

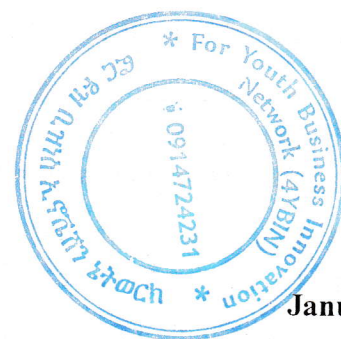


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For Youth Business Innovation Network (4YBIN)

Procurement Manual



January 1, 2023

Mekelle, Tigray, Ethiopia



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Profile of 4YBIN

Mission

The mission of 4YBIN is saving the lives of vulnerable groups by responding to their humanitarian needs, and ultimately transforming the living standards of economically disadvantaged communities through the promotion of entrepreneurship and enterprising culture particularly amongst the youth.

Vision

Vision of 4YBIN is becoming the leading Ethiopian local NGO in providing humanitarian support and excellent entrepreneurship and business incubation support to the youth within 10 years.

Goals

Goal of 4YBIN is to provide vulnerable groups with timely humanitarian assistance and provide the youth with comprehensive support packages to start their own businesses including business idea generation, business plan development, entrepreneurship and technical training, technology selection, financing startups and creating market linkages.

Principles

4YBIN's programs, projects, interventions, decisions and actions shall be based on its consciously selected sets of basic principles underpinning its philosophy. 4YBIN automatically rejects any decision, action or activity contradicting these core principles; and endeavors to ingrain the principles into its cultures and rituals. Here under follow 4YBIN's core principles:

Humanity First: 4YBIN prioritizes its humanity above everything else and shall not discriminate beneficiaries on the basis his/her ethnicity, religious affiliation, gender, culture, nationality and any other profiles of the aid recipient.

Sustainable Improvement of Life: 4YBIN's projects and interventions shall focus on permanently improving the life situation our support recipients and ensures that this materializes by maintaining durable relationships with its beneficiaries.

Neutrality: 4YBIN does not side with any political group or government and shall not be, in any way, instrument of governments or political groups of varying forms.

Accountability: 4YBIN's decisions, actions and activities of any sort shall be accountable to donors providing resources and beneficiaries seeking our support.



Need Based and Competitive: 4YBIN's programs, projects and interventions shall be based on objective assessments of the needs, interests and demonstrated experiences and excellence of the youth seeking support.

Participatory: 4YBIN upholds that its interventions and projects only succeed if participation of all stakeholders at all phases of the project life cycle is ensured. 4YBIN shall ensure that all stakeholders are involved in planning, implementation and evaluation of interventions and programming.

Human Dignity: 4YBIN respects the dignity and inalienable human rights of all people and shall in any way regard not disadvantaged youth of any sort as destined to misfortunes.

Environmental Stewardship: 4YBIN ensures that the environment is clean and healthy for human life, and shall advocate responsible use natural resources in gratifying the needs of current and future generations.

1. Introduction

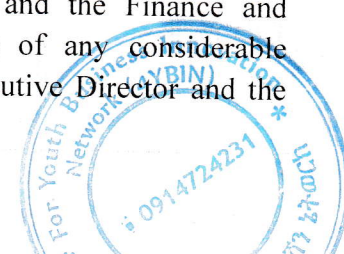
1.1. Background and Objectives

This procurement manual (manual, hereafter) is developed to ensure that 4YBIN achieves its objectives in an efficient and effective manner. The procurement of goods, services and works should always be made according to the provisions and procedures stipulated in this manual to ensure that purchasing transactions are conducted on the basis of openness and free competition. In other words, procurement should be conducted in a manner that help 4YBIN get value for money in terms of prices, delivery, quality, availability etc. While it is true that procurement transaction should be conducted with efficiency as the aim, this manual also allows 4YBIN achieve its objectives and desired outcomes through the procurement of expensive goods, services and works if it is deemed necessary to a better achievement of its project results, outcomes and objectives.

This manual is developed with flexibility in mind to accommodate changes without the need for the radical alterations of the basic provisions and procedures of the procurement system.

1.2. Authority and Responsibility

The executive Director of 4YBIN is the sole responsible to follow-up the proper implementation of this manual, in collaboration with the finance and administration director. The executive director is bestowed with the authority to delegate various staff to perform procurement activities. The Executive Director is accompanied in his/her duty by the Finance and Administration Director. The Finance and Administration Director shall support the Executive Director in managing procurement matters. The Executive Director and the Finance and Administration will not make modifications or take other initiative of any considerable importance without the authorization of the board of 4YBIN. The Executive Director and the





Finance and Administration Director will be solicitous in satisfying procurement information required at any time by the board of 4YBIN.

1.3. Procurement Unit

The guidelines written in this manual are daily implemented by a Procurement Unit. The Procurement Unit has the task of over viewing and checking each procurement activity in order to ensure that appropriate procedure has been launched and proper documentation has been collected.

1.4. Procurement Committee

In order to maintain proper control and transparency in the procurement process, a group of staff should be named as a Procurement Committee (PC) for each large procurement transaction and/or when required by a donor's procedure. (See Chapter 3. THE BID PROCESS). Procurement committees are required to:

- Conduct market surveys;
- Evaluate bids from the tender process;
- Include or remove approved suppliers from the supplier list.

The Procurement Committee (PC) will be composed of at least three persons whereof one of them are the Executive/Program director and/or Project and the Finance and Administration Director. PC meetings will be called by the Executive Director and/his designee. The PC will compare suppliers through a Bid Analysis (See paragraph 4.3 Bid Analysis). The Project Manager or other staff who has requested the purchase should give to the committee members an orientation as needed for serving on the committee and provide all the necessary documents. All nominated staff is required to participate unless an exemption is authorized by the Executive Director. Decisions on which supplier to select should be through discussion that leads to consensus. If there is, a dissent in the discussion and the dissent should be fully documented to assist the Executive Director to make the final decision. If required by a donor's procedure or if it is necessary to meet the policy that requires "quality, availability, delivery, etc.", a two envelopes system should also be taken into account when purchasing supplies, services and works. The technical responsiveness of suppliers must be evaluated properly before the financial proposal of the suppliers in the other envelop is opened and checked. In this case, there should be two types of committees, one technical and the other financial. The Executive Director will call for an ad hoc Technical Committee.

1.5. Amendment

This manual is subject to amendment or replacement when it is found to be incompatible as time goes on, with the decision of the board of 4YBIN without any limitations except



mandatory rules. The directives or memos issued as such shall have equal status as this Procurement Manual.

1.6. Effective Date

This Procurement Manual shall be effective from the day of **January 1, 2023** onwards.

2. General Procurement Policies

2.1. Conflict of Interest

Procurement transactions must preclude personal or organizational conflicts of interest. An employee cannot provide information about upcoming procurements to a supplier before a bidding process, as it would result in giving an unfair advantage to one vendor and violate the transparent, fair procurement policy of 4YBIN.

No employee shall participate in the selection, award, or administration of a contract if a real or apparent conflict of interest would be involved. Blood relationship, marriage relationship or friendship situations must be carefully evaluated and approved by the executive director.

An employee cannot accept bribes, commissions, or personal benefit of any other nature. An employee involved in such deals must be subject to disciplinary action.

2.2. Technical Specifications

Solicitations for goods, services and works are based upon a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such a description shall not, in competitive procurement, contain brands, which restrict competition.

2.3. Supplier Compliance

Contracts shall be made only with responsible supplier who possesses the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration shall be given to such matters as supplier compliance to Ethiopian laws, record of past performance, financial and/or technical resources, or accessibility to other necessary resources and the potential ability to deliver the proposed procurement in a timely manner. A Supplier must be fully and exclusively responsible for payment of all duties, taxes, fees, charges, and impositions of whatsoever amounts and nature as may be due and payable in relation to the work. To ensure this withholding tax should be retained by 4YBIN. Furthermore, 4YBIN should avoid making large purchases from persons not registered as companies and should ask suppliers to provide proof of legal registration.





2.4.Donor's Requirements

Purchases must be in compliance with donors' requirements, which sometimes are more restrictive than the 4YBIN's requirements. In case, donor procurement requirements are less stringent than 4YBIN's, as a rule all of 4YBIN purchase requirements must be met.

2.5.Project Partner's Expenses

In the event, 4YBIN provides financial assistance to its partners through periodically funds transfer and reporting activities;

- Project activities costs must be previously authorized and agreed with 4YBIN through the signature of a project agreement;
- The partner recipient of a fund transfer is fully responsible for the compliance to the law of its procurement procedures.

Nonetheless, 4YBIN is responsible for what concerns its donors' requirements. Purchases carried out by its partners must meet 4YBI donors' requirements if any. In this case, the fund recipient will be requested of returning the fund or 4YBIN will deduct the correspondent amount from the further fund transfer.

2.6.Procurement Planning

Project Manager (PM) that has a budget is responsible to plan purchases in advance in order to enable the application of the procurement policies and procedures. To aid in this planning, the PM should develop a Procurement Plan (PP) for anticipated major purchases, if any. Items that should be included on the PP would include items such as vehicles, high-value office or project equipment, computers, etc. Other low-value items such as stationery, spare parts, office supplies etc. would most likely appear on the PP as a lump sum amount, with a general description. It is not necessary to make detailed listings of all low value items to be purchased. The PM must submit a PP to the Executive director and Finance and Administration Director at the beginning of each project year.

2.7.Emergency procurement

In some cases, emergency purchases are required which might negate the application of the procurement policies and procedures. Given the operating environment of the 4YBIN and the activities that it undertakes, emergency purchases might be required in order to support immediate project activities. In general terms, emergencies can be defined as unforeseen or unexpected circumstances, which call for immediate action. Emergency purchases require written justification and authorization by the Executive Director.



3. The Bid Process

4YBIN can ask individual bidders to furnish their prices for certain items. Specific quotation procedures must be taken dependent upon the total monetary value of the purchase, or type of procurement activity.

3.1.No quotation

No formal solicitation of quotations (Performa Invoice) is required for the following procurement activities:

- a. **Direct purchase through Petty Cash:** for goods, services or works that have a monetary value of less than 6,000.00ETB (or100€ according to the monthly exchange rate) authorized staff may directly purchase through petty cash.
- b. **Direct purchase from Sole Supplier:** for goods and services for which there is only one identified sole supplier. This conclusion must be justified and documented.
A Fund/Purchase Request (F/PR) is submitted from the Project Manager (PM) or other user units/staff to the Executive Director for the authorization. The Finance and Administration Director will prepare, if deemed necessary, a contractor a Purchase Order (PO) to be signed by the Executive Director, and directly purchase. No formal solicitation of quotations or bid analysis is required.
- c. **Procurement of item with fixed price:** in certain cases where items have a fixed price (example telephone cards, price fixed by the government), bidding is unnecessary. This conclusion must be justified and documented. AF/PR is submitted from the user departments/units/ staff to the Executive Director for the authorization. The Finance and Administration Director will prepare, if deemed necessary, a contractor a PO to be signed by the Executive Director. No formal solicitation of quotations or bid analysis is required.
- d. Purchase of goods or services from a supplier whom 4YBIN has established a framework agreement with for the supply of defined goods, services or works for a limited period. Once the supplier is established, purchases can be made from the supplier without obtaining competitive price quotations during the period in which the agreement is valid.
The user departments/units/ staff must complete a F/PR and obtain appropriate authorizations. The Finance and Administration Director will prepare a PO or a contract, to be signed by the Executive Director, and directly purchase from the supplier. No formal solicitation of quotations or bid analysis is required.
- e. Purchase of goods, services or works from a supplier whom 4YBIN has defined as an Approved Supplier (AS). For routinely procured items or services (car rent, stationery, office rent, IT equipment, flight tickets agency),a list of suppliers can be compiled for a fixed period of time following a competitive bidding process or market surveys. AS is selected from this list. Where 4YBIN established an agreement for the supply of defined goods or services with an approved supplier it can appeal to the same supplier for a fixed





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period. User departments/units/ staff must complete a F/PR and obtain appropriate authorizations. The Finance and Administration Director will prepare a PO or a contract, to be signed by the Executive Director, and purchase from the supplier. No formal solicitation of quotations or bid analysis is required.

3.2. Single Quotation

For goods, services or works listed on a Fund/Purchase Request(F/PR)that have an estimated total amount not exceeding12,000ETB (or 200 Euro according to the monthly exchange rate), one quotation/Performa Invoice(if needed for cash/check advance)is sufficient. No formal solicitation of quotations or bid analysis is required, as long as the price is deemed by Executive Director as competitive in the local market. The F/PR is submitted to the Executive Director for authorization. The Finance and Administration Director will prepare a Purchase Order or a contract (if necessary), to be signed by the Executive Director, and purchases from the supplier.

The purchase not exceeding 12,000.00 ETB should consider the total amount in the budget line. In the event that the single budget line is higher than12, 000.00 ETB, it is not possible to divide the purchases as to perform a Single Quotation procedure. In the same way, it is important to consider the product category. If within a procurement plan there are purchases of the same nature on different budget lines, the procedure to be used is defined by the nature of the goods, services or works.

3.3. Negotiated Procedure- 3 Sealed Quotations

If the price of goods, services or works listed on the F/PR that have an estimated total amount not exceeding 150,000.00 ETB (or 2,500:00 EUR according to the monthly exchange rate). The Finance and Administration Director (appointed by the Executive Director depending upon the total monetary value of the purchase, or type of procurement activity) will be in charge for preparing the technical specifications to be included in the RFQ, for delivering the RFQ to the identified suppliers and to collect the quotations received, in collaboration with the representative of user units. A Procurement Committee (PC) will be called by the Executive Director. The PC will compare the suppliers using a Bid Analysis (BA). The BA will serve the PC to take the final decision. Purchase orders or contracts are required in these cases.

The Finance and Administration Director, after having checked that appropriate procedure has been launched and proper documentation has been collected, will prepare a Purchase Order (PO) or a contract, to be signed by the Executive Director, and purchase from the supplier. The Secretary (appointed by the Executive Director) will place the letter requesting the quotes in a standard envelope addressed to the supplier.



3.4. Negotiated Procedure- 5 Sealed Quotations

For goods, services or works listed on the F/PR that have a total amount over 150,000.00 ETB (or 2,500.00 EUR according to the monthly exchange rate), at least 5 (Five) written sealed quotations will be solicited using a Request for Quotation (RFQ). The Finance and Administration Director (appointed by the Executive Director depending upon the total monetary value of the purchase, or type of procurement activity) will be in charge for preparing the technical specifications to be included in the RFQ, for delivering the RFQ to the identified suppliers and to collect the quotations received, in collaboration with the representative of the user unit. A Procurement Committee (PC) will be called by the Executive Director. The PC will compare the suppliers using a Bid Analysis (BA). The BA will serve the PC to take the final decision. Purchase orders or contracts are required in these cases. The Finance and Administration Director, after having checked that appropriate procedure has been launched and proper documentation has been collected, will prepare a Purchase Order (PO) or a contract, to be signed by the Executive Director, and purchase from the supplier. The Secretary (appointed by the Executive Director) will place the letter requesting the quotes in a standard envelope addressed to the supplier.

3.5. Large Procurement and Procurement Plan

Goods, services or works that have an estimated total amount over 600,000.00 ETB (or 10,000.00 EUR according to the monthly exchange rate) must be listed in the Procurement Plan (PP) and written authorization from the Executive Director must be received before signing the contract.

- a. For goods listed on the PP that have a total amount over 600,000 ETB or 10,000.00 Euro but not exceeding 1,800,000.00 ETB or 30,000.00 Euro,
- b. For services listed on the PP that have a total amount over 600,000 ETB or 10,000.00 Euro but not exceeding 2,400,000.00 ETB or 40,000.00 Euro.
- c. For works listed on the PP that have a total amount over 600,000 ETB or 10,000.00 Euro but not exceeding 2,400,000.00 ETB or 40,000.00 Euro.

3.6. Tenders

The rules for applying the standard procurement procedures for large purchases are summarized in the **table below**. They are divided between those for services (e.g., technical assistance, studies, provision of know-how and training), supplies (i.e., equipment and materials) and works (i.e. infrastructure and other engineering works). For goods exceeding 30,000.00 Euro, for services exceeding 40,000.00 Euro or for works exceeding 40,000.00 Euro, a formal tender process will be used.





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3.6.1. Advertising

Advertisements in popular local/international newspapers should be used to notify potential bidders. 4YBIN must use advertising for large procurements or for selecting required vendors. In smaller procurements, the Executive Director or the Procurement Committee (PC) may choose to do so. In cases where advertising would normally be called for but is not appropriate, the exception should have prior written approval by the Executive Director and may require donor waiver.

3.6.2. Tender Documents Delivery to Bidders and Tender Documents Collection

The Logistics Officer will hand the letter requesting the quotation (the tender documents) in a standard envelope to potential supplier upon request. Because a tender document preparation has got cost it may be asked a fee payment in order to test the seriousness of the bidders as well. It is necessary to maintain list of those who collected the tender documents, list of those who purchased the bid document, if foreseen, and list of those who have submitted their bid. Documents must be kept on safe place, accessible only in presence of the Executive Director. A copy of the transmittal letter of the bidders must be archived in the Incoming Letters Folder.

3.6.3. Opening Process

Since the suppliers have been invited to attend the bid opening process, the Executive Director and the Finance and Administration Director will make sure that the bid is opened on the time and date specified on the announcement. Suppliers will be invited on time to attend the opening procedure. The PC will ask them for any comment or reservation. In some instances, bids may be received after the closing deadline. If the late quotation is received prior to the opening of the sealed bids, the late quotation might be accepted based on the written approval of Executive Director. However, no bids will be accepted following the opening of the sealed bids. All sealed bids must be opened in the presence of a Procurement Committee (See paragraph on Procurement Committee). The opened bids must then be immediately dated and signed by all members of opening committee. The bids are then given to the Executive Director and the finance and administration director for further processing and kept on file, accessible only in the presence of the Executive Director.

3.6.4. Bid Criteria

Bids can only be accepted on the following basis:

- They must be from real and credible suppliers. Companies owned by one or more individuals or entities can only have one of those companies bid on a procurement. If it is determined that multiple companies owned by the same individual(s) or entity(s) have submitted bids, all bids submitted by those companies will be disqualified;



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- Special requirements by 4YBIN as indicated on the advertisement or request for quotations are fully addressed;
- Quotations are submitted on the supplier's letter head or, in areas where letter head is not commonly used, on paper marked with the suppliers' official stamp;
- Delivery time is indicated on the quotation and is reasonable;
- Quality of the items being quoted is indicated (brand names, etc.) and where applicable, samples are provided;
- Agreement to provide a performance bond is indicated by the vendor on the bid;
- The terms of payment are reasonable and in accordance with the statements indicated on the advertisement or request for quotations.

If any, most, or all of the bids submitted are not compliant with any or all of the criteria, the Procurement Committee can decide to:

- Reject the non-compliant bids and exclude them;
- Accept the bids for review and consideration, subject to further information gathering, OR;
- Disqualify the entire bidding process and recommend re-bidding.

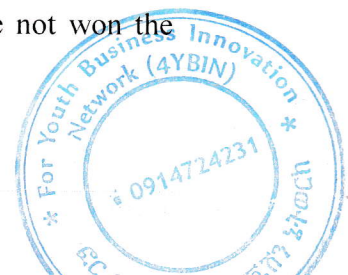
If any, most, or all of the bids submitted are compliant the PC can proceed analyzing the technical proposal. (See paragraph on Procurement Committee). That should be made to ascertain the responsiveness of the bidders before the price quotation is known. Hence the bid opening procedure have to take this into account to make efficient, effective and economical procurement.

3.6.5. Awarding and Concluding of Contract Procedure

These are important procedures in a tender procurement process. If the tender document is prepared well it means that, already the significant part of the contract document is prepared, because the provisions in that document are legally binding.

The Tender Document, including the Contract Draft should be prepared before launching the bid. Written authorization from 4YBIN's Executive Director must be received before signing the contract. The tender document procedure must indicate when to let know the winner and what deadline to put and what action to take immediately after that deadline elapses. In fact, immediately during the award, it must be requested to provide performance bond and this will serve the purpose.

Finally, 4YBIN let know the outcome of the analysis to those bidders that have not won the competition through a letter.





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3.6.6. Performance Bonds and Advance Payment Guarantee

Performance bonds should be sought for large procurements and/or where 4YBIN depending on timely delivery for achieving programmatic objectives. Performance bond relates to the accomplishment of the contract for the supply of goods, services and works as per terms and conditions in the contract.

Prior to signing a procurement contract, 4YBIN should require the supplier to submit a performance bond in the form of a letter of guarantee from a bank or other financial institutions for payment on demand. The amount of the performance bond will depend on the nature of procurement. The contract might include that 4YBIN will charge a certain percentage of the procurement's value as liquidated damages for every day that delivery is late.

The bond should include language such as: "The guarantor shall remit the amount of such bond on demand to 4YBIN upon the presentation of the bond to the guarantor along with written notice of either the withdrawal of the vendor from this procurement agreement or the breach by the vendor of any provision hereof. The performance bond shall remain in effect until the expiration of the contract and acceptance by 4YBIN of the work."

Advance Payment Guarantee should be sought where 4YBIN is making significant advance payments. Advance payment guarantee is requested only when there is an intention to give advance payment to suppliers. Advance payment guarantee is returned when the advance given is fully set off as per the advance repayment terms in the contract agreement.

3.6.7. Bid Bond

A bid bond may be issued as part of a bidding process by the surety to the project owner, in hopes guarantee that the winning bidder will undertake the contract under the terms at which they bid.

The cash deposit is subject to full or partial forfeiture if the winning contractor fails to either execute the contract or provide the required performance and/or payment bonds. A Bid Bond is purchased when a contractor is bidding on a tendered contract. The Bid Bond prequalifies the contractor and provides the necessary security to the owner guaranteeing that the contractor will enter into the contract, if it is awarded. The bid bond penalty is generally ten percent of the bidder's tender price.



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Item	Threshold		Procurement Procedure
	From	To	
Supplies	ETB 0	ETB 6000.00	Direct Purchase (No Quotation)
	EUR 0	EUR 100.00	
	ETB 6000.01	ETB 12,000.00	Single Quotation
	EUR 100	EUR 200	
	ETB 12,000.01	ETB 150,000.00	Negotiated Procedure (3 sealed Quotations)
	EUR 200	EUR 2500	
	ETB 150,000.01	ETB 600,000.00	Negotiated Procedure (5 sealed Quotations)
	EUR 2500	EUR 10,000	
	ETB 600,000.01	ETB 1,800,000.00	Negotiated Procedure (5 sealed Quotations) Approval from the Executive Director
	EUR 10,000	EUR 30,000.00	
ETB 1,800,000.01		Local Open Tender	
EUR 30,000.00			
Services	ETB 0	ETB 6000.00	Direct Purchase (No Quotation)
	EUR 0	EUR 100.00	
	ETB 6000.01	ETB 12,000.00	Single Quotation
	EUR 100	EUR 200	
	ETB 12,000.01	ETB 150,000.00	Negotiated Procedure (3 sealed Quotations)
	EUR 200	EUR 2500	
	ETB 150,000.01	ETB 600,000.00	Negotiated Procedure (5 sealed Quotations)
	EUR 2500	EUR 10,000	
	ETB 600,000.01	ETB 2,400,000.00	Negotiated Procedure (5 sealed Quotations) Approval from the Executive Director
	EUR 10,000	EUR 40,000.00	
ETB 2,400,000.01		Local Open Tender	
EUR 40,000.00			
Works	ETB 0	ETB 6000.00	Direct Purchase (No Quotation)
	EUR 0	EUR 100.00	
	ETB 6000.01	ETB 12,000.00	Single Quotation
	EUR 100	EUR 200	
	ETB 12,000.01	ETB 150,000.00	Negotiated Procedure (3 sealed Quotations)
	EUR 200	EUR 2500	
	ETB 150,000.01	ETB 600,000.00	Negotiated Procedure (5 sealed Quotations)
	EUR 2500	EUR 10,000	
	ETB 600,000.01	ETB 2,400,000.00	Negotiated Procedure (5 sealed Quotations) Approval from the Executive Director
	EUR 10,000	EUR 40,000.00	
ETB 2,400,000.01		Local Open Tender	
EUR 40,000.00			





4. Procurement Format and Use

In order to standardize procurement procedures and processes of 4YBIN, the following documents are to be used for procurement activities. Dependent upon the type of procurement, one or more of the following documents should be completed and approved.

4.1. Purchase Request

When goods, services or works are required, a Fund/Purchase Request (F/PR) (Annex B.1) must be completed. It is important that the F/PR is completed in a manner to provide sufficient detailed guidance to procurement authorized staff to purchase the specified goods, services or works. The authorized staff/ users must fill the F/PR. Then the F/PR must be submitted to the Executive Director for approval. Following approval, the PR is provided to the Finance and Administration Director for review and purchase.

The F/PR is in the form of a pad. It is printed and prepared in three parts: original copy goes to the staff appointed for purchase; the second copy goes to the Cashier if the purchase is carried out through petty cash or to the Finance and Administration Director if the purchase is carried out through petty cash, the third copy remains in the pad.

When completing the F/PR special attention must be given to the following sections:

- a. **Purchase Request Number:** The Finance and Administration Director will assign a number to each new F/PR. The F/PR format could be pre-numbered.
- b. **Description:** A detailed description of the goods or services or works must be provided. Such detailed descriptions are to be based on clear and accurate descriptions of the technical requirements or specifications of the goods or services or works to be purchased. The description should be specific in terms of quality, quantity, unit of measurement, unit of count that best explain the feature of the item required. It should also be supported with necessary attachments such as design, scope of work, TOR, engineering estimates etc.
- c. **Cost Estimation:** The description should specify unit estimated cost and total estimated cost as well.
- d. **Donor and Project Information:** Fund information to which this purchase is to be charged must be included. If appropriate, percentage amounts to multiple fund sources should be indicated. The Program Director and/or PM is responsible for ensuring that F/PRs contain financial budget clearance.
- e. **Recommendations:** The Program Director and/or PM, or authorized person can provide recommendations such as appropriate supplier to be contacted, maximum budget amount.
- f. **Requestor:** The PM, if the purchase is part of a project agreement, or authorized staff must sign the F/PR.



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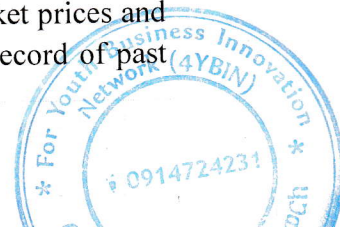
- g. **Authorization:** The person in charge for approving the F/PR is the Executive Director or his/her designee. The Executive Director is responsible for ensuring the following:
- All accounting information has been cleared by the Program Director and/or PM.
 - The goods, services and works are required for activities, included in the budget, and do not exceed the budget line item amount.
 - Launch appropriate quotation procedures dependent upon the total monetary value of the purchase, or type of procurement activity.
 - Once purchased, the goods and services will meet donor and/or contractual requirements.
- h. **Procurement Review:** The person in charge for reviewing the F/PR is the Finance and Administration Director. It is the responsibility of the Finance and Administration Director to obtain further information or clarification from the requester. The Finance and Administration Director is responsible for ensuring the following:
- Available Funds/Cash is sufficient to incur the expenditure.
 - All accounting information has been cleared by the Program Director and/or PM.
 - Appropriate quotation procedure is taken dependent upon the total monetary value of the purchase, or type of procurement activity.
 - Once purchased, item specifications, quantity, price, stated in the Cash Sale Invoice or Receipt, correspond to the F/PR.

4.2. Request for Quotation

The Request for Quotation (RFQ), (Annex B.2), is a format indicating information normally needed by the suppliers to prepare their offers (item specifications, quantity, delivery terms, payment terms and conditions and so on). This form can be used to summarize information for advertising, bid processes, inviting selected suppliers, doing market surveys, and rechecking and confirming prices from vendors. It may also be used for soliciting estimates, for budgeting purposes. The RFQ must be prepared by the Program Director and/or PM (In the case the purchase is part of a project agreement) or authorized staff and signed by the Executive Director. The Executive Director may indicate at least 1 (one) supplier whom to address the RFQ. The RFQ letter must be archived in the Outgoing Letter Folder. The Executive Director will hand the quotation received until the Procurement Committee meeting.

4.3. Bid Analysis

The Bid Analysis (BA), (Annex B.3), is the form that is completed by the Procurement Committee (PC) to document the analysis of quotations. The analysis is accomplished in various ways, including, but not limited to: the comparison of price quotations, current market prices and similar criteria; delivery schedules, availability, supplier integrity, credit facility, record of past





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performance, technical considerations, quality and the ability of the supplier to deliver the proposed procurement in a timely manner. As documentation for the BA, all solicitations for quotations (RFQ) and the quotations themselves must be attached to the BA and kept in the procurement folder.

When performing the analysis, one of the following can occur:

- a. **Lowest quotation:** When at least three bids are received, which indicate the minimum requirement for most competition, and the lowest quotation is accepted, this is sufficient justification for awarding the contract.
- b. **One Quote:** When more than three quotations are solicited and only one quotation is received, which by itself does not meet the minimum requirement for competitiveness, a determination must be made if the specific time limit for the quotation process should be extended. If it is determined that it would not serve the procurement procedure's needs to extend the specific time limit for the quotation process, a detailed justification for awarding such a contract to the lone bidder is included in the BA.
- c. **Non-Selection of lowest quotation:** In some instances the quotation preferred is not the lowest price among the bids received. Although price is an important factor, it is not the only factor to be considered. Other cost factors must be included in the analysis. In the final analysis, the supplier selected would be the one whose goods and services are of right quality and the purchase arrangement the most advantageous (best money value). When selecting suppliers of this type, a justification is provided on the BA to include the factors noted above.
- d. **Non selection at all:** The final decision could be to hold another bidding process

4.4.Contract or Purchase Order

These documents are of great importance and need to be issued very carefully, as they can bind YBIN for payment of the supplied materials. Item description, model, specifications, quantity, prices, and time of delivery should be clearly and correctly entered. Contracts (for services or works) or Purchase Orders (PO) (for goods) must be authorized by the Executive Director or by his/her designee.

The Contract or the PO (**Annex B.1**) are an agreement between 4YBIN and the supplier. It must clearly state the obligations of the supplier, the price of the goods and/or services, the delivery schedule and terms of payment. The Contract or the PO must be completed in a manner that lists sufficiently detailed information to clearly identify the obligations of the 4YBIN and the supplier.

The Contract or the PO is prepared by authorized staff and sent to the supplier. The Contract or the PO should be numbered, with one copy stored in the Contract Folder and one attached to the



Cash Sale Invoice or Receipt. When completing the Contract or the PO special attention must be given to the following sections:

- A delivery date or specified length of time must be stated;
- A delivery place must be stated;
- Advance payments, partial payments and/or payment schedules must be identified. All Contracts or PO requires a 4YBIN Executive Director signature or his/her designee and the supplier's signature.

4.5.Goods Receiving Note

All goods received will be documented by the completion and approval of a Goods Receiving Note.

All items should be delivered to a staff person not involved in procurement activities. Upon delivery of goods, the staff person in charge will immediately verify the quantity, type and condition of the goods against the Purchase Order. If any discrepancies or problems are identified, they must be identified on the GRN. For any discrepancy or damage the agent of the supplier has to sign on the GRN. Following the completion and approval of the GRN, it will be provided to the Finance and Administration Director who will attach it to procurement documentation and proceed for payment. There should be a copy that is retained by the Secretary/Cashier who follows up stock accounts. There should be a copy remaining on the pad.

4.6.Cash Sales Invoices or Receipts

Cash Sale Invoice or Receipt should be on the letter head of the supplier, or where letter head is not commonly used, invoices should be clearly marked with the suppliers' official stamp. Cash Sale Invoice or Receipt submitted with the letter head or stamp of a supplier other than the one who was issued the Purchase Order (PO) should not be accepted. Payments can only be made on the basis of a Cash Sale Invoice or Receipt and a GRN that agrees with the amounts indicated on the Cash Sale Invoice or Receipt. If an advance or down payment has been made to the supplier, this should be taken into account when making any payments. Checks and transfers must be made in the name of the company named on the Cash Sale Invoice or Receipt and PO.

The Finance and Administration Director is responsible for ensuring the accuracy of the payment and must attach all the Procurement Documentation (RFQ, quotations, BA) to the Cash Sale Invoice or Receipt.

4.7.Goods Issue Voucher

A Good Issue Voucher (GIV) tells the flow of items from the store to the ultimate user of the item. The GIV is in the form of a pad. The voucher must be counter signed by the store keeper and by the Executive Director. One copy is kept with the store inventory, one copy remains on





the pad. On the basis of this information, the stock account (store inventory) should be updated for the utilization of the item.

(See 4YBIN Financial Accounting Manual for further details)

4.8. Transfer Notes and Certificate of Disposal

A Transfer Note is in the form of a memo to the file, signed by the Executive Director. It is completed when transferring items from one location to another location. On the basis of this information, the fixed asset inventory should be updated for the change of location immediately upon receipt of an asset.

The Certificate of Disposal document is in the form of a memo to the file, signed by the Executive Director. It must be used for documenting disposal of any damaged, used, exhausted, or sold materials. Capital and fixed assets disposed of—through donation, disposal, destruction, theft, or loss—needs the Executive Director endorsement prior approval. In addition, donors and Charity and Society Agency's specific instructions and requirements must be met accordingly. On the basis of this information, the fixed asset inventory should be updated for the change of property. (See 4YBIN Financial Accounting Manual for further details).

4.9. Document Maintenance and Storage

When payment is made for goods, services or works, the above mentioned process and

Documentation will apply; this includes maintenance of original documents. The Finance and Administration Director has the responsibility to maintain all the following original documents:

- Fund/Purchase Request;
- Request for quotations;
- Quotations from supplier (Performa Invoice);
- Bid Analysis;
- Agreement (where relevant);
- Purchase Order (where relevant);
- Cash Sale Invoices or Receipts from the supplier;
- Goods Receiving Note



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Annexes

B.1: Purchase Order

For Youth Business Innovation Network (4YBIN)

REQUEST FOR QUOTATION

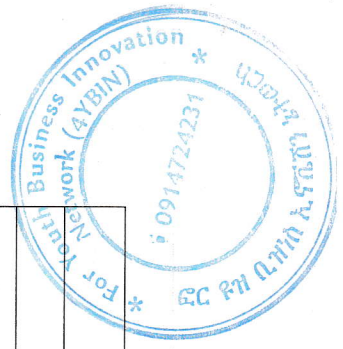
Ed. _____

4YBIN is working to save the lives of vulnerable groups by responding to their humanitarian needs, and ultimately transforming the living standards of economically disadvantaged communities through the promotion of entrepreneurship and enterprising culture particularly amongst the youth. We kindly request your best quotation for the below items.

THIS IS NOT A PURCHASE ORDER.

4YBIN may, unless the supplier expressly stipulates to the contrary, accept whatever part of the offer that we so wish.

Date RFQ sent out:		Date quotation due back:	
SUPPLIER NAME:		RETURN QUOTATION TO:	
Contact name		Contact name	
E-mail		E-mail	
Date items required by:			
Delivery address:			
Delivery method (if applicable):			





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Payment terms:						
		For supplier to fill in:				
Line item no.	Description of Goods / Services (add attachment for technical specification if very detailed)	Unit	Quantity required	Unit Price	Total Price	Availability date
1						
2						
3						
4						
5						
6						
<i>Add more lines to the RFQ if required</i>				Subtotal		
				Sales tax (if		



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				applicable)
				Delivery charge (if applicable)
				Other charges (if applicable)
				TOTAL
Additional information required from supplier:				
[1] Quote validity period				
[2] Are you a small business, women-owned, HUB Zone, disadvantaged 8 (a), or service disabled veteran owned business?				
[3]				
[4]				



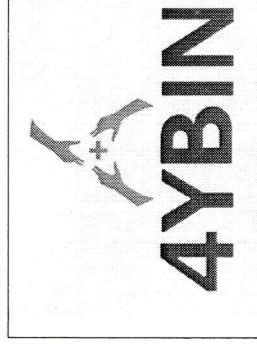


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B 2: Purchase Request

Request for Offer



Company _____

Days: _____

Project: _____

Please hereby you are requested to send us within 30 days from the date of this letter an offer

Addressed to:

For Youth Business Innovation Network (4YBIN) Address:	Telephone: Email :	Fax:
---	-----------------------	------

The offer must relate to equipment, materials and/or services listed below:

N°	Description	Unit	Quantity

Follow the description of equipment, materials and/or service above and any attached specifications.



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Clearly indicate the duration of the guarantee, the availability of a maintenance services (conditions, validity etc), validity of the bid, delivery time, payment terms and any additional element that the provider deems appropriate to insert the correct evaluation supply.

Notes to the Supplier:

Place and Date: _____

Title: _____

Signature: _____

(Full Name)

NB.

N°: Progressive Numbering

Description: Obviously refers to the product or service required. If necessary add an attachment with details on technical.

Units: unit, ton, m³, liters etc. You can also use to specify the packaging unit required: bottle of 100 capsules, 50 kg, box of 24 bottles etc

Quantity: Total quantity require in relation to the requested unit

Address: The data of the office that will direct the purchase process

Project: Code and/or title of the project

Days: The time limit for submission of the bid

Company: The supplier to whom the offer is requested

Notes to the Supplier: Specify any other information useful for the identification of what is required, the preparation of the bid, the understanding of the conditions and procedures for the purchase.





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B.3: Bid Analysis

The COMPARATIVE TABLE OF OFFERS "is an overview summary used to compare the offers received from different suppliers. In it are set out briefly the price choice.

DESCRIPTION		UNIT	QUANTITY	SUPPLIER 1		SUPPLIER 2		SUPPLIER 3		SUPPLIER 4		SUPPLIER 5	
				UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE
				COMPARATIVE TABLE OF OFFERS									
				Purchase of:									
				Ed.									
Item 1													
Item 2													
Item 3													



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Table prepared by:									Members of the Selection Committee
Place and Date									name and surname 1
Signature							Signature		name and surname 2
							Signature		name and surname 3
							Place and Date		

NB.

Amount: Amount of the Bid. Specify the Currency

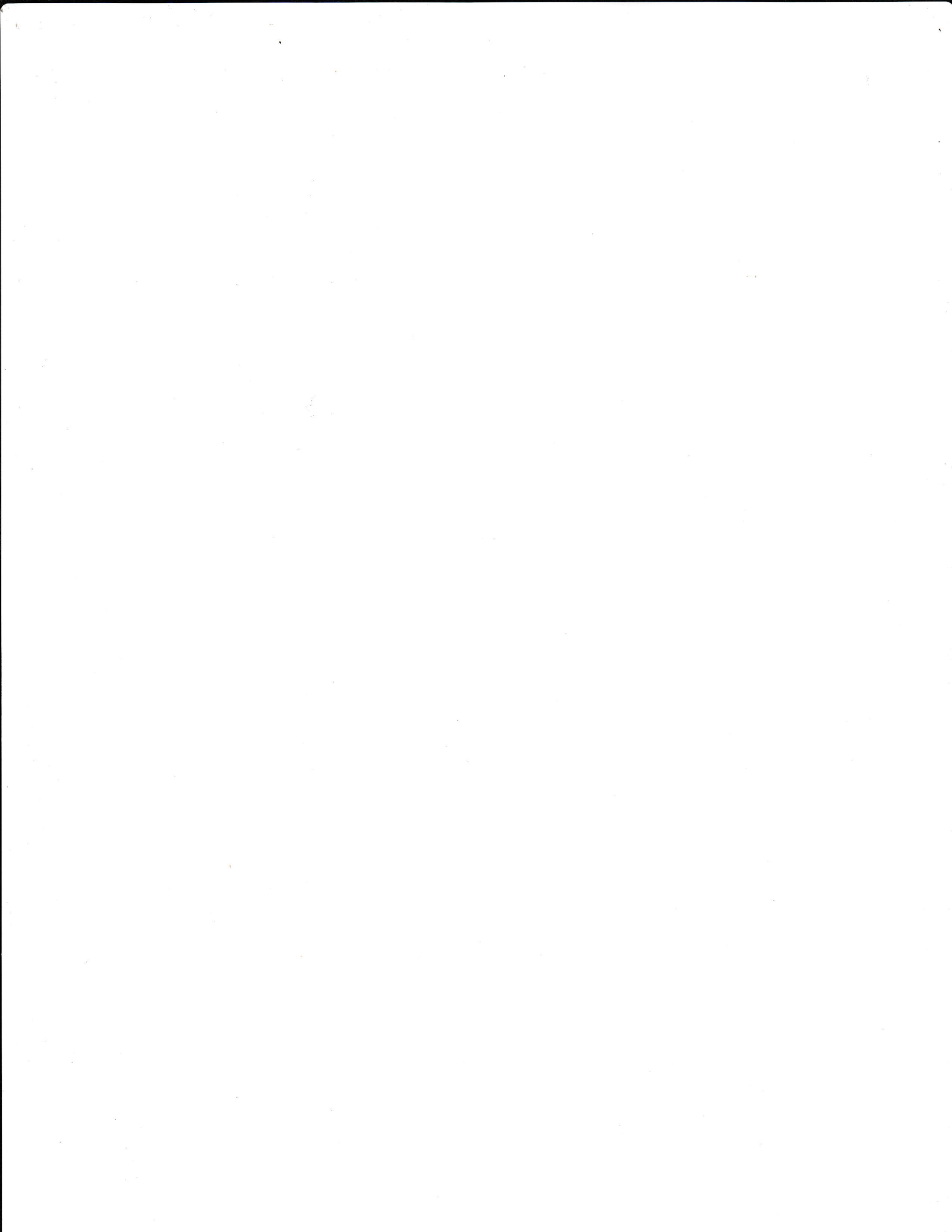
Product Comparison: Useful to compare the differential characteristics of product offered in case they are not completely identical

Warranty: Indicate the existence (or not) and conditions (duration etc)

Maintenance: Characteristics and costs of any maintenance services post- warranty

Table Prepared by: Full Name

N°: To insert the number of the supplier awarded, 1 or more if there are more than winners

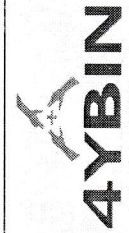




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01 Proforma Purchase Order	01 Quotation Contract	01 Quotation Contract	Technical Personnel	and Administration Director/ Head of User Units	items have a fixed price (i.e., telephone cards, price fixed by the government) will follow the Direct Purchase even if are more than 6,000 ETB. Normally this payment should be paid on CASH
Purchase Invoice + Fiscal Invoice	Purchase Invoice + Fiscal Invoice	Purchase Invoice + Fiscal Invoice	Logistic Officer	Purchase Order or Contract signed by Executive Director	
Withholding tax for purchase more than 10,000 ETB	Withholding tax for purchase more than 3,000 ETB	Withholding tax for purchase more than 10,000 ETB	Accountant	Cheque or Bank Transfer signed by the designed staff (according to the bank signature authorization)	
Payment receipt	Payment receipt	Payment receipt	Accountant		
Photocopy of bank cheque or bank transfer	Photocopy of bank cheque or bank transfer	Photocopy of bank cheque or bank transfer	Accountant	Project Manager /Finance and Administration Director for the Certificates of good execution of work /service	
Good Receiving note	Certificate of good execution of the work	Certificate of good execution of the service	Logistic Officer only for Good Receiving Note		
3.3 - Negotiated Procedure – 3 Sealed Quotation					
12,000 ETB	150,000 ETB		Finance and Administration Director and/or Technical Personnel	Approved by Executive Director	
		03 sealed quotation	Logistic Officer		
		Nomination of Procurement Committee	Project Manager	Executive Director	
		Bid Analysis	Logistic Officer and Accountant	Procurement Committee	
		Purchase Order	Finance and Administration Director	Executive Director	
		Purchase			



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Approved by board

January 2023

Mekelle –Ethiopia