

# SOCDA | ORGANIZATIONAL POLICY & PROCEDURES



**SOMALI COMMUNITY DEVELOPMENT ASSOCIATION (SOCDA)**

**Empower • Engage • Develop**

## PROCUREMENT & SUPPLY MANAGEMENT MANUAL

Procurement principles, procedures, approvals and  
supplier management

SOCDA-PRC-MAN-001

# 1. PURPOSE

This Policy establishes a transparent, competitive, fair and accountable procurement system for SOCDA.

It ensures that organisational and donor resources are procured:

- At appropriate quality.
- At a reasonable cost.
- Through fair competition.
- From appropriately vetted suppliers.
- In accordance with approved budgets.
- In compliance with donor requirements.
- With adequate documentation and audit trails.

SOCDA's procurement principle is:

**Right quality + right quantity + right time + right price + right process.**

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# 2. SCOPE

This Policy applies to procurement of:

- Goods
- Services
- Works
- Consultants
- Equipment
- Vehicles
- ICT
- Training services
- Construction/rehabilitation
- Programme materials
- Office supplies

It applies to all SOCDA offices, projects and funding sources unless a donor agreement requires stricter procedures.

# **3. CORE PROCUREMENT PRINCIPLES**

SOCDA procurement shall be based on:

## **1. Transparency**

Decisions must be documented and traceable.

## **2. Competition**

Suppliers should have a fair opportunity to compete.

## **3. Value for Money**

SOCDA shall seek the best overall combination of quality, cost and suitability.

## **4. Fairness**

Suppliers must be treated consistently.

## **5. Integrity**

Bribery, collusion and conflicts of interest are prohibited.

## **6. Accountability**

Every procurement decision must have a clear responsible person.

## **7. Segregation of Duties**

No individual should control the entire procurement process.

## **8. Donor Compliance**

Donor-specific requirements shall be followed.

## 4. PROCUREMENT CYCLE

SOCDA shall use the following procurement cycle:



# 5. ANNUAL PROCUREMENT PLANNING

Each project/department should prepare an annual procurement plan.



The procurement plan should be reviewed periodically.

## 6. PROCUREMENT REQUISITION

All procurement should begin with an approved Procurement Requisition.

The requisition should include:

- Description.
  - Quantity.
  - Specifications.
  - Required date.
  - Location.
  - Budget code.
  - Project.
  - Estimated cost.
  - Requester's name.
  - Approval.
- 

## 7. BUDGET VERIFICATION

Finance must confirm that sufficient budget is available before procurement proceeds.

No procurement should be deliberately initiated without identified funding unless specifically authorised.

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## 8. SPECIFICATIONS

Specifications must be:

- Clear.
- Objective.
- Appropriate.
- Non-discriminatory.
- Proportionate.

Specifications should not be designed to favour a particular supplier unless technically justified.

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## 9. BRAND NAMES

Where possible, specifications should use functional or technical requirements rather than unnecessarily specifying a brand.

If a brand reference is unavoidable, an equivalent alternative should normally be permitted where appropriate.

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## 10. PROCUREMENT THRESHOLDS

SOCDA should establish procurement thresholds approved by the Board.

A recommended starting framework is:

| Value             | Recommended Method                              |
|-------------------|-------------------------------------------------|
| Up to USD 500     | Direct purchase / reasonable price verification |
| USD 501–2,500     | At least 2 quotations                           |
| USD 2,501–10,000  | At least 3 written quotations                   |
| USD 10,001–50,000 | Formal competitive solicitation                 |
| Above USD 50,000  | Competitive tender / formal procurement process |

**Important:** Donor rules may require different thresholds. Where donor rules are stricter, they prevail.

These thresholds should be formally approved by SOCDA rather than treated as automatic until adopted.

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## 11. PROCUREMENT METHODS

SOCDA may use:

1. Direct Purchase
2. Request for Quotations (RFQ)
3. Competitive Quotation
4. Request for Proposals (RFP)
5. Invitation to Tender
6. Restricted Competition
7. Framework Agreement

8. Sole Source/Single Source
  9. Emergency Procurement
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## **12. DIRECT PURCHASE**

Direct purchase may be used for low-value routine requirements within approved thresholds.

The buyer should verify:

- Reasonable price.
- Availability.
- Quality.
- Supplier legitimacy.

Evidence of the price verification should be retained.

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## **13. REQUEST FOR QUOTATIONS**

RFQs should provide suppliers with consistent information.

Where practical, the RFQ should include:

- Description.
  - Quantity.
  - Specifications.
  - Delivery location.
  - Delivery deadline.
  - Quotation validity.
  - Payment terms.
  - Submission deadline.
- 

## **14. COMPETITIVE QUOTATIONS**

For procurement requiring multiple quotations:

- Suppliers should receive the same specifications.
- Quotations should be received before the deadline.

- Evaluators should assess quotations consistently.
  - Procurement records should be retained.
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## **15. FORMAL TENDER**

Formal tendering should be used for high-value or strategically significant procurement.

The process should include:

1. Tender preparation.
  2. Approval.
  3. Advertisement/invitation.
  4. Supplier questions.
  5. Bid submission.
  6. Bid opening.
  7. Evaluation.
  8. Recommendation.
  9. Approval.
  10. Contract.
  11. Delivery.
  12. Performance review.
- 

## **16. REQUEST FOR PROPOSALS**

RFPs should be used where quality, methodology and technical capability are important.

Evaluation may include:

- Technical quality.
  - Experience.
  - Methodology.
  - Personnel.
  - Financial proposal.
  - Value for money.
- 

## **17. EVALUATION CRITERIA**

Evaluation criteria must be established before proposals are assessed.

Example:

| <b>Criterion</b>     | <b>Weight</b> |
|----------------------|---------------|
| Technical compliance | 30%           |
| Relevant experience  | 20%           |
| Methodology          | 20%           |
| Delivery capacity    | 10%           |
| Financial proposal   | 20%           |
| <b>Total</b>         | <b>100%</b>   |

Criteria must be appropriate to the procurement.

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## 18. PROCUREMENT COMMITTEE

SOCDA should establish a Procurement Committee for procurements above defined thresholds.

Suggested composition:

- Management representative.
- Finance representative.
- Procurement/Admin representative.
- Technical/programme representative.
- Additional member where appropriate.

Committee members must declare conflicts of interest.

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## 19. PROCUREMENT COMMITTEE RESPONSIBILITIES

The Committee may:

- Review procurement documentation.
- Assess compliance.
- Review evaluations.
- Confirm value for money.
- Recommend supplier selection.

- Record decisions.

The Committee should not approve its own conflicts.

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## 20. CONFLICT OF INTEREST

All procurement committee members and evaluators shall disclose:

- Family relationships.
- Business relationships.
- Financial interests.
- Personal relationships.
- Other relevant interests.

A conflicted person should recuse themselves.

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## 21. SUPPLIER DUE DILIGENCE

Before engaging significant suppliers, SOCDA should verify appropriate information such as:

- Legal name.
  - Registration.
  - Contact information.
  - Ownership where relevant.
  - Bank details.
  - Tax information where applicable.
  - References.
  - Capacity.
  - Conflict of interest.
  - Sanctions/debarment screening where required.
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## 22. SUPPLIER REGISTRATION

SOCDA should maintain an approved supplier database.

**Supplier Category Contact Registration Bank Verified Status**

Supplier information should be periodically updated.

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## 23. SUPPLIER SELECTION

Supplier selection should consider:

- Price.
- Quality.
- Technical compliance.
- Delivery capacity.
- Experience.
- Past performance.
- Financial capacity.
- Risk.
- Ethical compliance.

Lowest price should **not automatically mean best value** where quality or technical compliance is materially different.

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## 24. PURCHASE ORDER

Where appropriate, SOCDA shall issue a Purchase Order before goods or services are provided.

A PO should contain:

- PO number.
  - Supplier.
  - Description.
  - Quantity.
  - Price.
  - Delivery requirements.
  - Payment terms.
  - Project/budget code.
  - Authorisation.
-

## **25. CONTRACTS**

## **26. CONTRACT CONTENT**

Where appropriate, contracts should include:

- Scope.
  - Deliverables.
  - Price.
  - Payment schedule.
  - Duration.
  - Responsibilities.
  - Confidentiality.
  - Safeguarding.
  - Anti-fraud.
  - Conflict of interest.
  - Termination.
  - Dispute resolution.
  - Audit/access rights.
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## **27. GOODS RECEIPT**

Goods must be checked against:

- Purchase Order.
- Delivery note.
- Quantity.
- Quality.
- Specifications.

The receiving person should confirm receipt.

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## **28. SERVICE VERIFICATION**

For services, the responsible manager should confirm:

- Service delivered.

- Deliverables completed.
- Quality acceptable.
- Contract requirements met.

Payment should not be made merely because an invoice has been submitted.

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## 29. THREE-WAY MATCHING

Where appropriate, Finance should use:

**Purchase Order + Delivery/Service Confirmation + Invoice**

before processing payment.

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## 30. PROCUREMENT AND PAYMENT SEGREGATION

The person who selects a supplier should not independently approve payment without appropriate review and authorisation.

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## 31. ADVANCE PAYMENTS

Advance payments should only be made where:

- Contractually justified.
- Properly approved.
- Supported by appropriate safeguards.

High-value advances may require additional risk controls.

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## 32. CONSULTANT PROCUREMENT

Consultant selection should consider:

- Qualifications.
- Experience.
- Technical proposal.
- Methodology.
- Availability.
- Financial proposal.
- References.

Selection must be based on documented criteria.

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## **33. PROCUREMENT OF WORKS**

For construction or rehabilitation:

- Technical specifications must be clear.
  - Bills of quantities should be prepared where appropriate.
  - Contractor capacity should be assessed.
  - Site verification should occur.
  - Progress should be documented.
  - Completion should be certified.
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## **34. ICT PROCUREMENT**

ICT procurement should consider:

- Technical specifications.
  - Compatibility.
  - Warranty.
  - Licensing.
  - Security.
  - Data protection.
  - Maintenance.
  - Total cost of ownership.
- 

## **35. VEHICLE PROCUREMENT**

Vehicle procurement should consider:

- Operational requirements.
  - Safety.
  - Maintenance.
  - Availability of spare parts.
  - Fuel efficiency.
  - Total lifecycle cost.
  - Donor restrictions.
- 

## 36. EMERGENCY PROCUREMENT

Emergency procurement may be used where delay would create significant risk to:

- Life.
- Safety.
- Critical programme delivery.
- Essential operations.

Emergency procurement must still be:

- Justified.
- Approved.
- Documented.
- Reasonable.
- Reviewed retrospectively.

**Emergency procurement is an exception to competition—not an exception to accountability.**

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## 37. SOLE SOURCE / SINGLE SOURCE

Sole-source procurement should only be used where justified, such as:

- Genuine monopoly.
- Compatibility requirement.
- Continuation of specialised services.
- Emergency.
- Proprietary technology.
- Exceptional circumstances.

A written justification must be prepared.

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## 38. PROCUREMENT SPLITTING

SOCDA prohibits artificially dividing procurement into smaller transactions to avoid procurement thresholds.

Example:

A USD 9,000 purchase should not be divided into three USD 3,000 purchases simply to avoid a higher procurement method.

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## 39. GIFTS FROM SUPPLIERS

Procurement personnel must not accept gifts, commissions or personal benefits intended to influence procurement.

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## 40. KICKBACKS

Kickbacks are strictly prohibited.

Any suspected kickback must be reported under SOCDA's Anti-Fraud Policy.

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## 41. SUPPLIER COLLUSION

Possible indicators include:

- Identical quotation formatting.
- Identical mistakes.
- Unusual pricing patterns.
- Suppliers sharing contact details.
- Rotating winning suppliers.

Suspected collusion must be escalated.

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## 42. PROCUREMENT COMPLAINTS

Suppliers may submit procurement complaints through a designated channel.

Complaints should be:

- Registered.
- Reviewed impartially.
- Responded to appropriately.
- Documented.

## 43. SUPPLIER PERFORMANCE



## **44. SUPPLIER SUSPENSION**

SOCDA may suspend a supplier where there is evidence of:

- Fraud.
- Corruption.
- Serious non-performance.
- False documentation.
- Conflict of interest.
- Contract breach.

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## **45. PROCUREMENT RECORDS**

Each procurement file should normally contain:

1. Requisition.
  2. Budget confirmation.
  3. Specifications.
  4. RFQ/tender documents.
  5. Supplier quotations.
  6. Evaluation.
  7. Conflict declarations.
  8. Approval.
  9. Purchase Order.
  10. Contract where applicable.
  11. Delivery evidence.
  12. Invoice.
  13. Payment evidence.
  14. Supplier performance review.
-

## 46. PROCUREMENT FILE INDEX

Procurement Reference: \_\_\_\_\_

| Document            | Included                 |
|---------------------|--------------------------|
| Requisition         | <input type="checkbox"/> |
| Budget confirmation | <input type="checkbox"/> |
| Specifications      | <input type="checkbox"/> |
| Quotations          | <input type="checkbox"/> |
| Evaluation          | <input type="checkbox"/> |
| COI declarations    | <input type="checkbox"/> |
| Approval            | <input type="checkbox"/> |
| PO/Contract         | <input type="checkbox"/> |
| Delivery note       | <input type="checkbox"/> |
| Invoice             | <input type="checkbox"/> |
| Payment             | <input type="checkbox"/> |

## 47. PROCUREMENT RISK REGISTER

| Risk                 | Likelihood | Impact | Rating | Control | Owner |
|----------------------|------------|--------|--------|---------|-------|
| Supplier collusion   |            |        |        |         |       |
| Conflict of interest |            |        |        |         |       |
| Price inflation      |            |        |        |         |       |
| Poor quality         |            |        |        |         |       |
| Delayed delivery     |            |        |        |         |       |
| Fraud                |            |        |        |         |       |

## 48. PROCUREMENT PLAN TEMPLATE

### PROCUREMENT PLAN TEMPLATE

| No.   | Item | Quantity | Estimated Value<br>(USD) | Month | Method | Project | Responsible |
|-------|------|----------|--------------------------|-------|--------|---------|-------------|
| 1     |      |          |                          |       |        |         |             |
| 2     |      |          |                          |       |        |         |             |
| 3     |      |          |                          |       |        |         |             |
| 4     |      |          |                          |       |        |         |             |
| 5     |      |          |                          |       |        |         |             |
| 6     |      |          |                          |       |        |         |             |
| 7     |      |          |                          |       |        |         |             |
| 8     |      |          |                          |       |        |         |             |
| 9     |      |          |                          |       |        |         |             |
| 10    |      |          |                          |       |        |         |             |
| TOTAL |      |          | \$                       |       |        |         |             |

**Method examples:** RFQ, Competitive Bidding, Direct Purchase, RFP/Consultancy, Framework Agreement, or Sole Source (with justification).

## 49. PROCUREMENT REQUISITION FORM

**Department:** \_\_\_\_\_

**Project:** \_\_\_\_\_

**Date:** \_\_\_\_\_

Description:

\_\_\_\_\_

Quantity: \_\_\_\_\_

Specification:

\_\_\_\_\_

Estimated Cost: \_\_\_\_\_

Budget Code: \_\_\_\_\_

Required Date: \_\_\_\_\_

Requested By: \_\_\_\_\_

Approved By: \_\_\_\_\_

\_\_\_\_\_

50. QUOTATION COMPARISON FORM

| Supplier   | Price | Technical Compliance | Delivery | Warranty | Overall |
|------------|-------|----------------------|----------|----------|---------|
| Supplier A |       |                      |          |          |         |
| Supplier B |       |                      |          |          |         |
| Supplier C |       |                      |          |          |         |

Recommended Supplier: \_\_\_\_\_

Justification:

\_\_\_\_\_

\_\_\_\_\_

51. PROCUREMENT EVALUATION FORM

Procurement Reference: \_\_\_\_\_

| Criterion | Weight | Supplier A | Supplier B | Supplier C |
|-----------|--------|------------|------------|------------|
|-----------|--------|------------|------------|------------|

|              |             |  |  |  |
|--------------|-------------|--|--|--|
| Technical    |             |  |  |  |
| Experience   |             |  |  |  |
| Methodology  |             |  |  |  |
| Delivery     |             |  |  |  |
| Price        |             |  |  |  |
| <b>Total</b> | <b>100%</b> |  |  |  |

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## 52. PROCUREMENT COMMITTEE DECISION

**Reference:** \_\_\_\_\_

**Procurement:** \_\_\_\_\_

**Recommended Supplier:** \_\_\_\_\_

**Value:** \_\_\_\_\_

**Decision:**

- ☐ Approved  
☐ Rejected  
☐ Re-tender  
☐ Additional information required

**Committee Comments:**

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**Members:**

1. \_\_\_\_\_ Signature \_\_\_\_\_
  2. \_\_\_\_\_ Signature \_\_\_\_\_
  3. \_\_\_\_\_ Signature \_\_\_\_\_
- 

## 53. SOLE-SOURCE JUSTIFICATION FORM

**Supplier:** \_\_\_\_\_

**Estimated Value:** \_\_\_\_\_

**Reason for Sole Source:**

- ☐ Monopoly
- ☐ Emergency
- ☐ Compatibility
- ☐ Proprietary requirement
- ☐ Continuation
- ☐ Other

**Detailed justification:**

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**Approved by:** \_\_\_\_\_

**Date:** \_\_\_\_\_

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## 54. EMERGENCY PROCUREMENT FORM

**Emergency:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Requirement:** \_\_\_\_\_

**Reason competition could not be followed:**

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**Supplier:** \_\_\_\_\_

**Amount:** \_\_\_\_\_

**Approving Authority:** \_\_\_\_\_

**Post-procurement review completed:** ☐ Yes ☐ No

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## 55. GOODS RECEIPT FORM

PO Number: \_\_\_\_\_

Supplier: \_\_\_\_\_

Date: \_\_\_\_\_

Item Ordered Received Condition

Received by: \_\_\_\_\_

Signature: \_\_\_\_\_

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## 56. SUPPLIER PERFORMANCE FORM

Supplier: \_\_\_\_\_

Contract/PO: \_\_\_\_\_

| Category        | Rating |
|-----------------|--------|
| Quality         | /5     |
| Delivery        | /5     |
| Responsiveness  | /5     |
| Documentation   | /5     |
| Value for Money | /5     |

Overall Rating: \_\_\_\_\_ / 5

Recommendation:

- ☐ Continue
  - ☐ Monitor
  - ☐ Corrective action
  - ☐ Suspend
  - ☐ Remove from supplier list
-

## 57. PROCUREMENT COMPLIANCE CHECKLIST

Before closing a procurement:

- Budget confirmed.
  - Requisition approved.
  - Correct procurement method used.
  - Specifications approved.
  - Competition conducted where required.
  - Quotations documented.
  - Evaluation completed.
  - Conflict declarations completed.
  - Supplier verified.
  - Approval obtained.
  - PO/contract issued.
  - Goods/services verified.
  - Invoice received.
  - Payment authorised.
  - Complete file archived.
- 

## 58. DONOR PROCUREMENT REQUIREMENTS

Before procurement begins, the responsible team must check:

- Donor threshold.
- Required competition.
- Eligible suppliers.
- Required documentation.
- Prior approval requirements.
- Branding requirements where applicable.
- Audit requirements.

The **stricter applicable donor requirement** shall prevail.

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## 59. PROCUREMENT REPORTING

Management should receive periodic information on:

- Total procurement.
  - Procurement by category.
  - Major contracts.
  - Emergency procurement.
  - Sole-source procurement.
  - Supplier performance.
  - Procurement exceptions.
  - Complaints.
  - Procurement risks.
- 

## **60. PROCUREMENT AUDIT**

Procurement records may be reviewed by:

- Management.
- Internal reviewers.
- External auditors.
- Donors.
- Authorised regulatory bodies.

All procurement files must therefore be maintained in an auditable condition.

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## **61. POLICY EXCEPTIONS**

Any exception must be:

- Written.
- Justified.
- Approved.
- Risk-assessed.
- Properly filed.

Repeated exceptions should trigger management review.

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## **62. TRAINING**

Personnel involved in procurement should receive training on:

- Procurement procedures.
- Ethics.
- Conflict of interest.
- Anti-fraud.
- Supplier due diligence.
- Donor rules.
- Evaluation procedures.
- Recordkeeping.

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## 63. KEY PROCUREMENT PERFORMANCE INDICATORS

| KPI                                            | Target |
|------------------------------------------------|--------|
| Procurement with complete documentation        | ≥95%   |
| Procurement following approved method          | 100%   |
| Procurement conflict declarations              | 100%   |
| Competitive procurement where required         | ≥95%   |
| Emergency procurement reviewed retrospectively | 100%   |
| Supplier due diligence completed               | 100%   |
| Procurement complaints resolved                | 100%   |
| Major procurement files audit-ready            | 100%   |

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## 64. APPROVAL

**Approved by:** SOCDA Governing Board

**Board Resolution No.:** \_\_\_\_\_

**Chairperson:** \_\_\_\_\_

**Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Effective Date:** \_\_\_\_\_

**Next Review Date:** \_\_\_\_\_

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