



African Relief Committee

Logistic and Procurement Policy/Guideline .

INTRODUCTION:

logistics has the responsibility of maximizing the use of the resources it has received from donors and ensuring that the materials and works/services it acquires are obtained in an effective, equitable and economic manner and in compliance with established and accepted standards of conduct governing the awarding and administration of goods and works/service contracts and/or grants.

The success of any system depends on the use of appropriate and consistent policies, procedures, and guidelines that ensure proper accountability to itself and its benefactor(s). It is also contingent upon clear, accurate, and effective communication, be it between individuals and departments within that system or between the system itself and outside parties. **ARC** program is no exception. Its activities will be executed in the spirit of these virtues, which are aimed at being unswervingly accountable to its beneficiaries and donors. Herein contained therefore, are the standardized logistics and procurement procedures categorized into 5 (five) major sections. These policies and guidelines are consistent with minimum logistical standards provided by **ARC SUDAN** and are reflective of unavoidable country-specific realities. The five major categories include:

1. Procurement.
2. Warehouse Management.
3. Asset Management.
4. Vehicle Management.
5. Notes on Policy Revision and Management.

These policies and guidelines will apply to all staff (local staff & expatriates) employed by **ARC** at Regional offices and all Field locations. They principally aim at:

- Ensuring that the logistics department delivers the right supplies/works/services in good time, in the right quantities, at the right place, at the right price and in the right condition.
- Providing a framework through which salient issues are clarified to all staff.
- Reducing over dependence on individual judgment.
- Creating consistence in operations.
- Creating clear responsibility levels.
- Communicating management position to all the staff.
- Promoting transparency.

This Manual may be reviewed on a yearly basis to make the required changes to suit revised instructions from **ARC** Executive panel or changed operating conditions in country.

10: PROCUREMENT.

ARC will conduct its procurement activities within the framework of sound business practices aimed at ensuring:

- That appropriate materials or works or services are purchased;
- That the correct quality is purchased at an advantageous price;
- That adequate funds are available to cover the purchases;
- That the purchase is allowable under **ARC** or Donor terms;
- That the process is fully transparent and documented.

This section therefore, covers the procurement process. It touches on issues such as the role of **EUO** in the procurement process, the bid review committee and its functions and the purchase guidelines and procedures.

1.1: Role in Procurement.

When in-country procurement requirements of a single order reach the threshold of (50.000), then **EUO** Main office' involvement in the procurement process is sought. Between USD (50.000) and USD (100.000), the authority from the Director of Admin and Organization will be needed. When the purchase value is above USD 100,000.00, then authority from the President will be needed.

For example, when 2 (two) Toyota Land Cruisers are to be bought and their combined value is about USD 90,000.00, the Director of Finance, with all the experience gained from serving several Sub Offices with varied needs, becomes a valuable resource with a possibility of accessing discounts due to bulk buying hence his/her involvement. In another example, when 4 (four) Land Cruisers are to be purchased with a total purchase order of about USD 180,000.00; in this case, the President will be the one to sanction such a purchase.

1.2: Bid Review Committee.

All procurements, except those that can be directly affected through cash (between USD 0 & 500), will be handled through the bid review committee. The committee will be established as a necessary measure through which the principle of checks and balance in the procurement process will be fulfilled. There will be bid review committees in the field and in Geneina. Each field office will have a bid review committee, which will evaluate and approve single purchases with the cost value of between \$501 and \$100,000, only. Where a purchase above this value is required and is cost-effective to execute in the field (i.e. purchase of sand, bricks, stones, etc.), the field bid review committee will evaluate bids and provide recommendations to the main office committee for approval.

The bid review main office committee will evaluate and approve single purchases with the cost value of between \$ 501 and \$50,000. All single purchases above this range but less than \$100,000 will be submitted to the Director of Finance for approval. All single purchases above \$100,000 will be submitted to the President or his designate for approval Country Director.

.1.2.1: Functions of the Bid Review Committee.

The functions of this committee will include:

- Establishing a framework within which bids/tenders will be analyzed such as the factors to be considered in comparing bids, the weighting/rating system, etc.

- Checking documents attached to confirm they are the correct ones and information indicated on the Bid Analysis tallies with one on such documents.
- Reviewing and documenting the grounds/basis on which the recommendation for award is based.
- Ensuring that the intended purchase conforms to the donor and or **ARC** guidelines.
- Approving or rejecting the recommended awards as per the Bid Analyses.

Once the members of the bid review committee sign the Bid Analysis, the purchase will proceed to a Purchase Order (PO) level. However, financial limits specified in the commitment/authorization schedule will strictly guide this process.

1.2.2: Composition of the Bid Review Committee.

The bid review committee will be composed of selected staff at field and Geneina offices. The committee needs to be small enough to manage, but diverse enough to reduce the possibility of collusion. While it is helpful to have periods of consistency on the committee, eventually vendors find out who is on it. Therefore, it is best if there is a rotational period for some members – sometimes one or two being selected randomly or spontaneously just before the bid opening. Also, voting in the committee does not proceed from seniority. To begin with, bid committee membership at field and Geneina offices will be as follows, subject to change based on random selection of membership, as explained above

El-Deain office committee – It will consist of the General Director, Admin and Organization Program Manager and Logistics Manager. The Logistics Manager will be a non-voting member in selective bidding process, because he/she will be the one receiving the bids, preparing and presenting the bid analysis to the committee, in which case he/she cannot vote against/for the bid. However, he /she will serve as a voting member where there is a sealed bidding undertaking.

- **Regional Office Committee** – It will comprise the Regional Manager/Sub office Manager, Sector Head for the respective purchase, Finance Officer/Assistant and Logistics Officer/Assistant. The Logistics Officer/Assistant will be a non-voting member in selective bidding process, because he/she will be the one receiving the bids, preparing and presenting the bid analysis to the committee, in which case he/she cannot vote against/for the bid. However, he /she will serve as a voting member where there is a sealed bidding undertaking.

There may be times, both at Geneina level and the field, when an expert opinion/evaluation is required to purchase some services/goods, e.g., computer equipment, vehicle accoutrements, construction equipment. In such cases, an additional member (s) with such expertise shall be added to the committee to ensure that no external information is brought in after the review process has begun.

1.3: Purchase Guidelines and Procedures.

The procurement process will involve several stages to ensure involvement of several officers as a safeguard for the system. A detailed procurement flowchart: Procurement has been put to guide staff through this process. However, it is noted that issues to do with finances are crucial in this process. For this reason, a purchase commitment/disbursement authorization schedule has also been put to further assist staff through the procurement process.

This section on purchase guidelines and procedures also presents a number of forms that will be used in achieving an orderly purchase process. These include the purchase request form (PRF), the bid analysis form, and the purchase order (PO). In addition, the section goes ahead to present major activities that must be undertaken in the purchase process. These include the market survey whose result is the vendors' list, negotiating terms, progression, and managing contracts. It also touches on issues of caution such as conflict of interest, sole supplier, confidentiality of bids and in-country and international procurement.

1.3.1: Efficient Procurement Planning

In order to obtain competitive prices, to negotiate on proper terms and conditions with suppliers, and to ensure the availability of goods and or works/services when needed, it is important that there be:

- I. Timely and realistic planning of annual, biannual, and then quarterly requirements by all sectors/departments.
- II. Determination of sectoral /departmental priorities.
- III. Verification of budgets and available balances.
- IV. Efficient stock control on fast moving items.
- V. Advanced preparation of proper purchase requisitions with clear specifications of the goods and services required, sources of supply [where they are known] and desired delivery time.
- VI. Efficient and systematic follow-up of the status of each purchase request.

1.3.2: Purchase Request Form (PRF)

The PRF will initiate the procurement process and allow the program staff, particularly sector heads, to ensure that *SORC* and Donors allow the requested materials/services and that they fall within budget allocations. For ease of reference, the PRF will be serially numbered and bound in booklet form with each serial number printed in triplicate. The PRF must be completed and signed fully as follows:

- **Request (1st signature):** all purchases must be requested by *SORC* staff member. Any member of staff in the sector with a need for a product /service /works can write the PRF and sign.
- **Requirement and Technical Review (2nd signature):** the relevant sector head, regardless of estimated cost of the request, makes the review. The review is intended to verify that:
 - The requested purchase meets the program/sector goals.
 - Clear technical description of materials / services requested is given.
 - There is no sufficient stock in store.
 - Appropriate Quantity is requested.
 - Correct unit of measure is indicated.
 - Materials/works/services are within budget and plan for that period.
 - The purchase is allowable by Donor/Grant/Project terms.

Note: *The program manager will countersign the PRF's with estimated purchase cost above USD500.00.*

PRF's are the first link in a supply chain. Enormous care must be taken to specify every relevant

detail, so that logistics can obtain the exact goods/works/services required. Any detail not so specified, cannot be added once a bid has been accepted. Any specification amendments will naturally result in restarting the procurement process and delays in the receipt of needed goods and services; hence it should be avoided.

In addition, the requesting person/sector/department must clearly identify the priorities attached to each specification. Sometimes the exact item cannot be obtained – if not, under what circumstances and priorities might purchasing proceed? If it must be exact, then that must be stated and then a ranking of priorities – price, delivery, quantity, service, color, etc., etc. should be indicated.

- **Financial Review (3rd signature):** all purchases have to be cleared by finance. In the case of purchases initiated and to be concluded in the field, the Finance Assistant will review. However, for purchases above USD \$500.00 the Finance Manager need to review before commitment approval is granted. This is intended to:
 - Ensure that costs of the intended purchase are allowable and have been allocated to the correct budget codes.
 - Ensure that funds are available to cover the cost of the intended purchase.
- **Commitment Approval (4th and final signature):** all purchase requests must be approved by the Regional Manager/Sub office Manager for purchases in the field, based on field financial limits, and the Finance Manager for purchases in Geneina.

Note:

A purchase within a manager’s authority DOES NOT preclude the requirement for “request”, “review”, and “approval” signatures. For example, a PRF for \$1,000 signed by only the R/M is not a valid document though the R/M has the authority to approve purchases up to \$50,000. All the three/four signatures are a requirement.

1.3.3: Market Survey/Vendor List.

Sourcing will begin with a market survey by logistics staff to ensure that materials/services/works can be locally good (in project area) and if not, then other sources within the country will have to be identified. International sourcing will be embarked upon when there are no in-country sources. In case of international procurement, preference will be given to suppliers with in-country representatives / authorized dealers.

As a result of market survey, logistics staff will come up with vendor lists/profiles for the various categories of supplies/works/services. The logistics staff will maintain honest and professional relationship with current and potential suppliers as per the developed vendors’ lists. The benefit envisaged in this relationship is suppliers’ understanding and cooperation in case, just as an example, supplies/services/works are urgently required yet finances to pay are not readily available hence necessitating granting of credit facility or when adjustments/cancellation in Purchase Order has to be negotiated because of sudden budget cuts or re-allocations.

1.3.4: Open and Fair Competition.

All procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, open and fair competition among suppliers/vendors. In order to achieve this, **ARC Darfur (Sudan)** will solicit for at least **three** bids/quotations for purchases whose total value [not the value of individual items in a purchase request] is \$500 or more. If more bids can be easily obtained, it is advisable to do so.

When sending out the requests for bids to a previously selected number of vendors, be sure to give as much information as possible on the items desired. Potential bidders should have a clear idea of what is being asked of them. Also, specify in your request that the bidders are to quote their prices including the delivery cost to the *EUO's* warehouse. For **imports**, price quoted should be at least **CIF** [cost, insurance and freight]. In other words, the cost of the items placed in **El-Deain**. Unless *SEVO* has requested for it, bidders who tender only **FOB** [free on board] prices can be disqualified from a bidding process.

Ideally, bids should be submitted in sealed envelopes to be opened a day or two after the published deadline. However, in this age of faxes and global communication, when many suppliers are based overseas [and, very often, there is an urgency to receive the items as soon as possible], it is now accepted practice to request and receive quotes by fax or e-mail. In these cases, however, the Logistics Manager must take great care not to divulge the offers received to competing suppliers [or to other *EUO* staff who might have a preference for a particular supplier]. Should **ARC** become aware of non competitive practices among vendors, or of a conflict of interest among vendors or between vendors and any staff working for *EUO* the Agency will suspend the bidding process and start anew.

Awards shall be made to the bidder whose tender is responsive to the solicitation and is most advantageous to **ARC** in terms of price, quality, delivery time, performance and other relevant factors. For this reason it is important that the **ARC** staff that initiates the purchase request provide to **logistics** all necessary information and specifications so that the solicitations sent to potential suppliers may clearly establish all the requirements that the bidder is expected to fulfill.

ARC reserves the right to reject any or all bids when it considers that it is in the best interest of the Agency and/or the people it serves to do so. Instances when this might happen include, but are not limited to: tendered prices are considered high; suspected collusion between producers and [intermediary] suppliers; information received -prior to placing an order- that the needed items can be obtained at lower prices than those quoted by the bidders; conflict of interest between vendors and **ARC** staff, etc.

The purchase of services is also subject to the same norms that govern the purchase of material items. In other words, *ARC is to contact at least three suppliers in order to obtain the best possible price. These services include, but are not limited to, plane tickets, and repair of office equipment or maintenance contracts, printing jobs, borehole rehabilitation, and the like. Logistics will keep a list of active service vendors in SUDAN and other areas of operation, by service; i.e. electricians, plumbers, printers, etc.*

1.3.5: Negotiating Terms.

Budget constraints and re-alignments or activity implementation targets may not allow a purchase to proceed at the quoted terms such as actual price, other costs, delivery times, quantities; etc. In such a situation, the logistics staff will use their expertise/knowledge/experience to negotiate favorable terms with potential suppliers, without

disclosing any inside information to them or information from one potential supplier to the other. The logistics staff will be expected to remain impartial in **negotiating other terms**.

1.3.6: Bid Analysis.

A Bid Review Committee, to be established in each AoR, depending on the local spending limits, will analyze and approve or reject bids. The Bid Review Committee will be comprised of FC/CD, program manager or designate, logistics staff member, finance staff member and resident expert, if necessary (such as in the case of computer equipment or other investment requiring specialized knowledge not residing in the person or program initiating the purchase request. This committee will meet in a closed-door session, but **detailed minutes shall be maintained**, in order to document the vendor selection process. The purpose of isolating the committee during the bid analysis process is to exclude additional information, such as might be provided by a vendor, from entering into their deliberations.

The Logistics Manager/Logistics Assistant, for presentation to and approval by the Bid Review Committee, will prepare the bid analyses (Attachment 4: Bid Analysis Form) during the selective bidding process. In the case of the sealed bidding process, the Bid Review Committee will prepare and approve the bid analyses. A Bid Analysis will specify the category of materials/services/works to be analyzed, will tabulate the several vendors from whom quotations were received, will present details (price, quantities, quality, delivery times, other costs, experience, etc) of each quotation under the respective vendor. It will also indicate the vendor recommended, the total value/amount, and show reasons/basis for recommendation.

The Bid Review Committee is dedicated to choosing the best vendor according to the tender issued and bids received. It is acceptable for the Committee to reject any bids that do not conform to the tender, including rejecting all bids. Such decision should be clearly documented. Vendors' bids may be rejected following the selection process described above. Any and or all bids may be rejected if they are not in the best interest of **ARC** or its beneficiary population. The Logistics Manager will inform any vendor whose bid is rejected. A written document signed by the Admin/Finance director for Geneina or Finance Assistant for field transactions explaining the reasons for rejection will be kept on file for audit purposes.

Note: Bids **MUST** be opened when the Bid Review Committee has sufficient time to consider all the bids and taken a decision. When the sealed bids have been opened, **NO MEMBER** of the Bid Review Committee will contact any of the bidders for more information before a decision to award the tender is taken.

As stated earlier, instances when bids may be rejected include, but are not limited to: tendered prices are considered high; suspected collusion between producers and intermediary suppliers; information received -prior to placing an order- that the needed items can be obtained at lower prices than those quoted by the bidders; conflict of interest between vendors **ARC** staff.

In cases where all bids have been rejected, the Logistics Manager will inform all participating bidders, **in writing**, of **ARC** decision and the reasons for this decision. The bidding process will then start anew. Instances may arise when an awardee also turns down the award. In this case, the selection process will review and accept the 1st runner up during the earlier selection process or fresh call for bids will follow.

Note: Not all purchases need a Bid Analysis. Refer to the purchase Commitment and disbursement authorization schedule attached.

In order to facilitate and document the selection of the winning bidder, the bid review committee will list all offers on a **Bid Analysis Form**. Explanation/basis of selection should be given on this form. Vendor[s] will be selected on the basis of:

- i. Capacity to supply the item required.
- ii. Quality of the item quoted.
- iii. Price.
- iv. Estimated time of delivery/effectiveness.
- v. Past performance, if information is available.
- vi. Other services (after sales service)
- vii. Etc.

For example, if the program needs certain items a week or two after all bids have been received and all suppliers can have them by then, **best price** is the deciding factor in the selection of the vendor. If the items are needed within a week and the lowest bidder cannot have them by then but a higher bidder can, then **availability** is the deciding factor in awarding the purchase. The bid review committee should approve either choice

1.3.7: Purchase Order (PO).

A PO (Attachment 5: Purchase Order) is a legal document that constitutes an offer to purchase. When this offer is accepted, there is a legally binding contract between the bidder/vendor/supplier.

Note: The PO will therefore be issued only when the other formalities and approvals have been completed. The PO will contain the following details:

- (i) A clear bold identification that it is a “**Purchase Order**”;
- (ii) A serial number and the date for reference in all subsequent communication;
- (iii) Full names and addresses of the buyer and seller;
- (iv) A complete and accurate description of the goods ordered, giving relevant catalogue numbers, part numbers, brand or trade names, specifications, etc.;
- (v) Quality/Standard specifications requirements;
- (vi) Inspection requirements;
- (vii) Packing and transport instructions;
- (viii) Delivery date and place required;
- (ix) Price information either at source or delivered;
- (x) Terms of payments, invoices required, necessary account numbers and discounts expected;
- (xi) The authorizing signature(s)
- (xii) Any other special instructions or terms not included in the standard and printed conditions on the PO.

1.3.8: Follow-up Action.

The procedure for follow-up action will vary in different circumstances. When the logistics staff has prior experience with suppliers, the staff should be able to categorize them as:

- Fully dependable.
- Inconsistent

- Unreliable.

A brief discussion of each of these supplier categories is required at this stage to enhance understanding of how to work with them. Caution needs to be taken in dealing with unreliable suppliers, especially those that are sole suppliers we cannot do without. To ensure that such a supplier satisfactorily performs his/her side of a transaction, several measures are recommended. For example, written agreements with stringent penalty clauses should be in place, formal follow-up letters and or pressure by personal visits of logistics staff will be necessary. Where local authorities can exert pressure, then they should be informed of the dealing with the vendor and the reasons why he/she is being categorized as unreliable. In the case of the inconsistent supplier, routine visits by logistics will be conducted to record progress. When progress is not satisfactory, then a follow-up letter warning the supplier to improve or lose a given contract is sent to the supplier. For the fully dependable supplier regular follow-ups need to be made to determine progress. It must be noted for all categories of suppliers that if a supplier fails to meet contract terms, due to sub-standard output, delays, etc., termination of contract will be the ultimate decision.

It will be the responsibility of Logistics Officers/Logistics Assistant to do follow-ups and constantly pass on information to the requesting staff/department regarding the status of their purchase request.

1.3.9: Managing Contracts

The basic legal terms (as generally used in law) will apply. These will include offer, counter-offer, and acceptance, intention to create legal relations, consideration and capacity. Before signing any purchase/supply contract, the person signing will have to fully understand the express terms and such other legal technicalities as implied terms, conditions and warranties. No *SORC* staff will sign a supply contract unless the officer signing has understood and ensured that:

- (i) Requirements are clearly stated out in the contract document, including cost, duration of contract, location of work, etc. . . .
- (ii) Obligations and rights of the seller and buyer are specified.
- (iii) Interests of *SORC* are protected.
- (iv) Basis for seeking redress if the supplier fails to carry out obligations is set out.

(i) Contract; a contract is a binding agreement between two or more parties. It serves to formalize and state clearly details of the agreement. The contract is written proof of the elements of the agreement and is the basis of any recourse to law in the event of dispute. It is clear then that care must be taken when drawing up a procurement contract of any sort. Any omission, inconsistency or ambiguity in a contract may render it useless should it be presented to a court of law. Therefore, all contracts will be based on the “elements of a valid contract” specified in law. Local custom or particular situations however may require including many other provisions. Sample contracts will be drawn to assist staff in that process though one may slightly vary the samples to suit particular situations.

(ii) Clarity; contracts are evidence to *SORC* headquarters, Donors and auditors that all reasonable precautions have been taken to safeguard organizational or donors’ resources/funds. Therefore, all elements of a contract will be clearly defined; nothing will be assumed. What is obvious to

one may not be obvious to someone else and yet the contract should not be open to varied interpretations. For example, phrases like “reasonable expectation” or “normal wear and tear” will be avoided in contracts.

(iii) Quantities; the quantities needed will be stated in clear and definite terms without allowing the supplier chance to imagine how much or how many items are needed. The accurate units of measure that cannot be confused will be used; for example, an order of 500 bags of cement should read “Cement, 500 bags, 50 kg @”. Cement is normally packed in 50 kg bags but not always hence need to specify.

(v) Quality and Specifications; there must be no doubt as to the quality and specifications ordered. In the cement example above, one can specify “Cement, 500 bags, 50 kg @, Portland Grade A” or “Multi-purpose” or “Quick Dry”.

(v) Delivery Arrangements; State when the goods must be ready, whether they are to be delivered by supplier or to be collected by buyer, state who provides labor and who meets the cost. If several shipments are to be made, draw up the schedule, state the location(s) at which each delivery will be made, etc.

(vi) Terms of Payment; the total contract value must be stated, advance payment provisions if any, installment payments if any and final payments need to be clear. State where and when are payments to be made and in what form and to whom. Such details as stating who will be responsible for bank or legal charges, taxes and duties will also be included.

If advance payments or installment payments are to be made to a supplier, every effort to minimize *SORC*'s exposure to risk must be made. If for example a builder is contracted for a project, the advance payment (mobilization fee) should be in the area of 5-10 % of the contract value i.e. the minimum to get the project started. Any payments prior to completion of the contract should not exceed 90% of the value of work certified completed and final payment should be withheld until the sector head is wholly satisfied with the work and a certificate of good performance issued.

(vii) Penalty Clauses; Penalty clauses will be included in each contract where timeliness, quality or other factors within a selected vendors control are indicated as a priority from the requesting program or department; if a penalty clause is included in a contract ensure that it is clear and precise. As in the contract generally, any ambiguity may make it impossible to invoke a penalty clause. A penalty clause must also be realistic and realistically enforceable. Just as an example, a penalty clause could be a percentage of the total contract value deductible from the final payment for each day of delay in the service or delivery.

(viii) Construction Contracts Administration;

Task	Responsibility
PRE-CONTRACT STAGE	
Determining sites	Sector Head for sector works or Field Coordinator for administrative works in conjunction with local authorities
Preparing Technical details (building plans/Technical drawings, BoQ/Schedule of	Sector Head for sector works or Field Coordinator for administrative works or as

Materials Specification and Requirements, etc).	specified in tender (if specified).
Reviewing Technical reports by contractor (where it is the contractor's responsibility to make technical reports)	Sector Head or Field Coordinator (as above)
Specifying details for Invitation Letters Bid/Tender	Logistics Manager in conjunction with Sector Head/Field Coordinator (as above)
Identify potential contractors/Advertising tenders	Logistics Manager (selectively or open competitive bidding)
Contractor selection/Bid analysis	Nyala Bid review committee
CONTRACT STAGE	
Drawing up of contract and or contract changes	Logistics Manager in consultation with FAD and Program Manager.
Community mobilization (if necessary)	Sector Head/Sector Officer
Liaison with Local Authorities	FC & Sector Head
Purchases under Contract	As specified in tender and contract
On-Site management	As specified in tender and contract
Day today supervision of works to ensure quality and good progress.	Sector Head/Sector Officer or Field Coordinator (depending on the nature of project)
Contract termination due to poor performance	Logistics Manager on the advice of the sector head and Program Manager
Issue interim performance certificate	Sector Head
Interim payments under contract.	Finance
POST CONTRACT STAGE	
Final certificate of good performance	Sector Head
Final payment under contract	Finance

Note:

- (a) *Transactions requiring contracts will involve high degree of trust by all parties involved. Should ARC staff not trust a supplier he/she will NOT ENTER INTO AN AGREEMENT or contract. He/She will proceed to Seek competent advice (technical and legal) to clear any doubts about any aspects of a transaction or contract.*
- (b) *Where the Sector Head or the Field Coordinator lacks the technical expertise to analyze/review technical works, it is advisable to seek help from other sectors with such technical know-how or even consult experts in the private sector.*

1.3.10: Conflict of Interest.

ARC Logistics staff will be prohibited from awarding contracts to colleagues or family members with whom they do not have close personal relationship, nor shall they accept “incentives” or gratuities from suppliers. To reinforce this, all Procurement personnel will be asked to sign Conflict of Interest Disclosure Forms in which they state that neither they nor their families hold equity in any of the companies/business entities awarded ARC contracts and that they would not personally gain from the choice of any particular vendor. Should a gratuity be offered in any form, the supervising officer must be informed immediately for appropriate action?

1.3.11: Sole Suppliers.

No ARC staff member will enter into any form of “sole supplier” agreement unless all efforts to locate other potential suppliers will have failed. When this happens, the efforts taken will be documented to justify the sole supplier agreement. Sole supplier relationships will be re-evaluated at least twice a year, and backed by an open tender/bid procedure as well as follow up with possible suppliers who do not bid, or other mechanisms to ensure that the sole supplier relationship is the best that can be obtained by ARC. All programs dependent on a sole supplier need to state that risk in project documents, and critically assess their need for an item that has only one supplier.

1.3.12: Confidentiality of Bids.

At no point in the bidding process will EUO staff disclose competitors’ bids to other competing vendors. The bidding process must be, and be seen to be, impartial. To this end one must be aware of situations that may pose a conflict of interest or situations where a contractor(s) attempts to restrict or eliminate competition. Sealed bids will be required for as many purchases as possible and contracts

1.3.13: In-country and International Procurement.

In a stable local business climate, vendors will be educated on the tendering/sealed bid/competitive selection process. Where vendors must be transitioned to such a system, logistics will take the forefront in such capacity building exercises. Each cycle should be able to demonstrate a clear progression in capacity from vendors and in our purchasing procedures.

However, some items may not be available locally (or are disproportionately priced) and there is no choice but to purchase them internationally. The Logistics Manager will either undertake this him/her self or work through the SORC Procurement Office. International procurement can be very time consuming and complex depending on the item and the import regulations of country of origin; it is therefore strongly recommended that the knowledge and experience of staff at headquarters procurement office be taken advantage of. The following will be kept in mind:

- Ensure that staffs at headquarters know donor conditions for such a purchase.

- Ensure that specifications of the item(s) allowable are correctly provided.
- Ensure that the item is not a restricted import in the country.
- Identify ALL required procedures including the possibility of pre-shipment inspections, importation certificates, etc.
- Ensure that ALL documentation required for import are identified and put in place.
- Ensure that any tax-free status actually applies by appropriate documentation.
- Identify any additional charges such as customs warehousing or local duties that the import may be liable to pay.
- *SORC* Procurement Office at headquarters be informed of all documentation and conditions concerning the entry of goods to the country.
- The country office lets the headquarters procurement office deal with a supplier to avoid confusion.
- Ensure that the necessary documentation will be quoted in all transactions and correspondence with the headquarters Procurement Office.

Note:

- (i) Donor/ **ARC** Headquarters conditionality and procurement standards will be observed during the procurement process.
- (ii) Where international procurement is undertaken by a Country Office but payment will be effected through headquarters, materials / services will be quoted for and invoiced in US Dollars.
- (iii) The services of a good freight forwarder or customs clearing agent may have to be used. A good agent will be one with the local knowledge and contacts to clear shipments in the shortest time.

1.3.14: Purchases on Behalf Of Partners and/Or Project Holders

As part of its efforts to strengthen the capacity of its local partners and project holders, **ARC** often includes the purchase of capital equipment in a project's budget. Because of the local high cost of such goods [if and when available locally], **ARC** very often decides either to import the needed capital equipment or buy them locally. Needless to say, even when making purchases for its partners, *SARC* must follow the purchasing policies and procedures outlined above.

After these goods have been received by **ARC**, the Project Manager liaising with the partner/project holder concerned is not allowed to transfer the goods until s/he has received clearance to do so by the Director of Administration and Organization, who will have ensured that either a letter of donation or an agreement for the use of the equipment or vehicle has been prepared and duly signed by the Country Director or the Designate. [This is especially true in the case of vehicles, since ownership title must remain with **ARC** for seven years unless the recipient also has duty-free privileges or is willing to pay the required import duties if it does not have this privilege].

1.3.15: Procurement Ledger

In order to facilitate the tracking of each and every purchase order valued at \$300 and over, the **Procurement Unit** will keep a purchase ledger with the following **minimum** information:

- *SORC* sequential reference number.
- Requisition Form number [if one was completed]
- Purchase Order number
- PL number
- Waybill number
- Supplier
- Summarized list of items and quantities ordered
- Total value of order and shipping costs
- Expected & actual time of arrival of goods ordered
- Extent of loss or damage
- Whether claim was filed or not
- Date and amount of claim settlement
- Date duty-free request submitted to Customs (**if we ever get it...**)
- Date duty-free request signed/approved if we ever get it...
- Date goods cleared from Customs and received by *EUO* if required
- Date of arrival/receipt report sent to *SEUO* and **HQ**
- Donor

This ledger could be kept manually, or it can be computerized using any of the database programs available, such as **Windows Access**, etc.

1.3.16: Individual Dossiers

A separate dossier is to be established for every purchase requiring duty-free status, regardless of its value. For supplies purchased locally and whose value is \$1,000 and over, individual dossiers will also be created. These dossiers will contain at least copies of the following documentation:

- The initial request by **ARC** staff member (the **PRF**),
- Market survey reports [if any],
- Correspondences (if any),
- Delivery Notes/Waybill number/Goods Received Notes,
- Invoices,
- Claims/claim reimbursement [if applicable],
- Proof of payment by **ARC**
- A cover sheet will be completed summarizing the salient points of the bidding process.

1.3.17: Procurement Status Reports

The logistics department will maintain progress-reporting systems and provide update reports [computerized or manual] to user units on the status of local and foreign procurements. These reports will allow logistics to monitor each order while at the same time allow open and constant flow of information to the user units.

1.3.18: Evaluation of Supplier's Performance

A "**Supplier Evaluation**" form is used as a historical record of the performance of each supplier in terms of price, quality of goods and services offered flexibility, delivery schedules, etc. This record will provide the date a supplier's past performance has been evaluated and will be considered in the selection of a supplier for future orders. Logistics will compare one supplier's past performance to another, when comparable bids have been received and make rational decisions concerning award.

1.3.19: Products / Price Lists

Because many vendors could supply the same items, quite often at different prices, it is convenient to keep also a list of products / prices separate from the vendors list. Thus, if **ARC** was interested in purchasing stationery, say, it would look up this name on the list of products to verify which vendors supply the commodity and at what price. The request for bids would then be sent to only those vendors who offer the correct type of stationery. Or it may be entirely possible to forego the bidding process if it can be confirmed that the previous prices are still valid.

In this day and age of computerization, it would be useful to create a database with the needed information on vendors, products and prices. Needed information would only be just a keystroke away.

2.0: WAREHOUSE MANAGEMENT.

Improper storekeeping practices can lead to substantial waste of resources due to product expiration, spoilage, theft or unnecessary purchase of additional materials. Most importantly, poor storekeeping can cause disruption of programme activities through supply shortages.

This section therefore outlines how materials will be received, what documents are received and processed and who is responsible for receiving any materials to the stores. The section goes ahead to outline the documents that must be kept within the store for effective stock control and what documents will be necessary before materials can be released. The section also outlines what additional documents and processes are necessary for enhancing overall warehouse management.

2.1: Receipt of Materials.

It will be the duty of the Storekeeper to receive materials. Materials may be received direct from in-country supplier or from a supplier abroad through the transporter/clearing agent or from another store.

Items received will be checked against the packing list and purchase order as well as the supplier's delivery note to confirm whether all items ordered have been shipped and received. Any short-delivery or damage will be noted so that appropriate claims may be established for the losses. A **stock card and Bin Card** will be kept for every item. It would also be advisable to check Nyala purchase order against the original request made by the **User Unit** to determine whether any items had not been ordered. In such a case, the **User Unit** would write to the **Logistics (Purchasing) Dept** in Khartoum to find out why and to ask whether the items not ordered will be ordered and sent down at a later date.

Before goods [whether imported or purchased in the local market] arrive at the warehouse, the **Logistics (Procurement) Officer** shall send a brief memo to the warehouseman informing her/him of the goods and quantity s/he is about to receive as well as the donor or fund/project which has paid for the items. The warehouseman will write this information on the stock card, which will be used to track the distribution of the goods. Upon arrival of goods at the warehouse, the **Storekeeper** will fill out a **GRN** indicating quantity and condition of goods received. All non-food items delivered to any warehouse must be identified and physically counted before signing the **GRN**. All losses [missing or damaged items] must be written down on this

document, which should be signed by warehouseman, the driver or person making the delivery, as well as by the representative of the Clearing and Forwarding Agent if there is one involved. A copy of the **GRN** will be forwarded to logistics (**Procurement Unit**) so that the items received may be entered in the computer for tracking purposes. Another copy of the **GRN** will also be given to the **Finance Department** for the purpose of acknowledging the arrival of the goods and for filing the required claims in case there have been any shortages or damages. The **Storekeeper** will then inform the sector which had requested the item that the goods have been received.

All incoming shipments must be accompanied by correct and complete set of documentation. This will in the least take the form of *SORC* waybill or supplier's delivery note, packing list, copy of the PO and copy of the PRF. If the shipment is direct from a freight handler, it may also include customs clearance documentation, warranty or ownership papers, etc. The supplier may also present his/her invoice at this point.

The signed delivery note/waybill and the GRN are not only a record of what was actually shipped/received; they also become the justification for materials entering the warehouse and reference documents for making entries to the stock cards hence great care needs to be taken.

2.1.1: Inspection of materials; when suppliers deliver goods, the person receiving the goods (storekeeper) will, assisted by the sector head originating the PRF and the logistics assistant, ensure that the goods are inspected for compliance to the PO details before they can be accepted/certified as received. The order details include material specification, quantity/weight, quality, place and time of delivery, etc. The storekeeper will also satisfy him/her self that the materials are free of any damages. In case some supplies do not meet the PO specifications, the sector head and the logistics assistant will advise the Storekeeper to either reject the whole consignment or to accept the part that meets the PO specifications. However when all the goods or the major part do not meet the PO details, then the Storekeeper will out rightly reject the consignment and inform the FC who in turn informs the Logistics Manager. The Logistics Manager will in turn investigate and inform the supplier for possible replacement of goods or reimbursement of funds.

2.1.2: Delivery Note; after inspection, the storekeeper receiving the goods will indicate the discrepancies, if any, and sign the delivery note accompanying the goods and retain a copy or will reject the materials delivered when there are major discrepancies. The delivery note will specify the name of supplier, material details in terms specifications, quantities, packages, etc. After accepting the materials, the storekeeper will prepare a goods received note (GRN) as per attachment 8, copies of which will be distributed appropriately.

2.1.3: Way Bill; materials may be received or dispatched as a result of inter-store transfers. The Way Bill will be completed at dispatch point (store) and approved by Logistics Assistant (in field) or Logistics Manager before the transporter/driver assumes transfer of responsibility. The function of the Waybill is to precisely document details of a shipment such as contents, point/store of origin, destination, etc and to clearly state who is responsible for the shipment at each stage in its movement. The Staff (storekeeper) initiating a Way Bill, will ensure that:

- All relevant sections are completed.
- Full description of materials and packaging are given.
- Quantity shipped is stated.

- Clear destination physical address is given.
- Accompanying documents (may be photocopies) are stated and attached.

As each individual signs for a shipment, he/she is assuming (personal) responsibility for its integrity. The waybill therefore will only be signed for receipt if the shipment tallies with other documents in all detail. Any discrepancies, in case, must be marked on the waybill and the Field Coordinator/Logistics Manager promptly informed. The store receiving materials will initiate the necessary documentation particularly the GRN.

2.1.4: Goods Received Note (GRN)

When goods are received, the storekeeper (field) or Logistics Officer will prepare a goods received note (GRN), which the supplier will be given a triplicate copy, logistics; a duplicate copy, finance; the original while the quadruplicate remains as booklet copy for making appropriate entries in the stores' stock control records.

2.1.5: Claims

In order to be able to file proper claims for losses to the appropriate responsible party, it is extremely important to determine where, exactly, the loss or damage occurred. For example, if it can be concluded that the damage or short landing occurred at the time the goods were being discharged from the truck or plane, the claim will be established against the **carrier**. However, if it can be documented that all items had arrived and were discharged in good condition at the customs depots but the quantities subsequently received by **EUO** are less than the discharged quantity, the claim is to be filed against the Customs Administration.

In light of the above explanation, it behooves the **EUO Logistics Manager or Logistics Officer** to be quite attentive when receiving goods that have crossed a border or international boundary. If it is noticed that some [or all] of the packages had been opened in the **absence** of **EUO** staff and insist on counting the contents of **each opened** package to check against the packing list **prior** to picking up the goods. The results of this checking are to be written down on the clearing document and signed by both the **ARC** receiving staff and the Border Agent.

Upon arrival of the goods at **ARC** office or warehouse, the receiving staff [i.e., Storekeeper or Logistics Officer] will complete a **GRN**, indicating the quantity and condition of the goods received and whether there were any short landings or damages. It is of the utmost importance that this document be signed not only by the **ARC** staff receiving the goods, but also by the transporter/supplier delivering the goods.

*In order for a claim to be honored, it has to be filed within fourteen days after the receipt of the goods by **ARC**. It is, therefore, critical that goods be carefully counted at the time of receipt and any shortages and/or damages clearly noted. For this reason it is imperative that the GRN from the warehouses be submitted to the **ARC** office on the following day at the latest. This will enable finance to deduct the value of the loss from the final payment to the supplier or the transporter.*

For purchases made in the local market or negotiated directly by **EUO** with a foreign supplier with a local branch office, **ARC** Logistics will be responsible for filing the appropriate claims against the party deemed to be responsible for the loss. **ARC** will claim either replacement of the lost items or a reimbursement of their value. A copy of the claim letter will be provided to the **Finance Department**, particularly in case the claim is settled with a reimbursement to **ARC** for the value of the lost items.

For those shipments that are sent on the direct request/order of the **Purchasing Department** at HQ, that Department will handle the claims for losses.

Some suppliers/carriers will not honor a claim for short landings and/or damages unless the claim is accompanied by the discharge/delivery report issued by an independent source such as a Survey Agent. Should **ARC** find that this is often the case with items imported into the country, it should begin to do an analysis of the cost of having surveys made versus the value of the lost items and the probability of being reimbursed. If it is decided that the services of a survey agent must be contracted, it is extremely important that the surveyor's representative be present during the delivery and discharge of the goods, not after goods have been delivered. The **original** of the survey report is to be submitted to the supplier [or the carrier], along with the claim letter and any other supporting documentation. Copies of the surveyor's report are to be kept in a dossier of the shipment concerned.

If cash payment is received to settle the claim, **ARC Finance Department** will furnish a photocopy of the receipt [and check] to the **Logistics Department** so that it may be filed in the corresponding dossier and the case closed. If, instead, the lost items are replaced, the **Logistics Department** will inform the **Finance Department** so that the latter may also consider the case close.

2.2: Storage/Safety of Materials.

For smaller warehouses or stores, some of the paperwork and procedures presented herein below will sound excessive. One needs to bear in mind however, that with smaller operations and correspondingly fewer personnel, there is often a temptation to work verbally and complete documentation later. Any breakdown in communication (or the departure of a key staff) can leave an incomplete and confusing record or no record at all. Further, should the programme operations grow, the “verbal” system will already be in place and staff will not be ready to handle the increased volume and complexity of the stores operation by writing the necessary forms and ensuring safety of materials. It is therefore advisable that all staff get used to the use of proper documents and procedures even when the operation is still small.

2.2.1: Storage of Materials.

Materials will be stored in such a fashion that they are protected from possible damage or degradation, that they are accessible for inspection and movement, and that they may be counted with ease. These criteria are probably the most important aspects of warehousing.

Several methods of storage are possible: shelves, floor pallets, stacking pallets and pallet racks; however, the size and structure of each store will dictate. Where practicable, a warehouse layout should be drawn up and displayed. This allows new shipments to be stored directly in a logical area, and not haphazardly thus requiring re-stacking at a later date. A well thought out plan will also simplify the turnover of materials – on a first in first out (**FIFO**) basis. Note that even if some materials do not deteriorate, packaging materials such as paper/wooden cartons may, therefore new arrivals of materials should not be stacked on top of old ones.

All materials will be kept visibly separate, i.e. different items or different donors will not be mixed. This is not only good practice; it also saves a lot of confusion in stores reporting.

Suitable stacking will be provided for all materials. In every case this will mean pallets in the very least, even if forklifts are not to be used. The free circulation of air below materials will impair the growth of moss / lichen etc., and light will discourage insect life underneath materials. Where materials can be stacked on top of each other, care will be taken not to stack so high that the materials are unstable and risk falling-over. Further, care will be taken to ensure that the total weight does not damage the lowermost materials. A maximum stacking height or number is often indicated on manufacturer's cartons or boxes. In the case of boxes or rectangular bags,

alternate layers should be orientated at right angles to each other - this will increase the stability of the stack. In the case of sheet material such as roofing sheets, wooden battens should be placed every 50-100 sheets to spread the load and to allow ease of inventory check. Common sense will generally indicate the appropriate measures to be taken in each situation.

All material stacks will be accessible from 360 degrees (where space allows). This is to allow accurate inventory and inspection for damage / degradation. It also gives space to work in when materials must be moved. The minimum space between materials should be 1m (**where space allows**). Stacking materials in "depth" will be avoided as this makes control of the "inside" materials impossible without un-stacking and re-stacking. Heavy/bulky materials that are frequently turned over will be kept as near to doors as possible.

2.2.2: Inventory Check/Stock Taking.

The inventory check or stocktaking is the definitive check on all items (or assets) held by the warehouse. Normally the FC will arrange for inventory check carried at the end of each month and at the end of each program or grant. It is recommended that staff not directly holding any store keeping function/responsibility undertake inventory check/stock taking (the Field Coordinator will always organize this). This is however, not a hard and fast rule. The inventory checks by logistics team from Sudan office will be carried out as often as will be possible to guard against theft and negligence by field staff and to identify potential problems at an early stage. An inventory check will aim at showing that:

- Records are complete and up to date.
- Quantities received, dispatched and stored correlate.
- Actual quantities correspond with documented quantities.
- Materials are in good condition and correctly stored - stacking, spacing, protection, etc.
- Records compare to master inventory lists kept in Sudan

2.2.3: Bin Card

The Bin Card is essentially designed and used to control the quantities of stocks by the storekeeper. The Bin Card is a single copy document pinned or glued or placed on/to/in an easily seen area or suitably kept in a box file/tray in the storekeeper's office.

A bin card will be a pre-printed stores document whose function is to document the movement of individual items in and out of the warehouse. The bin cards will be chronologically numbered. This will reduce the risk of records being lost, damaged or tampered with and makes data retrieval more convenient. It will also contain the bin location number, the Item Description, item code, the project for which the item is committed, the project code and donor where applicable.

2.2.4: Bin Location Card

Each and every bin needs to be easily identified by placing a bin location card The bin location card will contain the item description, bin location number that tallies with the bin card number, expiry dates where applicable, the project code for which the materials were bought, item code and donor.

2.2.5: Stock Card

A Stock Card will be maintained by the Finance Assistant (field) to monitor quantity movement into and out of the store for purposes of tracking monetary value of the stocks on a First – In –

First – Out basis. The stock card will include columns for values of quantity received/issued/balance in addition to all the specifications included on the Bin Card.

2.2.6: Temporary Storage.

A warehouse may hold items that are taken out for use and returned after on a continuous basis but remain part of that warehouse's inventory such as equipments, tools, sheeting, etc. No SRF will be required to release such items every time they are needed for use. A bin card however, under the control of the storekeeper, will be kept to allow individuals to sign such items in and out. However in case such items are to be released permanently to another project location, then an SRF will be required to close the temporary Bin Card.

2.2.7: Warehouse Building.

The most important factor here is the size of the warehouse. Wherever possible, a building with a capacity greater than is required will be selected. Most other problems can be worked around - but a lack of space will seriously impair the operation of the warehouse by making the movement, the turnover, and the inventory check of materials time consuming if not impossible. When estimating warehouse size, space for contingency/reserve stocks will be allowed.

The structure should be of sound, non-combustible materials, where possible, and well ventilated. A single large building with sufficient access is generally preferable to separate smaller buildings, (however, a separate building or area will be required if fuels and oils are to be stored). A secure loading and unloading area will enable materials to be off loaded quickly and later stored at leisure; this helps to avoid having to re-stack materials incorrectly stored in haste.

(i) Security.

The warehouse building should be secure, i.e. inaccessible to unauthorized persons (non store staff). The presence of watchmen is desirable, but the warehouse should be able to resist a fairly concerted effort at break-ins. Doors should obviously be lockable, and windows should be covered with some form of steel grill. Cages or secure bins should be installed for small attractive or valuable items. By preference, the warehouse should be in its own compound - also securable. If there is a greater than normal security risk, guards should be supplemented with floodlights. Good lighting is a relatively inexpensive and efficient security measure.

(ii) Access.

The warehouse should have as few points of access as possible. The ideal is where all access points can be observed from one location, be it the office or the watchman's hut. Doors should be large enough to allow free entry or exit for large or heavy items. There must be sufficient space in front of doors for large vehicles to maneuver. Access to the warehouse should be denied to all but warehouse staff.

(iii) Roofing and Flooring.

Both the roof and floor should be watertight, especially if materials sensitive to dampness/wetness are to be stored. Minor leaks should be repaired but provision of plastic sheets should always be in place in case materials need to be protected while other arrangements are being made. The floor should ideally be easily cleaned - cleanliness is the most effective deterrent to rodents. Check that the floor is capable of structurally supporting the intended loads.

(iv) Office Space.

Care should be taken in providing office space; the efficiency in warehouse management is possible when supplemented by space in which to do office work such as record keeping, filing and keeping documents; making reports, etc. Staff will be provided with the necessary equipment at their disposal - office supplies, calculators, file cabinets, computer, etc. in order to make official operations in the stores possible.

(v) Utilities and Services.

The warehouse building should have access to water and electricity. Electricity is obviously more important to provide good lighting should it be necessary to work at night and for security. A good power supply will also enable the use of computers - useful in smaller warehouses but a must in a large or high volume warehouse. Toilet and wash facilities will also be provided for warehouse personnel.

2.2.8: Safety.

Safety of materials and stores personnel will be given serious attention. Therefore, the necessary equipment and provisions will be in place.

(i) Fire Extinguishers.

The warehouse will have suitable fire-fighting equipment available at all times, and personnel will be trained in skills and actions to be taken in the event of fire. Staff will also be trained in awareness of the dangers involved with the smoke and fumes generated by different materials, and the different character of materials in combustion. Regular training in fire-fighting skills and fire drills are recommended.

(ii) First Aid Kits.

First aid kits will be available in every store and staff instructed on the correct actions to take in the event of an accident or incident that requires first aid. Stores staff will be trained in first aid skills. Any accidents or incident will be recorded in the warehouse register indicating cause, other damage caused (if any) and actions taken.

(iii) Control of Pests.

Pests (particularly termites) are rampant in the southern region of Sudan and northern region and their ability to destroy inventories and store structures, if uncontrolled, is undoubted. One of the effective methods of control is the application of approved chemicals. Therefore, periodical search and application of such chemicals will be done to prevent stores and inventories from being destroyed by such pests.

2.3: Stores Release Form (SRF).

The stores release form will be used to control and monitor materials leaving the stores by the sector heads. SRFs will be pre printed with serial numbers and bound in booklet form. SRFs will be completed by any *EVO* sector staff /user but will be approved by the sector head or any other sector officer delegated by the sector head. The sector head will provide the storekeeper with a list of sector senior staff authorized to approve Stores Releases Forms.

The SRF is the authority and justification for materials being signed out of the warehouse. The

person receiving the goods assumes responsibility for them and is accountable for their security. The form will be printed in quadruplicate; the original with copies allowing distribution as follows;

- Original Finance.
- Duplicate Logistics.
- Triplicate: Store Keeper
- Quadruplicate Booklet Copy.

2.4: Materials Unit of Measure.

Through the various documents, stores personnel will be expected to be aware of the unit of measure for each and every item. This may appear somewhat obvious, but confusion may arise if for example, plastic sheets are received as "rolls", dispatched as "square meters", and recorded as "running meters". In all cases, the material will be entered into the warehouse books/records in the unit of measure that will be used in dispatching.

2.5: Stores Operating Schedules.

Careful attention will be paid to warehouse operating hours/schedules. Where the turnover of materials is high, every effort will be made to avoid an overload where all suppliers arrive at the same time that the warehouse is trying to dispatch supplies to program staff. It will be necessary to designate (and enforce) specific days and or times for suppliers to deliver, and specific times for program staff to collect them. Flexibility will of course remain due to unforeseen occurrences.

2.6: Warehouse Register

The warehouse register will be maintained by the Store Keeper or any other person/officer in charge of stores and will be kept for all warehouses / stores regardless of size. The function of the register will be to keep a daily record of all warehouse activities. The warehouse register will be an important document with chronological entries that need not be erased. Mistakes, if any, should be indicated and initialed.

Ideally the register will be in the form of a bound logbook/counter book/ledger book so that any tampering with pages is evident.

2.7: Monitoring Tools.

Procedures designed to document, track and account for supplies are only effective if they themselves are closely and regularly monitored. Several tools will be introduced to help senior staff monitor the activities and status of the warehousing processes. These monitoring tools will include:

(i) Checklists:

1. Warehouse Inspection
2. Warehouse Checklist –Storage Procedures
3. Warehouse Checklist – Stock Control Records
4. Warehouse Checklist – Receiving Supplies
5. Warehouse Checklist – Physical Conditions

Copies of completed monitoring tools will be visibly displayed in the warehouse as part of the

process to encourage warehouse staff to actively be aware of maintaining warehouse standards. The Logistics Manager can incorporate into the checklists additional considerations peculiar to each warehouse.

(ii) Reports:

As another monitoring tool in a logistics operation handling a large volume of supplies and therefore generating significant amount of data, the Logistics Manager will ensure that reports are regularly submitted by staff in the warehousing process and in a format that is easy to access, understand and use. From warehouse records, data should be broken into single operations, e.g. receipts by donor by period, distributions by donor by period. The exact breakdown will be determined by donor reporting requirements (if any) and by the Logistics Manager.

Data for individual items will be collated and reconciled. This will entail compiling a file that contains the following:

- The purchase requests or orders for the item.
- The waybills/delivery notes/GRN into the warehouse for the item.
- The store releases for the item.
- The waybills out of the warehouse for the item.

With a high volume and turnover of an item, data reconciliation will have to be collated at regular intervals and not only at the end of the program or grant. In practical terms this will mean setting a cut-off point - either a date or after so much volume. Presented like this, the process appears to generate a lot of additional work. However, it is more straightforward and less time-consuming to check and confirm data in these manageable chunks than to attempt the control after the passage of a significant time or volume has past. It also identifies problems at an early stage, limits damage to one defined period and makes the final accounting on an item a straightforward summation of already prepared data.

3.0: ASSET MANAGEMENT.

ARC will maintain adequate controls and reporting on assets to ensure protection of assets in its care; by outright ownership or through trust. In case of conflict between ARC policies and donor requirements, then the more stringent of the two will prevail.

This section presents policy guidelines through which assets will be managed. The assets are given a definition, the procedure on how such assets will be recorded is provided, labeling and marking is also presented and finally how assets will be disposed, when it becomes necessary is presented.

3.1: Definition of Assets.

Besides Donor definitions of an “Asset” that may vary from donor to another *SORC* will considers assets as follows:

- **Non-expendable assets;** tangible personal property having a useful life of more than one year and a cost in excess of **USD \$500.00** per single item. Such Assets will include but will not be limited to: Motor vehicles, Motorcycles, Computers, Equipment, Satellite phones, solar power equipment, Etc.
- **Expendable assets;** tangible personal property other than the non-expendable property with a cost less than **USD \$500.00** per single item. Such property may include office and household furniture, equipment, materials in store/use, etc.

3.2: Asset Register

Logistics Manager will centrally maintain the Asset Register for all non-expendable assets. The Asset register is an important document and as such it will be bound with numbered pages so that entries cannot just be erased or removed. Mistakes, in case of any, will be indicated and initialed but will remain in record. An Asset Register will be kept for each grant with sufficient pages for expected asset entries.

Note: a designated officer in the logistics department will fill out the register by hand.

3.3: Periodical Reports.

For administrative and asset tracking purposes, Logistics Officers, Logistics Assistant and Compound Managers will be required to keep, and report monthly on both expendable and non-expendable assets in their locations.

3.4: Marking and Recording of Assets

For purposes of tracking down assets, all assets will be physically marked (engraved or any other permanent marking) with Asset Number, Donor, location and date received.

All assets received will be allocated an asset tracking number and entered into the Asset Register. The asset number will be based on a flexible system as follows:

- Part 1 - Region code
- Part 2 – asset category
- Part 3 - grant or donor/source code
- Part 4 - sequential number issued by the Region office

3.5: Insurance Cover of Assets.

It will be considered prudent to avoid loss of assets due to theft or total damage. Therefore, comprehensive insurance cover for assets with a value of USD \$1,500 and above will be taken out, where possible, with reputable insurance firms.

3.6: Disposal of Assets.

Instances may arise that necessitate disposal of an asset. The Logistics Manager will propose a list of assets recommended for disposal to senior management team. A formal decision to dispose an asset will then be taken at a senior management meeting after sufficient consideration of the reason(s) why such an asset is proposed for disposal. The Logistics Manager will prepare a Certificate of Disposal to be approved, in all cases, by the Sudan Director in consultation with the donors and ARC Headquarters.

4.0: VEHICLE MANAGEMENT.

Vehicles are expensive assets and are crucial to the effective implementation of program activities. ARC has an obligation to itself, its staff and its donors to correctly maintain, employ, operate and report on the vehicles in its custody.

4.1: Objective of this Section.

The objective of this section is to set the rules governing the acquisition, management, use, maintenance, and disposal and reporting on the vehicles in the **ARC** program

4.2: Purchase of Motor Vehicles.

Purchase of new vehicles will follow the procedures demanded by the various funding agencies. When no procedure has been demanded by the funding agencies, or when the motor vehicle being purchased is solely funded by **ARC** efficient purchase through a competitive procurement process, delivery and commissioning will be used.

4.3: Allocation of Vehicles.

The Country Director, in coordination with the Finance Administration Director, Logistics Manager and Programme Manager, will be responsible for the allocation of vehicles to different program activities/locations. Allocation of vehicles will be guided by first, grant agreements and then, overall program priorities and resource constraints.

4.4: Responsibility for Vehicles.

Field Coordinators are responsible for all vehicles assigned to their locations while the Logistics Manager will be responsible for Main office vehicles. However, the Finance Administration Director, through the Logistics Manager, will have an overall responsibility for ensuring that **ARC** vehicle policies are implemented in all project sites.

4.5: Driving of Vehicles.

UD will hire drivers for all **ARC**'s operated vehicles. Only drivers with valid driving permits/licenses and who have passed **ARC** oral and practical driving tests will be allowed to drive *EUO* vehicles. Depending on need, however, the CD may authorize (in writing to the FAD and copy to the Logistics Manager national staff to drive a *S EUO* vehicle. Before such staff are authorized to drive, the Logistics Manager will ensure that they have valid driving permits/licenses recognized in the country and that they pass the **EUO** driving test.

4.5.1: Driver Requirements.

In order to obtain authorization to drive **ARC** vehicles, the following criteria will be used:

- The individual must be **ARC** employee or on temporary hire as a driver.
- Must have operational or security justification/need to drive **ARC** vehicle, not just for leisure.
- Must hold a clean and valid driving license to drive the assigned vehicle in the host/project country. **ARC** will renew driving permits/license of drivers while the driver is in employment with **ARC** and his/her license expires.
- Must be physically and mentally sound to drive a vehicle.
- Must have sufficient knowledge of the laws relating to road safety and traffic issues.
- Must have passed **ARC** driving tests (oral and practical)

4.5.2: Driver Responsibilities.

All drivers will be expected to read and sign for having understood **ARC** Vehicle management policy guidelines. Drivers will be responsible for:

- The upkeep and safe operation of vehicles assigned to them.
- The physical security of the vehicle under their charge.

- The daily maintenance of vehicles and any of the accessories supplied with or added to the vehicles.
- Ensuring full on-board documentation.
- Use of on-board equipment such as 4x4, radios, winches, etc.
- Changing wheels.
- Routine maintenance checks as detailed by the lead/head driver in each location.
- Ensuring safety of passengers and other road users.
- Undertaking only approved vehicle movements by FC (in field) or Logistics Manager or any other ARC -designated staff.
- Complying with all security directives.
- Maintenance of the vehicle Log Book.
- Ensuring that the vehicle has sufficient fuel and accounting for the fuel used.
- Ensuring proper use and maintenance of the first aid kit.

4.6: Vehicle Repair and Maintenance:

Regular and timely maintenance will be undertaken to ensure that organizational vehicles remain sound, strong and running to serve program activities. The Logistics Manager will constantly monitor and ensure that this is done.

Competent repair workshops and garages will be pre-qualified by a committee comprising of the Logistics Manager, Mechanic, and one Logistics Officer to carry out major repair works.

For some repair needs however, the Field Coordinator, the field Mechanic and the Logistics Assistant will select competent garages in district towns near project locations to carryout some repair works and inform the Logistic Manager immediately.

4.7: On-Board Equipment and Accessories.

All ARC vehicles will be provided with and will carry at all times certain equipment and accessories. These will include: Spare Tire/Wheel, Motor Vehicle Jack, jack lever and wheel spanner, Motor Vehicle Repair Tool Kit, First Aid Kit, Fire extinguisher, Torch and Batteries. In case of vehicles based in the field with rough terrain, extra equipment and accessories need to be provided and to be carried on board all the time. These will include: An Extra Spare Tire/Wheel, Shovel and Hoe, high-lift jack, Tow rope/wire and Blanket(s) and complete tool box.

4.8: Maintenance of On-Board Documents.

All vehicles will keep relevant documents either in photocopy or in original. These documents should include: Registration book, Third-party Insurance certificate, Road license, ARC Motor Vehicle Log Book, ARC Accident Liability Waiver Form, an Accident Report Form, list of contact telephones of key staff, Area Maps (especially for field vehicles) and ARC Communication Equipment Authority Form/Letter (where radio equipment is installed), etc.

4.9: Documentation Maintained by the Lead/Head Driver in Each Location.

The lead/head driver will maintain individual files for each vehicle in location containing the following documents:

- Documents pertaining to the purchase, shipping and receipt of the vehicle.

- All expense records (copies).
- All maintenance records (copies).
- Driver employment and license information.
- Copies of on-board documentation.

4.10: Keys.

One key out of the several keys for each vehicle will be entrusted to the driver to whom a vehicle is allocated. The Field Coordinator will securely keep the other copy in case one driver loses the key entrusted to him/her; the FC will ensure that sufficient efforts to find the lost key have been exhausted before seeking permission from the Logistics Manager to hand over the spare key. The driver will have to write a report explaining circumstances under which the key was lost. The FAD will be entrusted with original keys (where they exist) or the third copy. Duplicating of vehicle keys will be prohibited; in case such need arises, then approval by the FAD will be necessary.

4.11: Motor Vehicle Log Books.

Every vehicle will be issued with a Log Book. This will be used to record all details concerning the driver to whom the vehicle is assigned and the details regarding the vehicle, vehicle movements, fuel received monthly summaries, etc. It will be the duty of the driver to maintain the Log Book neat and well filled out. Periodically the lead/head driver will check on the Log Book.

4.12: Vehicle Movement.

The Logistics Manager in consultation with Finance Administration Director and Program Managers will approve vehicle movement in and around Main Office. Field Coordinators in consultation with Sector Heads will approve movement of vehicles within the project areas including neighboring towns. However, the Head Driver (or designate)/Lead Drivers will monitor vehicle movement and constantly update the Logistics Manager/Field Coordinator.

The Lead/Head Driver will enter all vehicle movements onto the motor vehicle movement board that shall be conveniently placed for other staff to see. It will be this board that the lead/head driver will use to monitor vehicle movements and indicate changes in case of any changes in movement plan. In case the earlier movement plans changes, the officer to whom the vehicle is assigned will be under duty to inform the lead/head driver and give reasons why it had to change. The drivers will be obliged to enter/record all vehicle movements in the Log Book and will be counter signed by the officer to whom the vehicle is/has been assigned.

Night movement of **ARC** vehicles will be avoided in the field (OLS regulations in the field). However, if night movement must happen, the express permission from the CD must be obtained. When **ARC** vehicle is required to travel at night, and the need arises for the vehicle to spend the night in a non- **ARC** location, the most senior officer in the vehicle should identify a secure parking place for the vehicle.

4.13: Fuel.

At every refilling of fuel tank, the lead/head driver should ensure that the vehicle fuel tank is full to capacity to make calculation of fuel used possible. The driver will be under duty to account for the fuel used by use of the fuel accountability slip. The rate of fuel usage (ratio between the total distance moved and the total fuel used) will guide the lead/head driver in deciding whether the consumption is normal or not and take appropriate action when it is not.

4.14: Accidents.

The act of staff involving **ARC** vehicle(s) in avoidable accidents (arising out of over-speeding, driving under the influence of alcohol, driving recklessly, etc) will be handled as **gross misconduct leading to immediate termination of employment contract.**

Every accident involving 3rd party vehicles/property and or lives or not will have to be reported as follows:

- Get particulars of persons that have been affected by the incident in case follow-up action becomes necessary at a later time.
- Get particulars and contacts of witnesses on site at the time of the incident for future first-hand information.
- Where possible, render a helping hand to the injured in order to save lives but where crowds gather and may be unruly, immediately leave the scene to avoid being roughed up.
- Report the incident to police or any local authority.
- Ensure that police or the local authority has registered the case and get case reference note as proof of reporting in order to avoid penalties later for not reporting.
- Report to FC (for field vehicles) who must carry out independent investigations for detailed facts surrounding the incident and thereafter report to Logistics Manager. In case of Geneina vehicles, the driver, or any other staff involved in the incident, should report to the Logistics Manager within a period not exceeding 24 hours.
- Complete the Accident Report Form. In addition, for purposes of making informed administrative decision(s) by the Logistics Manager, or any other senior manager, detailed narrative reports will be prepared within one week by the driver's immediate supervisor, and or the FC pointing out more details from independent investigations, the actions taken and further actions recommended.
- The Logistics Manager will contact the Insurers for claims, where it applies.

The drivers and other senior managers authorized to drive **EUO** vehicles need to be well versed with the local laws relating to traffic and road safety and or any other highway codes. Settlement of cases arising from accidents will be handled through established official channels as provided in the Traffic and Road Safety Acts for Sudan.

In addition, reasonable efforts of keeping **ARC** out of liability as a result of accidents will be undertaken. These will include comprehensive insurance cover but also ensuring that authorized non- **ARC** staff traveling with **ARC** vehicles are made aware and are made to sign liability waiver forms.

4.15: Safety and Security.

Drivers and all the other staff authorized to drive organizational vehicles should avoid areas and incidents (like driving late at night) that make the vehicles prone to thefts. When theft of any EUO vehicle happens, the Regional Manager will immediately be informed in addition to informing local authorities/police. The senior management team will review the circumstances in which the theft happened. The party concerned will be given an opportunity to be heard before the senior management team takes an appropriate decision.

In order to ensure safety of vehicles and people using organizational vehicles, the under mentioned guidelines will be followed.

- It is mandatory to use seat belts when traveling with ARC vehicles.
- No carrying of unauthorized passengers.
- Nobody should drive ARC vehicle when under the influence of alcohol or any other intoxicating drug.
- All drivers should always undergo health checks for purposes of ascertaining the status of eyesight and general health condition.
- Overloading will not be allowed as this can be cause of an accident.
- No driving is allowed when one is not used to the terrain, road condition, and geographical surrounding.
- Drivers will be allowed to take sufficient rest by being allowed time off for accumulated hours beyond the maximum 24 hour week.
- Drivers or any other staff authorized to drive must acquaint him/her with road signs as used.

Security of personnel and vehicles is priority. Considering that some program operational areas can get security incidents, the following guidelines will be followed:

- Communication equipment will be installed in all field vehicles in operational areas with unstable security.
- Protocol for regular contact with base radio will be established and followed on such matters as movement schedules, number of persons on board, events update from the field, etc... When the schedules change, the base radio will be informed.
- Road and area maps will be kept in the vehicle in case need to use them arises.
- Travel at night should only be in emergency situations and main office base will be notified.
- Vehicles must not carry any armed or military uniformed personnel.
- Vehicles may be fitted with ballistic blankets, as determined by senior management, on a case-by-case basis.

4.16: Staff Transportation between Home and Office.

Dependent on program resources and requirements, ARC at the discretion of the General Director, may provide transport between home and office for locally hired staff. This will generally only be in situations where public transport is inadequate or the security situation requires it. This will be privilege not a right.

The RM may approve authorized key local staff to be allocated the use of vehicles for transportation to and from the place of work or may be collected / dropped by the duty driver. Resources and security constraint will determine which.

4.17: Personal Use of Vehicles.

Locally hired employees: Out of extraordinary situations such as medical or security emergencies, **ARC** vehicles will not be made available to staff for non- **ARC** business, except otherwise approved by the RM or designate.

Note that the same security constraints preclude personal travel outside of town limits without the express approval of the RM or designate.

4.18: Motorcycles.

Motorcycles will be assigned to staff members who need them to perform their official duties. Staff assigned a motorcycle will ensure its safety, efficient fuel consumption, and good maintenance. He/she will also maintain a Log Book (Motor Vehicle Log Book) for the motorcycle for purposes of tracking usage, fuel consumption, repairs, etc. Assignment of a motorcycle however does not mean its exclusive use by the person to whom it is assigned. Other eligible staff/persons may use it to do **ARC** work, but with the knowledge and approval of the logistics manager or the sub office manager.

4.19: Disposal of Vehicles.

Circumstances such as extensive damage arising from an accident, full depreciation, and continuing uneconomical repair/maintenance may necessitate disposal of a motor vehicle. Disposal of any motor vehicle must meet donor requirements. The need for such disposal will first be decided by senior management at a meeting, in conjunction with **EUO** Headquarters (HQ). Following donor approval or a joint decision by senior management and *SORC* HQ, the Logistics Manager will complete a Certificate of Disposal form for the RM's approval.

5.0: NOTES ON POLICY REVISION AND MANAGEMENT

5.1: Staffing and Organizational Structure.

Staff is central to the success and smooth implementation of program activities. The Logistics Manager will, in consultation with Administration and Organization Director, constantly review and determine manpower needs of the logistics department, within budget constraints. Vacancies will be advertised and applicants interviewed by a panel of not less than 3 senior officers constituted by the Logistics Manager from time to time in order to select the most suitable candidate for the job.

To enhance good job performance, periodical performance evaluation of logistics staff will be done by the Logistics Manager in order to determine gaps, if any, and institute the necessary measures in good time and or encourage good performance where it is noted.

The Logistics Manager will periodically review the logistics organization structure, current one attached, and job descriptions to align them with changing organizational needs. In addition, on-job training will be undertaken to ensure that all staff are conversant with the logistics operational procedures. Where funds allow, staff will be encouraged and supported to go for off-the-job training

In order to achieve effective control, a principle of separation of powers will be encouraged/supported/implemented. The functions and post of Storekeeper, for example, will be separated from the other functions say, Logistics Assistant, Finance Assistant, Compound Manager, etc.

5.2: Violations of these Policy Guidelines.

Violations will include for example failure by one staff to observe the various financial limits in terms of purchase commitment, procedure, supporting documents and disbursement approval or failure to observe other guidelines communicated from time to time. Failure to observe provisions in these guidelines will lead not only to rejection of transaction hence rejection of payment request/accountability but also, may lead to reprimand measures. Should this arise, the general procedure of handling disciplinary matters, as described in the local staff hire policy will be followed.

However, some violations may call for immediate termination of employment contract upon proof of guilt. Immediate termination of employment contract will arise in cases of gross violations such as embezzlement of **ARC** funds, accepting or soliciting for bribe/commission/rebates, connivance with suppliers to defraud **ARC** disclosure of confidential information, etc.

5.3: Implementation of these Policy Guidelines.

All **ARC** staff has a general duty to ensure that these guidelines are implemented. Senior staffs however have a specific duty to ensure implementation of these policy guidelines through training and sensitizing the staff they supervise. The Finance and Administration Director will have the duty to ensure programme-wide implementation of these guidelines and will regularly advise the General Director on matters that need amendment for smooth implementation.

5.4: Revision of these Guidelines.

These policy guidelines are subject to review, revision and or replacement by senior management at meetings that will be held from time to time. As operational needs arise, the RM/SOM will issue out memos that will by their nature have effect on the relevant sections of this policy hence will be treated as addenda to these guidelines.

Approved by Amira Ahmed

Board Director

African Relief Committee

Date : 31-December 2025

