by the PPRA to be used for a particular procurement.

A specially permitted procurement procedure shall be considered and allowed by the PPRA if the following apply:

- a) Where exceptional requirements make it impossible, impracticable or uneconomical to comply with the Act and the regulations.
- b) Where the market conditions or behavior do not allow effective application of the Act and the Regulations.
- c) For specialized or particular requirements that are regulated or governed by harmonized international standards or practices.

The following conditions shall also apply:

- 1) Before seeking the approval of the PPRA the procurement method shall be approved by Stima Investment's CEO.
- 2) The application for approval by the PPRA shall be accompanied by all particulars of the proposed procurement including bid documents.
- 3) Procurement proceeding shall not be commenced before the procurement method is specially permitted by the authority.

### **11.14 Procurement of Consultancy Services (Request for Proposals Method)**

#### **11.14.1 When Request for Proposal shall be used**

Section 123 of the Act provides that RFP procurement procedure shall be used for procurement if the procurement is of services or combination of goods and services and the services are advisory or otherwise of a predominantly intellectual nature. Before this procurement method is resorted to it must have the approval of the CEO in addition to being provided for in Stima Investment's annual procurement plan.

Stima investment Co-operative shall procure consultancy services only when:

- (a) It does not have the capacity to provide these services
- (b) When time is not available due to workload

#### **11.14.2 Expression of Interest (EOI)**

Stima investment Co-operative procurement unit shall prepare a notice inviting interested persons to submit expressions of interest.

The notice inviting expression of interest shall set out the following:

- (a) Name and address of Stima investment Co-operative
- (b) A brief description of the services being procured
- (c) Qualification requirements
- (d) Where and when expressions of interest must be submitted.

The notice of expression of interest shall be advertised in at least two daily newspapers of nationwide circulation.

#### **11.14.3 Terms of Reference (TOR)**

Stima investment Co-operative procurement unit in liaison with the user department shall prepare terms of reference that set out the following:

- a) The specific requirements relating to the services and, if applicable, the goods being procured and the time limit for delivery and completion, and
- b) Anything else required to be set out in the terms of reference.

The terms of reference prepared by the Stima investment Co-operative procurement unit shall set out:

- a) The background including the reasons necessitating the procurement.
- b) The objects to be achieved by the procurement
- c) The output expected from the person awarded the contract.
- d) The qualifications necessary for a person to be awarded the contract.

#### **11.14.4 Receiving and Opening of Proposals**

- a) The proposals shall be invited through an advertisement or they shall be invited directly from the short listed pre-qualified consultants who had earlier expressed interest for that particular procurement.
- b) The proposals shall be submitted by the consultants strictly in accordance with the information provided in the request for proposals document.
- c) The opening of the proposals shall be by an opening committee appointed by the CEO just like in the case of open tenders.
- d) Any proposal received after the time given for submission of the proposals shall be rejected.

#### **11.14.5 Evaluation of Proposals and Contract Award**

The evaluation committee shall examine the proposals received in accordance with the request for proposals. Each proposal shall be evaluated to determine if it is responsive and if

it is the committee shall assign a score to the technical proposal, in accordance with the procedures and criteria set out in the request for proposal.

The following are clarified:

- 1) When preparing the request for proposals the evaluation criteria to be set and which will need to be applied strictly during evaluation shall be based on scores.
- 2) Evaluation shall be done by a competent evaluation committee appointed by the CEO.

The successful proposal shall be the responsive proposal with the highest score determined by the Evaluation committee by combining scoring, for each proposal, in accordance with the procedures and criteria set out in the request for proposals, the scores assigned to the technical and financial proposals and the results of any additional method of evaluation.

The technical proposal will be scored out of 100 points and the financial proposal for the lowest price shall be scored 100% and then the other prices shall be given a score by applying the formulae  $PL/P \times 100$  where PL is the lowest price and P is the price being considered. The weights to be applied to technical and financial proposal shall be as follows:

The technical weight will be 70% and the financial weight will be 30% and will be calculated as prescribed in the tender documents before adding them together to determine the highest combined score.

#### **11.14.6 Due Diligence in Procurement**

Before contract award, the Society shall conduct thorough due diligence on technically qualified vendors. Such due diligence will include but not be limited to the following:

1. Confirmation of the registration status of the vendor with the respective professional body
2. Conduct of site visits where appropriate
3. Contacting references provided by the vendor
4. Confirmation of the validity of testimonials provided by the Vendor (e.g. Tax Compliance certificate, VAT certificate, Audited Accounts, Bank Statement, utility bills, Bid/performance bonds)
5. Any other appropriate due diligence measures on a case-by-case basis.

Stima investment Co-operative may negotiate with the person who submitted the successful proposal and may request and permit changes as long as the contract does not vary from

the requirements of the terms of reference, the request for proposals or the terms of the successful proposal except in accordance with the following: -

- a) The contract may provide for a different price only if there is a proportional increase or deduction in what is to be provided under the contract, and
- b) The variations must be such that if the proposal, with those variations, was evaluated again, the proposal would still be the successful proposal”

A consultancy contract shall be lump sum which means has a specific amount of money to be paid or time based which means it shall give an amount of fees to be paid for a specific period called a rate and the total amount to be paid shall be determined by the period of time within which the assignment has been completed.

The rate shall be based on an hour, a day or a month. It is very important for this part of the contract to be made very clear to avoid contract disputes later.

#### **11.14.7 Filing and Archiving**

The procurement unit shall maintain adequate and accurate records of the tendering proceedings in compliance with the Public Procurement and Asset Disposal Act and Regulations

In the case where the procurement requirement involves feasibility studies and surveys directly carried out or accepted by the Stima investment Co-operative procurement unit in order to prepare the tender documents, the reports and other documents resulting from these studies and surveys must be filed as part of the procurement dossier.

Accurate records of all Evaluation and Tender Opening Committees proceedings must be taken, maintained and filed. Accurate records of all sales and receipts of bids, request for clarifications and clarifications issued by the Procuring Entities must be maintained and filed. The Procuring unit has to ensure that all non-active procurement files are safely archived for not less than six years and that no active dossier is archived. It is the responsibility of Stima investment Co-operative to ensure that all files are kept securely and are protected from theft, fire, flooding and rain, access by unauthorized persons or any other threats to the integrity of the filed documentation.

#### **11.15 Procurement of Legal Services**

The Society shall maintain and update a prequalified list of lawyers. The CEO will authorize in writing the Head of Legal to select on a rotational basis from this list.

The remuneration of the provided legal services will be as per the prescribed threshold outlined in the Advocates Remuneration Order in the respective year applicable as set out in the Advocates Act.

## **12.0 MANAGEMENT/ADMINISTRATION OF PROCUREMENT CONTRACTS**

Contract administration pertains to the preparation of procurement documentation, the processing and approval of such documentation, monitoring contract implementation, approving and administering contract variations and modifications, and possibly cancelling or terminating contracts.

In a procuring contract the contractor has the responsibility of performing the contract as per the terms and conditions of the contract, while Stima investment Co-operative has the responsibility of meeting its obligation of paying the contractor as per terms and conditions of the contract. These are the basic responsibilities of the parties. For the purpose of ensuring that both parties perform and meet their obligations procurement contracts must be managed. On the part of the Stima investment Co-operative the procurement contract must be managed with an aim of obtaining goods, works and services as per contract and achieve value for money.

### **12.1 The Procurement File**

The Procurement file is important in the management of a procurement contract. The file is opened for the purpose of processing the procurement before the contract is awarded.

It contains the following.

- 1) Procurement initiation requisition.
- 2) All correspondence on the procurement.
- 3) Bid document.
- 4) Bids received.
- 5) Evaluation and award of the contract.
- 6) Information on the award of the contract and particulars of the contract.

This file contains very important information and must be handled carefully.

### **Creation of Procurement Contract**

The Procurement unit jointly with the User Department will initiate the creation of the procurement contract in liaison with the other contracting party (Vendor). The Legal Department of the Society shall review all contracts before signing.

### **12.2 The Contract File**

Stima investment Co-operative will ensure that no contract is formed between the person submitting the successful tender and the Society until the written contract is entered into. The file shall be used for recording the actual performance of the requirements indicated in the contract.

The file shall contain the following:



- 1) Signed original procurement contract.
- 2) Any signed modifications to the contract.
- 3) Contract correspondence between the parties.
- 4) Information on the performance.
- 5) Correspondence on the contract.
- 6) Management progress reports

### **12.3 Contract Administration Responsibilities**

For each contract entered into, the procurement unit and the respective user department shall be responsible for administering the contract. They will perform the obligations and duties of Stima investment Co-operative specified in the contract; and to ensure that the contractor performs the contract in accordance with all of the terms and conditions of the contract.

#### **(a) Administration of Sub-Contracts**

The prime contractor shall be responsible for administering any subcontracts and the Society shall monitor only the prime contractor's management of its subcontracts.

The Stima Investment Co-operative procurement unit shall not directly administer any subcontracts, except where:

- i. There is a risk of the Society incurring undue cost or delay;
- ii. Successful completion of the prime contract is threatened; or
- iii. Special surveillance of high risk or critical subsystems is required.

### **12.4 Measurement and Control of Performance**

The requirements of the contract must be closely watched to ensure that there are no deviations or risks and those identified are dealt with in time.

Some of these will be:

- (a) Cost overruns.
- (b) Effectiveness of communication.
- (c) Inputs, process and outcomes.
- (d) Timeliness.

### **12.5 Contract Review Reports**

In large procurement contracts the contract management plan shall provide for review meetings. Review meetings are held periodically as found necessary for the purpose of face to face communications of contract performance and discussing the way forward and preparing status reports. After a review meeting a status report shall be prepared to be shared by the parties which shall include:

- a) Executive summary.
- b) Report on performance of activities and budget.
- c) Other issues relevant to the contract such as environmental and general observation including the performance rating.

### **12.6 Payments to Contractor**

It is very important for the contractor to perform the contract satisfactorily. Similarly, it is important for the Stima investment Co-operative to make payments to the contractor timely and according to the contract requirements. Payments shall not be made unless the invoice or the fee note is accurate and also submitted in accordance with the provisions of the contract.

### **12.7 Contract Review**

In large procurement contracts it is good practice after the contract is completed to conduct a contract close-out review. This shall be done by the contract management team. The review shall consider the following:

- (a) The timeliness of contract performance.
- (b) Cost and quality performance.
- (c) Risks analysis.
- (d) Organizational and operational effectiveness.
- (e) Appropriateness of the procedures.
- (f) Suppliers performance.

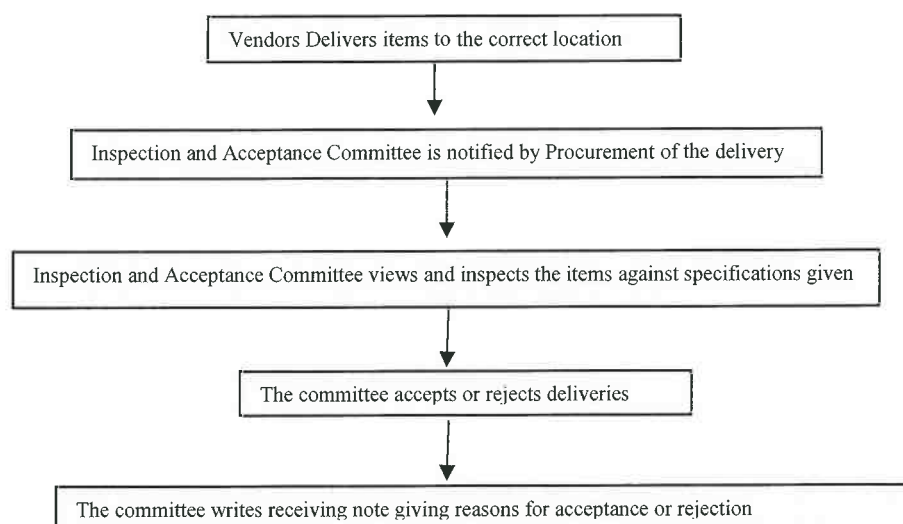
After the review a report shall be prepared and distributed as necessary. The report shall provide good lessons for management of future contracts. Where there is need for action resulting from the report the management of Stima investment Co-operative shall decide. Where the team has performed well it shall be commended and where it has not done very well it shall note for future improvement.

### **12.8 Emergency Procurement**

Emergency in relation to procurement derives from an “urgent need” as interpreted within the Public Procurement and Asset Disposal Act. A procurement proceeding that is justified by an emergency means the need for goods, works, services or consulting in circumstances where there is an imminent or actual threat to public health, welfare, safety, or damage to property such that engaging in tendering proceedings or other procurement methods would not be practicable

## 13.0 RECEIVING, INSPECTION AND ACCEPTANCE OF GOODS, WORKS AND SERVICES

### 13.1 Receiving Process



Inspection and Acceptance of Goods, Works, Services and Consultancy Services is the final step of the Procurement Cycle. It is at that stage that the procurement unit must have been able to ensure that the contracts (or Local Purchase Order) have been duly enforced by the contractor and itself, and that the deliveries correspond to the contract terms, especially with respect to:

- Timing
- Standards and Specifications of the contracts
- Quantities
- Place
- Price, Value and Costs

The procurement unit shall ensure that each of these dimensions have been duly verified before accepting the final delivery of any item procured. The acceptance and certification of the delivery is the evidence that will serve to effect the payment to the contractor.

The IAC may observe tests conducted by the contractor, or any subcontractors, under their own quality control procedures; or Stima investment Co-operative may employ an independent third party to undertake technical inspection where it lacks capacity.

The inspection and acceptance comprises all necessary verifications and tests to ensure that the goods, works and services delivered are compliant to the bidding document specifications and to the proposal of the bidders. Verifications may comprise such checks as:

- 1) The correct quantity has been received;
- 2) The goods, works or services meet the technical standards defined in the contract;
- 3) The goods, works or services have been delivered or completed on time, or that any delay has been noted;
- 4) All required deliverables have been submitted; and
- 5) All required manuals or documentation have been received.

#### **14.0 DISPOSAL OF STORES, EQUIPMENT AND OTHER ASSETS**

Disposal is a critical element of the stores, equipment and other assets management. When any equipment is obsolete, its keeping through maintenance costs, storage, parking, insurance, etc., may well exceed the returns that can be derived from that piece of equipment and the investment of additional monies. When stores are perishable, keeping them run risks of misuse, using shelf space unduly and not signaling requirements for what shall be life savings products. Disposal is thus one of the elements of managing procurement and supply and distribution. It focuses on safeguarding assets and on sending information for decision making.

Disposal for the Society shall include all owned assets as follows;

1. Commercial Buildings
2. Residential Houses
3. Computers and computer Accessories
4. Furniture and Fittings
5. Society Land

Disposal is considered as the third life of any items acquired by Stima investment Co-operative;

- i. First, it is procured and accepted (the procurement cycle);
- ii. Second it is utilized by Stima investment Co-operative in the discharge of its duties (the usage life cycle, often referred to as life cycle);

iii. Third and finally, it has then to be disposed off (the disposal cycle).

#### **14.1 AUTHORITY TO DISPOSE**

Before any item is disposed, the head of user department shall alert the Chief Executive Officer who shall then present the matter to The Board of Director for the authority of inception of the disposal process. The disposal committee shall then sit and discuss the matter on the board's approval. The Chief Executive Officer has the final authority of accepting or rejecting the recommendations of the disposal committee. Where items become unserviceable for reasons other than normal wear and tear such as through accidents or expiry the set procedure for handling losses shall be followed before the disposal process. Obsolescence shall be avoided by the Society by disposal of items as surplus before they become obsolete. The causes of having excess surplus items in the stores shall also require be investigating and justifying.

#### **14.2 DISPOSAL PLAN**

(a) The head of user department shall identify any items which are due for disposal and where possible assemble them together. A proper inventory record shall be maintained by every user department. The Procurement Officer shall be responsible for identification of stocked items which are candidates for disposal. The lists of all items identified for disposal shall be submitted to the Procurement Officer who shall forward them to the CEO. These submissions shall form the basis of the annual disposal plan. The Society shall establish disposal of stores and yards.

A disposal form which shall contain the following information: -

- i. Item No.
- ii. Description of item
- iii. Unit of issue
- iv. Quantity
- v. Date of purchase
- vi. Purchase unit price

- vii. Total purchase price
- viii. General condition
- ix. Disposal recommendation of the disposal committee
- x. Estimated current value
- xi. Decision of the Chief Executive Officer.

#### **(b) Annual Disposal Planning of Stores and Equipment**

Stima investment Co-operative shall undertake annual stocktaking of stores and valuation of assets and equipment and maintain an up to date inventory register. There shall be a disposal plan for each fiscal year.

Annual disposal planning shall be integrated with applicable budget processes and based on indicative or approved budgets, as appropriate, for any disposal linked to replacement. The Disposal Planning shall be done at the same time as the Procurement Planning.

#### **(c) Contents of Annual Disposal Plan**

The annual disposal plan shall be prepared by the disposal committee in consultation with the Procurement Officer (member) and the heads of user departments. The Society shall establish a disposal committee in accordance with Regulation 92 (1)

Pursuant to Regulation 92 (3), the disposal committee shall first meet within 14 days of its appointment and subsequently at least once in every quarter. The Society shall dispose off their stores and equipment at least once every year.

The annual disposal plan for the Society shall include:

- i. A detailed breakdown of the stores, assets and equipment to be disposed of;
- ii. A schedule of the disposal;
- iii. An indication of the justification for disposal;
- iv. An estimate of the value of each store, asset or equipment;

- v. A reference to the asset registers or records of the stores;
- vi. An indication of the method of disposal envisaged for each disposal requirement, including any need for pre-qualification, and the anticipated time for the complete disposal cycle, taking into account the applicable approval requirements;
- vii. An indication of whether the disposal of the stores, assets or equipment will be managed by Stima investment Co-operative or any special agency designated or hired;
- viii. An indication of the resources available for managing the disposal workload.

#### **(d) Justification and Delineation of the Disposal Requirement**

The Disposal Committee shall take appropriate measures to effectively ensure that each disposal requirement is justified and does not present a risk for the on-going delivery of the public service nor a loss of public monies.

The Disposal Committee shall ensure that each disposal requirement is well delineated so as to avoid any possible confusion between disposal procedures and procurement procedures in the case where the two processes shall be integrated as in the case of trade-in.

#### **(e) Choice of Disposal Method**

Subject to specific conditions, Stima investment Co-operative may choose any disposal method (Ref Section 165 of the Act): -

- (i) Transfer to another public entity
- (ii) Sale by open tender
- (iii) Sale by public auction
- (iv) Waste disposal management
- (v) Trade in
- (vi) Disposal to Public Service Officer

The Society shall apply reserve prices where it is found necessary to ensure a fair price is achieved. The CEO shall be responsible for setting the reserve price. Under the circumstances care shall be taken in the establishment of the reserve prices. Where disposal

is by public auction, the auctions must be by registered auctioneers and the rates charged shall be those approved by the regulating authority.

**(f) Budgeting and Allocation of Funds**

Stima investment Co-operative shall ensure that adequate funds are budgeted and allocated, prior to initiating the disposal proceedings, taking into account all costs involved in the disposal. The costs involved may include the following:

- i. Valuation of stores, assets or equipment;
- ii. Consultancy costs for preparation of a disposal proposal;
- iii. Disposal proceedings management and supervision costs in the case that a disposal agent shall be hired; or
- iv. Costs relating to facilities, publication of notices, services or resources to be provided by the Society, such as office space or communication facilities for consultants or counterpart staff, access to the stores, assets and equipment in the case of pre-bid site visits and conferences.

**(g) Independent Valuation of Stores, Assets and Equipment for Disposing**

The Disposal Committee shall be responsible for the valuation of the items indicated in the disposal plan. Where the Society has no capacity to value the items for disposal it shall use the services of:

- (i) Another organization
- (ii) An evaluation agent

**(h) Award of Disposal Proceedings**

Stima investment Co-operative shall award the disposal proceedings in compliance with the procedures described for each disposal method. No disposal shall be awarded without due process of the disposal procedures. Where the disposal is through sale by open tender the contracts shall be awarded by the CEO for all the items irrespective of the value.

**(i) Cancellation of Disposal Proceedings**



The cancellation of Disposal proceedings shall be avoided whenever possible, but shall be permitted where:

- i. The disposal need has ceased to exist or changed significantly;
- ii. Insufficient funding is available for covering the transactions costs of disposing of the stores, assets or equipment;
- iii. There is a significant change in the required technical details, bidding conditions, conditions of contract or other details, such that the recommencement of proceedings is necessary;
- iv. Insufficient, or no responsive bids are received;
- v. There is evidence of collusion among bidders; or
- vi. It is otherwise in the Society's interest.

Where disposal proceedings are cancelled prior to bid opening, any bids received shall be returned unopened. For this purpose, bids are to be submitted in an inner envelope indicating the full address of the bidder and an outer envelope indicating the address of Stima investment Co-operative only. Stima investment Co-operative may, at any time, terminate disposal proceedings without entering into a contract.

The Society shall give prompt notice of a termination to each person who submitted a bid or, if transfer or trade-in were being used, to each person with whom Stima investment Co-operative was negotiating. On the request of a person, Stima investment Co-operative shall give its reasons for terminating the disposal proceedings within fourteen days of the request. Stima investment Co-operative shall not be liable to any person for a termination under this part.

#### **(j) Unsuccessful Proceedings**

Where no responsive bids are received or disposal proceedings are otherwise unsuccessful, the Procurement Unit shall investigate the failed disposal proceedings and prepare a report for the Disposal Committee and the CEO. The report shall include the reasons why the disposal was unsuccessful and recommendations on how any new disposal proceedings

shall be managed to avoid such failings. The investigation shall consider all relevant issues, which may include:

- i. Whether the announcement period in the case of public auction sale or the bidding period in the case of public tender sale was sufficient, considering the factors listed in regulation 40;
- ii. Whether the requirements of the tender document and the terms and conditions of the proposed contract were reasonable and not so excessive as to deter competition;
- iii. Whether sufficient time was allotted for negotiations in the case of transfer and trade-in and whether the terms and conditions of the proposed contract were reasonable and not so excessive as to deter competition;
- iv. Whether any invitation notice was published in an appropriate publication  
And on the required date;
- v. Whether any amendments or clarifications to the solicitation allowed sufficient time for bidders to take them into account in preparing their bids;
- vi. Whether there were other extraneous events or circumstances, which may have affected the ability of bidders to respond;
- vii. Whether the evaluation process was conducted in accordance with the Regulations and the tender evaluation criteria and whether staff responsible for the evaluation had adequate skills and resources;
- viii. Whether there is any suspicion of collusion between potential bidders; and
- ix. Whether the original choice of disposal method was appropriate.

The Procurement Unit shall make any appropriate recommendations, which may include:

- i. The use of an alternative method of disposal;
- ii. Amendments to solicitation document, including bidding requirements, the type of contract or the terms and conditions of the proposed contract;
- iii. Alternative publication of any solicitation document; and
- iv. The introduction of international competition.

### **(k) Documentation of Disposal Procedures**

For each Disposal Method, the Society shall document:

- i. The initiation of a disposal requirement clearly establishing the need for disposing of the stores, assets or equipment, the justification of the disposal method and the reference to the Disposal Plan;
- ii. The Selection process to account transparently on the compliance to the disposal procedures set forth in the Regulations, notably but not limited to the choice and the enforcement of the appropriate disposal method for selecting the winning candidate securing the best value for money;
- iii. The Contract Award to establish without ambiguity the commitments taken by the Contractor/Buyer and Stima Investment Society to secure efficient and effective disposal;
- iv. The Certification of Completion of the Disposal to ensure the contractor has discharged of its obligations;
- v. The Receipt of Monies as provided in the disposal documents.

### **14.3 SALE BY OPEN TENDER**

The Society shall ensure that the disposal method is properly approved by the Chief Executive Officer. Sale by open tender shall be as in the case of procurement by open tender.

#### **Note:**

No pre-qualification shall be conducted for disposing of stores, assets or equipment. Pre-qualification may only be resulted to with the prior approval of the PPRA.

### **(a) Evaluation Methodology and Criteria for the Public Tender Sale Method**

The methodology for the evaluation of bids shall consist of:

- i. Eligibility of the bidder.
- ii. Compliance with the conditions of sale;
- iii. The bid price quoted

Where appropriate, Stima investment Co-operative may include additional evaluation criteria in the bidding document, which shall be taken into account in determining the evaluated price of each bid. The contracts shall be awarded to the highest evaluated bid price for each item or lot subject to the reserved price.

**(b) Minimum Bidding Periods for the Public Tender Sale Method**

The bidding period shall start on the date of the publication of the announcement and shall end on the date of the bid submission deadline. In determining the appropriate bidding period for each requirement, Stima investment Co-operative shall take into account, in addition to the minimum bidding period which shall be 21 days for national tenders and 30 days for international tenders:

- i. The time required for preparation of bids, taking into account the level of detail required and the complexity of bids;
- ii. Any need for bidders to submit authenticated legal documents or similar documents as part of their bids and the time required to obtain such documents;
- iii. The location of short-listed or potential bidders and the time required to obtain the bidding document and for the delivery and submission of bids to the Society;

**(c) Issue and Sale of Bidding Documents for the Public Tender Sale Method**

Bidding documents shall be issued, as appropriate to all bidders responding to the invitation to tender notice. Stima investment Co-operative shall maintain a record of all bidders to whom the documents are issued.

Stima investment Co-operative shall charge a fee for the bidding documents, but the price shall be calculated to cover the costs related to printing, copying and distribution of the documents only and shall not include any element of profit. Where bidding documents are sold, Stima investment Co-operative shall:

- I. Issue signed receipts for the documents and bidders shall be required to submit a copy of the receipt with their bid.

II. Allow potential bidders to inspect the documents, prior to purchasing the document.

**(d) Deposits for items on sale by open Tender**

Stima investment Co-operative may require deposits to deter irresponsible bids and encourage bidders to fulfill the conditions of their bids. The bidding documents shall state any requirement for a bid security.

The value of any required bid deposit shall be expressed as a fixed amount and not as a percentage. The amount shall not be more than two percent of the estimated value of the stores, assets or equipment.

**(e) Pre-bid Conferences and Site Visits for the Public Tender Sale Method**

Stima investment Co-operative may organize:

- i A pre-bid conference in order to brief potential bidders or to offer the opportunity for them to seek clarifications; and/or
- ii A site visit, to enable bidders to gain access to the stores, access or equipment to make their own evaluation of the price.

Details of pre-bid conferences and site visits, including the date, time and location, shall be included in the bidding document and, where possible, in the invitation to bid notice. The date of any pre-bid conference or site visit shall be sufficiently early in the bidding period, to enable bidders to take the information into account in preparing their bids, but shall not be so early as to make attendance difficult for any potential bidders.

The Procurement Officer shall prepare minutes of any pre-bid conference and shall promptly send them to all bidders to whom the bidding documents have been issued.

The minutes shall include:

- i. All information provided as part of any briefing;
- ii. Details of any clarifications requested, but without identifying the source of the inquiry; and
- iii. The details of responses provided to clarifications.

Following any pre-bid conference or site visit, Stima investment Co-operative shall, where required, issue clarifications or amend the bidding document

**(f) Public Opening of Bids for the Public Tender Sale Method**

Stima investment Co-operative shall open in public all bids received on time at the date, time and location indicated in the bidding document. The time for bid opening shall be the same as, or immediately after, the time of the deadline for submission of bids and in any case not later than two hours of the closing time.

The opening of bids shall be managed by the Disposal Committee. Bidders, or their representatives, shall be permitted to attend the opening and details of the bid opening shall be included in the bidding document.

Stima investment Co-operative shall first open any envelopes marked “withdrawal” if any and the corresponding bids shall be located and returned unopened to the bidder. This is where a bidder withdrew their bid.

Opening shall be by a bid opening committee appointed by the disposal committee from among its members. The committee shall have not less than three members. All the envelopes, including substitutions and modifications and alternative bids shall be opened and the details indicated in the bidding document read out. All bids opened shall be stamped on key pages and signed or initialed by all the members of the opening committee.

With the exception of late bids, no bids shall be accepted, rejected or evaluated in any way at the bid opening. Any discrepancies or missing documents shall be noted in the record of bid opening.

Stima investment Co-operative shall make a record of the bid opening, which shall be kept as part of the disposal record. The record shall include at least:

- i. The name of all bidders whose bids were opened;
- ii. The presence or absence of a bid deposit, if one was required;

iii. The total price of the bid, including the currency, except where the opening is of technical bids only;

iv. The names of all staff and bidders' representatives attending the opening.

All Bidders' representatives attending the bid opening shall be requested to sign the record, but the absence of any signature shall not invalidate the record. The opened bids shall immediately be taken to a secure location, where they shall be kept until the evaluation begins.

#### **(g) Evaluation Committees – Public Tender Sale Method**

The Chief Executive Officer shall appoint an evaluation committee to evaluate the bids. The evaluation committee shall have not less than three members. Members of the opening committee may also be appointed as members of the evaluation committee. The Evaluation Committee shall be responsible for the evaluation of bids and the preparation of evaluation report and contract awards by the CEO. The number and level of members of the Evaluation Committee shall depend on the value and complexity of the disposal requirement, but shall in all cases be a minimum of three members. The Evaluation Committee shall include skills, knowledge and experience relevant to the disposal requirement, which may include:

- i. Technical skills relevant to the disposal requirement;
- ii. End user representation;
- iii. Procurement and contracting skills;
- iv. Financial management or analysis skills; or
- v. Legal expertise.

#### **(h) Assessing Responsiveness of Bids – Public Tender Sale Method**

The Society's determination of a bid's responsiveness shall be based on the contents of the bid itself, subject to any clarifications received.

A substantially responsive bid is one which conforms to all the instructions, requirements, terms and conditions of the bidding documents, without material deviation, reservation or omission.

A material deviation, reservation, or omission is one that:

- i. affects in any substantial way the disposal of the stores, assets or equipment specified in the bidding documents; or
- ii. Would limit in any substantial way, inconsistent with the bidding documents, The Stima Investment's rights or the bidder's obligations under any resulting Contract; or
- iii. If corrected would unfairly affect the competitive position of other bidders presenting substantially responsive and compliant bids.

Any bid which contains a material deviation, reservation or omission, and is therefore not substantially responsive, shall be rejected and may not subsequently be made responsive by the bidder or the Society. The classification of a deviation, reservation or omission as material or nonmaterial shall be determined by the objectives and requirements of the individual disposal requirement, as stated in the bidding document, and shall take into account the impact on key factors, such as cost, risk, time and quality. Material deviations, reservations or omissions may typically include:

- i. Unacceptable time schedules, where it is stated in the bidding document that time is of the essence;
- ii. Unacceptable alternative technical details for disposing of stores, assets or equipment; or
- iii. Unacceptable counter-proposals with respect to key contract terms and conditions, such as payment terms, price adjustment, liquidated damages, sub- contracting or warranty.

The classification of deviations, reservations and omissions as material or nonmaterial shall be consistently applied to all bids.

#### **(i) Correction of Non-Conformities, Errors and Omissions**

Where a bid is substantially responsive, Stima investment Co-operative may waive, clarify or correct any non-conformity, error or omission, which does not constitute a material deviation. The non-conformity, error or omission shall be quantified in monetary terms to the extent possible and taken into account in the financial evaluation and comparison of bids. Bidders shall be notified of any financial adjustments made and requested, in writing,



to agree to the correction. Any Bidder who does not accept the adjustment shall be disqualified but shall not forfeit the bid deposit.

**(j) Clarification of Bids – Public Tender Sale Method**

Stima Investment Co-operative may seek clarification from a bidder of its bid. The request and the clarification shall only be in writing. The request for clarification shall not seek and the bidder shall not be permitted to:

- i. Amend its bid price, except to accept the financial adjustment;
- ii. Change the substance of the bid; or
- iii. Substantially alter anything which is a deciding factor in the evaluation.

Any clarification received, which is not in response to a request from the Stima Investment, shall not be taken into account. The failure of a bidder to reply to a request for clarification may result in the rejection of its bid.

**(k) Preliminary Examination – Public Tender Sale Method**

The Evaluation Committee shall conduct a preliminary examination to determine whether bids are complete and are responsive to the basic instructions and requirements of the bidding document. The preliminary examination shall determine whether:

- i. The bid has been submitted in the correct format;
- ii. Any required bid security has been submitted, in the correct form and amount and valid for at least the period required;
- iii. The bid has been submitted without material reservations or deviations from the terms and conditions of the bidding document;
- iv. The bid has been correctly signed and authorized;
- v. The correct number of copies of the bid has been submitted;
- vi. The bid is valid for at least the period required;
- vii. All key documents and information have been submitted; and
- viii. The bid meets any other key requirements of the bidding document.

**Note:** that it is important to ensure that all communications between Stima investment Co-operative and a vendor seeking a contract for the procurement are in writing. Electronic communications shall be used provided that signed hard copies are maintained and filed.

The objective of Bid Securities is to avoid frivolous bids where many bidders exist as this would create undue work and might bias competition. Fixed imposed percentage is not acceptable as it permits inferring the bid price and this can bias the technical evaluation and thus create undue influences.

#### **(I) Technical Evaluation – Public Tender Sale Method**

The Evaluation Committee shall conduct a technical evaluation by comparing each bid to the technical requirements of the disposal in the bidding document where applying, to determine whether the bids are substantially responsive. The technical evaluation may determine whether bids are, or are not, substantially responsive to the technical standard defined in the bidding document and shall not be used to assess the relative quality of bids or to award points in any way. The factors taken into account shall be those indicated in the bidding document only and may include:

- i. Conformity to specifications, standards, without material deviation or reservation;
- ii. Satisfactory understanding of a disposal requirement, as demonstrated by any methodology or design; or
- iii. Suitable staffing or arrangements for supervision or management of the disposal.

The evaluation shall not take into account any requirements which were not included in the Bidding Document. Any material deviations shall result in rejection of the bid and such bids shall not be subject to financial evaluation and comparison. Non-material deviations shall be corrected. Where technical evaluation is not necessary it shall be skipped.

**(m) Alternative Bids – Public Tender Sale Method**

Alternative bids shall not be permitted, except where specifically indicated in the bidding document. This has the meaning that a bidder shall only be allowed to quote only on price for each item or lot.

**(n) Financial Evaluation and Comparison – Public Tender Sale Method**

The Evaluation Committee shall conduct a financial evaluation and comparison to determine the evaluated price of each bid and determine the highest evaluated bid, which is substantially responsive to the requirements of the bidding document. The evaluated price for each bid shall be determined by:

- i. Taking the bid price, as read out at the bid opening;
- ii. Making adjustments for any non-material non-conformity, error or omission;
- iii. applying any additional evaluation criteria, through an increase or decrease to the bid price;
- iv. Converting all bids to a single currency, using the currency and the source and date of exchange rate indicated in the bidding document; and
- v. Bids shall be compared by ranking them according to their evaluated price and determining the bid with the highest evaluated price.

**(o) Evaluation Reports and Recommendations**

The Evaluation Committee shall prepare an evaluation report for submission to the CEO. The evaluation report shall include:

- i. A summary of the bids received and opened;
- ii. The results of the preliminary examination;
- iii. The results of the technical evaluation;
- iv. Reasons why bids were declared non-responsive;
- v. Details of any non-material deviations, which were accepted and the way in which they were quantified and taken into account in the financial evaluation;

- vi. The evaluated price of each bid, showing any adjustments to the bid price and any conversion to a common currency;
- vii. The ranking of the bids, according to their total evaluated price;
- viii. A statement of the highest evaluated substantially responsive bid, for each lot where applicable;
- ix. A summary of the application of any conditional bonus and the highest evaluated combination of bids, where applicable;
- xi. A recommendation to award the contract or contracts to the highest evaluated responsive bid or combination of bids, or other appropriate recommendation, such as the cancellation of the disposal process.

The evaluation report and recommendations shall be dated and signed by all the members of the evaluation committee. The evaluation shall be completed within 30 days from the date of bid opening.

**(p) Contract Award**

The CEO shall award the contracts taking into consideration the evaluation report prepared by the evaluation committee. Notification of contract award shall be made to the winning bidders and at the same time the other bidders shall be informed that their bids were not successful. The bidders shall be given a period of fourteen days from the date of notification of award within which to pay and collect the items failure to which the contract award shall lapse. In case of failure to pay for and collect the items awarded, the bidder shall forfeit the deposit and the items shall be offered to the next highest evaluated bidder. Proper records for all transactions shall be kept. The items sold shall be written off the records.

**14.4 SALE BY PUBLIC AUCTION**

**(a) Public Auction Sale Procedures**

This procedure shall be approved by the Chief Executive Officer. The auctioneer shall also be appointed through the public procurement process.

**(b) Inviting Bids under the Public Auction Sale Method**

Bids shall be invited through the publication of an announcement of auction sale. No pre-qualification shall be conducted for disposing of stores, assets or equipment under this method.

**(c) Contents of Announcement of Public Auction Sale Proceedings**

Where Stima investment Co-operative publishes an announcement of auction sale, this shall be published in the form of an auction notice, inviting all potential bidders to participate in the sale. Invitation notices shall include:

- i. The name, address and contact details of the Society;
- ii. The nature of the disposal requirement, including the quantity and / or dimensions of stores, assets and equipment and the location and timetable for disposing of the stores, assets and equipment to the selected bidder;
- iii. A statement of any key eligibility requirements to participate to the auction sale, such as official identification paper for individuals, company registration, cash or bank draft, evidence of qualification to dispose of the stores, assets or equipment in the context of public health and safety and environmental protection; and
- iv. Instructions on any pre-bid conference, site visits, access to stores, assets and equipment for potential bidders to assess the conditions, specifications and value of those; and
- v. Instructions on the location and time of the auction.

**(d) Publication of Announcement in Public Auction Sale Proceedings**

The invitation to the auction sale notice shall be:

- i. Published in the printed media, in at least one daily newspaper, which must be of wide enough circulation to reach sufficient bidders to ensure effective competition;

**(e) Contents of Auction List for the Public Auction Sale Method**

The Society shall prepare an auction list containing all the items to be auctioned. The auction list shall provide bidders with all the information that they require in order to participate with sufficient information in the auction sale. In particular, the auction list shall include:

- i. A clear description of the stores, assets or equipment;

- ii. An indication of the reserve price where Stima investment Co-operative decides to use it.
- iii. Instructions on the auction sale rules such as official documentation required, proof of solvability, bid security, form of payment authorized, increment thresholds during the auction sale, time lapse eluded to declare winner and any other instructions that the PPRA may prescribe by Circular;
- iv. Instructions on participation to pre-bid conferences, site visits and on access to the stores, assets or equipment such as dates, time and conditions;
- v. Any qualification criteria and the procedure for post-qualification or verification of qualification information;
- vi. The type of contract to be awarded;
- vii. The terms and conditions of the proposed contract and
- viii. Information on the Bidder's right to appeal under the administrative review process and on the Government's policy on fraud and corruption, including the debarment of bidders.

**(f) Eligibility Criteria for the Public Auction Sale Method**

Stima investment Co-operative shall ensure that these eligibility criteria do not discriminate any person or entity. The eligibility criteria shall require evidence of the qualification or certification or registration of the potential bidders to prove their capability to dispose of stores, assets and equipment that may present a public health and safety threat, an environmental risk or any other cause that may require such evidence.

The eligibility criteria shall include an invitation to participate to the auction sale, based on proof of solvency in order to deter any frivolous bid and collusion. The eligibility criteria shall be detailed in the bidding documents and instructions to bidders that shall be approved by the Disposal Committee.

**(g) Minimum Notice Period for the Public Auction Sale Method**

The notice period shall start on the date of the first publication of the announcement and shall end on the date of the auction sale. In determining the appropriate notice period for

each requirement, Stima investment Co-operative shall take into account, in addition to the minimum bidding period:

- i. The time required for all potential bidders to access the stores, assets and equipment; and
- ii. Any restrictions relating to the time the stores, assets and equipment can be evaluated directly by the potential bidders.

#### **(h) Public Auction Sale, Administration and awards**

The auction shall be conducted by a registered auctioneer who shall be contracted by the society in case of need. In most cases, the auction shall be conducted by the staff of Stima investment Co-operative. The auction shall be conducted professionally with all the participating bidders being given chances to bid up to the time the highest bidder is determined. Bidders who shall have provided auction deposits shall be given auction bidding numbers which they shall be stating when announcing their bids. The participating bidders shall also have acquired copies of the auction list. The deposit shall be placed for each item or lot of the auction. The auction deposit shall not exceed 1% of the total cost of the estimated cost of the auction item or lot. The auctioneer shall have staff who shall keep the record of the winning bidders per item or lot. Stima investment Co-operative shall also have its own staff who shall also keep the same record of the winning bidders. At the end of the auction the two lists of winners shall be tallied and signed by the representatives of the auctioneer and the Stima Investment. Where the auction is conducted by the staff of the Stima Investment, the records shall be recorded by two different persons for the purpose of tallying at the end of the auction and it shall also be signed by both parties.

#### **(i) Payment for and Collection of Items**

The bidders who win items in the auction shall be given a period of 14 days from the date of the auction to pay for the items and take possession of them and remove them from the Society premises. Failure to do this, the bidders shall forfeit the bid deposits and the items offered to the second highest bidders.

## **14.5 TRANSFERS TO ANOTHER PUBLIC ENTITY**

### **(a) Use of this Method**

Transfer to another public entity method of disposal shall apply only when the Society may dispose of stores, assets or equipment to another Procuring Entity, which is the receiving Procuring Entity, which shall always be Procuring Entity as defined by section 3 of the Act. The transfer shall be as a result of a request by the receiving entity or a proposal by Stima investment Co-operative

### **(b) Justification for the Transfer to another Public Entity**

The transfer shall be justified by the Disposal Committee when preparing the disposal recommendations to the Chief Executive Officer. The justification shall emanate from the need of Stima investment Co-operative to dispose of the stores, assets or equipment. The receiving entity may pay an agreed amount of money for the items or shall be issued with the items free of charge. Any instructions that shall be issued by the PPRA shall be followed.

### **(c) Authority for Disposal**

Where disposal is through transfer to another public entity free of charge, the approval of the CEO shall be adequate. Where the transfer is subject to payment of any money the transfer shall be effected only after the money has been paid by the receiving entity and subject to approval by the CEO.

## **14.6 WASTE DISPOSAL MANAGEMENT**

### **(a) Use of this Method**

There shall be an approval of use of the method by the Chief Executive Officer. The Society when conducting disposal using the Waste Disposal Management Method shall be cautious of the fact that there are other laws regarding safety and health to be observed in the disposal.

Waste Disposal Management method of disposal shall be subject to the laws pertaining to public health and safety, environmental protection and instructions issued by the PPRA on this method of disposal.



### **(b) Justification for the Destruction, Dumping or Burying**

All destruction, dumping or burying shall be justified by the disposal committee. When preparing the Disposal recommendations to the Chief Executive Officer. The justification shall emanate from the need of Stima investment Co-operative to dispose of the stores, assets or equipment.

### **(c) Evaluation – Destruction, Dumping or Burying Method**

The Disposal Committee shall conduct an evaluation to determine if the Society is capable of disposing of the stores, assets or equipment itself or if it shall seek the assistance of an agent or contract a qualified entity.

The Disposal Committee shall determine if the destruction, dumping or burying method presents a risk of non-compliance to public health and safety and environmental protection laws and standards.

### **(d) Financial Evaluation and Comparison – Destruction, Dumping or Burying Method**

The Disposal Committee shall conduct a financial evaluation and comparison to determine if the destruction, dumping or burying method is most economical method and efficient use of public funds. An evaluation of the costs and benefits shall be performed to assess:

- i. Transactions costs;
- ii. Costs of destruction, dumping or burying, including costs of contracting out the supervision, management and / or execution;
- iii. Benefits to the receiving Procuring Entity;
- iv. Potential disruption of public service;

- v. other costs such as health and environmental costs; and
- vi. Any other considerations that may inform the decision on Disposal

**(e) Recourse to a Third Party**

Stima investment Co-operative may choose, upon approval of the Disposal Committee, to contract out studies, supervision, management or execution of the disposal.

In any case of contracting out, the Public Procurement and Asset Disposal Act 2015 and the regulations shall be adhered to.

**(f) Evaluation Reports and Recommendations**

The Disposal Committee shall prepare an evaluation report for submission to the Chief Executive Officer. The evaluation report shall include:

- i. a summary of the economic and financial evaluations and comparisons and their parameters;
- ii. The results of the evaluation;
- iii. A recommendation on disposal method to be used; and
- iv. The financial estimation, including estimated costs of contracting out.

**(g) Documents required for the Waste Disposal Management Cycle**

As a matter of principle, all The Society shall prepare a Disposal Plan in accordance with the Public Procurement and Asset Disposal Act and Regulations. The Society shall document the initiation of the disposal requirement with an Initiation Form.

The Society Disposal Committee Minutes shall be prepared. After the execution of the disposal, a disposal/destruction certificate shall be issued and signed by those conducting the disposal.

**14.7 TRADE-IN**

**(a) Use of Trade-In Method**

The CEO shall ensure that they have complied with all relevant requirements prior to initiating disposal procedures.

### **(b) Justification for the Trade-In**

All trade-ins shall be justified by the Disposal Committee when preparing the Disposal recommendations to the Chief Executive Officer.

The justification shall emanate from the combination of the need of Stima investment Co-operative to dispose of the stores, assets or equipment and of a disposal requirement where the stores, assets or equipment and the immediate need for replacement. The disposal of the stores, assets and equipment shall be a means for Stima investment Co-operative to obtain a discount as part of a disposal requirement. Specific economic and financial analysis shall be required to demonstrate the advantage of the transfer compared to public tender disposal.

### **(c) Linkage to Procurement**

A disposal requirement executed using the trade-in method shall always link directly to a procurement requirement. The intention of Stima investment Co-operative to dispose of the stores, assets and equipment as trade-in as part of a procurement requirement shall be clearly stipulated in the procurement requirement announcements and bidding documentation.

The trade-in method disposal cycle is hence de facto intrinsically linked to procurement cycle. A trade-in shall be initiated and negotiated with the selected bidder of a procurement requirement as direct procurement subject to justification and approval by the CEO. It may also be opened to all bidders participating in the procurement in which case the bidders shall quote the value of the item to be traded-in. Where direct procurement is used, the value of the item to be traded in shall be negotiated by the parties.

### **(d) Financial Evaluation and Comparison – Trade-In Method**

The disposal Committee shall conduct a financial evaluation and comparison to determine if the trade-in method is the most economical method and if it secures value for money and efficient use of public funds. An evaluation of the costs and benefits of the trade-in shall be performed to assess:

- i. Costs of trade-in if different from procurement requirement transactions costs;

- ii. Transactions costs without trade-in, such as sales or destruction, for the Society;
- iii. Comparison of the estimated sale value of the stores, assets or equipment with the estimated discount as part of the procurement requirement; or
- iv. Any other considerations that may inform the decision of the Disposal Committee to ensure value for money and efficiency in the use of public funds.

**(e) Evaluation Reports and Recommendations**

The disposal committee shall prepare an evaluation report for submission to the Chief Executive Officer and any other required award authority.

The evaluation report shall include:

- i. A summary of the economic and financial evaluations and comparisons and their parameters;
- ii. The results of the evaluation;
- iii. A recommendation on the trade-in or other disposal method to be used to;
- iv. The financial conditions, including reserve price to be applied as part of the procurement process.

**(f) Reserve Price**

Stima investment Co-operative may establish a reserve price in the case of trade-in below which the stores, assets or equipment will not be disposed of the reserve price if applicable shall be disclosed to the bidder or bidders. If the discount obtainable as part of the procurement requirement in which the stores, assets or equipment were traded-in does not meet the reserve price, Stima investment Co-operative may choose to award the procurement contract at the full price quoted and retains the trade-in item.

Stima investment Co-operative may also choose to proceed to direct negotiations with the selected bidders of the procurement requirement. Negotiations as part of the procurement procedures shall be on the value of the trade-in item subject to approval by the CEO.

### **(g) Negotiations**

Stima Investment may negotiate with the selected bidder of the procurement proceedings where the reserve price is not accepted. If the negotiations do not result in an agreement, the Society shall cancel all disposal proceedings, without cancelling the procurement proceedings subject to approval by the CEO.

### **(h) Procedure for Negotiations**

Negotiations shall not be conducted until after the Financial Evaluation Report of the procurement requirement has been approved by the relevant authority.

Stima Investment Co-operative shall prepare a plan for the negotiations, which shall specify the issues to be negotiated and objectives to be achieved and shall, to the extent possible, quantify the objectives and set maximum and minimum negotiation parameters. The negotiations shall be conducted by a minimum of two staff of the Society, who shall not commit Stima investment Co-operative to any proposed arrangements or agreements, but shall seek the approval of the Chief Executive Officer, prior to confirming any agreement reached. Staff conducting the negotiations shall prepare minutes of the negotiations, which shall form part of the record of the disposal and shall obtain the other party written agreement that they are a true and accurate record of the negotiations held.

### **(i) Documents required for the Trade-In Disposal Cycle**

The Society shall prepare a Disposal Plan in accordance with the Public Procurement and Asset Disposal Act and Regulations. The Society shall document the initiation of the disposal requirement with an Initiation Form.

The Society Disposal Committee Minutes shall be prepared:

Any instructions issued by the PPRA on trade-in shall be followed.

## **14.8 DISPOSAL TO STIMA INVESTMENT EMPLOYEES AND MEMBERS**

### **(a) Restriction on Disposal to the Society Employees**

Stima investment Co-operative shall not dispose of unserviceable, obsolete or surplus stores, assets and equipment to an employee of the Society, or a member of a board or committee of the Society under Regulation 93 (1), and subject to recommendation by the Disposal committee and approval by the Chief Executive Officer, it is here clarified that participation in disposal through open tender or Public Auction is allowed provided the participant is not involved in any part of the disposal cycle.

The restriction extends to the relatives of the person. For greater clarity, “relative” is defined as the spouse or children. In exceptional circumstances disposal to the employees shall be permitted for the disposal of unserviceable or obsolete assets and equipment only under the following conditions:

- i. Where the Society set aside items to be disposed of through internal tender process; or
- ii. Where the disposal of an asset or equipment would directly benefit the performance of the employee in the execution of his or her duties within the Society. This shall be done where the disposal committee makes a strong case and recommendation and approval is given by the Chief Executive Officer in accordance with section 166 of the Act and Regulation 93.

#### **(b) Procedures for Internal Tender Process**

Stima investment Co-operative shall announce the disposal of the stores, assets or equipment on the notice board of Stima investment Co-operative fourteen days prior to the date of bid closing. Stima investment Co-operative shall request for written sealed bids from employees. A receipt shall be provided to an employee for a bid received by the procurement unit. Evaluation for sale to employees shall be based on price only. A post-bid negotiation shall not be permitted. The award shall be by the CEO irrespective of the value of the disposal item. Every disposal to employees of Stima investment Co-operative shall be reported promptly to the PPRA within 14 days of the disposal.

### **(c) Filing of Documents**

All the Society shall file the documents relating to disposals. In the case where the disposal requirement involved feasibility studies and surveys directly carried out or accepted by Stima investment Co-operative to prepare the tender documents, the reports and other documents resulting from these studies and surveys are subject to the Regulations. Notwithstanding the above, the Society shall ensure that all documents are adequately filed in the disposal requirement files and referenced in their paper and electronic records. The procuring entities shall ensure that all disposal files are safely stored and archived for not less than six years. Files shall be protected from: theft, fire, flooding and rain; access by unauthorized persons and any other possible causes of alteration of the records.

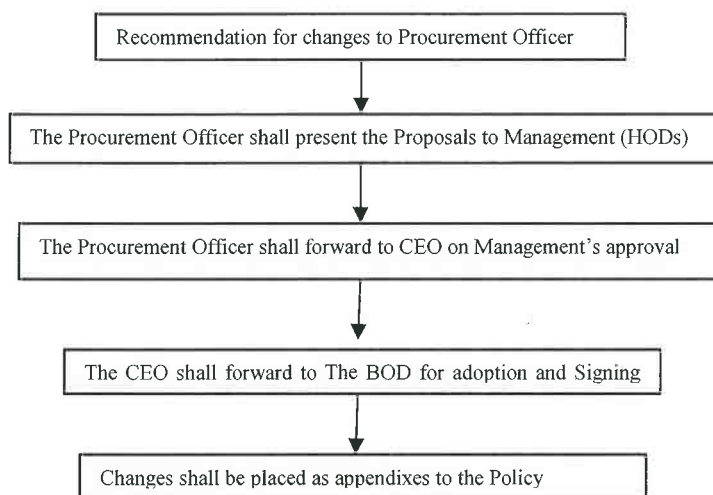
The Society shall ensure that all disposal files are accessible and can be made available to any authority empowered to have access within an appropriate time frame for the requesting authority to perform its duties. The Society shall ensure that they maintain adequate and accurate records of the disposal process in compliance with the Act and the Regulations. Any instructions issued by the PPRA shall be followed.

## **15.0 REVIEW**

### **15.1 Policy Review Process**

This policy will be reviewed every two years or when information or regulatory changes make it necessary. The process shall be as follows: -


## Amendment Process





IN WITNESS WHEREOF, the Parties hereto have caused this policy to be signed in their respective names: -

SIGNED FOR AND ON BEHALF OF THE BOARD )

  
..... )  
**CHAIRMAN**

  
..... )  
**SECRETARY**

  
..... )  
**TREASURER**

SIGNED FOR AND ON BEHALF OF THE MANAGEMENT )

  
..... )  
**CHIEF EXECUTIVE OFFICER**

Stamp & Seal

DATED 21/04/2021

