PROCUREMENT POLICY AND PROCEDURES

ADS Eastern
Secure Livelihoods

ANGLICAN DEVELOPMENT SERVICES
(ADS)- EASTERN

SIGNATURE PAGE

ANGLICAN DEVELOPMENT SERVICES EASTERN
PROCUREMENT POLICY AND PROCEDURES
DEVELOPED BY THE BOARD

.... 18th December 2025 ....

Board Chairman Date

.... 18th December 2025 ....

Chief Executive Officer Date

LIST OF ABBREVIATIONS

DAP	Departmental Annual Plans
PRF	Purchase Request Form
RFQ	Request For Quotes
CBA	Competitive Bid Analysis
LPO	Local Purchase Order
GRN	Good Received Note
PQSL	Pre-Qualified Suppliers List
ADSE	Anglican Development Services Eastern
RTGS	Real Time Gross Settlement
EFT	Electronic Funds Transfer

Contents

1.0 BACKGROUND INFORMATION

Anglican Development Services Eastern (ADSE) is the development arm of the Anglican Church of Kenya (ACK), serving the Dioceses of Machakos, Kitui, Makueni, and Garissa. Established in 1987 by the Diocese of Machakos as Christian Community Services (CCS), the organization later became Ukamba Christian Community Services (UCCS) before rebranding to its current name, ADSE. The organization works in partnership with vulnerable communities across six counties: Machakos, Kitui, Makueni, Garissa, Wajir, and Mandera, predominantly within Arid and Semi-Arid Lands (ASALs).

The organization's effectiveness is grounded in its strong reputation and partnerships with state and non-state actors; deep understanding of local contexts, cultures, and languages; and extensive experience in community-based programming. ADSE applies innovative and adaptive approaches to planning and implementation, guided by Christian principles, participatory processes, and a commitment to neutrality and accountability. Its established presence in Machakos, Makueni, Kitui, and Garissa provides a strong foundation for scaling interventions in Wajir and Mandera Counties.

Guided by a five-year strategic plan, ADSE's developmental goal is to facilitate communities to realize secure livelihoods characterized by adequate food supply, potable water, stable incomes, good health, and resilience to climate change, child protection, and mainstreaming issues of governance, peace, disability, HIV/Aids and gender.

ADSE Vision

A vibrant organization transforming communities to enjoy secure and sustainable livelihoods

ADSE Mission

To empower communities through participatory approaches and Godly Principles for quality life

ADSE Mandate

To proclaim the good news of Christ to society through the social ministry of the Anglican Church of Kenya.

Organizational Core Values:

1. **Godliness:** ADSE upholds care and love rooted in Christian faith, serving all people without discrimination and demonstrating Christ's love through its actions, while fostering unity with the communities it serves.
2. **Professionalism:** ADSE delivers solutions that improve community livelihoods through competent, diligent, efficient, and ethical service, while building sustainable relationships with stakeholders.
3. **Integrity:** ADSE operates with honesty, transparency, accountability, and responsible stewardship of resources, prioritizing its reputation and consistently honoring commitments.

4. **Impartiality:** ADSE ensures equitable access to services, timely decision-making, and the provision of accurate information to all stakeholders without bias.
5. **Participation and Teamwork:** ADSE promotes collaboration, partnerships, and accountability by valuing diverse talents, strengthening communication, and actively engaging stakeholders and beneficiaries.
6. **Innovativeness:** ADSE embraces creativity, continuous improvement, and adaptive approaches to remain relevant and responsive to changing community needs.

This policy and procedure manual will be applied in conjunction with other ADSE-related policies, including, but not limited to:

1. ADSE Finance and Accounting Policy and Procedures
2. ADSE Ethics Compliance Policy
3. ADSE Children Protection and Prevention of SEAH Policy
4. ADSE Human Resource Policies and Procedures
5. ADSE Personnel Code of Conduct

2.0 PURPOSE AND ADMINISTRATION OF THIS POLICY MANUAL

2.1 Objective

The objective of the procurement policy is to provide fundamental guidance to the organization on best practices in conducting procurement for goods and services to ensure the following:

(a) Purchase of quality materials, supplies, and services at the most reasonable price.

(b) Authorized individuals procure services from authorized suppliers with consideration given to the adequacy of quantities, competitive pricing, and timely delivery.

(c) Business activities are always conducted in the best interest of the organization and its stakeholders.

(d) Consideration is given to avoiding the disruption of business operations due to improper or untimely purchases and the inefficient use of funds caused by excessive purchases.

2.2 Purpose

The purpose of the procurement policy is to establish procedures for the organization for the procurement of all goods and services and ensure that all goods and services procured are obtained at cost-effective prices, at the required specifications and quality, and are delivered in time. It provides guidance on the legitimate procedures of acquiring goods and services required by the organization.

This will be achieved through the following process.

a. Procuring quality goods and services from reliable Suppliers and service providers.
b. Promoting competition and ensuring that competitors are treated fairly.
c. Promoting the integrity and fairness of these procedures.
d. Increasing transparency and accountability in these procedures.
e. Locating, evaluating, and developing economical and supply sources for the organization through elaborate supplier prequalification.
f. Providing timely information to the user department and the management on procurement status.

It is a requirement that:

a. Purchases must be made on a competitive basis, free of any conflict of interest, and with proper approval.
b. Proper internal controls will be maintained to ensure only valid and authorized payables are paid and recorded in compliance with applicable laws and regulations.
c. Payment must be made for expenses with a valid business purpose and proper approval.
d. Payment for goods and services shall be made through cheque, Real Time Gross Settlement (RTGS), Electronic Funds Transfer (EFT), and mobile money transfer.

Note: ADSE encourages cashless transactions.

2.3 Scope

This Policy and Procedures Manual provides the framework for procurement and supply chain management activities of ADSE, including sourcing, tendering, contracting, purchasing, and payment for goods, services, works, and consultancies. It applies to all procurement transactions and is binding on all departments, staff, management, and duly authorized officers involved in the procurement process. The policy applies to all suppliers, contractors, consultants, and service providers engaged by ADSE and covers the entire procurement lifecycle from requisition to contract close-out.

2.4 Responsibilities and Policy Application

2.4.1 Responsibilities of the Finance Committee of the Board

a. Oversee and approve the vendor prequalification process, ensuring that suppliers of goods, services, work, and consultants undergo due diligence and meet all statutory and procurement compliance requirements before being prequalified to supply goods and services in the organization.
b. Review and approve the list of prequalified suppliers, contractors, and consultants, ensuring that qualification criteria are transparent, fair, and aligned to procurement thresholds and organizational needs.
c. Review and approve procurement recommendations for any good(s), service(s), work, and consultants valued above KES 400,000, ensuring compliance with this policy and donor requirements.
d. Provide oversight on procurement performance, compliance with internal controls, and risk management, and advise management on corrective actions where non-compliance or procurement risks are identified.

2.4.2 Responsibilities of the Chief Executive Officer (CEO)

a. Maintain a fair, equitable, transparent, and competitive process for procuring goods and services.
b. Constitute a bid evaluation committee to review quotations.
c. Approve or disapprove the recommendations from the bid evaluation committee.
d. Convene the board finance committee to review and approve procurement recommendations for any good(s), service(s), work, and consultants valued above KES 400,000
e. Ensure that any deviations from competitive procurement methods, including emergency and non-competitive procurement, are properly justified, approved in writing, documented, and reported to the Finance Committee of the Board at the next scheduled meeting.

2.4.3 Responsibilities of the Bid Evaluation Committee

a. Review all quotations for goods and services to ensure completeness and compliance with submission requirements.
b. Evaluate and analyze bids for any good or service valued up to and including KES 400,000, based on approved technical specifications, financial proposals, and evaluation criteria.
c. Recommend suppliers or service providers for award based on an objective, fair, and transparent evaluation, in accordance with approved procurement thresholds
d. Justify the recommended vendor, highlighting reasons for selection.
e. Document evaluation outcomes and deliberations in the procurement meeting minutes.
f. Sign and forward the evaluation minutes to the CEO for approval.

2.5 ADSE Bid Evaluation Committee

The ADSE Bid Evaluation Committee shall be constituted by members appointed by the CEO from among eligible staff. The Committee shall include:

a. An officer from the user department/project procuring the item.
b. A representative from the Finance Department.
c. Appointee from the Administration and Human Resource Department.
d. An appointee among the Project Managers.
e. A relevant technical specialist, drawn from within ADSE, with expertise related to procurement, if applicable

A quorum of three committee members is required.

2.6 Application

a. The policy regulations shall apply to the procurement of all goods and/or services by ADSE.
b. Any deviation from these guidelines for whatever reason must be authorized in writing by the Chief Executive Officer.
c. These policies and any modifications thereof shall be effective from a date approved by the Board and communicated by the Chief Executive Officer.
d. All staff involved in the procurement process are responsible for reading and understanding these regulations and any amendments made to them.
e. Ignorance of any of these regulations will not be accepted as an excuse for failure to act appropriately upon any matter or comply with the regulations as stated in the policies herein.

2.7 Policy Update

The procurement policy will be reviewed and updated every three years, unless a change is triggered through Audit recommendations or reorganization within ADSE necessitating radical changes in processes, roles, and responsibilities.

3.1 PROCUREMENT PRINCIPLES

ADSE strives to use resources in the most efficient, effective, transparent , and accountable manner. ADSE, in its management of funds, is expected to comply with procurement principles, and its services must be delivered with a high level of care and professionalism to ensure that the best total value is provided. ADSE requires that the following general principles receive due consideration when undertaking all procurement activities:

a. Best value for money
b. Fairness, integrity, and transparency
c. Effective competition
d. In the best interest of ADSE and its partners

The following sections outline each principle and the expectations for those involved in the procurement process in relation to the procurement principles.

3.1.1 Best value for money

Best Value for Money (VfM) refers to achieving the optimal balance between price and performance, thereby delivering the greatest overall benefit in line with defined selection criteria. It goes beyond choosing the lowest cost, focusing instead on the total cost of ownership (including acquisition, maintenance, and disposal costs) and the fitness for purpose of the goods or services.

To ensure the best value for money, those involved in procurement should:

a. Promote open and fair competition.
b. Keep the process simple and transparent through good planning and clear specifications.
c. Set an objective evaluation criterion.
d. Consider all relevant costs and sustainability factors, including social and environmental impact
e. Conduct impartial and timely evaluations.
f. Select the bidder offering the most realistic and cost-effective proposal that best meets the organization's requirements.

3.1.2 Fairness, integrity, and transparency

Fairness, Integrity, and Transparency are fundamental principles guiding ADSE's procurement processes. Procurement must be conducted in a manner that gives all suppliers and service providers equal opportunity to compete, based on clear, objective, and detailed specifications in the request for quotation, without favoritism or discrimination. All staff involved in procurement are expected to uphold the highest standards of integrity, acting honestly, ethically, and in the best interest of the organization while avoiding conflicts of interest, fraud, or corrupt practices. The entire process should be transparent, with decisions, evaluations, and contract awards properly documented, traceable, and open to scrutiny by relevant stakeholders. By maintaining fairness, integrity, and transparency, ADSE ensures accountability, promotes public trust, and achieves value for money in all procurement activities.

3.1.3 Effective competition

ADSE promotes effective competition among suppliers to uphold fairness, integrity, and transparency and to achieve value for money. Effective competition is ensured when independent suppliers, service providers, or contractors are allowed to compete under equal conditions, guaranteeing fair, open, and adequate participation for all eligible parties. To foster such competition, ADSE undertakes proper procurement planning, market research, and encourages wide geographic participation without imposing unnecessary restrictions on supplier eligibility. The process adheres to prudent commercial practices and ensures that all vendors are given adequate time and information to participate.

Effective competition also means procuring the right quality, at the right price, and at the right time, which is achieved by:

a. Providing sufficient notification to the market.
b. Avoiding both over-specification and under-specification of requirements; and
c. Leveraging economies of scale through service level agreements (SLA).

Through these measures, ADSE ensures a transparent, equitable, and efficient procurement process that delivers optimal value and strengthens accountability.

3.1.4 Best interest of ADSE and its partners

Undertaking procurement in the interest of ADSE and its partners involves carrying out procurement activities in a manner that best enables ADSE and its partners to reach the general and specific objectives of the partner agreements in compliance with applicable procurement procedures. Sustainable procurement is clearly in the best interest of ADSE since it supports the alignment of procurement to their mandate and to their specific project objectives while ensuring value and efficiency are achieved.

3.2 Potential conflicts among the principles

While in unison these principles provide a common framework for ADSE procurement, individual principles may conflict in some situations. To achieve the correct balance, judgment, professionalism, and management experience must be applied. This is part of the principled performance approach, which underpins the ADSE policy framework, whereby we strive to reliably achieve our objectives while addressing uncertainty and acting with integrity.

3.3 Code of Conduct

3.3.1 Behavior

a. ADSE employees are expected to act professionally, ethically, and with integrity, exercising sound judgment in all procurement-related dealings.
b. All procurement activities, including purchasing, contract awards, and contract management, shall be governed by the organization's Code of Conduct.

3.3.2 Conflict of Interest

a. ADSE is committed to ensuring integrity, fairness, and transparency in all procurement activities through:

   i. Prohibition of Participation: Employees, officers, or representatives shall not engage in the selection, award, or administration of any contract where a real or perceived conflict of interest exists.

   ii. Conflict of Interest: A conflict arises when the individual, their immediate family, partner, or affiliated organization has a financial or personal interest in a firm under consideration for award.

   iii. Disclosure and Safeguards: All potential conflicts must be promptly disclosed in line with ADSE's Ethics and Compliance Policy, and appropriate measures, including exclusion from procurement decisions, shall be applied to protect process integrity.

4.1 PROCUREMENT METHODS

The following procedures should be adopted according to the amounts and nature of the procurement of goods or services.

4.1.1 Small purchase procurement

a. This is a relatively simple and informal procurement of any good (s) and service (s), supplies, or other items that do not cost more than KES 50,000 (Kenya shillings fifty thousand only).

b. Verbal request for quotations or through email will be obtained from any qualified supplier or contractor who has, in the recent past, been fair in pricing and quality.

4.1.2 General Procurement

a. This procurement method involves purchasing from the ADSE prequalified and approved suppliers.

b. Purchase of any good (s)/services(s) exceeding Kes 50,000 (Kenya shillings fifty thousand only) must be procured through the general procurement method.

c. The lowest evaluated and responsive bidder should be awarded.

d. General procurement shall entail:

   i. Sourcing at least three written quotations from the ADSE-approved pre-qualified vendors. This shall be obtained through sharing the request for quotation with the approved vendors under the respective category.

   ii. If in the first round, s/he receives at least three (3) quotations, the procurement process shall continue without further search for quotations.

   iii. However, if fewer than three quotations are received during the first request for quotations, s/he shall float for the second time. The suppliers who have responded to the first round will not need to respond the second time, but should be considered based on their first response.

   iv. In the case where, even after the second request, no better response is received, then s/he shall proceed to consider the already received quotation (s).

   v. In a case where no quotations are received even after floating the request for the second time, the purchasing officer or appointee shall pass the matter to the management committee for consideration of other options, including sourcing of a new supplier(s).

4.1.2.1 New supplier

a. A consideration for the use of a new supplier shall arise under the following circumstances:

   i. Non-response of all the vendors in the prequalified list, even after the float for request for quotations is done twice.

   ii. Where all the prequalified vendors cannot match the specification(s) of the required item(s)/ service(s).

iii. Where new procurement need (s) arises during implementation, not considered at the vendor-prequalification stage.

b. The request for quotations shall be sought from relevant qualified suppliers by floating an open tender to the public through the ADSE website, existing contacts, or any other cost-effective channel. At least three quotations shall be solicited. The management must clearly document the bid evaluation and award criteria if a new supplier(s) outside the pre-qualified list is considered for award.

4.2 Procurement by non-competitive proposal

a. In some instances, gathering three or more quotations may not be an effective way of procuring goods and/or services.

b. Exceptions are made in the following instances:

   i. Limited Availability of Sources: If there are not enough suppliers or vendors who can provide the required item(s), you can bypass competitive solicitation. Example: A specialized water pump only made by one manufacturer, or a seed variety available at a specific seed company/institution.

   ii. No Competitive Marketplace Exists: When the goods or services are unique or proprietary, meaning there is effectively no market competition.

   iii. Fixed Prices by Law or Regulation: When prices are set by government, legislation, or regulatory bodies, competitive bidding would not affect cost.

   iv. Urgency / Time Constraints: If immediate procurement is necessary and waiting for competitive bids would cause unacceptable delay, non-competitive procurement can be justified.

   v. Documented Partner or Stakeholder Preference: If a project partner or funding source has explicitly specified or prefers a particular vendor (s), and this preference is documented.

c. If procurement by non-competitive proposal is selected as a reason for a vendor selection, a justification for the reason for the exemption must be completed and included in the purchase documentation prior to the purchase being completed. The Non-competitive Justification Form will be used.

d. Non-competitive procurement shall only be used to the extent necessary and shall not be used to avoid competition or split procurements to circumvent procurement thresholds.

5.0 PROCUREMENT CYCLE

a. For the smooth implementation of ADSE, staff implementing projects will prepare an annual project procurement plan. From the annual project plans, the ADSE annual procurement plan will be developed and approved by the Chief Executive Officer.

S/No	Activity	Timeline
a	Project need identification and prequalification of suppliers (Refer to section 6)	Not later than one month after the approval of the projects
b	Preparation of the Annual project procurement plan and the organizational Annual procurement plan	Not later than one month after the approval of the projects
c	The requester initiates the procurement process by raising requisitions with correct specifications for approvals	Within 45 days before the activity date
d	Raise a request for quotations for goods (RFQ), and technical and financial proposals for services	Within seven (7) days after the deadline for receiving quotations, and in any case no later than seven (7) days thereafter.
e	Evaluate bids through the Board Finance Committee for good or service valued above KES 400,000, and through the ADSE bid evaluation committee for those valued at KES 400,000 or below.	Within 5 days after the deadline for receiving quotes and no later than 7 days.
f	Award and notify the vendor	Immediately, when the selection process is completed and approved by the CEO.
g	Raise an LPO and share with the vendor	Within 2 days after the CEO approves the recommendation from the bid evaluation committee, or after receiving minutes from the finance committee of the board.
h	Receiving, quality inspection, and acceptance of goods and services	Immediately but not later than 30 days or as defined by the service/ purchase agreement.
i	Payment of suppliers	Within 30 days after delivery of the invoice or as defined by the service/ purchase agreement.
j	Storage and distribution of goods to beneficiaries	Not later than 14 days after quality inspection and acceptance of the goods and services is done

5.0.1 Initiating a request

a. A Purchase Request Form (PRF) shall be used to initiate the purchase of goods and services, unless a purchase involves items of expenditure that require the preparation of a separate form (s), as noted elsewhere in these procedures, for example, employment contract, contracts for consultancy or contractual work, travel advance and itinerary form, and travel expense reimbursement form.

b. Purchase requisitions must be completed by a user department employee and properly approved. The approvers' signature will indicate confirmation that the proper budget code will be charged and that sufficient budgeted funds are available to make the purchase.

c. Employees initiating a purchase must ensure that required approval is obtained by ensuring the completeness of the request form. Budget holders/request initiators must acquaint themselves with the requirements.

d. The purchasing officer or appointee is responsible for processing purchases in accordance with approved policies and procedures

e. Authorized approvers must review the request to verify that required documentation is available and accurate, that there is a need for the purchase, and that the purchase request meets all requirements outlined in approved policies and procedures

f. Purchase requisition forms may be attached to an email to the "designated purchasing officer or appointee". Authorized approvers may send their approval by email in lieu of a signed purchase requisition form. The email must also include a description of the goods or services to be purchased that match the description that is included in the attached purchase requisition

g. The purchasing officer or appointee shall not make amendments to the specifications or quantity on a requisition after it has been approved. Any amendments to the approved requisition will be made by the requester, who will ensure that the amendments are approved. The date of requisition shall be deemed to be that of the amended requisition and shall supersede the earlier requisition in terms of date of requisition and content.

h. Partners and the target communities deserve and expect timely and quality service. Delayed procurement will be pegged to the officers' personal appraisal as per the annual procurement plan. Where the officer (s) consistently or deliberately delay implementation by failing to properly request/approve/ cause to approve on time, necessary disciplinary and corrective action needs to be taken. The Finance manager should ensure the procurement policy is clear to all staff involved.

5.0.2 Sourcing for quotes

a. Low-value purchases of up to KES.50,000 will be procured locally with authorization from the Finance manager. Verbal requests for quotations or through email will be obtained from any qualified supplier/contractor who has, in the recent past, been fair in pricing and quality.

b. Purchases of any good/service above KES 50,000 shall require soliciting at least three written quotations.

c. The ADSE Bid Evaluation Committee is authorized to analyze, evaluate, and recommend the award of vendors drawn from the ADSE-approved list of suppliers for any good or service below KES 400,000

d. Any good or service valued above KES 400,000 shall be evaluated by the ADSE Finance committee of the board, both from suppliers in the ADSE-approved list of suppliers and new suppliers.

e. Quotations for new suppliers for any good/service between KES 50,000 - 400,000 will be evaluated by the ADSE management committee.

f. Special considerations while sourcing for quotations include:

   i. If a like item has been purchased on a competitive basis within the recent past (no more than 3 months), the price paid for that product can be considered competitive, and if a supplier can be found who can supply at the same or lower price and with the same or better conditions, re-bidding is not required.

   ii. Certain items have a well-established, publicized market price. Some examples are petroleum products, airtime, grocery items in an established dealership, etc. Competitive bidding may not be applicable or practical in such cases.

   iii. Sometimes it is possible to obtain a volume discount off such set prices, which must be pursued if applicable.

5.0.2.1 Competitive Sourcing

The request for quotation should provide the following information:

a. A clear and accurate description of the technical requirements for the material, product, or service to be procured.

b. Requirements that the bidder/offeror must fulfill, and all other factors to be used in evaluating bids or proposals

c. A description, whenever practical, of technical requirements in terms of functions to be performed or performance required, including the range of acceptable characteristics or minimum acceptable standards.

d. The specific features of “brand name or equal” description that bidders are required to meet when such items are included in the solicitations.

e. Preference, to the extent practical and economically feasible, for products and services that conserve natural resources and protect the environment and are energy efficient.

f. In the case of services, comprehensive Terms of Reference (TORs) that clearly and exhaustively define the scope of work, deliverables, and the requirements to be addressed in both the technical and financial proposals

g. A description of the proper format, if any, in which proposals must be submitted, including:

   i. Name of the organization's personnel to whom proposals should be sent.
   ii. The date by which proposals/Quotations are due.
   iii. Required delivery or performance dates/schedules.
   iv. Clear indications of the quantity (ies) requested and unit(s) of measurement
   v. If the quotes should be inclusive of all taxes and transport to a specified location.

5.0.2.2 Requirements for Certain Types of Goods and Services

i. For goods or services that are required regularly from the same vendor, not limited to catering, conference services, audit services, telecommunications, routine supplies, insurance services, or utilities, the initial requirement shall be determined.

ii. Upon receipt of atleast 3 quotations, the finance committee of the board shall review the quotations, and recommend the lowest evaluated and responsive bidder for award of one(1) year contract.

iii. In the case where only one supplier exists, for the good or service (s), the finance committee of the board will review the quotation and award one year contract to the available vendor.

iv. In both cases service level agreement duly signed by the vendor and ADSE CEO will be the bidding document between ADSE and the vendor within the contract period.

v. After the lapse of the contract period(12 months),new contracts will be issued to vendors on a competitive basis.

Evaluation of Vendors

a. Suppliers listed on the ADSE prequalified supplier list have been verified to meet the minimum formal procurement requirements. For new suppliers, compliance with these formal requirements shall be assessed before their quotations are reviewed. After this initial assessment, all consultants or vendors expressing interest in providing goods, work, or services shall be evaluated based on the following criteria, guided by the specifications in the request for quotation:

   i. Technical Capability: Adequacy of proposed methodology, experience of key personnel, and prior relevant experience.
   ii. Compliance with Specifications: ability to meet technical and functional requirements as specified in the request for quotation or proposal.

iii. Administrative Compliance: submission of required documents in the prescribed format, adherence to deadlines, and completeness of proposal.
iv. Financial Capacity: demonstrated financial stability to execute the contract without undue risk.
v. References and Past Performance: feedback from previous clients or projects, including timeliness and quality of delivery.
vi. Cost Competitiveness: price evaluation in accordance with the approved procurement thresholds.
vii. Other Criteria: any additional requirements specific to the project or procurement activity, as may be indicated in the request for quotation.

b. All the evaluation criteria may not apply in each situation requiring consideration of alternative vendors; however, the project/department responsible for the purchase shall establish the relative importance of each criterion before requesting proposals and shall evaluate each proposal based on the criteria and weighting that have been determined.

c. After evaluating the bids, through a competitive bid analysis, for any good/service below KES 400,000, the bid evaluation committee will prepare minutes clearly detailing how the quotations were analyzed, with recommendations on the selected vendor. The CEO will review the bid analysis and approve or disapprove the bid evaluation committee's decision. For any good/service above KES 400,000, the finance committee of the board will analyze the quotations and prepare minutes detailing how the vendor was selected.

5.0.3.1 Special Purchasing Conditions

a. Emergencies - where equipment, materials, parts, or services are needed, quotations will not be necessary if the health, welfare, safety, etc., of staff and protection of organization/partner property is at risk.

   i. Note: This does not suggest that all purchases made by an emergency unit will be exempt from applicable policies and procedures. A written waiver specific to the time of applicability from the relevant partners should be sought as soon as possible to waive the requirement for competitive awards.

b. Single Distributor/Source; where there is only one (1) distributor for merchandise needed and no other product meets the stated needs or specifications; quotations will not be necessary.

c. Purchases chargeable to a grant may be subject to additional purchasing requirements per the grant agreement. Such purchases will be subject to both ADSE’s and the grantor’s purchasing requirements. In cases where there are two conflicts, the most stringent/conservative requirement must prevail.

5.0.4 Preparation of Local Purchase Orders

a. The designated purchasing officer or appointee will be responsible for issuing local purchase orders (LPOs) and contracts. The LPO must be applied for by the project manager or appointee, approved by the Finance manager, and authorized by the Chief Executive Officer (CEO) - Appendix IV has the LPO format.

b. Contracts will be signed by the awarded consultant and the ADSE CEO.

c. The LPO shall be prepared in triplicate and the copies distributed as follows:

   i. Original Copy – Issued to the vendor for execution of the order.

   ii. Second Copy – Forwarded to the Accounts/Finance Office for payment and accounting purposes.

   iii. Book Copy – Retained in the procurement/purchasing records for future reference and audit.

d. Periodically, a review should be performed of any commitments that have not been matched with receiving reports or equivalent records of goods or services received.

5.0.4.1 Placement of Orders

a. Only the designated purchasing officers or appointees are authorized to issue purchase orders or procure goods and services.

b. The purchasing officer or appointee should periodically review and compare signatures on purchasing documents for consistency.

5.0.5 Receipt and Acceptance of Goods and Services

a. This function should be performed by someone other than the purchasing officer or appointee. The individual receiving the goods/services should be able to judge the satisfactory performance and delivery of the product or service.

b. The requester/user department shall, at the time of receipt of procured item (s), check whether the delivery is as per the specification (s) given for the purchase (s).

c. Goods and services received should be verified for accuracy (i.e., proper quantity and type of product or service) by comparing the delivery note to the approved purchase order or contract.

d. The receiving officer should ascertain that the goods and services have met the requirements in the LPO. This should be ascertained through confirming the quantities delivered as indicated in the delivery note, and physically observing the compliance of the goods/services offered to what is included in the LPO and requisition note.

e. Upon ascertaining that the quality and quantity of goods/services delivered (as indicated in the delivery note and upon physical verification) match the items indicated in the local purchase order, the employee should legibly sign the delivery note. In case of discrepancies between the delivery note and local purchase order, they should be investigated and resolved on time before payment is made.
f. A copy of the signed delivery note, and invoice should be sent to the finance department for payment.

5.0.5.1 Three-Way Match

a. When an invoice is received from the vendor, the finance department must evaluate the purchase order, invoice, and delivery note to determine whether they match. A match is obtained when price and quantity agree to the purchase order, and the goods or services have been duly received as recorded in the receiving report.
b. When a three-way match has been achieved, the invoice can be set up for payment according to the payment terms as stated in the purchase order.
c. In case of discrepancies between the delivery note, purchase order, and invoice, it should be identified, investigated, and resolved on time before payment is made.
d. All local purchases should be made in the local currency, Kenya Shilling (KES).

5.0.6 Storage and Distribution of Goods

a. All goods received are recorded in the ADSE goods received note by the receiving officer and certified by the finance manager.
b. The purchasing officer or appointee maintains the store issue record, and the persons receiving the goods from the store must acknowledge receipt of the goods.
c. The store where items are kept must be secure, with a specific staff member in charge of the store/distribution. Where items are of high value, they should be insured.
d. The choice of store should take into consideration the cost of storage, distance from the beneficiaries, and quality of the store (no dust, leakages, vermin)
e. The issuing officer maintains a distribution list for goods issued to the beneficiaries.
f. The distribution list shall contain all essential information required to accurately identify and, where necessary, contact details of the beneficiaries. This shall include the beneficiary's full name, village/location, national identity card number, and signature or fingerprint. For child beneficiaries, the record shall additionally include the name of the child, the name of the school or institution attended, and class/grade.

g. The beneficiaries are to sign against the quantity of the goods that they receive, and the issuing officer verifies that the persons who have received the goods are the bona fide beneficiaries of the item.
h. The goods are to be distributed to the beneficiaries within 30 days from the date they have been received in the store, but not later than one month after the end of the planned distribution period.
i. The officer undertaking the activity should ensure there is an end-of-distribution reconciliation of all items bought and those distributed. A decision should be taken on any remaining/lost/damaged items.

5.1 ADSE Internal Controls in Procurement

a. ADSE shall establish and maintain effective internal control systems to ensure transparency, accountability, and value for money. These controls shall include, but not be limited to, the following:

i. All procurement activities shall be based on approved procurement plans and budgets. Purchase requisitions and purchase orders shall be properly authorized.

ii. The preparation, approval, receipt, and payment functions shall be adequately segregated

iii. Goods, work, and services received shall be inspected and verified by designated officers to confirm compliance with the specifications, quantities, and quality requirements stated in the contract or purchase order. Receipt shall be documented through an authorized Goods Received Note (GRN) or service acceptance report.

iv. Supplier invoices shall be submitted in accordance with contractual terms and shall be reviewed for accuracy, completeness, and eligibility. Payment shall only be processed after successful three-way matching of the approved purchase order, the corresponding GRN or service acceptance document, and the supplier invoice.

v. All procurement and payment transactions shall be accurately recorded, supported by appropriate documentation, and recognized in the correct accounting period, in line with applicable public finance regulations, accounting standards, and donor reporting requirements.

vi. Procurement records should be securely maintained and made available for internal review and external audit, in accordance with record-retention requirements.

vii. All procurement records, including procurement plans, requisitions, quotations, evaluation reports, contracts, delivery notes, invoices, and payment records, shall be retained for a minimum period of six (7) years, or longer where required by donor agreements or applicable law.

6.0 VENDOR/SUPPLIER PREQUALIFICATION PROCESS

a. The vendor pre-qualification process is a set of activities that will assess vendors' eligibility to supply ADSE with goods and services. It is designed to ensure that ADSE deals with financially stable, competent, and professional legal entities to supply it with goods and services.

b. During the last quarter of the year, the ADSE projects provide their procurement need (s) for the following year based on the proposals submitted.

c. Upon receipt of identified procurement needs, the ADSE Management Committee shall consolidate and validate the requirements and identify potential suppliers across the different procurement categories. The Committee shall prepare supplier registration and pre-qualification forms, which shall be shared widely through appropriate channels, including social media platforms, the organization's website, professional networks, physical collection at ADSE offices, and other relevant media, to enable potential suppliers in the different categories to submit pre-qualification documents.

d. Upon receipt of completed registration forms and supporting documentation, the Administration and Human Resource Department shall compile a comprehensive list of all responding suppliers, categorized by procurement category, and submit it to Management for review. The reviewed list shall thereafter be tabled before the Finance Committee of the Board for consideration, evaluation, and approval in accordance with established procurement procedures.

e. The Finance committee of the board conducts a verification process of the vendors' list proposed by the management based on the vendor documents submitted for consideration and comes up with the verified and vetted list for tabling to the board. The committee then tables the verified list to the board for final approval

f. To ensure compliance with sanctions, anti-terrorism, and anti-money laundering requirements, ADSE shall conduct biannual supplier screening against the Office of Foreign Assets Control (OFAC) sanctions lists and any additional partner-preferred screening requirements, where applicable.

6.0.1 Purpose of the Approved Vendor / Pre -Qualified Suppliers List (PQSL)

a. The purpose of establishing and maintaining an Approved Vendor List, also referred to as the Pre-Qualified Suppliers List (PQSL), is to promote efficiency, transparency, and value for money in ADSE's procurement processes.

b. Specifically, the PQSL serves the following purposes:

I. To ensure that ADSE engages only with responsible, eligible, and competent suppliers who meet the organization's minimum legal, technical, financial, and ethical requirements.

ii. To identify suppliers who have demonstrated the capacity and capability to perform successfully in accordance with the terms and conditions of the proposed procurement, including delivery timelines, quality standards, and contractual obligations.

iii. To support fair and competitive procurement by pre-assessing suppliers against established criteria, thereby reducing procurement risks and improving efficiency during tendering, quotation, and contracting processes.

iv. To ensure consistency and compliance with applicable procurement laws, regulations, and donor requirements through the development, maintenance, and use of a formally approved Pre-Qualified Suppliers List (PQSL).

v. To provide a transparent and documented mechanism for the inclusion, review, suspension, and removal of suppliers from the PQSL in accordance with approved procedures and performance evaluations.

6.0.1 Pre-Qualification Prerequisites

a. Scan the Annual Budget and list all required services/supplies/contracts

b. Summarize the key categories for goods and services

c. Have the list approved as is appropriate

d. Share the prequalification documents with all potential suppliers, giving them at least 14 days to share back the required documents

6.0.2 Vendor selection procedure

a. To ensure a transparent, fair, and accountable supplier prequalification process, ADSE shall collect and verify the following key information from potential contractors and suppliers:

   i. Legal Registration and Compliance; this will include, but not be limited to Valid company registration documents (e.g., Certificate of Incorporation / Business Registration), Current licenses, permits, and statutory certifications required to operate in Kenya, and compliance with Kenya Revenue Authority (KRA) tax obligations.

   ii. Financial Ability to Supply; this will be ascertained through the provision of Bank statements demonstrating financial stability and liquidity.

   iii. Operational Capacity - Physical location of operations and offices, technical expertise, and management structure, availability of required equipment, or other resources to perform the task

   iv. Demonstrated Competence and Past Performance - References or recommendation letters from previous clients, Evidence of completed contracts of a similar nature, size, and complexity, track record of timely delivery and quality compliance

   v. Credit and Payment Terms - Willingness and ability to offer acceptable credit terms, where applicable. Clear terms and conditions regarding pricing, delivery, and service guarantees.

. .

b. The potential suppliers drop their documents in a secure box
c. Using the Supplier Selection Form, the prequalification documents received are evaluated. The suppliers are rated on a weighted scale based on whether they meet the requirements in the prequalification document.
d. The finance committee of the board agrees on a cut-off for each category and polishes the Suppliers List with those pre-qualified
e. Where necessary, a physical verification may be conducted to confirm the existence of the business premises.
f. All suppliers who fail to meet the requirements specified in the Supplier prequalification Form are disqualified:
    i. Suppliers who lack physical presence or operational infrastructure.
    ii. Suppliers without Formal Compliance Documents
    iii. Suppliers whose submitted information is incomplete, inaccurate, or does not correspond to the information provided in their prequalification forms.
g. Board approves the final list

APPENDICES

Appendix I Purchase/ Service Request Form

Purchase/ Service Request Form

Requisition No.________________________________ **Requisition Date:** _________________________
Department/ Project ______________________
Purpose of the Request____

____

No	Quantity	Reference No	Product/ Service Description	Delivery / Work Location

Requested by:	**Designation**	**Signature**	**Date**
Reviewed by:	Designation:	Signature:	Date:
Approved by:	Designation:	Signature:	Date:

Appendix II: Request for Quotation Form

Date____________________

Dear Sir/Madam,

REQUEST FOR QUOTATION FOR ____

We humbly invite you to submit a quote for the ________________ as specified on page 2 below.

SUBMISSION OF QUOTATIONS

The HARD COPIES of your completed quotation document **MUST** be **sealed in a plain envelope and marked** with the wording **"REQUEST FOR SUPPLY_______________."**

AND ADDRESSED TO:

PROCUREMENT COMMITTEE
ANGLICAN DEVELOPMENT SERVICES EASTERN (ADSE)
P.O. BOX 100 -90103, WAMUNYU -MACHAKOS.

OR:

Completed Quotations may also be **submitted via email**: procurement@adseastern.org to be received on or **before** ______________________________________

Incomplete offers and those that arrive after the deadline will be automatically excluded.

Suppliers who do not receive written feedback seven (7) days after the expiry of the deadline should consider themselves unsuccessful.

The procurement committee reserves the right to accept or reject any tendering wholly or in part without giving reasons thereof.

NOTE:

1. You are required to **fill in** ALL the required price quotes as per the **Quotation Inquiry Form.**
2. The quotation must bear your **firm's *rubber stamp with an official signature.***
3. The quotation shall be completed and signed by *an authorized* representative of the supplier.
4. ***Delivery Lead Timeline MUST be indicated in the space provided on the price inquiry [ATTACHMENT: TABLE 1-Price Quotation Inquiry Form].***
5. All quotations must be valid for **ninety (90) days** from the Request for Quotation closing date.
6. Payment shall be **within 30 working days** upon receipt of the Original Invoice and or proforma invoice, and delivery note, and after inspection and acceptance of goods/services rendered.
7. In the case of any arithmetical discrepancy between the Unit Rate and the Total Amount quoted, then the Unit Rate shall prevail both for the evaluation of the quotation and the subsequent Local Purchase Order.
8. There will be no public opening of quotations; the Purchaser is not bound to accept the lowest quotation and reserves the right to accept or reject any or all quotations without assigning any reason whatsoever. i.e., ADSE reserves the right to accept or reject any bid, either wholly or in part, and does not bind itself to accept the lowest or any bid or give reasons for its rejection.

*Failure to observe these conditions will lead to **AUTOMATIC** disqualification.*

REQUEST FOR ____________________

Anglican Development Services Eastern (ADSE) is the development agency of the Anglican Church of Kenya (ACK) Dioceses of Machakos, Kitui, Makueni, and Garissa.

Item No.	Description of goods/services	Unit of issue	Quantity Required	Unit Price in Kshs.	Total Cost in Kshs.

NAME OF PERSON MAKING THE OFFER: ____________________________________

POSITION IN THE FIRM: ____

STAMP: _________________________SIGN: _______________DATE_____________

NOTE:

1. Indicate the unit price per item.
2. The quotation MUST be signed and stamped with the supplier's official stamp.
3. Kindly stamp all the pages
4. You can submit the **quotation using your company's** letterhead

Final Evaluation

The *lowest evaluated and responsive bidder* who can submit the *best quality* of the required items will be considered for award as per ADSE set required standards ***(Criteria: best price-responsiveness-quality).***

Your sincerely.

Signature: __________

Name: ______________

HR&Admin officer

Appendix IV: Local Purchase Order

<u>Local Purchase Order</u>

Suppliers should supply goods as per specifications provided only.

To:____ Address:____________________________________ ____	L.P.O NO: Date._____________________________ (These details must be quoted on all invoices and statements)

Please deliver the goods listed here below to : (Full Address)

____

on terms and conditions stated on the back of this order, on or before

____

____and send the invoice immediately to

Contract Ref No. _______________________Quotation/Requisition No.____________________________

Item No	Description of goods	Quantity	Unit cost		Totals	
			Kshs.	Cts	Kshs	Cts
	TOTALS					

Project to be charged:

Applied by Name:

Designation:

Signature:

Budget vote:

Approved by Name:

Designation:

Signature:

Authorized by:

Appendix V Procurement Plan

A. For goods (materials, equipment and supplies)

Item description (What to buy?)	Month when needed (When to buy?)	Quantity (How many to buy?)	Estimated cost (Kshs.)	Which procurement method will be used?

	Name	Signature	Date
Prepared By			
Approved by			

B. For services

What type of service is needed?	Month when needed	Needed for how many days?	Total Estimated cost (Kshs.)	Which procurement method will be used?

	Name	Signature	Date
Prepared By			
Approved by			

Appendix VI: Goods Received Note/Receipt

Good Receipt Note		
GRN No:		
Name and address of Supplier:		
Date of supply	**Description**	**Quantity**
Goods have been certified as correct receipts		
Name of receiving officer:	Signature:	Date:
Name of certifying officer	Signature:	Date:

ADSE 004: PROCUREMENT POLICIES AND PROCEDURES	
Description & Responsibility	**Date & Responsibility**
Person Responsible	Chief Executive Officer
Date of Review: Version 2	December 2025
Signed off By Chief Executive Officer	December 2025
Approved By Board	December 2025
Next review	November 2028

APPENDIX VII: NON - COMPETITIVE PROCUREMENT JUSTIFICATION FORM

Anglican Development Services Eastern (ADSE)

In line with Section 4.2 and 5.0.3.1 of the Procurement Policy

1. GENERAL INFORMATION

- Project / Department: ______________________________
- Requesting Officer: ______________________________
- Designation: ______________________________
- Date: ______________________________

2. DESCRIPTION OF GOODS / SERVICES

- Item / Service Description:

____

- Key Specifications / Functional Requirements:

____

3. ESTIMATED COST AND BUDGET CONFIRMATION

- Estimated Total Cost (KES): ______________________________
- Funds Available in Approved Budget: ☐ Yes ☐ No
- Budget Line Reference: ______________________________

4. JUSTIFICATION FOR NON-COMPETITIVE PROCUREMENT

(Tick applicable option)

☐ Single Source / Limited Availability of Suppliers

This procurement is justified on a **non-competitive basis** as the required goods/services are **only offered by one supplier** capable of meeting ADSE's technical, quality, and delivery requirements.

Justification Statement (mandatory):
Based on **institutional knowledge, past procurement experience, and familiarity with the local and national supplier market**, it is established that alternative suppliers are unavailable or unable to meet the required specifications. This limitation is not a result of restrictive specifications or an attempt to avoid competition.

5. MARKET KNOWLEDGE CONFIRMATION

The following considerations support this request:

☐ Item/service supplied by a single manufacturer or distributor

☐ Previous procurements have consistently identified the same supplier

☐ Informal verification and past engagements confirm the lack of alternatives

☐ No suitable substitute exists that meets ADSE requirements

Conclusion:
Conducting competitive solicitation would not result in additional responsive bids nor enhance value for money.

6. RECOMMENDED - SUPPLIER DETAILS

- **Supplier Name:** ____
- **Reason for Selection:**

____

____

7. DECLARATION BY REQUESTING OFFICER

I certify that this non-competitive procurement request complies with the ADSE Procurement Policy, is made in the best interest of ADSE and its partners, and that the information provided is accurate to the best of my knowledge.

- **Name:** ________________________________
- **Signature:** ____________________________
- **Date:** ______________________________

8. APPROVAL

The quotation sourced from the supplier will be presented to the Finance Committee of the Board for approval.

ADS Eastern
Secure Livelihoods

Anglican Development Services Eastern
P.O BOX 100-90103, WAMUNYU.
CALL: +254 727 081 967
EMAIL: info@adseatern.org
Website: www.adseastern.org