	Document Ref.: CU/SOP/PROD/25	Date: 20th August, 2019
	Issue No.: 06	Revision No.: 00
Document Title: STANDARD OPERATING PROCEDURE FOR PROCUREMENT MANAGEMENT		

CHUKA UNIVERSITY

Standard Operating Procedure


For

Procurement Management (CU/SOP/PROD/25)

Document Review Sheet


The signatures below certify that this Standard Operating Procedure has been reviewed and accepted, and demonstrate that the signatories are aware of all the requirements contained herein and are committed to ensuring their provision.

Action	Name & Signature	Position	Date
Revised by	Naftal O. Oenga	Procurement Officer	20.8.2019
Reviewed by	Prof. D. K. Isutsa	Deputy Vice-Chancellor (ARSA)/ISO MR	20.8.2019
Approved by	Prof. E. N. Njoka	Vice-Chancellor	20.8.2019

	Document Ref.: CU/SOP/PROD/25	Date: 20th August, 2019
	Issue No.: 06	Revision No.: 00
Document Title: STANDARD OPERATING PROCEDURE FOR PROCUREMENT MANAGEMENT		

CONTENTS

COVER PAGE.....	1
DOCUMENT REVIEW SHEET.....	1
CONTENTS.....	2
1.0 AMENDMENT RECORD	3
2.0 GENERAL.....	4
2.1 Purpose.....	4
2.2 Scope.....	4
2.3 References.....	4
2.4 Definitions.....	4
2.5 Abbreviations.....	4
2.6 Responsibility.....	6
3.0 ADMINISTRATIVE STRUCTURE.....	6
4.0 PROCESSES.....	7
4.1 Overview.....	7
4.2 Process for Acquisition of Goods, Services and Works.....	7
4.3. Process for Receiving of Goods, Services and Works.....	8
4.4. Process for Disposal of Stores and Equipment.....	9
4.5. Process for Preparation of the Annual Procurement Plan.....	10
4.6. Process for Preparation of Supplementary Annual Procurement Plan.....	11
5.0 RECORDS/RETAINED DOCUMENTED INFORMATION.....	12
6.0 KEY PERFORMANCE INDICATORS/QUALITY OBJECTIVES.....	13
6.1. Key Performance Indicators.....	13
6.2. Quality Objectives.....	13
RISK REGISTER.....	19
OPPORTUNITIES REGISTER.....	21
APPENDIX I: THRESHOLD MATRICES.....	22
APPENDIXII: PROCESS MAPS.....	24
APPENDIX III: CRITERIA FOR PRE-QUALIFICATION AND RE-EVALUATION OF SUPPLIERS.....	28

	Document Ref.: CU/SOP/PROD/25	Date: 20th August, 2019
	Issue No.: 06	Revision No.: 00
Document Title: STANDARD OPERATING PROCEDURE FOR PROCUREMENT MANAGEMENT		

2.0 GENERAL

2.1 Purpose

The purpose of this procedure is to ensure that all the Procurement activities are managed effectively to ensure compliance with this International Standard, the Chuka University's and the government's statutory policies, procedures and regulations.

2.2 Scope

This procedure applies to and defines all activities carried out by the Procurement Department.

2.3 References


- Kenya Constitution 2010, Clause 127
- CU Charter, 2013
- CU Statutes, 2014
- CU Strategic Plan, 2017-2022
- ISO 9001: 2015 Standard Clauses 4 to 10
- CU ISO Quality Management System Manual, 2017
- CU Service Charter, 2013
- CU Code of Conduct and Ethics Policy, 2013
- Codes of Conduct for Public Universities, 2003
- Public Officers Ethics Act, 2003
- Public Procurement and Asset Disposal Act, 2015

2.4 List of abbreviations

COD	= Chairman of Department
GDN	= Goods Delivery Note
DVC (AFPD)	= Deputy Vice-Chancellor (Administration, Finance, Planning & Development).
EOI	= Expression of Interest
GRN	= Goods Received Note
HOD	= Head of Department
ICT	= Information, Communication and Technology
LPO/ LSO	= Local Purchase Order/ Local Service Order
PPADA	= Public Procurement and Asset Disposal Act, 2015
PPDR	= Public Procurement and Disposal Regulation, 2006
PPDGM	= Public Procurement and Disposal General Manual, 2012
PPRA	= Public Procurement Regulatory Authority
PPRB	= Public Procurement Regulatory Board
PPARB	= Public Procurement Administrative Review Board
VC	= Vice-Chancellor


2.5 Definition of Terms

Accounting Officer: Head/CEO of an institution, such as the Vice-Chancellor

	Document Ref.: CU/SOP/PROD/25	Date: 20th August, 2019
	Issue No.: 06	Revision No.: 00
Document Title: STANDARD OPERATING PROCEDURE FOR PROCUREMENT MANAGEMENT		

- Asset:** Refers to movable and immovable property tangible and intangible including immovable.
- Authority:** Refers to the Public Procurement Regulatory Authority
- Bidder:** A candidate who submits a tender to a procuring entity.
- Disposal:** Divestiture of the public assets, including intellectual and proprietary rights and goodwill and other rights of a procuring entity by means including sale, rental, lease franchise, auction or any combination
- Disposal of Stores and Equipment:** This relates to disposal of stores and equipment of a public entity that are unserviceable, obsolete or surplus.
- Goods:** Includes raw materials, things in liquids or gas form electricity and services that are incidental to the supply of goods
- Services:** Any objects of procurement or disposal other goods and works and includes professional, non-professional and commercial types of services as well as goods and services which incidentals are to but not exceeding the value of those service.
- Works:** Means construction, repair or demolition of building, roads or structures and includes: Installation of equipment and materials; Site preparation and; Other incidental services
- Procurement:** The acquisition by purchase, rental, lease, hire purchase, license, tenancy, franchise, or by any other contractual means of any type of works, assets, services or goods including livestock or any combination
- Procurement Cycle:** The cycle that starts with the initiation of the process of an individual procurement requirement and when the goods, works, services have been delivered and accepted
- Procuring entity:** Monetary resources appropriated to procuring entity through Government funds, including aid grants and credits, put at the Disposal of procuring entity by foreign donors, and revenues of procuring entities
- Procurement Liaison Officers:** Staff appointed by HODs to coordinate procurement issues related to their departments.
- Procurement Plan:** The document prepared annually by each procuring entity, to plan all procurement requirements necessary to perform the activity plan of the procuring entity
- Regulation:** Means regulations made under Public Procurement and Asset Disposal Act
- The Act:** Refers to Public Procurement and Asset Disposal Act, 2015
- The Regulations:** Refers to Public Procurement and Disposal Regulations, 2006
- Urgent need:** The need for goods, works or services in circumstances where there is an imminent or actual threat to public health, welfare, safety, or of damage to property, such that engaging in tendering proceedings or other procurement methods would not be practicable.
- User Department:** A University Department that forwards its needs to Procurement Department for purchase, and disposal

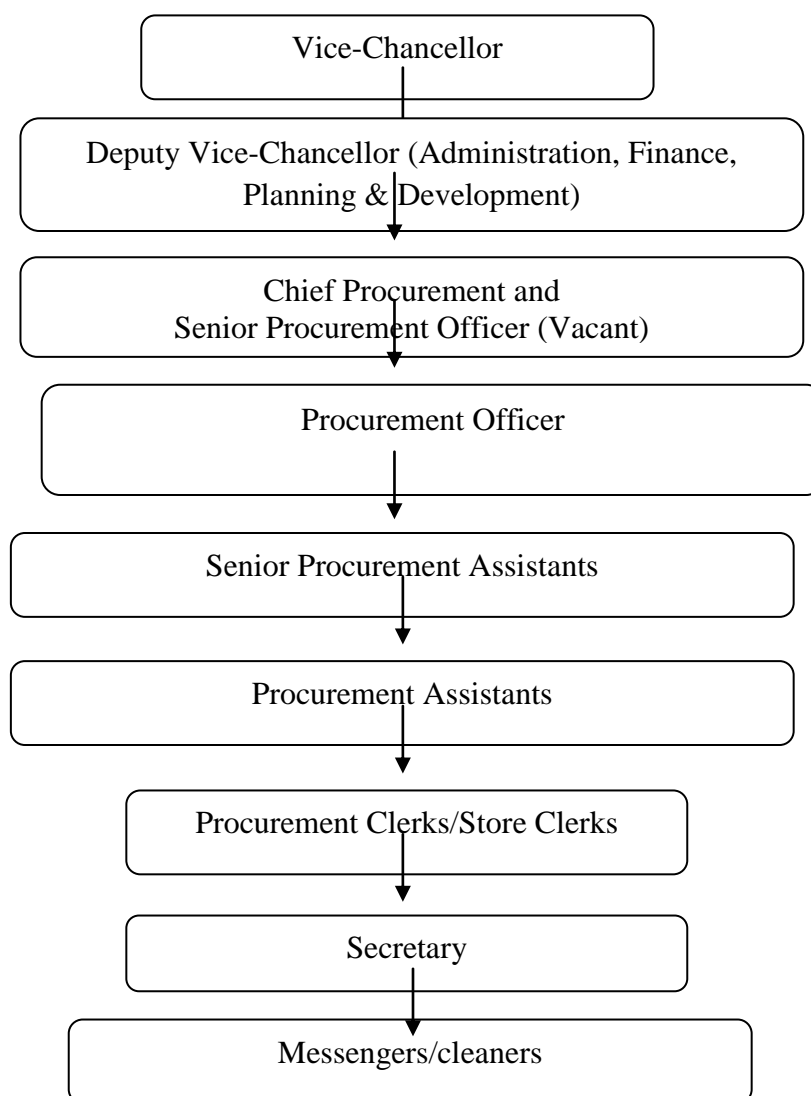
2.6 Responsibility


	Document Ref.: CU/SOP/PROD/25	Date: 20th August, 2019
	Issue No.: 06	Revision No.: 00
Document Title: STANDARD OPERATING PROCEDURE FOR PROCUREMENT MANAGEMENT		

The Head of Procurement Department has the primary responsibility of ensuring that these processes are implemented and remain adequate for their intended purpose. The Head also has the primary responsibility for providing the information from which documentation of the processes and activities can be compiled and for initiating action to keep them up to date. However, all departmental staff members are responsible for implementing and ensuring that these procedures are followed.

3.0 ADMINISTRATIVE STRUCTURE

The current administrative structure for the Procurement Department is as follows:



	Document Ref.: CU/SOP/PROD/25	Date: 20th August, 2019
	Issue No.: 06	Revision No.: 00
Document Title: STANDARD OPERATING PROCEDURE FOR PROCUREMENT MANAGEMENT		

4.0 PROCESSES

4.1 Overview

The Procurement Department is responsible for the activities related to acquisition of goods, works and services in the University. The core activities of the department include:

- (i) Acquisition of goods works and services by use of various Procurement Methods.
- (ii) Receiving of goods
- (iii) Storage of goods
- (iv) Issuing of goods
- (v) Disposal of unserviceable, obsolete or surplus goods
- (vi) Pre-qualification of suppliers (See Appendix III for criteria)

4.2 Process for Acquisition of Goods, Works and Services

4.2.1 Source

ISO Departments

4.2.2 Required inputs/Resources

- Goods, works and services
- Approved requisition
- Procurement plan/specifications
- Public Procurement and Asset Disposal Act, 2015 and Guidelines
- Resource persons (Experts)
- Furniture and Equipments, Stationeries
- Conducive working environment
- Budgetary Allocations

4.2.3 Expected outputs


- Goods/services/works procured
- Customer Satisfaction
- Improved Quality Services
- Work Motivation

4.2.4 Receivers

ISO Departments/Users

4.2.5 Procedure details

No.	Process Details/Description	Output	Responsibility
1.	Identification and justification of the need by the user	Approved request	User
2.	Preparation of detailed Specification to show item description, quantity and unit of purchase in consultation with professionals	Specification	Procurement Department buyers
3.	The user seeks authority for purchase from	Approved request	VC/ DVC

	Document Ref.: CU/SOP/PROD/25	Date: 20th August, 2019
	Issue No.: 06	Revision No.: 00
Document Title: STANDARD OPERATING PROCEDURE FOR PROCUREMENT MANAGEMENT		

	the Procurement Plan, CU/SOP/PROD/25		(AFPD)
4.	Receipt of approval for purchase.	Method of procurement	PO
5.	Preparation of tendering/quotation documents	Open restricted tendering Request for Quotations	PO
6.	Advertisement of tenders in two widely circulated local dailies Note: Sending of quotations to prequalified suppliers is done for low value items	Request for Quotations Register Open Tender Register	PO
7.	Opening of tenders after 14 days and 7 days Note: 14 days for Open Tenders, 7 days for Request For Proposals	Opening Tender Minutes Quotation summary	Tender Opening Committee
8.	Issuing of the Tender documents within 30 days from the date of opening by the Tender Evaluation Committee appointed by the VC (See sample Criteria in Appendix III)	Appointed Evaluation Committee	PO/Tender Evaluation Committee
9.	Evaluating of Tenders by the Tender Evaluation Committee in accordance with criteria set in the Tender document	Tender Evaluation Report	Tender Evaluation Committee
10.	Preparing and signing of the Evaluation Report by the Tender Evaluation Committee Forwarding of evaluation report to the PO	Tender Evaluation Report	Tender Evaluation Committee
11.	Recommendation of the PO to the VC for the award of Tenders. Where tender is not recommended for award reasons are given	Professional Opinion	PO
12.	An award/regret letter is prepared and signed by the VC and sent to the respective bidders	Award or regret letters	VC/PO
13.	The Procurement Officer prepares LPO/LSO to the winning bidder. The LPO/LSO is submitted for signing. The LPO/LSO is verified by Internal Auditor. The original copy of the LPO/ LSO is sent to the supplier	LPO/LSO	VC, PO & Internal Auditor


4.3. Processes for Receiving of Goods, Services and Works

4.3.1 Source

Suppliers

4.3.2 Required inputs

- Goods, services, works
- LPO/LSO
- Goods Delivery Note
- Specification

	Document Ref.: CU/SOP/PROD/25	Date: 20th August, 2019
	Issue No.: 06	Revision No.: 00
Document Title: STANDARD OPERATING PROCEDURE FOR PROCUREMENT MANAGEMENT		

- Public Procurement and Asset Disposal Act, 2015 and Guidelines
- Resource persons (Experts)

4.3.3 Expected outputs

- Goods/services/works received

4.3.4 Receivers

ISO Departments/Users; CU/SOP/FIND/24

4.3.5 Procedure details

No.	Process Details/Description	Output	Responsibility
1	Delivery of goods to the stores	Delivery Notes	PO Stores
2	Inspection of goods works and services against specification on the LPO /Quotation Note: Goods that meet specifications are accepted and goods that do not are rejected (See appendix III for criteria).	Inspection and Acceptance Certificate	Inspection and Acceptance Committee
3	Inspection and acceptance of Low Value goods works and services	GRN	PO Stores
4	After goods have been accepted they are delivered to respective stores accompanied with the delivery Notes	Delivery Notes	PO Stores
5	Posting of Direct order items to Bin Cards and preparing of Stores Issue Notes to the User Departments	Stores Issue Note	Store Clerk
6	All Goods received are posted in their respective Stores Bin Cards.	Stores Bin Cards	Store Clerk
7	Issuing of Goods to the User Departments	Stores requisition note	PO Stores
8	The user inspects, counts and checks the goods against the Stores Issue Note.	Stores Issue Notes	Store Clerk
9	The Stores Officer raises the GRN which is forwarded to finance for payment.	GRN	PO


4.4 Process for Disposal of Stores and Equipment

4.4.1 Source

ISO Departments; CU/SOP/VCIM/01

4.4.2 Required inputs

- Obsolete goods
- Public Procurement and Asset Disposal Act, 2015 and Guidelines
- Resource persons (Experts)

	Document Ref.: CU/SOP/PROD/25	Date: 20th August, 2019
	Issue No.: 06	Revision No.: 00
Document Title: STANDARD OPERATING PROCEDURE FOR PROCUREMENT MANAGEMENT		

4.4.3. Expected outputs

- Stores and equipment disposed and disposal report

4.4.4. Receivers

CU/SOP/VCIM/01

4.4.5. Procedure details

No.	Process Details/Description	Output	Responsibility
1	The VC appoints the Disposal Committee to assess and recommend the best method of disposing of unserviceable, obsolete or surplus stores or equipment.	Disposal list and method of disposal	VC/PO
2	The Employee in-charge of unserviceable, obsolete or surplus stores or equipment identifies items to be disposed and forwards to the Disposal Committee	Disposal form	PO
3	The Disposal Committee recommends to the Vice-Chancellor on the method of disposal of the stores and equipment which may include any of the following: a) Transfer to another public entity with or without financial adjustment; b) Sale by public tender; c) Sale by public auction; or d) Destruction, dumping or burying; e) Trade-in/Exchange.	Disposal Committee minutes	Disposal Committee
4	The VC gives the Disposal Committee a written notice on acceptance or rejection of the recommendations of the Committee.	Acceptance or rejection of the recommendations	VC
5	If the Vice-Chancellor accepts, the stores and equipment are disposed in accordance with the recommendations the Disposal Committee	Disposal certificate/ cash sale receipts	PO


4.5 Process for Preparation of the Annual Procurement Plan

4.5.1 Source

ISO Departments; CU/SOP/FIND/24; CU/SOP/DVCF/02; CU/SOP/VCIM/01

4.5.2. Required inputs

- Departmental min-procurement plans
- Public Procurement and Asset Disposal Act, 2015 and Guidelines
- Resource persons (Experts)

	Document Ref.: CU/SOP/PROD/25	Date: 20th August, 2019
	Issue No.: 06	Revision No.: 00
Document Title: STANDARD OPERATING PROCEDURE FOR PROCUREMENT MANAGEMENT		

4.5.3. Expected outputs

- Approved Procurement Plan

4.5.4. Receivers

ISO Departments; CU/SOP/FIND/24; CU/SOP/DVCF/02; CU/SOP/VCIM/01

4.5.5. Procedure details

No.	Process Details/Description	Output	Responsibility
1	A request is send to user Departments in writing to submit their annual Procurement Plan to Procurement Department.	Memo to User Departments	HOD Procurement
2	User Departments prepare and submit to Procurement Department a list of the goods, works or services required in the financial year	Departmental Procurement Plan	HOD User Department
3	The PO consolidates all requirements into Annual Procurement Plan aligned with Budget	Consolidated Procurement Plan	HOD Procurement
4	The Procurement Officer submits the Consolidated Annual Procurement Plan for review and recommendations to the Vice-Chancellor / DVC (AFP&D) for approval.	Consolidated Procurement plan	HOD Procurement
5	Once the VC has approved the consolidated Annual Procurement Plan, the Procurement Officer organizes for procurement.	Approved Consolidated Procurement plan	VC
6	A copy of the Approved Consolidated Procurement plan is sent to PPRA as required by the Procurement Law	Approved Consolidated Procurement plan	HOD Procurement

4.6. Process for Preparation of the Supplementary Annual Procurement Plan

4.6.1 Source

ISO Departments; CU/SOP/FIND/24; CU/SOP/DVCF/02; CU/SOP/VCIM/01

4.6.2 Required inputs


- Departmental individuals procurement plan
- Public Procurement and Asset Disposal Act, 2015 and Guidelines
- Resource persons (Experts)

4.6.3 Expected outputs

- Approved Supplementary Annual Procurement Plan

4.6.4 Receivers

ISO Departments; CU/SOP/FIND/24; CU/SOP/DVCF/02; CU/SOP/VCIM/01


	Document Ref.: CU/SOP/PROD/25	Date: 20th August, 2019
	Issue No.: 06	Revision No.: 00
Document Title: STANDARD OPERATING PROCEDURE FOR PROCUREMENT MANAGEMENT		

4.6.5 Procedure details

No.	Process Details/Description	Output	Responsibility
1	User Departments prepare and submit to Procurement Department a list of the goods, works or services that were required within the Financial Year but were omitted in the Annual Procurement Plan.	Departmental supplementary procurement plan	HOD User Department
2	User Departments in their submission give reasons in writing to justify the need for supplementary Procurement Plan.	Departmental supplementary procurement plan	HOD User Department
3	The Procurement Officer consolidates the requirements into a supplementary Annual Procurement Plan	Consolidated Supplementary Procurement plan	HOD Procurement
4	The supplementary Annual Procurement Plan is submitted to Vice Chancellor, indicating the reason for the unforeseen requirements as provided by the user Department.	Consolidated Supplementary Procurement plan	HOD Procurement
5	The Procurement Officer reviews and make recommendation to the Vice-Chancellor for approval.	Consolidated Supplementary Procurement plan	HOD Procurement
6	In the case where the Vice-Chancellor does not recommend the approval of the supplementary Annual Procurement Plan, the Vice-Chancellor gives the reasons for rejection in writing.	Consolidated Supplementary Procurement plan	Vice-Chancellor
7	Once the CEO/Vice-Chancellor has approved the Supplementary Annual Procurement Plan, it is annexed to the Annual procurement Plan.	Supplementary Annual Procurement Plan	Vice-Chancellor

5. RECORDS/RETAINED DOCUMENTED INFORMATION

- Procurement Plan
- Tender Opening minutes
- Tender Evaluations Reports
- Head of Procurement Professional Opinion
- Contracts
- Goods Received Notes
- Issue Notes
- Delivery Notes
- Goods Return Notes
- Copy of LPOs
- Goods Inspection Reports
-

	Document Ref.: CU/SOP/PROD/25	Date: 20th August, 2019
	Issue No.: 06	Revision No.: 00
Document Title: STANDARD OPERATING PROCEDURE FOR PROCUREMENT MANAGEMENT		


6. PERFORMANCE INDICATORS/QUALITY OBJECTIVES

6.1. KEY PERFORMANCE INDICATORS


- (i) Number of items purchased per year.
- (ii) Percentage of Projects awarded per year.
- (iii) Number of Procurement Contracts signed per year.
- (iv) Number of LPOs issued per year.
- (v) Percentage of users trained on PPDA per year.
- (vi) Percentage of assets disposed annually.
- (vii) Percentage of Procurement Plan actualized

6.2. Quality Objectives

Linked Strategic Objective(s): SO 24: Development and Projection of a Positive Image of the University SO 26: Improvement of Productivity, Efficiency and Effectiveness			
QO1. To prepare quotations for requisitioned and approved items, send to pre-qualified suppliers and open them within five (5) days down from 10 days from the time of closing the quotations.			
Strategy (Activities required to achieve the objective) Monitor approved and submitted requisitions on a daily basis Assign Procurement staff to prepare and dispatch quotations forms Follow up on dispatch quotations to make sure they are returned promptly by suppliers Appoint a quotations opening team to prepare a report			
Responsibility	Resources required	Timeline	Measure of Success (KPIs)
Procurement Officer	Approved requisitions Pre-qualified suppliers Financial budget	One week	Processed and submitted quotations
Review dates:	Daily		
Linked Strategic Objective(s): SO 24: Development and Projection of a Positive Image of the University SO 26: Improvement of Productivity, Efficiency and Effectiveness			
Quality Objective: QO2. To ensure responsive tenders are evaluated within 30 days down from after 30 days from the date of Tender opening			
Strategy (Activities required to achieve the objective) Appoint a tender evaluation committee Open submitted tenders as soon as deadline time reaches Prepare tender opening minutes/report immediately upon opening Forward tender opening minutes/report immediately to evaluation committee Follow up to ensure evaluation committee completes their work promptly			
Responsibility	Resources required	Timeline	Measure of Success (KPIs)
Procurement Officer	Evaluation committee Evaluation criteria Stationery	One month	Evaluated tenders Evaluation report
Review dates:	Weekly		

	Document Ref.: CU/SOP/PROD/25	Date: 20th August, 2019
	Issue No.: 06	Revision No.: 00
Document Title: STANDARD OPERATING PROCEDURE FOR PROCUREMENT MANAGEMENT		

Linked Strategic Objective(s):			
SO 24: Development and Projection of a Positive Image of the University SO 26: Improvement of Productivity, Efficiency and Effectiveness			
Quality Objective:			
QO3. To inform users to collect their goods within one (1) day down from seven (7) days after the Inspection and Acceptance Committee has inspected the goods and accepted			
Strategy (Activities required to achieve the objective)			
Make a list of goods delivered indicating the destined user Assign procurement staff to notify users on arrival of their goods			
Responsibility	Resources required	Timeline	Measure of Success (KPIs)
Store Keeper	Supplied goods	One day	Goods issued
Review dates:	Daily		
Linked Strategic Objective(s):			
SO 24: Development and Projection of a Positive Image of the University SO 26: Improvement of Productivity, Efficiency and Effectiveness			
Quality Objective:			
QO4. To process all Goods Received Notes within 2 days down from 7 days after inspection and acceptance of the purchased goods			
Strategy (Activities required to achieve the objective)			
Monitor good delivered by users Assign procurement staff to verify and prepare the GRN Verify and sign ready GRNs on a daily basis			
Responsibility	Resources required	Timeline	Measure of Success (KPIs)
Procurement Officer Head of Stores	Delivered goods GRNs Inspection and acceptance verification	2 days	GRNs issued
Review dates:	Daily		
Linked Strategic Objective(s):			
SO 24: Development and Projection of a Positive Image of the University SO 26: Improvement of Productivity, Efficiency and Effectiveness			
Quality Objective:			
QO5. To carry out 100% disposal of obsolete, unserviceable, idle and surplus goods declared and approved before 30 th June of each year instead of after 30 th June of each year.			
Strategy (Activities required to achieve the objective)			
Write to users to identify obsolete, unserviceable, idle and surplus goods Give the users forms to fill and deadline to observe Compile the submitted goods Forward to the CEO to peruse and approve those to dispose Constitute a disposal committee and issue the TORs Notify the public on the day of disposal Prepare a disposal report upon completion of the exercise			
Responsibility	Resources required	Timeline	Measure of Success (KPIs)
Procurement Officer	Identified disposable	Annually	Disposed-of goods

	Document Ref.: CU/SOP/PROD/25	Date: 20th August, 2019
	Issue No.: 06	Revision No.: 00
Document Title: STANDARD OPERATING PROCEDURE FOR PROCUREMENT MANAGEMENT		

Chair of Disposal Committee	goods Approval request		Income generated Disposal report
Review dates:	Once per year		

Linked Strategic Objective(s):

SO 24: Development and Projection of a Positive Image of the University

SO 26: Improvement of Productivity, Efficiency and Effectiveness

Quality Objective:

QO6. To forward suppliers' payment documents to Finance Department three (3) days down from five (5) after verification by Procurement Department

Strategy (Activities required to achieve the objective)

Monitor and prepare suppliers documents daily

Forward to Finance Department together with testimonials

Responsibility	Resources required	Timeline	Measure of Success (KPIs)
Procurement Officer Finance Officer	LPO, Invoice, GRN, Inspection and Acceptance Committee report	Weekly	Submitted payment docs
Review dates:	Daily		

Linked Strategic Objective(s):

SO 24: Development and Projection of a Positive Image of the University

SO 26: Improvement of Productivity, Efficiency and Effectiveness

Quality Objective:

QO7. To ensure that after identification of the winning bidder/quotation, an LPO is processed within five (5) days down from seven (7) days after receipt of approval for purchase.

Strategy (Activities required to achieve the objective)

Monitor tender/quotation winners on a daily basis

Assign procurement staff to prepare the LPO once received

Forward the LPO to the approval officer and follow up to ensure it is signed promptly

Dispatch the signed LPO to the supplier and follow up to ensure it is received in good order and delivery of goods ensure immediately

Responsibility	Resources required	Timeline	Measure of Success (KPIs)
Procurement Officer AIE	Winning bidder/ quotation, LPO draft	One week	LPOs dispatched
Review dates:	Daily		

Linked Strategic Objective(s):

SO 24: Development and Projection of a Positive Image of the University

SO 26: Improvement of Productivity, Efficiency and Effectiveness


Quality Objective:

QO8. To ensure that 100% of the delivered goods and services are inspected and a report generated within one week down from unspecified time from the date of delivery.

Strategy (Activities required to achieve the objective)

Appoint inspection and acceptance committee, including user/users' representative, in advance

Issue inspection and acceptance committee TORs and evaluation criteria and follow up report

	Document Ref.: CU/SOP/PROD/25	Date: 20th August, 2019
	Issue No.: 06	Revision No.: 00
Document Title: STANDARD OPERATING PROCEDURE FOR PROCUREMENT MANAGEMENT		

Responsibility	Resources required	Timeline	Measure of Success (KPIs)
Procurement Committee	Inspection and acceptance committee	One week	Inspection and acceptance report
Review dates:	Daily		

Linked Strategic Objective(s):

SO 24: Development and Projection of a Positive Image of the University
SO 27: Compliance with Statutory Requirements

Quality Objective:

QO9. To ensure that procurement plan is prepared and submitted to PPRA by 31st August of each year down from after 31st August of each year.

Strategy (Activities required to achieve the objective)

Train users on how to write procurement specifications
Write to users to submit their required items in July of each year and give them a deadline
Follow up to receive list of required items from the users
Assign user/procurement staff to enter the items into the ERP template(s)
Print and verify the entries and then compile a corporate Procurement Plan

Responsibility	Resources required	Timeline	Measure of Success (KPIs)
Procurement Officer DVC (AFPD)/VC	Items from users ERP format	Annually	Prepared & submitted Procurement Plan
Review dates:	Semi-annually		

Linked Strategic Objective(s):

SO 24: Development and Projection of a Positive Image of the University
SO 25: Maintenance and Improvement of Quality Assurance
SO 27: Compliance with Statutory Requirements

Quality Objective:

QO10. To respond to suppliers' queries within three days down from five days from the date of receiving them.

Strategy (Activities required to achieve the objective)

Monitor suppliers' queries on a daily basis
Assign Procurement Staff to investigate and draft a response, review and submit the responses

Responsibility	Resources required	Timeline	Measure of Success (KPIs)
Procurement Officer	Suppliers' queries, business profiles	One week	Responses to suppliers
Review dates:	Daily		

Linked Strategic Objective(s):


SO 19: Utilization of ICT to Enhance Efficiency of University Operations
SO 24: Development and Projection of a Positive Image of the University
SO 25: Maintenance and Improvement of Quality Assurance
SO 27: Compliance with Statutory Requirements

Quality Objective:

QO11. To ensure that award/regret letters are prepared and send to bidding suppliers within three (3) down from five (5) days from the date of award of tender.

Strategy (Activities required to achieve the objective)

Monitor on a daily basis award/regret letters that are due


	Document Ref.: CU/SOP/PROD/25	Date: 20th August, 2019
	Issue No.: 06	Revision No.: 00
Document Title: STANDARD OPERATING PROCEDURE FOR PROCUREMENT MANAGEMENT		

Assign procurement staff to draft response letters
Verify the letters and forward to the CEO to sign
Follow up, pick signed letters and dispatch

Responsibility	Resources required	Timeline	Measure of Success (KPIs)
Procurement Officer Vice-Chancellor HOD, Central Registry	Bidding suppliers	One week	Award/regret letters prepared and dispatched
Review dates:	Daily		

Risk identification table


SN	Risk	Source (How can the risk occur)	Impact (What is the impact of the risk occurring)
1	Inherent Risk	Susceptibility of an assertion to a misstatement that could be material, individually or when aggregated with other misstatements, assuming that there are no related controls. Inherent risk is addressed at both the financial statement level and at the assertion level.	These are the University and other risks that arise from the University objectives, nature of operations and industry, the regulatory environment in which it operates and its size and complexity. The risks of material misstatement will vary based on the nature of the account balance or class of transaction. Risks of particular concern to the auditor might include: 1. Complex calculations which could be misstated; 2. High value inventory; 3. Accounting estimates that are subject to significant measurement uncertainty; 4. Failure of ERP or some module becoming obsolete due to changes in technology
2	Fraud Risk (Part of inherent or possible control risk)	The risk of an intentional act by one or more individuals among management, governance, employees or third parties, involving use of deception to obtain unjust or illegal advantage.	There are two types of intentional misstatement that are relevant to the auditor: 1. Misstatements resulting from fraudulent financial reporting; and 2. Misstatements resulting from misappropriation of assets.
3	Control Risk (Do internal controls in place to mitigate the inherent risks?)	Risk that the University internal control system will not prevent, or detect and correct on a timely basis, a misstatement that could be material, individually or when aggregated with other misstatements.	The University should identify and assess its business and other risks (such as fraud) and respond by designing and implementing a system of internal control. University level controls such as AGRMC oversight, IT general controls, and HR policies are pervasive to all assertions whereas activity level controls generally relate to specific assertions. Some control risk will always exist because of the inherent limitations of any internal control system. The auditor is required to understand the entity's internal control and perform procedures to assess the risks of material misstatement at the assertion level.
4	Combined Risk	This is a term that is sometimes used to refer to the assessed (inherent and control risk) risks of material misstatement at both the Financial Statement level and the assertion level.	Auditors can make separate or combined assessments of inherent and control risks depending on preferred audit techniques or methodologies and practical considerations.

	Document Ref.: CU/SOP/PROD/25	Date: 20th August, 2019
	Issue No.: 06	Revision No.: 00
Document Title: STANDARD OPERATING PROCEDURE FOR PROCUREMENT MANAGEMENT		

5	Detection Risk	<p>This is the risk that the auditor will not detect a misstatement that exists in an assertion that could be material, either individually or when aggregated with other misstatements.</p> <p>The acceptable level of detection risk for a given level of audit risk bears an inverse relationship to the risks of material misstatement at the assertion level</p>	<p>The auditor identifies assertions where there are risks of material misstatement and concentrates audit procedures on those areas. In designing and evaluating the results of performing procedures, the auditor should consider the possibility of:</p> <ol style="list-style-type: none"> 1. Selecting an inappropriate audit procedure; 2. Misapplying an appropriate audit procedure; or 3. Misinterpreting the results from an audit procedure.
----------	-----------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Risk Identification Key


Likelihood	Consequence	Raw Risk (Likelihood x consequence)
1: Low, very unlikely less than 10% chance of occurring	1: insignificant, consequences are very low, can lead to nil/minor disruptions (1 day), leads to no financial losses	1 - 3: Low, managed within existing controls, monitor annually
2: Medium, possible 20% - 60% chance of occurring	2: Moderate, consequences are moderate, disruption can be up to a week, financial loss can be up to \$10,000	4 - 6: Medium, evaluate efficiency of existing controls or implement mitigation plan, monitor quarterly or 6 monthly
3: High, likely to almost certain 70% - 100% chance of occurring	3: Serious, consequences are adverse, can lead to legal prosecutions, media coverage, investigation by statutory body, complete loss of service delivery or financial loss of > \$ 100,000	7 - 9: High, implement mitigation plan immediately, escalate to senior management, monitor weekly or monthly

	Document Ref.: CU/SOP/PROD/25	Date: 20th August, 2019
	Issue No.: 06	Revision No.: 00
Document Title: STANDARD OPERATING PROCEDURE FOR PROCUREMENT MANAGEMENT		

RISK REGISTER


Note for monitoring, the responses are: What = risk described. Why = prevent/correct consequence. How = mitigations/controls. Who = risk owner.

Risk name/ description	Risk Consequences	L	C	Potent risk = LxC	Mitigations/controls (Opportunities source)	Risk Owner	Monitoring	Actual Risk				
								LA	CA	RI=LA* CA	RR% =RI/PR	EC%
Delay in preparation of quotations for requisitioned and approved items.	Dissatisfaction Complaints Unfulfilled business	2	2	4	Sensitize staff to be prompt in preparing LPOs	HOD Procurement	Monthly	2	2	2	50%	50%
Late evaluation of responsive tenders	Expiry of tender validity; Termination of tenders	3	2	6	Sensitize committees to evaluate within time specified	HOD Procurement	Monthly	2	1	2	33%	67%
Failure to inform users to collect Inspected and Accepted goods	Dissatisfaction and complaints by users Unfulfilled user request	2	3	6	Inform users promptly once goods/services are inspected and accepted	HOD Procurement	Weekly	2	1	2	33%	67%
Slow processing of Goods Received Notes	Delay in payment	2	2	4	Remind slow staff to raise GRNs immediately after receipt and inspection of goods	HOD Procurement	Weekly	1	1	1	25%	75%
Wrong disposal of idle, obsolete, unserviceable and surplus goods	Loss of funds	2	2	4	Dispose only approved items as per procedure	HOD Procurement	Yearly	1	1	1	25%	75%
Delay in forwarding suppliers LPO, GRN, invoice, inspection & acceptance to Finance Office for payment	Delay in payment Delay in delivery period by suppliers Litigation/penalties	2	3	6	Forward supplier payment documents to finance	HOD Procurement	Daily	1	2	2	33%	67%
Slow processing of LPO for purchases	Delay in delivery of goods and services	2	3	6	Sensitize Procurement staff to be promptly preparing LPOs	HOD Procurement	Daily	1	2	2	33%	67%
Failure to inspect and generate a report for delivered goods	Unfulfilled user request/Delayed supplier payment	2	3	6	Sensitize inspection committees to inspect goods promptly	HOD Procurement	Weekly	1	2	2	33%	67%

	Document Ref.: CU/SOP/PROD/25	Date: 20th August, 2019
	Issue No.: 06	Revision No.: 00
Document Title: STANDARD OPERATING PROCEDURE FOR PROCUREMENT MANAGEMENT		


Delay in preparation of and adherence to annual Procurement Plan	Failure to meet submission deadline to PPRA Procurement of items not in procurement	3	3	9	Sensitize user departments on the importance of timely preparation of departmental procurement plans	HOD Procurement	Yearly	2	2	4	44%	56%
Failure to respond to suppliers' queries within the stipulated time	Persistent complaints Litigation	3	3	9	Assign one staff to handle supplier queries Maintain record for action taken on queries	HOD Procurement	Daily	1	2	2	22%	78%
Delay in sending award/regret letters to bidding suppliers	Complaints from Bidders It is an offence as per PPAD 2015	3	2	6	Sensitize staff to be prompt in sending award/Regrets letters to bidders	HOD Procurement	When award/ regrets are due	3	1	3	50%	50%

Key: LA= Likelihood achieved. CA= Consequence achieved. RI= Risk incidences encountered. RR% = Residual Risk EC (%) = Effectiveness of Control
Potent Risk (PR): Refers to potential raw risk that is anticipated. EC% = 100% - RR%

	Document Ref.: CU/SOP/PROD/25	Date: 20th August, 2019
	Issue No.: 06	Revision No.: 00
Document Title: STANDARD OPERATING PROCEDURE FOR PROCUREMENT MANAGEMENT		

Opportunities Register

SN	Opportunities	Action Plan	Timeline	Effectiveness status
1	Availability of many existing suppliers and potential new suppliers	Sensitization Seminar	Annually	70%
2	Availability of disposal methods that are friendly to the environment/public	Guide disposal committee on the recommended methods of disposal.	Annually	95%
3	Reduction in cost of goods, works and services needed by the University	Competitive buying and Market survey on goods purchased,	Continuous	96%
4	Rapid expansion of the University	Project monitoring and reporting, and facilitation through procurement	Continuous	98%
5	Increase in User Departments in the University	Organizing Staff Training on PPADA 2015	Annually	90%
6	Increase in highly discerning and demanding users	Procuring as per the user specifications. Procure as per the sample provided.	Continuous	98%

	Document Ref.: CU/SOP/PROD/25	Date: 20th August, 2019
	Issue No.: 06	Revision No.: 00
Document Title: STANDARD OPERATING PROCEDURE FOR PROCUREMENT MANAGEMENT		


APPENDIX I: THRESHOLD MATRICES

a) Open Tendering

	Procurement Method	Goods	Works	Services	Person responsible initiation	Person signing the contract	Verification of goods, services or works
(i)	International Open tender	The maximum level shall be determined by funds allocated in the budget for the particular procurement.	Maximum level shall be determined by funds allocated in the budget for particular procurement.	The maximum level shall be determined by funds allocated in the budget for the particular procurement	H.O.D/C.O.D	Vice-Chancellor	Inspection and acceptance committee
		There is no minimum level of expenditure under this method	There is no minimum level of expenditure under this method.	There is no minimum level of expenditure under this method.	H.O.D/C.O.D	Vice-Chancellor	Inspection and acceptance committee
(ii)	National Open tender	Maximum level shall be determined by funds allocated in the budget for the particular procurement.	Maximum level shall be determined by funds allocated in the budget for the particular procurement.	Maximum level shall be determined by funds allocated in the budget for the particular procurement.	H.O.D/C.O.D	Vice-Chancellor	Inspection and acceptance committee
		Minimum level of expenditure that requires advertisement is KES. 5,000,000.	Minimum level of expenditure requiring advertisement is KES. 5, 000, 000.	Minimum level of expenditure that requires advertisement is KES 3,000,000.	H.O.D/C.O.D	Vice-Chancellor	Inspection and acceptance committee

b) Restricted Tendering

	Procurement Method	Goods	Works	Services	Person responsible for initiation	Person Signing the contract	Verification of goods, services or works
(i)	Restricted tender under section 102 (1) (a) of the Act	The maximum level shall be determined by funds allocated in the budget for the particular procurement.	Maximum level shall be determined by funds allocated in the budget for the particular procurement.	The maximum level shall be determined by funds allocated in the budget for the particular procurement.	H.O.D/C.O.D	Vice-Chancellor	Inspection and acceptance committee
		The minimum level of expenditure is KES. 5,000,000. -above this threshold, use open tender.	The minimum level of expenditure is KES. 5,000,000.- below this threshold, use open tender.	The minimum level of expenditure is KES. 5,000,000.-below this threshold, use open tender.	H.O.D/C.O.D	Vice-Chancellor	Inspection and acceptance committee
(ii)	Restricted tender under section 102 (1) (b) of the Act	The maximum level of expenditure shall be KES. 4,000,000. Above this threshold, use open tender.	The maximum level of expenditure shall be KES. 4,000,000. Above this threshold, use open tender.	The maximum level of expenditure shall be KES. 4,000,000. Above this threshold, use open tender.	H.O.D/C.O.D	Vice-Chancellor	Inspection and acceptance committee
		The minimum level of expenditure is KES. 1,500,000. Below this threshold, use request for quotations.	The minimum level of expenditure is KES. 3,000,000. Below this threshold, use request for quotations.	The minimum level of expenditure is KES. 1,500,000. Below this threshold, use request for quotations.	H.O.D/C.O.D	Vice-Chancellor	Inspection and acceptance committee
(iii)	Restricted tender under section 102 (1) (c) of the Act	The maximum level shall be determined by funds allocated in the budget for the particular procurement.	The maximum level shall be determined by funds allocated in the budget for the particular procurement.	The maximum level shall be determined by funds allocated in the budget for the particular procurement.	H.O.D/C.O.D	Vice-Chancellor	Inspection and acceptance committee
		The minimum level of expenditure shall be KES. 1,500,000. Below this threshold, use request for quotations.	Minimum level of expenditure is KES 3,000,000. Below this threshold request for quotations.	The minimum level of expenditure is KES 1,500,000. Below this threshold, use request for quotations.			

	Document Ref.: CU/SOP/PROD/25	Date: 20th August, 2019
	Issue No.: 06	Revision No.: 00
Document Title: STANDARD OPERATING PROCEDURE FOR PROCUREMENT MANAGEMENT		

c) Request for Proposal

	Procurement Method	Goods	Works	Services	Person responsible for initiation	Person Signing the contract	Verification of goods, services or works
(i)	Request for proposals (section 116(1) of the Act)	This method is not applicable for goods.	This method is not applicable for works.	Maximum level of expenditure shall be determined by the funds allocated in the budget for the particular procurement.	H.O.D/C.O.D	Vice-Chancellor	Inspection and acceptance committee
				There is no minimum level of expenditure under this method.	H.O.D/C.O.D	Vice-Chancellor	Inspection and acceptance committee

d) Request for Quotation


	Procurement Method	Goods	Works	Services	Person responsible for initiation	Person Signing the contract	Verification of goods, services or works
(i)	Request for Quotation (section 105 of the Act)	The maximum level of expenditure under this method shall be KES. 1,500,000	The maximum level of expenditure under this method shall be KES. 3,000,000	The maximum level of expenditure shall under this method shall be KES. 1,500,000	H.O.D/C.O.D	Vice-Chancellor	Inspection and acceptance committee

e) Direct Procurement

	Procurement Method	Goods	Works	Services	Person responsible for initiation	Person Signing the contract	Verification of goods, services or works
(i)	Direct Procurement (section 103(2) of the Act)	No minimum or maximum expenditure under this method provided the conditions under this section are met.	No minimum or maximum expenditure under this method provided the conditions under this section are met.	No minimum or maximum expenditure under this method provided the conditions under this section are met.	H.O.D/C.O.D	Vice-Chancellor	Inspection and acceptance committee

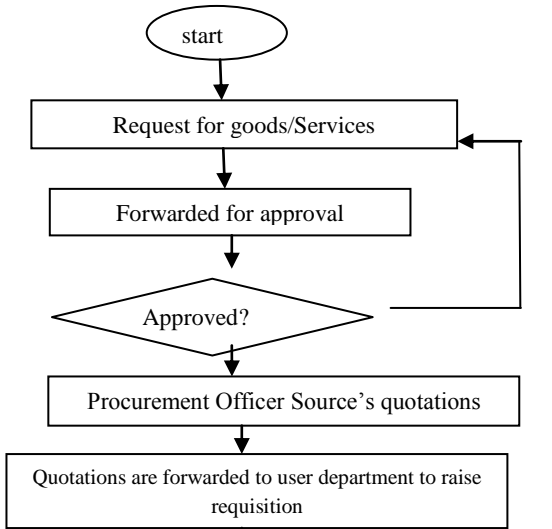
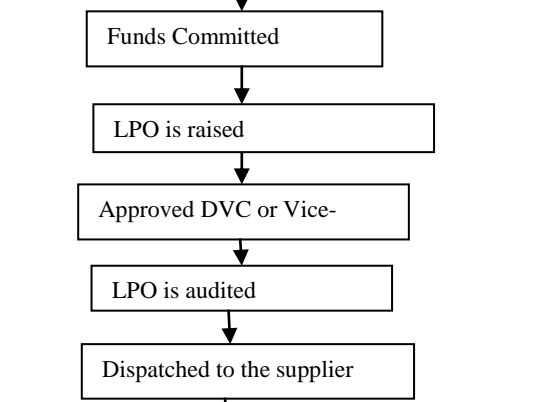
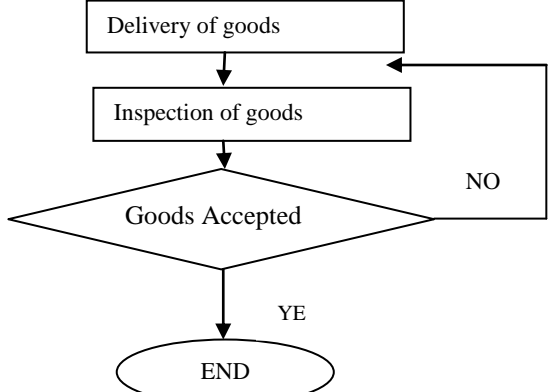
f) Low Value Procurement

	Procurement Method	Goods	Works	Services	Person responsible for initiation	Person Signing the contract	Verification of goods, services or works
(i)	low value procurement (Section 107 of the Act)	The maximum level of expenditure under this method is KES. 10,000 per procurement per item.	Maximum level of expenditure under this method is KES. 10,000 per procurement item.	The maximum level of expenditure under this method is KES. 10,000.	H.O.D/C.O.D	Vice-Chancellor	Inspection and acceptance committee
		There is no minimum for the use of this method	There is no minimum level of expenditure for the use of this method	There is no minimum level of expenditure for use of this method	H.O.D/C.O.D	Vice-Chancellor	Inspection and acceptance committee

	Document Ref.: CU/SOP/PROD/25	Date: 20th August, 2019
	Issue No.: 06	Revision No.: 00
Document Title: STANDARD OPERATING PROCEDURE FOR PROCUREMENT MANAGEMENT		

APPENDIX II: PROCESS MAPS

i. Process Flow Procurement of Goods through Quotation

RESPONSIBILITY	ACTION
USER	
PROCUREMENT OFFICER	
USER	
PROCUREMENT OFFICER	
VICE-CHANCELLOR/DVC(AFPD)	
INTERNAL AUDITOR	
SUPPLIER	
INSPECTION COMMITTEE	



Document Ref.:
CU/SOP/PROD/25

Date:
20th August, 2019

Issue No.:
06


Revision No.:
00

Document Title:


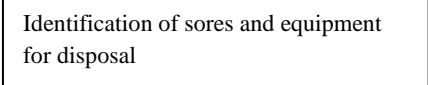
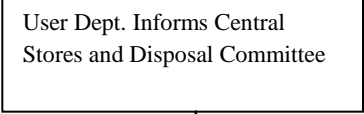
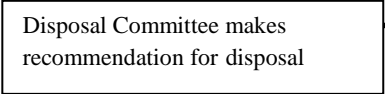
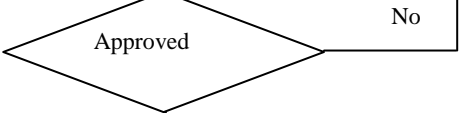
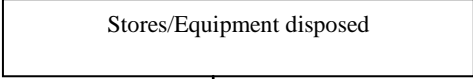
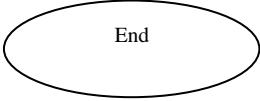
STANDARD OPERATING PROCEDURE FOR PROCUREMENT MANAGEMENT

ii. Process Flow Procurement of Goods through Open Tender

RESPONSIBILITY	ACTION
USER	
VICE-CHANCELLOR /DVC(AFPD)	
PROCUREMENT OFFICER	
TENDER EVALUATION COMMITTEE	
HEAD OF PROCUREMENT PROFESSIONAL OPINION VICE-CHANCELLOR SUPPLIER INSPECTION COMMITTEE	

	Document Ref.: CU/SOP/PROD/25	Date: 20th August, 2019
	Issue No.: 06	Revision No.: 00
Document Title: STANDARD OPERATING PROCEDURE FOR PROCUREMENT MANAGEMENT		

iii. Process Flow Disposal of Stores/Equipment

RESPONSIBILITY	ACTION
USER	
CENTRAL STORES/ DISPOSAL COMMITTEE	
VICE-CHANCELLOR	
PROCUREMENT DEPARTMENT/DISPOSAL COMMITTEE	   

iv. Process Flow for Preparation of Procurement Plan

RESPONSIBILITY	ACTION
----------------	--------



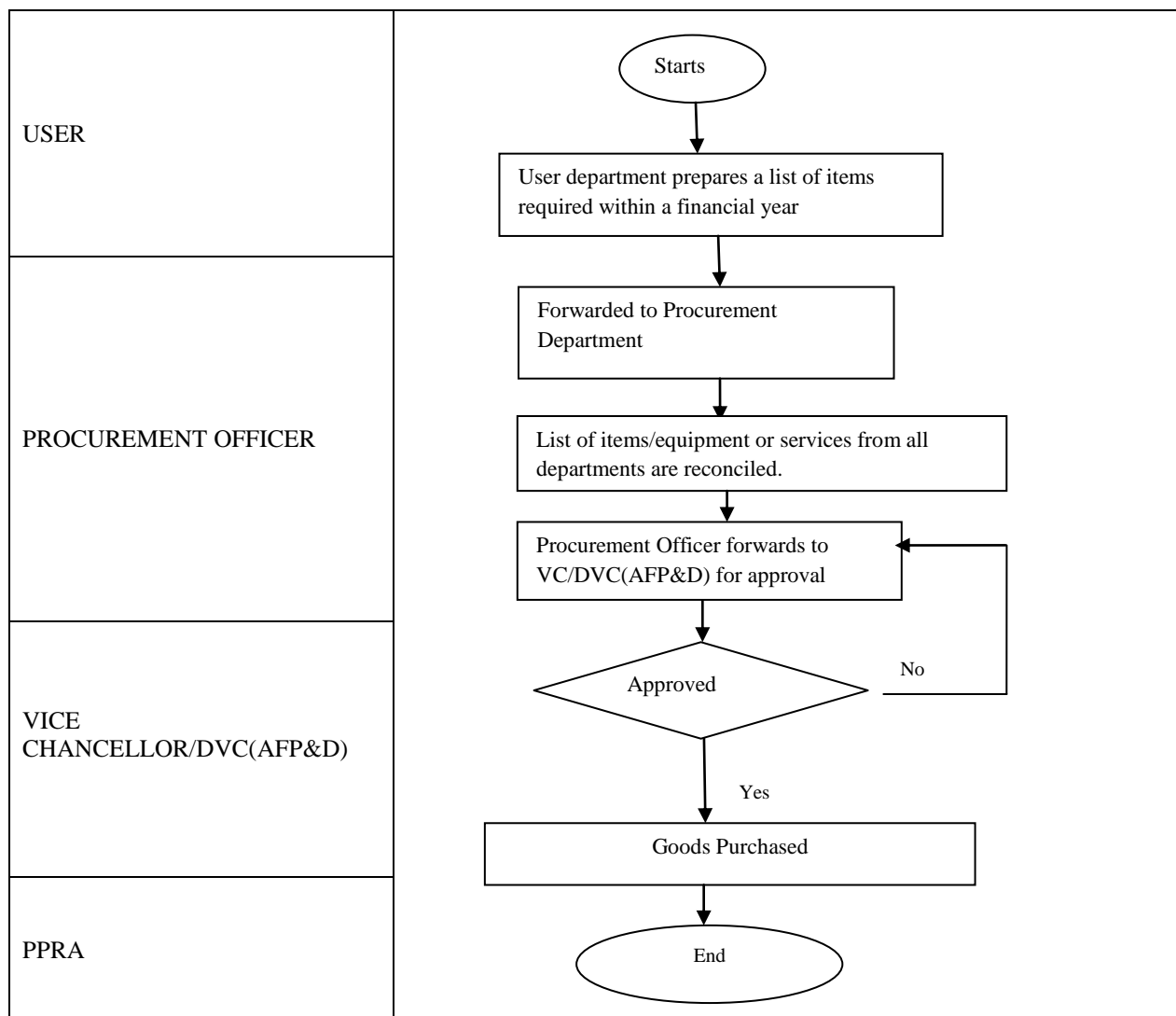
Document Ref.:
CU/SOP/PROD/25


Date:
20th August, 2019

Issue No.:
06

Revision No.:
00

Document Title:
STANDARD OPERATING PROCEDURE FOR PROCUREMENT MANAGEMENT



	Document Ref.: CU/SOP/PROD/25	Date: 20th August, 2019
	Issue No.: 06	Revision No.: 00
Document Title: STANDARD OPERATING PROCEDURE FOR PROCUREMENT MANAGEMENT		

APPENDIX III: CRITERIA FOR PRE-QUALIFICATION & RE-EVALUATION OF SUPPLIERS

Criteria for Pre-Qualification


The intent of prequalification evaluation is to determine the bidders that were substantially qualified to the tender qualification requirements as per the tender notice.

Qualification for tendering is set in the 'Invitation to Tender' notice and the bidders are expected to meet the following mandatory bidding requirements.

- (i) Must submit a copy of PIN Certificate
- (ii) Must have a Certificate of Incorporation
- (iii) Must submit a copy of VAT Certificate
- (iv) Must submit a copy of a valid Tax Compliance Certificate

The following Table shows the criteria for the tender prequalification including the number of points (variable for tender to tender as need arises) under each of the criteria:

CRITERIA	DESCRIPTION	POINTS
A. Supplier availability (20)	Name	2
	Physical address	2
	Town/City	2
	Street	2
	Floor	2
	Door No.	1
	Other landmarks	1
	Drawing/map etc	1
	Telephone address	1
	Fax No.	2
	Email address	2
	Website address	1
Postal address	1	
B. Supplier relevance & Experience (16)	Nature of business (Manufacturer/Processor/Maker) = 3	3
	(Registration as dealer/agent/core business) = 2	
	Usual business transacted for the last 5 years/Any worth KSh. 500,000 or more at least 5 assignments	5
	Relevant Government/State Corporation tenders awarded	5
	Authentic recommendation by any two clients served in the last one year rating:	3
	Good = 3 Fair = 2 Poor = 1	

	Document Ref.: CU/SOP/PROD/25	Date: 20th August, 2019
	Issue No.: 06	Revision No.: 00
Document Title: STANDARD OPERATING PROCEDURE FOR PROCUREMENT MANAGEMENT		

C. Supplier capability (13)	Financial capability	8
	Audited reports for the last 1 year = 3	
	Audited reports for the last 2 years = 5	
	Terms of payment	5
	Cash = 0	
	30 days = 3	
	60 days = 4	
	90 days = 5	
D. Legality of supplier business (25)	Renewed Certificates, Registration and licenses	5
	Letters of introduction	5
	Copy of PIN Card	5
	VAT Registration/Exemption	5
	Certificate of Tax Compliance	5
TOTAL		74

Criteria for Re-Evaluation

- (i) Past performance of the supplier
- (ii) Price consistency
- (iii) Quality of product/services
- (iv) Communication/feedback provided


Business Name.....
 Physical address.....
 Tender Name Category.....

SN	PARAMETERS	VERY GOOD	GOOD	FAIR	POOR
1	Delivery time				
2	Quality of products supplied				
3	Delivery of complete orders				
4	Price stability				
5	Communication				
6	After sales services				
7	Credit facility				
8	Delivery to the University				
9	Rejection of goods				

KEY

Very good = 10
 Good = 6
 Fair = 2
 Poor = 2

- (i) Suppliers who score 60 and above satisfy the expectations of the University.

	Document Ref.: CU/SOP/PROD/25	Date: 20th August, 2019
	Issue No.: 06	Revision No.: 00
Document Title: STANDARD OPERATING PROCEDURE FOR PROCUREMENT MANAGEMENT		

- (ii) Suppliers who score below 60 do not satisfy the expectations of the University and therefore need to be informed on areas of improvement.
- (iii) Name and signature of evaluators

Name	Signature	Date
1		
2		
3		
4		