# Ethiopian Orthodox Church Development and Inter-Church Aid Commission (EOC-DICAC)

## PROCUREMENT POLICIES AND PROCEDURS MANUAL

**Addis Ababa, Ethiopia**
**November 2020**

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## INTRODUCTION

This Procurement policies and procedures manual is a guideline to carry out purchase of materials and services required by EOC/DICAC. It is essential that the manual has to be strictly followed by all personnel involved in purchasing of materials and services in general and by the Project Office and coordination offices in particular.

The manual is intended to deal with all the necessary procurement issues including purchase initiation, methods of procurement, tender selection, suppliers list, bid analysis, receiving of goods & services procured, the Procurement Committee with its duties & responsibilities and as well as how to effect payments for work completed and inspected.

The Manual stresses, among other objectives, on the absolute requirement for procurement activities to be transparent and fully documented by following generally accepted and best purchasing practices. It stresses also on the obligations to fulfill Company financial policies so that all procurement activities avoid legal problems or unethical practices and withstand scrutiny by internal or external examiners.

As a considerable sum of money is being expended for the purchase of materials and services, it is essential that all personnel involved in the process have to ensure that materials and services acquired are to the EOC/DICAC satisfaction, both in quality and serviceability.

This manual hence is expected to ensure the optimum utilization of financial resources of the EOC/DICAC by establishing a control mechanism for the relatively high expenditures for the procurement of fixed assets, stationeries, office supplies, services and others.

**Article 1**
**Definition**

In this Procurement policies and procedures Manual, unless the context requires otherwise:

1.1 “EOC/DICAC” means Ethiopian orthodox church Development & Inter church Aid Commission, including its Coordination Office And branches;
1.2 “General Assembly “means the Highest Body of EOC/DICAC .
1.3 “Board” means the;
1.4 “Project Coordination Office” means theReginal Office of EOC/DICAC
1.5 “ G/Manager” means ;
1.6 ”Deputy G/ Manger”

**Article 2**

**Objectives**

The general objective of this manual is to acquire goods and services of the right quality, from the right supplier, in the right quantity, at the right time and at the right price.
The main objectives of this procurement manual are to:

2.1 Achieve cost saving through competitive bidding;
2.2 Gain efficiency through proper planning of procurement of goods and services;
2.3 Foster transparency by treating all suppliers on equitable basis through application of pre-established objective evaluation criteria;
2.4 Attain consistency by using the manual as a guideline in purchasing processes of goods and services;
2.5 Assign responsibility and accountability to those individuals involved in purchasing activities.

**Article 3**

**Purchasing Function**

Purchasing is an acquisition of materials and services. It is a process that covers from the invitation of bids to the final clearance of invoice, including negotiations, placing purchase orders and pursuing delivery.

The Project Office shall be responsible for carrying out the purchasing function by strictly adhering to the purchasing policies and procedures.

***3.1 Purchase of Materials***

Purchase of materials, be it from foreign or domestic market, shall always be made in line with the following principles:

3.1.1 Purchases will be made in bulk as much as possible and shall be arranged through reliable suppliers or others as long as it is found advantageous to the EOC/DICAC in terms of quality, reliability and cost.
3.1.2 The need for the purchase of materials shall emanate from the Project Office/Storekeeper when there is a need to replenish stock of materials to maintain optimum stock level.
3.1.3 All purchases shall be requested by the pre-numbered purchase requisitions and is approved by the Responsible Authority.
3.1.4 Any purchase shall be made if and only if it is incorporated in the budget of the Project.



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3.1.5 Any purchase which is not incorporated in the budget (special purchase) shall first be approved by the G/Manger.

3.1.6 The request for special purchase shall be made by the user organs to the G/manger Or.

3.1.7 The Manager should check that specification on purchase orders are in accordance with design requirements and shall be approved by the Commissioner.

3.1.8 When ordered materials are delivered, the Storekeeper should validate that they are as specified in the purchase order and certify same by initialing on the receipt and checked and signed by Internal Auditor.

3.1.9 The Purchaser shall maintain an up-to-date list of qualified suppliers as well as current prices prevailing in the market, subject to review from time to time.

***3.2 Purchase of Services***

EOC/DICAC may undertake construction, modification, fabrication or maintenance work of Buildings, Vehicles, Office Equipment, Office Furniture, etc; consultancy service, etc as and when the need arises. Under such circumstances, the Department shall handle the case in line with this procurement policy and procedure manual.

**Article 4**

**Procurement Methods and Procedures**

***4.1. Purchasing Methods***

Goods and services may be purchased using one of the following methods when recommended by the Chairman.

- Open tender
- Limited/Restricted/selective tender
- Negotiated procurement
- Direct quotation

**4.1.1. Open Tender**

It is a method of procurement where purchase needs are announced in mass media such as TV or Radio or Local News paper.

**4.1.2. Limited/Restricted/Selective Tender:**

a) It is a method of purchase when few suppliers are invited from a list of suppliers that is already selected by the procurement Committee and approved by the OC and invitation is made by letters directly addressed to them.

b) A limited tender is allowed only in the following conditions:
   - when only limited and known suppliers exist;
   - when open tendering is not possible due to urgency and when such urgency is believed to be true; and
   - for special contracts, when the capacity of the selected firms to perform the contract is of primary importance.

**4.1.3. Negotiated Procurement:**

a) It is a method of purchase made on a negotiation basis.

b) Such procurement method may be used in the event of the following conditions:
   - when the intended purchase is for urgent use and when the purchase is believed to miss its objective if the customary purchase process is followed;
   - when the domestic supplier of the goods or services is a sole supplier;
   - when the item to be purchased is directly obtainable from the patent owner;
   - when the spare parts, and complements are only obtainable from the supplier of the main equipment; and
   - when the need arises to procure additional goods or services of the same type from the same supplier, or producer or service contractor who recently won bid or with whom order is placed with-in the last three months;

**4.1.4. Direct Quotation:**

a) This method of procurement is mostly used for small purchase of incidental nature, when particularly there is an urgent operational need for the goods or services.

b) Such method may be used:
   - when the price of the items for each bill is less than Birr 2,000.00;
   - when the item is badly needed and the Chairperson approves the purchase;

***4.2. General Purchasing Procedures***

**4.2. 1. Open Tenders Purchasing Procedures**

a) Invitation to open tender is announced in a public media such as newspaper, Television, Radio, etc.



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**b)** A sealed bid proposal which contains the necessary information and attachments such as invitation to bid, bid bond, specification, business license, performance guarantee and related forms as appropriate are deposited in a box, prepared for this purpose.

**c)** The procurement Committee shall open the bid documents.

**d)** The documents are opened at the specified place, date and time, in front of the bidders or their authorized representatives and prices are read, minutes taken and evaluation made according to predetermined criteria.

**e)** The procurement Committee conducts the necessary evaluation on the bid documents received and determines the winner.

**f)** Priority should be given to source suppliers such as manufacturers, importers, wholesalers and developers before approaching retailers.

**4.2.2. Purchasing Procedures of Limited tender**

The procedures followed in the open tender will be strictly applied for limited tender as well.

**4.2. 3. Purchasing procedures of negotiated procurement:**

a) Send a written invitation (purchase requisition) for price quotation to the supplier.

b) When the price quotation, terms and conditions are received the procurement Committee should check whether the minimum technical requirement (specification) is met or not.

c) Evaluate the offer (bid) based on an estimate of reasonable price with reference to other related purchases.

d) Negotiate with the supplier (all negotiations must be recorded in minutes).

**4.2.4. Purchasing Procedures of Direct Quotation:**

a) The Project Office sends written quotation request to already approved suppliers that are in the list.

b) Due to urgency, cost time and other forcing conditions quotation requests may be sent to at least three suppliers.

c) The Project Office/purchaser collects proforma invoices in a sealed envelope.

d) When purchases are within the petty cash purchase limit, the Manager /Purchaser opens, counts, pages the documents, puts his signature on each page and records each bid on a list for approval.

e) When this is evaluated by the procurement Committee, it opens envelope, counts documents, reads prices, signs on each of the pages, and take minutes of the discussion.

f) The procurement Committee presents its proposal in writing with clear recommendation using bid analysis form for approval.

g) There may be no separate contract signed for this type of procurement.

h) The Purchaser/PO purchases the goods or services when approved.

**Article 5**

**Purchase Initiation and programming**

5.1. Purchases are initiated by the project office or by the sub-committees of the OC using requisition addressed to the Storekeeper; but replenishments of non capital stock items are initiated by the Storekeeper based on the reorder level.

5.2. Requests of user organs should consist of detailed descriptions and specifications (to be approved by Departments as the case may be) of the items to be purchased as per the approved budget.

5.3. Quarterly detail purchasing schedule shall be prepared by the Project Office and Head office.

**Article 6**

**Suppliers List**

***6.1. General Guidelines***

6.1.1. EOC/DICAC shall maintain suppliers list for major purchases.
6.1.2. The Procurement Committee assures that suppliers list is updated when necessary.
6.1.3. Suppliers shall be evaluated by the following criteria.

- Technical Competence;
- Managerial Competence;
- Financial stability;
- Level of resources;
- Reliability, including previous experience;

These criteria can be used interchangeably according to the type of product to be purchased.

6.1.4. EOC/DICAC ranks suppliers according to the above criteria (Form No.3).



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6.1.5. As much as possible invitation of bid should be sent to all suppliers listed, but in case of selecting few suppliers from the list, the PO shall send invitation to bidders according to their rank.

**Article 7**

**Invitation to Bids (Tender Invitation)**

7.1. Purchase of materials and services estimated to be or below birr 300,000.00 shall be solicited through restricted tender invitation.

7.2. For limited/restricted/ selective tender a written invitation is sent for selected suppliers.

7.3. When negotiated or direct quotation method of procurement is applied, a written invitation is sent for price quotation.

7.4. Purchase of materials above birr 500,000.00 shall be the subject of open tender notices in the local press.

7.5. Invitation to bids should at least contain the following information:

- The specific goods or services to be purchased;
- Place where bidders may collect bid documents;
- Place where auction box/es are cited and bidders deposit their bid proposals;
- Place, date, and time of opening and closing of the tender;
- Amount of bid bond;
- Fees for purchase of the bid document;
- Notice indicating that EOC/DICAC may reject the bid fully or partly;

7.6. Any alteration in the content of the bid shall be amended only through which the original invitation has been declared.

**Article 8**

**Preparation for Bids**

***8.1. Content of Bid Document***

Bid document contains separate documents such as invitations to bid, instruction to bidders, specifications, draft contracts and related forms as appropriate will be prepared for all bidders.



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***8.2. Technical Specifications:***

8.2.1 Accurate technical specifications shall be made for goods and services to be purchased and be approved by the OC before the start of the bid process.

8.2.2 Technical specification should be prepared by professionals of the right expertise as related to the goods and services desired to be purchased.

8.2.3 A standing technical specification may be prepared for those goods and services that are purchased on routine basis.

8.2.4 Specifications should clearly state the type and description of goods and services, measurement, quality and functionality.

8.2.5 Technical specification should not be prepared based on one "tailor made" to brand (product) model. Rather, it should focus on the functions to be performed by the goods so that bidders may be able to include in the bid alternative goods that perform the same function.

8.2.6 Drawing and design may be prepared if applicable and desired.

8.2.7 The type and quality of packaging should be stated.

8.2.8 The type and quality of raw materials from which the goods are made should be stated.

***8.3. Sample:***

8.3.1. Samples of the goods that are meant for bid may be requested if it is not fairly possible to define the goods and services in the technical specification.

8.3.2. Such samples must be presented and accepted before the closing date of the bid.

8.3.3. Samples are returnable when the bidder does not win but may not be returned when the sample is meant for test in the operation of equipment.

8.3.4. If the bidders do not collect the returnable samples within one month from the date of awarding the tender (if not perishable) the EOC/DICAC shall not be held responsible.

8.3.5. This must be disclosed in the instruction to bidders in advance.

***8.4. Bid form and Price Schedule:***

In order to standardize the bid proposal the EOC-DICAC may attach bid form and price schedule in the bid document and hence consider it as one of the bid documents.



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### *8.5. Bid Box:*

8.5.1. EOC/DICAC should prepare auction boxes for each tender and such boxes must be put in a well-secured place in the Commission premises.

8.5.2. The boxes are signed and sealed, with an opening at the top, by the procurement Committee.

8.5.3. All bid proposals must be deposited by the respective bidders or their representatives.

8.5.4. If the bid is received by mail, the designated staff (the secretary of the Committee) should register the mail and deposit it in the bid box.

8.5.5. The Procurement Committee members shall close and sign the opening hole of the bid box at the end of the closing time.

### *8.6. Presentation of bid proposals by bidders:*

8.6.1. All bidders must submit and deposit all their bid proposals, as specified in the bid document, into the bid box before the elapse of the closing date and time.

8.6.2. Bids delivered after the closing time shall not be accepted (in case of physical delivery) or shall be returned to the supplier unopened (in case of mail).

8.6.3. If the bid proposal cannot be deposited into the bid box due to the size of the document, then such document must be registered and kept by the designated employee (the Secretary of the Committee).

8.6.4. All samples must be received, registered, tagged and attested by the signature of the bidder before the closing time.

### *8.7. Number of Bidders:*

8.7.1. At least three bidders must be obtained in order to open the bids.

8.7.2. If three bidders are not obtained, then the EOC-DICAC may extend the time for an additional 3 to 5 days effective from the date of the re-tendered.

8.7.3. If still three bidders cannot be obtained, the first re-tendering of the bid shall be final and purchase decision will be based on one or two bid proposals.

8.7.4. The EOC/DICAC can cancel the tender if found unsatisfactory even if the number of bidders is adequate, in which case the bid may be re-tendered again or method of procurement may be changed or the purchase may be canceled.



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8.7.5. If EOC/DICAC consider that extension, re-tendering will add value, or if the purchase is for urgent matter, then it is possible to evaluate the tender based on one or two bidders in the first instance. The decision to do so should be made by the Commissioner.

***8.8. Bid Bond***

8.8.1. Bidders may be required to include Bid Bond in a form of surety Bond or certified cheque in a sealed envelope with the offer documents.

8.8.2. The Bid Bond received shall be recorded on the Minutes of the Procurement Committee and shall be retained by the secretary of the committee until they are refunded to the bidders.

8.8.3. The Chairman shall decide on the necessity of a Bid Bond for tenders to be issued. Minimum rate of a Bid Bond shall be 1% of the construction /maintenance cost or price of materials or services to be purchased.

***8.9. Performance Bond***

A Performance bond is required only for values of construction or maintenance work or materials or services to be purchased above Birr 20,000.00.

**Article 9**

**<u>Procurement Committee</u>**

9.1. For handling purchasing processes, a procurement Committee composed of five members shall be set up and designated by the Commissioner.

9.2. Composition of the Committee shall be from:

Namely:

1. Assigned BY the commissioner………………………………………………………………… Chairperson
2. Finance Head/Accountant …………………………………….  Member
3. General Service………………………………… member
4. …………………………………………………………..Member and Secretary

9.3. The Committee's decision shall be passed by majority vote. In case of a tie, the Chairman will have a casting vote.



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9.4. Purchases of goods and services that cost up to Birr 2,000.00 for each bill would not require review of the Committee. The purchase will be conducted in line with the basic principles of this manual.

9.5. Responsibilities of the Procurement Committee:

9.5.1. Recommends the appropriate method of procurement for purchase of goods and services.

9.5.2. The Committee reviews bid documents such as invitation to bid, instruction to bidders, specifications, draft contracts and related forms as appropriate prepared by the Project Office and submit its recommendations to the respective approving bodies as designated in 10.1.

9.5.3. Proposes extension of tender period beyond the closing date based on appropriate reasons.

9.5.4. Cancels tenders as deemed necessary.

9.5.5. Disqualifies any bidder for reasons stated in this manual.

9.5.6. Proposes for the establishment of ad-hoc Committees for technical and service evaluations, if necessary.

9.5.7. Updates supplier's list when necessary.

9.5.8. Endorses limited suppliers that are to be invited for bid, when necessary.

9.5.9. Evaluates and classifies suppliers according to rank.

9.5.10. Ascertains that offers are delivered to at least three main suppliers.

9.5.11. Conducts market survey when found necessary.

9.5.12 Assesses and proposes the review of this policy & procedure manual.

***9.6. Meetings of the Procurement Committee and Minutes.***

9.6.1 The Committee shall meet as often as business requires.

9.6.2 The Committee must keep minutes that fully describe the purchasing processes starting from the opening of the tender to the final decision.

The minutes should indicate, the following major information:

a) Whether the bid documents were initially approved;

b) Whether the tender is open, laminated, or other form and how the invitation was announced;
c) Whether all tender opening processes are followed as defined above;
d) Disqualification details including reasons (if any);
e) Whether technical analysis is made by appropriate expertise, mentioning names;
f) A schedule stating the goods or services, unit price, total price, conditions, etc.
g) Statement of reasons of why a winner is selected; and
h) Explanation of the selected goods, model, price, and other conditions;

8.6.3 The presence of all of the members of the Committee shall constitute a quorum.

**Article 10**

**Authority Limits and Approving Bodies**

***10.1 Authority Limits:***

10.1.1. All purchases up to Birr 300,000 including petty cash purchases shall be approved by Project offices

10.1.1 All purchases up to Birr 500,000 including petty cash purchases shall be approved by Program coordination offices

10.1.2. A petty cash of Birr 3,000.00 shall be kept by the purchaser for small purchases that do not warrant the processing of purchase order. Normally, the value of a purchase to be made without issuing a purchase order shall not exceed birr 2000 per one time purchase.

10.1.3. Purchases that are above Birr 500,000.00 will be approved by the Commissioner

**Article 11**

**Opening and Evaluation of Bids**

***11.1. Tender Opening Process:***

The following processes are observed in opening of tenders:

11.1.1. Obtain quorum of the Procurement Committee;
11.1.2. Take attendance of the bidders, or their legal representatives;



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11.1.3. Make sure that bid box is sealed as signed by the respective members of the procurement committee. The sealed and signed boxes must be shown to the bidders before opening it;

11.1.4. Open the box in front of the bidders;

11.1.5. Count all the tender documents (proposals) and check if they are sealed properly;

11.1.6. Open each tender document and check if bid bond is attached or ensure if bid bond is paid before closing date. (This applies to open and limited tenders);

11.1.7. Count the documents, page them and get the signature of each of the Committee member on each page;

11.1.8. Read the prices loudly or get it recorded by the bidders after carefully assigning the documents to a designated staff (Secretary of the Committee); and

11.1.9. Record the minutes of all the processes of the tender opening.

***11.2. Disqualification from the Bid:***

Bidders may be disqualified in one or more of the following conditions:

11.2.1. When the bidder does not comply to the conditions stated in the bid document;

11.2.2. When price is not clearly indicated;

11.2.3. When price is wrongly calculated;

11.2.4. When the bidder is black listed due to non-performance of contracts in one or more of the previous bids with the EOC-DICAC

11.2.5. When the bid bond, to the required amount, is not found in the envelop in the form of guarantee or CPO or paid in cash before closing date;

11.2.6. When the bidder is found bribing or trying to bribe or lobby to influence any of the persons involved in procurement decision process;

11.2.7. When the bidder does not have appropriate and renewed original trade license;

11.2.8. When any act of deceiving is made by the bidder;

11.2.9. When the bidder is not willing to give performance bond upon winning the bid (in which case the bidder will lose the bid bond);

11.2.10. When the capacity of the bidder to fulfill obligation, performing the contract, etc, is believed to be unsatisfactory;

***11.3. Bid Evaluation and Analysis:***

11.3.1. There are three stages in the evaluation of any bid made in response to an open and limited tender:

a) At tender opening, that is establishing that bids include the required information and bid bond;



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b) A preliminary evaluation of bids, that is establishing that the bidder is eligible to perform the contract, the bid is complete and is substantially responsive to the bid document;

c) A detailed evaluation that is evaluating the technical, financial and service and other aspects of each bid. This is made for those bidders that qualify the evaluations at the tender opening and of preliminary stages;

11.3.2 The detailed evaluation is undertaken using the following criteria and attached weights.

a) Evaluation of technical specifications (weight 40%) this includes compatibility of technology, quality, etc;

b) Evaluation of services and other aspects (weight 20%), this includes company profile, delivery time, mode of payment, warranty, maintenance, availability of spare parts, etc;

c) Evaluation of cost/price (weight 40%);

11.3.3. A zero point may be given for service aspects when it is not relevant to consider, in which case 20% will be apportioned to technical specifications and financial aspects in the proportion of the weights given to them;

11.3.4. The award of the contract shall go to the bid with the highest rated tender that fulfills all essential technical and service attributes;

11.3.5. If the percentage points become equal, the winner is identified by casting votes;

11.3.6. As a matter of rule, evaluation of bids must be completed within the price validity date;

11.3.7. If the evaluation could not be completed within the price validity date due to various reasons, then the consent of the bidders must be asked and obtained in writing whether they are willing to extend the validity date. If such consent is received, then the bidder is still eligible and all terms and conditions shall apply;

11.3.8. Those that are not willing to extend will have the right to receive the bid bond amount and withdraw from the bid;

11.3.9 The losing bidders have the right to be informed of why they failed to win the bid.

**Article 12**

**Discussion with Suppliers**

The Procurement Committee or the purchasing staff may discuss or have correspondence with suppliers only in the following circumstances.



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12.1. Pre-evaluation: clarification of minor items, not price.

12.2. Post evaluation: negotiation of major items of the winning tenders, concerning price decreases only.

12.3. Records of all discussions must be recorded in minutes.

**Article 13**

**Awarding and Contracting**

13.1. Awards may be given to a bidder with or without negotiation.

13.2. When negotiation is sought, a negotiating team, which consists of the Committee members, should be set up by the committee who will negotiate and submit the results to the approving body.

13.3. For all purchase methods other than direct quotation, bidders are required to provide a performance bond of at least 10% of the contract value in the form of guarantee, CPO or cash or any form of acceptable negotiable instrument. The approving body may waive this condition if necessary.

13.4. A contract may not be signed if the purchase is believed to be delivered immediately or if the purchase is of small value and when so decided by the Chairman.

13.5. For all approved purchases order shall be initialed and authorized by the Chairperson to the selected bidder.

13.6. Purchase follow-up shall be made by the Project Office Manager/Purchaser as per purchase requisition and purchase order.

**Article 14**

**Receipt of Stationery supplies purchased**

14.1. The item shall be checked by the purchaser to verify conformity with the original order in terms of quality, quantity, etc.

14.2. The purchaser acknowledges receipt by signing the delivery order of the client.

14.3.Auditor witnesses the handing and taking over process between the purchaser and storekeeper.

14.4. The storekeeper acknowledges receipt by signing on Goods Receiving Note.

14.5. If a discrepancy is discovered at the time of receipt of goods; such as:



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a). Delivery of defective materials;

b). Materials that are not according to the specification of the offer;

c). Materials not in conformity with the samples supplied with the offer and accepted by the EOC/DICAC.

d). Short of weight or number;

e). Improper or inaccurate printing forms, auditors should be immediately requested to make complete check and count the goods and render a report on the acceptability or otherwise of the goods.

f). Defective items will be returned immediately to the supplier.

**Article 15**

**Receipt of Fixed Assets Purchased**

15.1. The items are thoroughly inspected by the Project Office Manager before receipt to ensure that the items delivered are in accordance with the specifications of the original order.

15.2. After matching the items with the given specifications, the purchaser receives by signing the delivery order of the vendor.

**Article 16**

**Mode of Payment**

16.1 .Payment to suppliers could be effected through the following methods:

a). On account (i.e. issuing a purchase order and then crediting the account).

b). Issuing a cashier's payment order (CPO) in favor of the vendor.

c). Cash or Check.

16.2. As a matter of policy, settlement of bills in cash should be avoided as far as possible. Maximum effort shall be exerted to induce suppliers to accept the official purchase orders issued by the EOC -DICAC.

16.3. Purchases effected by withdrawal of cash from the petty cash fund (for amounts not exceeding Birr 500.00) or accounts receivable (for amounts exceeding Birr 500.00) accounts should be finalized and settled within three days.

16.4. Suppliers should be reminded to submit their bills for settlement well in advance of the advent of closing date in June every year.

**Article 17**

**Settlement of Invoices**

17.1. The supplier retains the original purchase order and submits its original, signed and stamped invoice to the Purchaser for settlement, which should be accompanied with copy of the purchase order.

17.2. The invoice checked for correctness in all respects (erasures on invoices are not acceptable) and the retained copy of the purchase order is withdrawn from the suspense file and transferred to a permanent file.

17.3. The date of payment is indicated in the record referred to under item 17.2 herein above.

17.4. A rubber stamp that reads "Passed for payment on…" is put on all documents related to the purchase to avoid duplication of payment.

17.5. The purchaser processes the invoices signs to the effect that it is true and correct, same is again verified and signed by the Manager and then payment approved by the respective bodies as designated in 10.1 of this manual.

17.6. The signed invoice of the purchase order and a copy of the client's delivery order along with a covering memo are then delivered to Accounts Section of the Project Office against signature to pass the necessary entries and effect payment.

**Article 18**

**Retention of Documents**

18.1. Proforma invoices on one particular purchase should be clipped together as a set and kept in a file.

18.2. All offers should be kept in a separate file and in chronological order.

18.3. Requests from work units and the store should also be kept intact in a systematic way.

18.4. Files and documents relating to purchases should be accessible only to concerned and authorized personnel.

18.5. Documents such as dispatch books, payment record, (for Property Administration) should have to be preserved.

**Article 19**

**Auditing of Purchases**

19.1. The responsible auditor should monthly take a representative sample of purchases and ascertain that purchasing procedure is followed, authority limit is respected, details of purchases at each stage is correctly and timely recorded in the purchasing follow up book, etc.. and put initial on each document.

19.2. The auditor should check that there exists a suppliers' list and that it is updated at least once in a year.

19.3. The auditor checks that quotation requests are delivered to at least all main suppliers and whether or not response is received and when necessary verifies why there was no response.

19.4. The Auditor witnesses the handing and taking over process between the purchaser and storekeeper by matching the specification of the sample copy and the purchase order with the newly arrived articles.

19.5. The Auditor checks that fixed assets purchased are recorded timely on the inventory card and delivered to store or user.

19.6. The Auditor checks the status of all purchase orders.

**Article 20**

**<u>Conflict of interest</u>**

A conflict of interest may exist or arise when procurement or other staffs who may have an influence in the procurement process undertake activities or have personal interests that may interfere with their duties and responsibilities.

Employees must be aware of the following areas of conflict of interest. A disciplinary action will be taken against an employee who violates this policy.

20.1. All employees of EOC-DICAC are strictly prohibited from participating in the selection, awarding or administration of purchases or contracts if the employee's or his/her immediate family has a financial interest in the supplier's firm including purchasing from close friends or relatives. When a potential conflict of interest arises, the employee concerned should notify his/her supervisor for guidance or resolution.

20.2. All employees of the EOC-DICAC are strictly forbidden from soliciting or accepting, business meal, money, gratuities (credits, discounts, sales promotion items, drinks, household appliances and furnishings, clothing, loans of goods or money, tickets to sporting and hotel expenses and various forms of entertainment), and the acceptance of gifts, entertainment, favors or services from present or potential suppliers that might influence, purchasing decisions, favors, or anything of monetary value from suppliers.

20.3. Suppliers or individuals are not allowed to compete or to make offers in a business for which they participate in the development or drafting of specifications, requirements, and request for quotations.

**Article 21**

**Code of conduct**

All the EOC-DICAC's employees who are engaged in or play a role in purchasing or contracting activity should exercise the highest standards of integrity when dealing with any supplier of goods or services. The following principles and standards of Codes of Ethics should, therefore, be strictly followed by all concerned.



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21.1. Avoid any behavior that may be perceived as unethical or the intent and appearance of unethical or compromising practice in relationships, actions, and communications with current or potential supplier.

21.2. Give first consideration to the best interests, objectives and policies of the EOC-DICAC by demonstrating loyalty to the EOC-DICAC honestly following the procurement policies and procedures.

21.3. Refrain from any private business or professional activity that would create a conflict between personal interests and the interest of the EOC-DICAC.

21.4. Provide ethical, courteous, fair and equal treatment to all suppliers. Supplier's to be contacted to submit quotations should be given the same kind of information. If there is a need to require re-quotations, all the suppliers contacted earlier should be given equal chance to participate again. It is the responsibility of the procurement staff to promote mutually acceptable business relationships with all suppliers through courtesy and impartiality throughout the procurement process. Indications of rudeness, discourtesy, or disrespect in the treatment of supplier will hamper free and open communications between Procurement staff and supplier, and will also create a bad image for the EOC-DICAC.

21.5. Conduct business with potential and current suppliers in an atmosphere of good faith, honoring obligations, and devoid of intentional misrepresentation. Do not take advantage of supplier's mistake under any circumstances.

21.6. Make every reasonable effort to negotiate an equitable and mutually agreeable settlement of any controversy with a supplier and/or be willing to submit any major controversies to arbitration or other third-party review insofar as the established policies of the EOC-DICAC permit. Maintaining open and effective communications with the supplier based on respect and trust, and adopting an amicable approach to dispute resolution will benefit the EOC-DICAC.

21.7. Treat all information received from suppliers in the strictest confidence. Under no circumstances should any contractual or pricing information be revealed to external sources or used as a benchmark for independent negations as this behavior undermines the reputation of the EOC as an honest and responsible organization and could result in breach of contract. Confidential or proprietary information belonging to suppliers, such as price, bid or quotation information, drawings, blueprints, etc, personal information about employees and any other information about a supplier should be handled with due care because of ethical and legal ramifications.



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**Formats**

The following are the various forms that the EOC/DICAC shall use for processing and documenting all procurement activities.

**Form 001**

**STORE REQUISITION**

**N0. 0000**

**Date_________**

**Requesting Unit ______________________**

**Purpose:______________________________**

| No. | Item Code | Description | Unit of Measure | Quantity | | Remark |
|---|---|---|---|---|---|---|
| | | | | Requested | Approved | |
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ETHIOPIAN ORTHODOX TEWAHIDO CHURCH DEVELOPMENT AND INTER-CHURCH AID COMMISSION

**Requested by________________________ Approved by___________________________**

**Name of Assigned Recipient _____________________________**

**Distribtion: Original Storekeeper**
**1st Copy Requesting Unit**
**2nd Copy Pad**

**Form 002**

## PURCHASE REQUISITION

**N0. 0000**
**Date_________**
**Store Requisition No.___________**
**Requisition Date _________**

**To: Procurement Section**
**From: Store**
**Requested For: ______________________________**
**You are hereby requested to purchase the following items:**

| No. | Item Code | Description | Unit | Quantity | | | |
|---|---|---|---|---|---|---|---|
| | | | | In-Stock | Needed | Max bal. | Reorder Balance |
| | | | | | | | |
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Requested by: ___________________________ Signature _________________________
Approved by: ____________________________ Signature _________________________

Distribution:-

| | |
|---|---|
| Original | Finance |
| 1st copy | Purchaser |
| 2nd copy | Store |
| 3rd copy | Pad |

**Form 003**

**REQUEST FOR QUOTATION**

**N0. 0000**

**Date_________**

To:_______________________________________________

Please quote the prices of the items listed below:

| Item No. | Description | Unit | Quantity | Unit Price | Total Price |
|---|---|---|---|---|---|
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**Delivery date ______________________ Terms of payment ______________________________**

**Remarks**

______________________________________________________________________
______________________________________________________________________
____________

**Requested by: Name** ________________________________

**Siganature** ________________________________

**Form 004**

## SUPPLIERS ANALYSIS AND RANKING FORM

| No | Company Name | Item Category | Evaluation Criteria | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | Technical Competence | Managerial Competence | Financial Stability | Level of Resource | Reliability | Total | Rank |
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EOTC-DICAC

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Procurement committee members:_______________ _____________ _______________ _______________

**Form 005**

**BID ANALYSIS FORM**

**N0. ******

**Date_________**

Offers submitted for construction/maintenance/purchase/printing of ______________________ were opened on ______________________ in the presence of the undersigned Procurement Committee members.

| No | Supplier's /Contractor's Name | Offer No. | Description | Quantity | Unit Price | | Total price | |
|---|---|---|---|---|---|---|---|---|
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**COMMENT** ___________________________________________________________________________

______________________________________________________________________________________

_________

**RECOMMENDATION**

After having reviewed the offers made by each bidder, the Procurement Committee has recommended that the tender be awarded to ________________________________ on the bases of best offer, both in quality and price.

Procurement Committee members name and signature _____________________________ ______________

**Decision**

_____________________________________________________________________________________________

_____________________________________________________________________________________________

_____________________________________________________________________________________________

_________________________

Commissioner: ____________________________________

**Form 006**

**PURCHASE ORDER**

**N0. 0000**

**Date_________**

Our Ref.No.________________

Terms of payment___________

Terms of delivery____________

Time of Delivery____________

| **To:** | | **Please supply the following for EOC/DICAC)**<br><br>**At : ________________ On: _______________** | | | |
|---|---|---|---|---|---|
| **Item No.** | **Description** | **Unit** | **Quantity** | **Unit Price** | **Total Price** |
| | | | | | |
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| | | | | | |
| | | | | | |
| **In Words:** | | | | **Total** | |

**Prepared by:_________________________** **Purchase Order accepted as per Terms**

**Approved by: and Conditions stated over leaf**.

_________________________________

_______________________________

For: The EOC-DICAC Supplier

Distribution: Original Supplier

1st copy Finance

2nd copy Store

3rd copy Purchaser

4th copy Pad

**Form 007**

**GOODS RECEIVING NOTE**

**N0. 0000**

**Date_________**

Vendor ________________________________________
Purchase Requisition No. ______________________
Purchase Order No. ____________________________
Date of Purchase _______________________________ Receipt
No.______________________

| **No.** | **Code** | **Description** | **Unit** | **Quantity** | **Unit Price** | | **Total Price** | | **Stock Control Card No.** |
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Received by Name ____________________________
Signature____________________
Approved by Name ______________________________ Signature
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Distribution:

| | | |
|---|---|---|
| Original | | Purchaser/Supplier |
| 1st copy | | Finance |
| 2nd copy | Store | |
| 3rd copy | | Purchaser |
| 4th copy | | Pad |

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