

# Community Agency For Rural Development

## လူထုအကျိုးဆောင် ကျေးလက်ဖွံ့ဖြိုးရေးအဖွဲ့

(Our Registration No. : 2278)



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### စီအေဒီရုံးချုပ်လိပ်စာ -

(၇) လွှာ၊ အခန်း (၇၀၅)၊ ကမ်းသာယာပလာဇာ၊ ကမ်းနားလမ်း၊  
ကြည်မြင်တိုင်မြို့နယ် - ၁၁၁၀၁၊ ရန်ကင်းမြို့။  
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## Our Procurement Policy and Procedures

### စီအေဒီအဖွဲ့အစည်း၏

### ဝယ်ယူရေးမူဝါဒနှင့်လုပ်ထုံးလုပ်နည်းများ

Revised on 2<sup>nd</sup> January 2017.

၂၀၁၇ ခုနှစ်၊ ဇန်နဝါရီလ (၂) ရက်နေ့ပြန်လည်ပြင်ဆင်ထုတ်ပြန်ထားသည်။

ဆင်းရဲမွဲတေမှုနှင့် ရောဂါဘယများ ကင်းမဲ့သော ကမ္ဘာကြီးကို ဝိုင်းဝန်းတည်ဆောက်ကြပါစို့။

We are building a world without poverty and diseases.

## Introduction

This procurement policy is one of the internal policies of Community Agency for Rural Development non governmental organization. The purpose of the policy is to clearly describe organizational procedures and financial policy and to ensure compliance of donor policy and procedures when organization implements its financial activities.

In addition, this manual to be used as a reference guide for organization staff, managers, Director and governing board members to implement day to day organizational financial activities. This policy from procurement regulations were agreed by all staff and members of organization and approved by Director (founder) of CAD on 31<sup>st</sup> March 2017.

### 1. Procurements

Procurement of goods and services encompasses the whole procurement process of stocks, spare parts, tools, office equipment and supplies, services from individual or group of experts, sub contracts and other services. Except for some circumstances which need compliance of donor requirements, CAD must follow the policy from the manual. In some cases of dispute, CAD must follow donor's policy unless CAD's action can reflect the image of organization or situation that organization to take responsibility. For those cases, Director and Senior Management Team members shall discuss and make decisions.

The following procurement principles should be followed:

- Aim to make the most effective use of resources in procuring goods and services.
- Make decisions on the basis of price, quality, delivery times and other relevant factors.
- Purchase from reasonable suppliers who can perform successfully.
- Carry out procurement in a transparent manner, and keep full documentation.
- Ensure there is open and free competition as far as practical.
- Ensure there is no fraud or collusion in the process.
- No one with a conflict of interest should take part in the process.
- Comply fully with any donor conditions.
- Some procurement activities must be carried out with the prior approval of donor.

The procurement process includes the following activities.

## **A. Responsibilities for Procurement**

Director and staff have responsibility to ensure full implementation of procurement procedure from procurement manual.

### **1. For Head-Office**

- Admin Officer/Assistant – shall take duties of procuring goods and services
- Director – shall make approval for procuring goods and services value of 300,000 MMK and above
- Program Coordinator – shall make approval for procuring goods and services value up to 300,000 MMK
- Finance Team – the team composes of project officer and finance staff and responsible for cash payments and documentation of procurement records.

### **2. For Sub-Offices**

- **Admin and Finance Assistant** - shall take duties of procuring goods and services
  - **Regional Coordinator** - shall make approval for procuring goods and services value up to 300,000 MMK
  - Finance team - the team composes of project officer and finance staff and responsible for cash payments and documentation of procurement record.
1. **Staff** – Procurement requests for individual or total value above 50,000 MMK are required to submit Purchase Request form. For branch office, procurement requests for individual or total value above 30,000 MMK are required to request with purchase request form.
  2. Finance manager (Head Quarter)/Admin and Finance Officer (Branch Office) are required to check the request forms and Area Coordinator, Project Manager and Supervisor have to approve.
  3. Admin Officer/Assistant (Head Quarter) and Admin and Finance Assistant (Branch Offices) shall start purchasing.

## **B. Documentation of Procurement records**

Finance Team must fully and transparently document with a procurement file for each procureent with following documents;

- 1) Purchase Request
- 2) Quotation
- 3) Bid Analysis
- 4) Purchase Order
- 5) Voucher

## **C. Steps for Procurement Process**

### **1. Quotation**

Procurement request form must be filled with full information of what does the program or staff need, when does it need and require to submit with the value of individual or total above 50,000 MMK (Head Quarter)/ 30,000 MMK (Sub-Office). Quotation must request to Suppliers or contractors with following conditions.

<b>Amount Procure</b>	<b>Quotation Need</b>
MMK 2,000,001 and Above	3 Quotation (by written documents)
MMK 500,001 to MMK 2,000,000	2 Quotation (by written documents)
MMK 200,000 to MMK 500,000	1 Quotation (by written document)

### **2. Procurement with no tendering**

- Only one supplier submitted the quotation
- Unusual circumstances (natural disaster, civil unrest)
- Pre identified supplier mentioned in donor contract
- Single tender method shall be used for limited suppliers or sole representative or distributor. Project focal must provide duly justification to receive approval.

## **D. Procurement Policies**

### **1. Fair Competition**

All suppliers who submit quotations must be treated equally and equal information must be provided during pricing and tendering process.

### **2. Price or Expenses Analysis**

It is recommended to form procurement team from different departments and sectors if applicable. The bids will be evaluated by team based on the price, quality, quantity, delivery times, and payment terms.

The bids will be evaluated based on the price competition, quality/services and background history of suppliers. Individual bid must be reviewed and evaluated to decide relevancy, efficiency and possibility. Evaluation of the prices, price in the market and similar information must be included in price analysis process. For goods or service selection, summary of justification must be submitted and Director/Program Manager must approve the selection.

### **3. Approval to Purchase**

Purchase order must be issued for every procurement amount of 300,000 MMK and above. It means approval of all detail information of goods and services from suppliers. Asset received record or process completion signature must be used for all goods and services and must be recorded in asset register.

## **E. Records and Forms**

- a. Purchase Order Template
- b. Request for Quotation Template
- c. Bid Analysis Template
- d. Asset Register
- e. Asset Disposal
- f. Delivery Report
- g. Good Received Note
- h. Vehicle Log Form

## A. Procurement Threshold/Level Table

Goods (Program Supply/ Office Supply)		Services (Construction/ Training/ Maintenance/ Rentals/ Transportation)	
Procurement Threshold	Process of Procurement	Procurement Threshold	Process of Procurement
Under 50,000 (HO)	Petty Cash	Under 50,000 (HO)	Petty Cash
Under 30,000 (Sub Office)	Petty Cash	Under 30,000 (Sub Office)	Petty Cash
50,001 – 200,000	PR, Official Voucher from Vendor, GRN, Payment	50,001 – 200,000	PR, Official Voucher from Vendor, Small Contract, Certificate of Completion, Payment
200,001 – 500,000	PR, 1 Quote, PO (300000>), Official Voucher from Vendor, GRN, Payment	200,001 – 500,000	PR, 1 Quote, Official Voucher from Vendor, Service Contract, Certificate of Completion, Payment
500,001 – 2,000,000	PR, 2 Quote, PO, Official Voucher from Vendor, GRN, Payment	500,001 – 2,000,000	PR, 2 Quote, Official Voucher from Vendor, Service Contract, Certificate of Completion, Payment
2,000,001 – 10,000,000	PR, 3 Quote, Bid Analysis, PO, Official Voucher from Vendor, GRN, Payment	2,000,001 – 20,000,000	PR, 3 Quote, Bid Analysis, Service Contract, Official Voucher from Vendor, Certificate of Completion, Payment
Above 10,000,000	Tender	Above 20,000,000	Tender

## **15. Fixed Assets and Inventories**

### **A. Fixed Assets**

Fixed assets are defined as any items with a purchase cost greater than Kyats 50,000 and a lifetime of more than one year.

Organization will maintain a register of fixed assets, recording details for each item including the asset number, description, location, date purchased, purchase price, donor, current condition.

Assets code has to create for each asset (eg. Organization name, donor name and sub recipient donor name). A label showing the unique asset number will be placed on each asset. Donor logos will be placed on assets where required by donor regulations.

The asset register will be physically checked at least one time per year by Admin Assistant (Head Quarter) and Admin and Finance Officer (Branch Offices), to confirm the existence of assets, and check their current condition.

Where the Organization wishes to dispose of any assets, then:

- Donor approval should first be obtained (if required by donor conditions)
- The Senior Management Team must give their approval
- Any money received from selling an asset must be recorded and a receipt issued
- Disposal details should be recorded in the asset register

### **B. Inventories**

Inventory items includes distribution materials (eg. Medecine, IEC materials). Organization will maintain a register of inventory items, with details including item description, date purchased, location, purchase price and donor.

### **C. Receiving inventory**

- (a) Check the condition of stocks
- (b) Check the type and quantity of stocks
- (c) Report after stocks have been received
- (d) All stocks are needed to be registered in stock record book. For immediate distribution stocks are not needed to register but distribution has to be recorded.

- (e) Stock received are in less quantity, bad condition, broken, expired or closed to be expired medicines are required to record by using Goods Received Notes.

#### **D. Stock distribution**

Stock distribution is required to check previous distribution list and distribution to be made for actual required type and quantity of stock. After each distribution, type and stock balance must be recorded regularly. After end of each project, stock balance list has to be prepared.

#### **E. Storage of stocks**

For systematic storage of stocks,

- (a) Types of stock must be differentiated
- (b) Expensive, fragile and attractive items to people are required to keep separately and securely.
- (c) Items which are frequently moved in and out should be kept separately.
- (d) Make arrangements to protect from rats, cockroaches, ants and other insects.
- (e) Make arrangements to prevent from fire hazard and theft.

#### **F. Physical Count**

To reduce the risk of damage and loss of stocks of organization and projects, physical stock checks are required to conduct.

- (a) Physical check team should conduct physical stock check at the end of the calendar year. Bi annually for medical stocks (end of June and 31<sup>st</sup> December)
- (b) During project period, responsible person should prepare physical stock check record. Spot check stock ledger and actual number by project responsible person and regular physical check shall be conducted. Update stock record with explanation for differences.
- (c) Check the stock condition. If some potential for damages are found, the responsible person shall do some necessary arrangements.
- (d) Damaged stocks are required to dispose, put up for sale and remove from the list by the physical stock check team.