

Understanding Procurement, Logistics and Stores Procedures in KCCR.

Areas to cover:

Meaning of
Procurement

Principles
Governing
Procurement

Procurement
Processes and
Thresholds in
KCCR

Logistics
Meaning

Item Movement
Requirement

Logistics
Functions in
KCCR

Meaning of Store

Procedures for
Requesting Items
from Stores



Procurement involves **every activity in obtaining the goods, services and works a company needs to support its daily operations**, including sourcing, negotiating terms, purchasing items, receiving and inspecting goods as necessary and keeping records of all the steps in the process.

PROCUREMENT PRINCIPLES:

- 1. Value for money:** Involves managing funds efficiently and economically when procuring goods and services. This may include conducting cost-benefit analyses and risk assessments. It's worth noting that low cost does not necessarily equate to greater value; characteristics such as quality and durability also factor into determining whether the purchase represents value for money.
- 2. Fairness:** In terms of not providing preferential treatment to individuals or suppliers. All bids should be assessed objectively, based on how well they meet the organization's needs.
- 3. Competition:** Which means seeking competitive bids from multiple suppliers, unless there are specific reasons not to do so, such as a sole-source provider where the goods or service is only available from a single vendor.
- 4. Efficiency:** Procurement processes are carried out accurately to help maximize value and avoid delays.
- 5. Transparency:** Making relevant procurement information available to everyone. Therefore, Information should be kept confidential only when there are legal or other valid reasons to do so.
- 6. Accountability:** People involved in the procurement process are accountable for their actions and decisions. They are required to report procurement activities accurately, including any errors.

PROCUREMENT PROCESSES AND THRESHOLD IN KCCR

The Procurement Process generally established in KCCR in order to satisfy all available needs are as follows.

► **Stage 1 : Project Responsibility:**

- I. Complete a request form indicating the type of item needed (consumables and equipment) with their corresponding specification in terms of size, type, etc. and also the quantities needed.
- II. If no specification is required, the request should be written with a non-proprietary specification.
- III. The request form should be sent to the PI/Management for approval with final submission to the KCCR Logistics/Procurement Department.

NOTE: The request drawn up should be without specifying the manufacturer to allow either for independent comparison of vendors or independent tendering.

The image shows a 'REQUEST MEMO' form from the Kumasi Centre for Collaborative Research in Tropical Medicine (KCCR). The form is on a light-colored background with a grid pattern. At the top left is the KCCR logo, a square with a cross inside. To the right of the logo is the text 'KUMASI CENTRE FOR COLLABORATIVE RESEARCH IN TROPICAL MEDICINE'. Below this is the title 'REQUEST MEMO'. The form has four fields: 'TO :', 'FROM :', 'SUBJECT :', and 'DATE :', each followed by a horizontal line for writing. At the bottom of the form, there is a line of small text: 'A collaboration of the School of Medical Sciences of the Kwame Nkrumah University of Science and Technology, Kumasi, Ghana, the Ministry of Health of Ghana and the Bernhard Nocht Institute for Tropical Medicine, Hamburg, Germany.' Below this is the website 'Website: www.kccr.de'.

► **Stage 2 : Procurement/Logistics Responsibility:**

- I. Check and complete the specification with regards to (**Stage 1 II above**) with the Project Representative.
- II. Check with vendors to ascertain the availability and price by requesting a proforma invoice.

► **Stage 3: Procurement/Logistics Responsibility :**

Determination of the order placement Threshold, Methods and Procedures below:

THRESHOLD	METHOD	PROCEDURE
UP TO 400.00 EUR	Direct Order	Direct purchase without comparison of offers
400.01 – 1,000.00 EUR	Direct Award	A comprehensive price determination from at least three price offers must be documented.
1,000.01 – 20,000.00 EUR	Direct Award	At least three written offers for comparison purposes. Documentation according (Proc_6)
20,000.01 – 200,000.00 EUR	PUBLIC/RESTRICTED TENDER	Tender documents are sent to preselected limited number of companies with invitation to tender without prior public invitation.
OVER 200,000.00 EUR	INTERNATIONAL TENDERING	KCCR publicly announces to the public. Interested companies can request the actual tender documents after the public announcement, calculate their offer and submit to KCCR in a specially marked and sealed envelope, observing the tender deadlines.

▶ **Stage 4: Procurement/Logistics Responsibility :**

Order placement /decision:

- Decision Memo is signed by procurement review committee (PRC)
- Purchase according to the decision of PRC

▶ **Stage 5: Procurement/Logistics Responsibility :**

Supervision of order processing

- monitor delivery dates, if delayed give warning to vendors and inform PI`s
- after receiving the goods, check for any damage and verify completeness and conformity with the specification of Materials and equipment, if defaults arrange for remedying of defects

▶ **Stage 6: Procurement/Logistics Responsibility :**

Prepare documentation

- sign for receiving goods by Projects responsible person
- prepare documentation on contract award
- prepare registration for Asset register (see SOP Assets)

LOGISTICS MEANING

Logistics simply refers to the strategic movement of goods, equipment and services from one place to another bearing in mind regular security (safety of items) as well as packaging.

EQUIPMENT MOVEMENT FROM ONE PLACE TO ANOTHER

- The movement of equipment is a key function of the logistics/procurement department in KCCR which involves transporting and tracking the location of items (purchased or donated).
- Before a project moves any equipment in KCCR or any of the outstations, the Project's Responsible Staff must report to the logistics department via email indicating;

- Full item description
- Initial location and the new destination
- Initial and current user
- Reason for moving the equipment

• **NOTE:**

- All equipment sent by funding Institute to KCCR must be sent to the Logistics/Procurement department for inventorization.

• The documents required

1. The invoice/receipt of the item
2. Air waybill or bill of lading

- The status/condition of every procured item (whether faulty or missing) should be quickly reported to the procurement/logistics department for further action.



LOGISTICS FUNCTIONS IN KCCR

- **Transportation:** moving goods from one location to another using various modes and carriers.
- **Delivery:** delivering goods to projects according to their specifications and preferences
- **Packing:** preparing goods for shipment by using appropriate materials and methods
- **Inspect containers** to ensure they contain the right supplies and quantities



STORES

The stores are storage facilities for consumables and equipment procured to be used by Projects immediately or in the future. Major activities carried out in the stores include receiving and storing materials, binning, and issuing goods to projects.

There are seven (7) stores with their respective room number and items in the procurement/ logistics department. They include;

- Stationery store (WS 07)
- Cleaning store (WS 03)
- Fuel store (WS 13)
- Outer store (WS 14)
- Laboratory (Lab) store
- Project store
- Filariasis store

PROCEDURES FOR REQUESTING ITEMS FROM STORES

The requisition book is the only valid document that can be used in placing a request from KCCR stores.

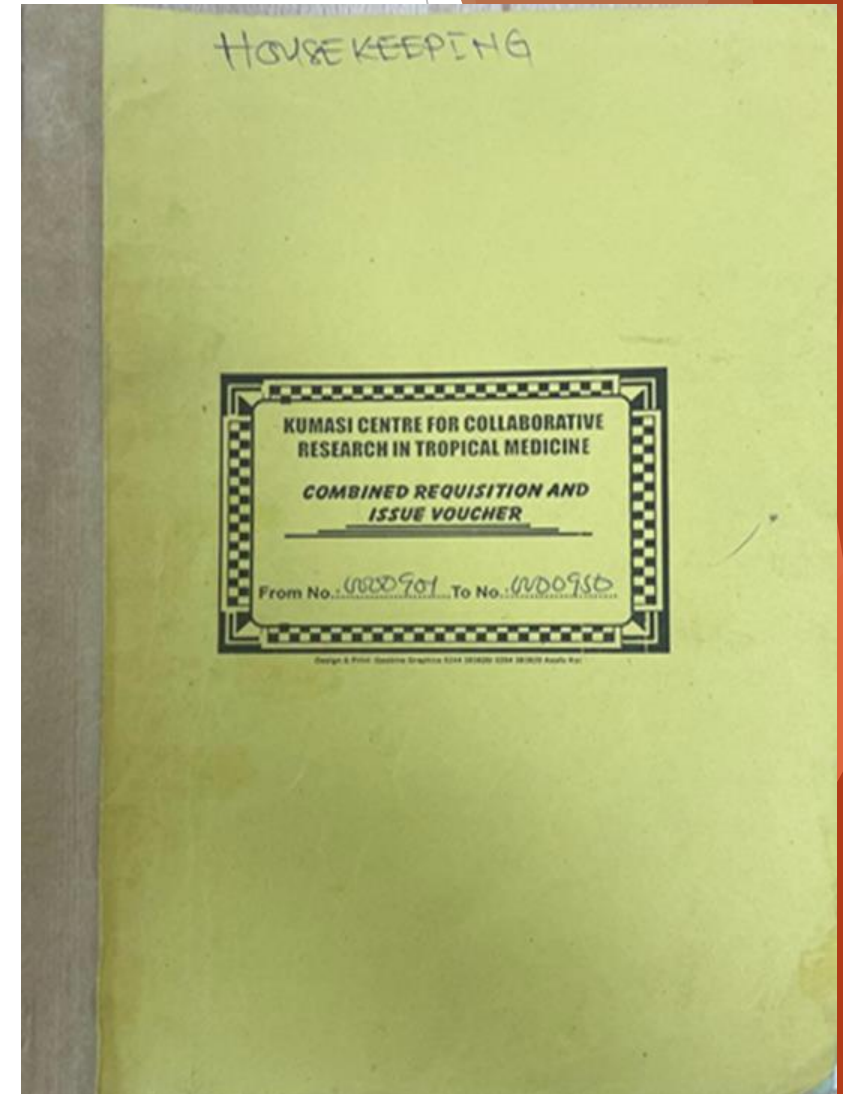
STEPS:

- ▶ Item verification from the Procurement/Logistics department to determine its availability.
 - ▶ Request for a requisition book from the Procurement/Logistics department if the item is available at the store.
 - ▶ After request is made, the requisition book should be sent to HoA/SD for approval.
 - ▶ The logistics/Procurement department will contact the project after approval is given for item issuance based on the issuance schedules below.
- ✓ Morning: 9:30AM – 10:50AM
 - ✓ Afternoon: 14:00PM – 15:30PM

NOTE:

The Logistics/Procurement Department performs other duties in relation to dispensing of fuel to all Projects/KCCR vehicles in carrying out field activities. Fuel issuance is based on the schedules below.

- ✓ Morning: 8:00AM - 9:20AM
- ✓ Afternoon: 13:30PM - 14:00PM



Any
Question?



THANK YOU