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IMRO Rwanda PROCUREMENT POLICY

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1. Background of Ihorere Munyarwanda Organization (IMRO Rwanda)

Ihorere Munyarwanda Organization (IMRO Rwanda) is a Non-Governmental Organization that was founded in 1999 and legally operating in Rwanda. It was granted legal personality No 03/11 and have fulfilled all requirements for compliance with the new Law number 04/2012 of 17th February 2012 governing the Organization and Functioning of National Non-Governmental Organizations/RGB-Rwandan Law. IMRO has 23 years' experience implementing interventions in the context of Poverty Alleviation, Gender Equality, Nutrition, GBV, HIV, Education, Environment, Peace Building, Health Promotion, accountability, Advocacy and Networking in order to improve lives of IMRO Rwanda's beneficiaries at individual, family and, community levels for sustainable social economic development. This is achieved through broad consultation, partnership and transparent management with different Stakeholders. The organization works towards the vision of IMRO Rwanda as a national organization of excellence in harmonization and synergy for a healthy society, targeting Women Adolescents, Youth, Key Populations, Women with Low income and other vulnerable populations to have Access to services with Human Right based approach.

1.1 IMRO Rwanda Vision

IMRO Rwanda works towards the vision as a National Organization of excellence in harmonization and synergy for a healthy society by targeting General Population, Women, Youth, Children, Key Populations and vulnerable groups with Human Rights based approach in Rwanda and beyond.

1.2 IMRO Rwanda Mission

IMRO Rwanda's ultimate mission is to serve the general population by implementing socio-economic interventions, advocacy, and

networking and by promoting sustainable socio-economic development.

1.3 Core Values

IMRO Rwanda's core values are:

- Gender Sensitive
- Good Governance
- Creativity and innovation
- Human rights based
- Self-confident and team work
- Integrity and commitment
- Time consciousness and management
- Equal opportunities and equity
- Ready to work together with interested partners
- Transparency, accountability and responsibility.

2. Introduction

The IMRO Rwanda Procurement Policy underscores IMRO Rwanda's dedication to transparent, accountable, and ethical procurement practices. Rooted in the commitment of both staff and management, the policy seeks to cultivate a culture of fairness and integrity within the organization. IMRO Rwanda aims to create an environment where honesty is valued and corruption is vehemently discouraged.

This policy serves a dual purpose: fostering responsible procurement practices and contributing to national development by instilling ethical values in those responsible for procurement, who are catalysts for positive change in society. IMRO Rwanda seeks to nurture a generation of ethical leaders dedicated to improving the quality of life in Rwanda and establishing a corruption-free state.

IMRO Rwanda upholds principles of justice and fairness in its procurement processes and strictly rejects any involvement in corrupt and fraudulent practices. The IMRO Rwanda Procurement Policy plays a pivotal role in promoting public services characterized by integrity, transparency, accountability, and full compliance with relevant regulatory and legal frameworks.

2.1 Purpose of this policy

IMRO Rwanda is dedicated to conducting its operations with the utmost integrity, transparency, and accountability, in strict compliance with national legal requirements. The purpose of this procurement policy is as follows:

- **Zero Tolerance for Unethical Practices:** This policy reinforces IMRO Rwanda's uncompromising stance against any form of unethical behavior and related offenses in the procurement process. It serves as a firm declaration that such misconduct will not be tolerated within the organization.
- **Prevention and Deterrence:** This policy underscores IMRO Rwanda's commitment to proactively prevent employees, staff, and all individuals associated with IMRO Rwanda from engaging in unethical practices during procurement activities. It also outlines the measures taken to address such misconduct shall it occur.
- **Strategies for Ethical Procurement:** IMRO Rwanda recognizes the importance of implementing effective strategies to promote ethical conduct within the organization. This policy serves as a framework for establishing and maintaining a culture of ethical procurement practices.
- **Compliance and Accountability:** IMRO Rwanda Procurement Policy establishes clear review and monitoring procedures to ensure strict adherence to the policy. It

underscores the organization's commitment to accountability and continuous improvement in procurement processes.

2.2 Scope/Applicability

This policy applies to IMRO Rwanda Management, staff and outsourced service providers of the organization.

3 Policy Statement

This procurement policy is an embodiment of IMRO's unwavering commitment to fostering an environment characterized by integrity, transparency, and fairness. IMRO Rwanda holds a position of zero tolerance for unethical practices in its procurement activities. Furthermore, IMRO Rwanda is devoted to creating a workplace that is free from all forms of discrimination, dehumanization, intolerance, recognizing that these behaviors are akin to corruption.

Understanding the profound benefits of combating unethical conduct, IMRO Rwanda management embraces the responsibility of leading this fight decisively, sustainably, and inclusively. This commitment extends to the active participation of all stakeholders, including employees, partners, and suppliers. IMRO Rwanda's procurement activities will be underpinned by the principles outlined in the IMRO Rwanda Anti-Corruption Policy, reinforcing our dedication to conducting procurement activities with the utmost adherence to ethical standards, legal requirements, and the principles of fairness and accountability.

This policy represents our organization's strong stance against unethical practices and serves as a compass that guides us in our mission to promote ethical procurement practices and contribute to a culture of integrity and transparency within IMRO Rwanda.

4. Legal Framework

This policy is established by IMRO Rwanda internal rules.

And governs all procurement procedures in IMRO Rwanda.

5. Definition

Procurement refers to:

The process of acquiring goods, services, or works, typically through purchasing, contracting, or other means, to meet an organization's needs and goals. It encompasses a wide range of activities, from identifying requirements and selecting suppliers to negotiating contracts and ensuring the delivery of the procured items or services.

A procurement policy is a formal document or set of guidelines that an organization, whether it's a government agency, business, non-profit, or any entity, establishes to govern its procurement processes and activities. The primary purpose of a procurement policy is to ensure that all procurement-related activities are conducted in a consistent, transparent, ethical, and accountable manner. It serves as a framework to guide how an organization acquires goods, services, or works.

Generally, a procurement procedure within IMRO Rwanda entails the following;

- Purchase of small equipment and office supplies
- Supply of services
- Supply of inputs.

6. Identification of needs

The finance department is responsible for centralizing all needs related to various departments in terms of services, supplies and equipment.

These needs are identified on the basis of a document called "Requisition form" which is signed by the department in need and sent to the Finance department. This same requisition form is used in the event of a request for equipment, service or supplies available in stock and is approved by the head of the service responsible for the requesting party.

When the requisition form is approved and sent to the stock manager, the latter checks the availability in the store. In case of unavailability of supplies and / or requisitioned equipment, he draws up another document called "Purchase request" Approved by the Head of the Administrative and Financial Department and sent to the Executive Director Office of IMRO Rwanda who ultimately approves the acquisition of equipment, service or supplies.

The purchase request is completed in two copies

- The original is filed at the administrative and financial service level after approval by the Finance Director.
- The copy is filed in the accounting department.

7. Procurement Methods

IMRO Rwanda opts to use single source methods more than Open or Competitive tenders and quotations.

- ❖ ***The Open and Competitive Tender (OCT):*** is the preferred competitive public procurement method used for acquiring goods, services and infrastructure works. It is executed in accordance with established procedures set out in the procurement guidelines and detailed in the standard bidding documents. IMRO Rwanda may opt to OCT use in case of a large purchase.
- ❖ ***The Quotation Method:*** is used for small and average market by submitting a request to the Executive Director for approval. The Finance Department proceeds to prospecting the market with a view to choosing the supplier who offers the best in terms of quality and price, before placing the order.

❖ **The Single Source Methods:** is one in which two or more vendors can supply the commodity, technology and/or perform the services required by an agency, but the department selects one vendor over the others.

It's important to understand that when it comes to single sourcing, businesses have the flexibility to select from various suppliers. However, a company may also opt for sole sourcing, which involves relying on a single dominant supplier. The choice of the appropriate sourcing strategy is determined by businesses and their procurement teams based on their specific requirements and prevailing conditions.

In situations where administrative procedures are experiencing delays, irrespective of the other procurement methods like Open Competitive Tender and quotations, IMRO Rwanda's leadership has the authority to select a supplier while ensuring the protection of the company's interests.

The basis from single source method depending on the following criteria;

- Uniqueness of proven quality.
- Delivery benefits
- Operating terms and conditions
- Contractual discounts
- Reputation
- Brand partnership benefits
- Business commitments
- Special relationship between the company and the supplier.
- Uniqueness of expertise
- Guarantees offered
- Required emergency

8. Placing the order

The procurement is made on the basis of a price comparison with a report to the Executive Director explaining the choice of a supplier. The final responsibility for the choice of supplier lies with the Head of the Administrative and Financial Department and the Executive Director. The accounting department establishes the order form to be signed by the Executive Director of IMRO Rwanda. The order form must contain the following items:

- Purchase order number;
- Name of the supplier;
- Description of the material or service ordered;
- Quantity;
- Unit price;
- Total price.

- The order form is drawn in three copies, including:

- The original which is sent to the supplier, who must necessarily attach it to the invoice;
- The first copy is filed in the office of the Administration and Finance;
- The stub remains in the accounting Department.

9. Receipt of ordered material

The procurement is made on the basis of a price comparison with a report. Following the receipt and validation of the ordered materials, the individual responsible for managing the stock of supplies creates a "Inventory Entry Voucher" for the received materials, generating three copies for the process:

- The original is provided to the supplier, to be attached to the original purchase order and the invoice for payment purposes.
- The first copy is delivered to the Administrative and Financial Department and is filed together with a copy of the order form.

- The third copy serves as a record and remains within the accounting department.

It's crucial to emphasize that only goods that align with the initial order are accepted. To ensure this, prior to acknowledging the receipt of ordered goods or services, the Officer must conduct the following checks:

- Confirm whether the delivered items match the details outlined on the supplier's delivery note and the order form.
- Verify that the quantity delivered corresponds to the quantity specified on both the order form and the delivery note.
- Assess whether the quality of the delivered items meets the specified standards in the purchase order.

A verification report, including these findings, is then submitted to the Executive Director, with a copy also provided to the supplier.

10. Accounting for a procurement procedure

The Accounting Department maintains a "Purchasing Register" containing the following elements:

- The Purchase Request Number;
- The number of the order form;
- The quantity and description of the items;
- The shipping and receipt references.

11. Procurement contract

IMRO Rwanda may employ two distinct types of contracts when acquiring services:

- a) A Performance or Standard-Based Contract defines the specific features and standards that must be maintained over a specified period.
- b) A Quantity-Based Contract outlines the exact amount of work to be completed within a specific timeframe.

For services that necessitate continual use of products, IMRO Rwanda may find the standard-based contract more suitable, as it involves less administrative work. However, it does require a higher level of confidence in the contractor's capabilities and effective monitoring by IMRO Rwanda.

12. Contract Signing

All contracts between IMRO Rwanda and private consultants or other companies for service provision or the supply of goods must undergo approval, signing, and stamping by IMRO Rwanda's management.

13. Documents Required for Contract Approval

To secure approval from IMRO Rwanda's management for a contract, the following documents need to be submitted:

- Project study when available.
- The original copy of the submitted invoices
- The original copy of the bid evaluation report
- Copies of negotiation minutes
- Copies of the final notifications sent to successful and unsuccessful bidders
- The original copy of performance security.

14. Complaints and Dispute Resolution Procedure

- **Objective**

The Complaints and Dispute Resolution Procedure is established to provide a transparent and fair mechanism for addressing and resolving complaints, disputes, or grievances related to the procurement activities of IMRO Rwanda.

- **Applicability**

This procedure applies to all parties involved in IMRO Rwanda's procurement processes, including employees, suppliers, and other stakeholders.

- **Filing a Complaint**

Any party with a legitimate complaint or dispute related to procurement activities shall submit the complaint in writing to the Procurement Department within a reasonable timeframe from the occurrence of the issue.

The complaint shall include detailed information about the nature of the complaint, the specific procurement process, and any relevant supporting documents.

- **Handling Complaints**

Upon receiving a complaint, the Administrative and finance Department will acknowledge receipt in writing within a specified timeframe.

The Administrative and finance Department will review the complaint and may request additional information or documentation from the concerned parties if necessary.

- **Dispute Resolution**

Disputes and complaints will be initially handled through negotiation and mediation to seek an amicable resolution.

If a resolution is not achieved through negotiation or mediation, the matter may be escalated to a higher authority within IMRO Rwanda for further review and resolution.

- **Independent Review**

In cases where the dispute remains unresolved, IMRO Rwanda may engage an independent third party or a designated review panel to conduct a fair and impartial review of the dispute.

The decision of the independent third party or review panel will be final and binding.

- **Confidentiality**

IMRO Rwanda is committed to maintaining the confidentiality of all parties involved in the complaint and dispute resolution process.

All parties are expected to maintain confidentiality and not disclose sensitive information to unauthorized individuals.

- **Timeliness**

IMRO Rwanda will make reasonable efforts to resolve complaints and disputes in a timely manner. Specific timeframes for each stage of the resolution process may be defined in more detailed policies or procedures.

- **Record Keeping**

All documentation related to complaints and dispute resolution will be retained for record-keeping purposes.

- **Non-Retaliation**

IMRO Rwanda ensures that individuals who file complaints or are involved in dispute resolution processes will not face any form of retaliation or adverse treatment.

- **Continuous Improvement**

IMRO Rwanda will periodically review and assess the effectiveness of this Complaints and Dispute Resolution Procedure to make improvements as needed.

14. Ethical and Sustainability Considerations in Procurement Policy

1. Conflict of Interest

Objective: IMRO Rwanda is committed to ensuring that procurement decisions are not influenced by personal interests, affiliations, or biases. This is critical to maintaining the integrity of our procurement process.

Guidelines:

All employees involved in the procurement process must disclose any potential or actual conflicts of interest.

A designated ethics committee or officer will review and address conflicts of interest to ensure impartiality.

No employee shall be involved in the evaluation, selection, or negotiation process if they have a conflict of interest.

2. Bribery and Corruption Prevention

Objective: IMRO Rwanda has a zero-tolerance policy for bribery, corruption, or any unethical practices in procurement. We are committed to maintaining the highest ethical standards in our procurement activities.

Guidelines:

All employees are prohibited from offering, accepting, or soliciting bribes or any form of corrupt payments.

Employees are encouraged to report any suspected bribery or corruption to the designated ethics committee or officer.

IMRO Rwanda will cooperate fully with law enforcement and regulatory authorities in cases of suspected bribery or corruption.

3. Fraud Prevention

Objective: IMRO Rwanda aims to protect its resources and reputation by preventing fraud in procurement activities.

Guidelines:

Clear documentation and record-keeping practices are required to prevent and detect fraud.

Employees involved in procurement shall be aware of common fraud schemes and remain vigilant.

A designated internal audit or oversight function will periodically review procurement transactions to identify potential fraud indicators.

4. Sustainable and Environmentally Responsible Procurement

Objective: IMRO Rwanda is committed to contributing to sustainable and environmentally responsible practices through its procurement activities. This includes reducing environmental impacts and supporting eco-friendly suppliers.

Guidelines:

IMRO Rwanda will prioritize suppliers that demonstrate a commitment to sustainable practices, such as reducing carbon emissions and minimizing waste.

The organization will give preference to products and services with recognized eco-labels and certifications.

Procurement decisions will consider the environmental impact, such as the use of sustainable materials, energy efficiency, and waste reduction.

IMRO Rwanda will encourage suppliers to adopt sustainable and environmentally responsible practices.

The organization will actively seek to reduce its environmental footprint, promote energy conservation, and minimize waste generation within its own operations.

5. Training and Awareness

Objective: IMRO Rwanda is dedicated to ensuring that all employees involved in procurement are aware of and trained in ethical and sustainable practices.

Guidelines:

Regular training and awareness programs will be provided to procurement staff and other relevant employees.

Training will cover ethical considerations, sustainable procurement practices, and the organization's commitment to ethical conduct in procurement.

Employees will be encouraged to stay informed about sustainable and ethical procurement trends and best practices.

6. Monitoring and Reporting

Objective: IMRO Rwanda is committed to continuously monitoring and reporting on ethical and sustainability considerations in its procurement processes.

Guidelines:

Regular audits will be conducted to assess compliance with ethical and sustainable procurement practices.

Any violations of ethical or sustainability standards will be reported to the designated ethics committee or officer for appropriate action.

IMRO Rwanda will provide regular reports on its sustainable and ethical procurement practices to stakeholders and the public, as required by applicable laws and regulations.

7. Continuous Improvement

Objective: IMRO Rwanda is dedicated to evolving its ethical and sustainability practices in procurement to meet changing standards and best practices.

Guidelines:

The organization will periodically review and update this policy to reflect changing ethical and sustainability requirements.

IMRO Rwanda will stay current with evolving sustainability standards and industry trends to improve its procurement practices.

By incorporating these ethical and sustainability considerations into its procurement policy, IMRO Rwanda can ensure that its procurement processes are not only transparent, accountable, and ethical but also aligned with environmentally responsible practices. The policy will help the organization make informed and responsible procurement decisions that benefit both the organization and the broader community.

15. Risk Management in Procurement Policy

1. Risk Identification

Objective: To identify potential risks in the procurement process that may impact the organization's objectives.

Guidelines:

Procurement personnel shall proactively identify and document potential risks associated with each procurement activity.

Risks may include supplier non-performance, budget overruns, delays, quality issues, legal compliance, and other relevant concerns.

A risk register shall be maintained, listing identified risks, their potential impact, and the likelihood of occurrence.

2. Risk Assessment

Objective: To assess the significance of identified risks and prioritize them based on their potential impact on procurement activities and organizational objectives.

Guidelines:

Each identified risk shall be assessed in terms of its potential severity and probability.

Risks can be categorized into high, medium, or low risk based on their assessment.

High-risk items shall be given particular attention during the procurement process.

3. Risk Mitigation and Management

Objective: To develop strategies to mitigate and manage identified risks effectively.

Guidelines:

For high-risk items, a risk mitigation plan shall be established, which includes specific actions to reduce or eliminate the risks.

Strategies to mitigate risks may include diversifying suppliers, conducting thorough due diligence on suppliers, setting up contingencies in contracts, and defining clear performance metrics.

Risk owners shall be designated for each identified risk, and their responsibilities shall be outlined in the procurement plan.

4. Contractual Safeguards

Objective: To establish contractual safeguards in procurement contracts that addresses and mitigate potential risks.

Guidelines:

Procurement contracts shall clearly define the roles, responsibilities, and expectations of both IMRO Rwanda and its suppliers.

Contracts shall include penalty clauses for non-performance or delays, exit strategies in case of unsatisfactory performance, and dispute resolution mechanisms.

Legal counsel shall review and approve all contracts to ensure they are robust in risk management terms.

5. Supplier Evaluation and Monitoring

Objective: To continuously assess and monitor supplier performance to mitigate performance-related risks.

Guidelines:

IMRO Rwanda shall establish a supplier evaluation process that includes periodic performance assessments.

The organization shall conduct regular supplier audits to ensure compliance with agreed-upon terms.

Performance metrics and key performance indicators (KPIs) shall be clearly defined in contracts and regularly reviewed.

6. Financial Risk Management

Objective: To address potential financial risks associated with procurement activities.

Guidelines:

IMRO Rwanda shall establish budget controls and financial reporting mechanisms to prevent budget overruns.

Regular financial audits and reviews shall be conducted to monitor the financial health of suppliers.

The organization shall maintain contingency funds to address unforeseen financial challenges.

7. Regulatory and Compliance Risks

Objective: To ensure compliance with legal and regulatory requirements in procurement activities.

Guidelines:

IMRO Rwanda shall maintain a robust understanding of relevant laws and regulations.

Compliance checks shall be incorporated into the procurement process, and regulatory changes shall be monitored regularly.

Legal counsel shall be consulted when dealing with complex regulatory matters.

8. Communication and Reporting

Objective: To facilitate effective communication and reporting of identified risks and risk management strategies.

Guidelines:

Regular reporting on risk management activities and outcomes shall be communicated to relevant stakeholders.

A clear reporting structure shall be established to ensure timely escalation of risk-related issues.

All employees involved in procurement shall be aware of the organization's risk management processes.

9. Continuous Improvement

Objective: To continuously review and improve the risk management process in procurement.

Guidelines:

IMRO Rwanda shall periodically review its risk management strategies and adjust them based on evolving risks and best practices.

Feedback and lessons learned from past procurement activities shall inform process improvements.

By integrating risk management considerations into the procurement policy, IMRO Rwanda can enhance its ability to identify, assess, and mitigate risks, ultimately ensuring a more secure and successful procurement process.

Procurement Policy Approved by:

Aimable MWANANAWA
IMRO Rwanda Executive Director



Flavienne NDAYISHIMIYE
Legal Representative