



Standard Operating Procedures Manual SOPs

Assets Management

“Inspection (Technical) Committee of Supplies Delivery Acceptance”

Presented to:

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Abbreviations

- NCB: National Competitive Bidding
- DG: Director General
- CEO: Chief Executive Officer
- IEC: Independent Election Commission of Afghanistan
- SOPs: Standard Operating Procedures
- GoIRA: Government of Islamic Republic of Afghanistan
- PFEML: Public Finance and Expenditure Management Law
- RFQ: Request for Quotation
- NCB: National Competitive Bidding
- ICB: International Competitive Bidding
- BOQ: Bill of Quantity
- GPM: General Procurement Manager
- GSM: General Stock Manager
- SK: Stock Keeper
- IC: Inspection Committee
- SFP: Supplier Focal Point "Authorized"
- GS: Gate Security
- WF: Workers (Workforce/ Labors)
- ID: Individual Departments
- In. Co: Inventory Committee
- P. Co: Procurement Committee
- PO: Purchase Order
- SL: Supply list
- PI: Purchase Invoice

– I.Ch: Inspection Checklist for receiving of supplies

1- Introduction: Inspection Committee is a committee of officials appointed by the entity CEO for the purpose of assuring qualitative and quantitative procurement performance as provided for by Procurement Law of Afghanistan.

Article 85 Procurement Law:

- The entity may appoint an Inspection Committee for the purpose of assuring quantitative and qualitative procurement performance.
- The entity or other person involved in the procurement shall verify that the delivered goods, works or services conform to the requirements of the procurement contract. If goods, works or services do not conform to the requirements of the procurement contract the responsible entity or person shall report on the variance to the relevant authority.
- Entities shall, either separately or jointly, establish inspection and testing facilities based on circumstances.
- The entity may appoint a special Technical Committee, for inspection, where appropriate to inspect and accept the performance under the contract.

2- Scope:

The scope of this Sop will be to ensure that the members of the store-keeping department and the Inspection Committee perform their duties to ensure sound stock and inventory practices (acceptance of deliveries as per standard norms and procedures set on bid documents and are similar with technical specification).

3- Objectives:

- To verify the quantity ordered against the quantity shipped or delivered.
- Inspect for damage or breakage.
- Check for operability/functionality.
- Confirm instructions regarding special handling or packaging were followed.
- Verify that the unit of measurement count is correct.
- Verify that delivery documentation is complete and acceptable.
- Verify that packaging integrity is preserved (no leakages, damages, etc.).
- Verify that perishable items are in good condition and expiration dates have not been exceeded.
- The inspection committee should consider the three things in inspection process (1- Physical Condition 2- Brochure and 3- Physical Count)

4- Technique in Property Inspection

4.1. INSPECTION BY ITEM: Individual item is checked for conformity of every requirement stated in the specification.

4.2. INSPECTION BY SAMPLING: Sampling is a process of obtaining info about a group of data having similar purpose or function; usually 10% of it is similar.

Sampling Techniques are diving into two categories:

Random Sampling

Interval Sampling

5- Tasks, Responsibilities and Procedures in the Assets Inspection process

Table # 5.1

Task	Authorized	In charge	Procedural Indicator
Providing clear and concise specifications of assets available in the market	CEO	Individuals/ Departments	Store Request Form (Form F.S.9)
Preparation of bid document and Purchasing of Assets	CEO	Procurement + Purchasing Committee	Solicitation Doc (NCBs, RFQs, PO)
Receipt of Assets	CEO	Stock General Manger/ Store Keeper	Delivery Receipt Form (Form M.7) + PO
Quality Check & Inspection of Specification	CEO	Inspection Committee	Approval of Purchase Invoice by Inspection Committee

6- Inspection (Technical) Committee TOR:

While the organization receiving and/or designated staff (dependent upon the goods received and whether or not staff with specialized expertise is necessary), should, upon acknowledging delivery of an order, conduct an inspection for the following minimum conditions:

- 1- Verify that what was ordered conforms to purchase document documentation (Statement of Work, specifications, attachments, etc.), including the product description, model, brand, and product numbers.

- 2- Verify the quantity ordered against the quantity shipped or delivered.
- 3- Inspect for damage or breakage.
- 4- Check for operability/functionality.
- 5- Confirm instructions regarding special handling or packaging were followed.
- 6- Verify that the unit of measurement count is correct (e.g. if the unit of measurement on the purchase document is one dozen, count 12 in the unit package).
- 7- Verify that delivery documentation (packing slip, certifications, etc.) is acceptable.
- 8- Verify that packaging integrity is preserved (no leakages, damages, etc.).
- 9- Verify that perishable items are in good condition and expiration dates have not been exceeded.
- 10- The inspection committee should consider the **three things** in inspection process
 - 1- Physical Condition
 - 2- Brochure
 - 3- Physical Count

7- Composition of Inspectorate Committee

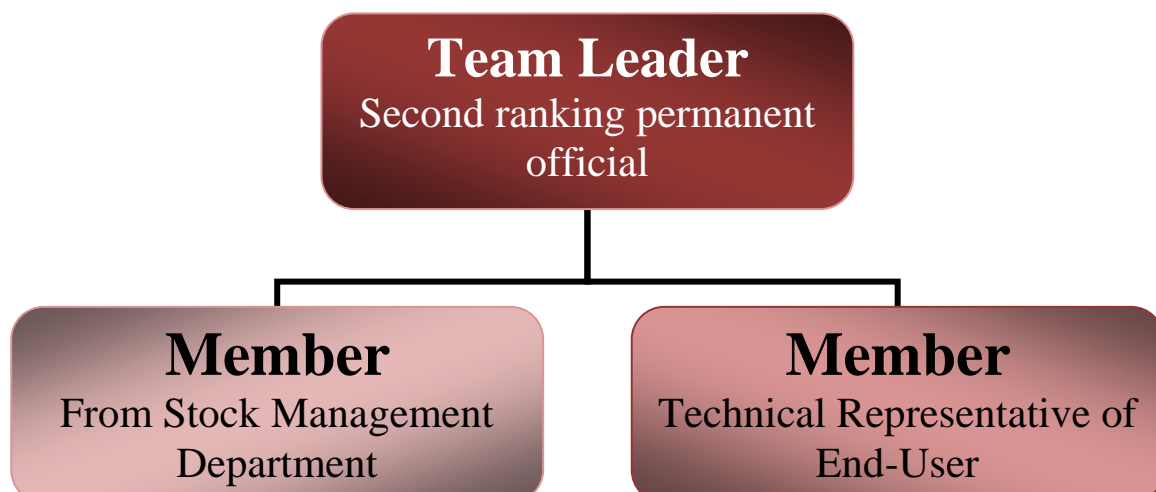
Regular Members:

- a. Team Leader – who is at least a second (2nd) ranking permanent official of the organization, mostly and head of administration departments.
- b. One organization personnel assigned by CEO from Stock Management Department to be fully responsible until the inspection of delivered supplies take place.

Provisional Member:

- a. One representative designated by the Head of the Department has request for the supply that has knowledge/technical expertise relevant to the goods delivered.

Figure # 7.1: Inspection Committee Hierarchy



8- Key Roles and Responsibilities in Supplies Delivery Inspection

8.1. Role of Supplier: (contractor or vendor)

The delivery of supplies, materials and equipment must be made by the supplier/ Manufacturer/ contractor:

- 1- In accordance with the specifications, terms and conditions provided in the Contract/Purchase Order
- 2- Within the stipulated period and at the place/s indicated in the PO or contract
- 3- Failure to deliver within the prescribed period, the supplier / manufacturer / contractor shall be liable for penalty, usually in the form of : **“LIQUIDATED DAMAGES”**
- 4- Once the accumulative amount of Liquidated damages reaches 10% of the contract, the procuring entity can rescind the contract
- 5- Extension of time to deliver may be granted for the following reason:
 - Force Majeure
 - unexpected Event
 - Beyond the control of the contractor
 - Delay is attributable to the purchaser or the like
- 6- The contractor shall compensate any deficiencies and omissions at its own expense.
- 7- The contractor shall at its own expense, place at the entity's disposal any premises, facilities and personnel needed for normal inspections.
- 8- The contractor and the entity shall each bear the expenses for the attendance of their respective representatives at the inspection.

8.2. Role of Stock General Manager and Store Keeper:

The organization Stock Management Team shall accept all deliveries found in accordance with technical specs:

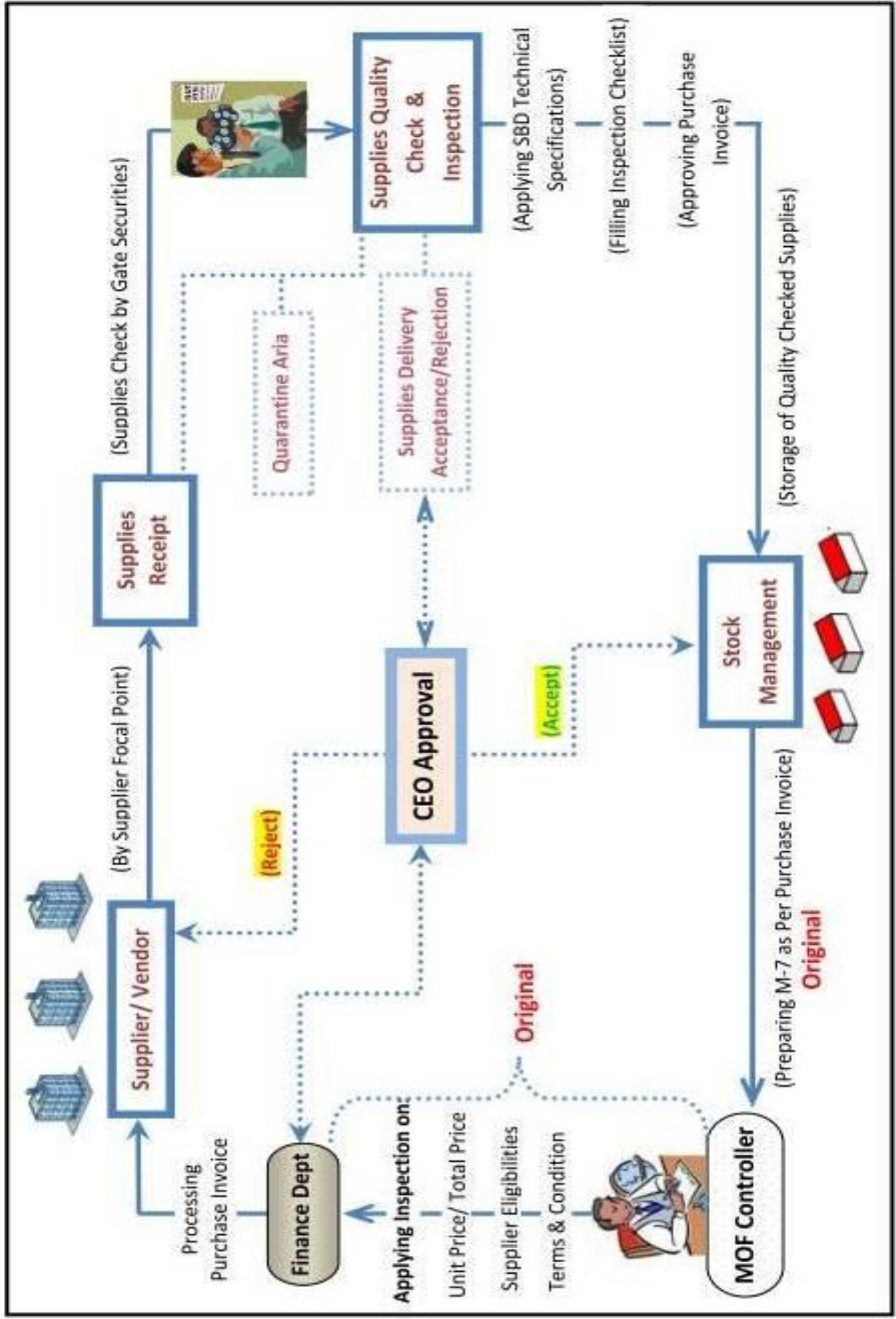
- 1- The procurement contract shall specify the rights of the entity to inspect, including observing and receiving reports on, all aspects of the performance of the contractor.
- 2- All items to be inspected shall be accepted first by the Property/Supply Officer.
- 3- The above provision related only to the receipting/signing on the delivery receipt (DR).
- 4- Temporary recording of the deliveries upon arrival of goods or articles.
- 5- The deliveries are still subject to inspection for conformity with specifications on the order.
- 6- Prepares Delivery Report to the CEO to introduce inspection committee.
- 7- Stock Officer/Designated Property Custodian *forwards* Original DR & Copy 2 of Approved PO to Inspection Committee for inspection of deliveries.

8.3. Role of Inspection Committee:

The act of examining goods that have been delivered to determine conformance to what was ordered via the purchase document, in some cases, the acquisition may require specialized skills or expertise in examining the goods to determine conformance.

- 1- Conform to contract requirement which include all applicable drawings, specifications and purchase description.
- 2- The act of testing what is purchased, either all items delivered, or the first item delivered or by random sampling of some or all items delivered.
- 3- Testing determines that the goods, purchased are in conformance to the contract requirements as stated in the solicitation and purchase documents, the supplier's and/or manufacturers published technical specification and that the goods perform to a satisfactory level.
- 4- The legal act of documenting that the goods and/or services conform to the requirements of the purchase document terms and conditions.
- 5- Completing an inspection or performance test, the department provides the supplier a notification letter confirming that the inspection/test has occurred, the equipment passed the inspection/test and the department accepts the product. Or
- 6- The Inspection Committee shall document the receipt and acceptance or rejection of goods and shall provide a copy of the receipt voucher both to the contractor, as notification of acceptance or rejection of the goods, and to the warehouse keeper.

Figure # 8.1: (Supplies Delivery Inspection Flow Chart)



9. Inspection Process Principles

STEP	ACTIONS / OUTCOMES	NOTES / EXCEPTIONS
<p>Step One: Receipt of Supplies (Arrival of Deliveries or Supplies)</p>	<ol style="list-style-type: none"> 1. On arrival of supplies at the organization, the delivery vehicle (which may be sourced through a third party), the driver, any of the supplier's workers involved and the supplier's focal point (s) present themselves and their delivery paperwork to the guard/ gate security. 2. The security guard calls the Procurement Department and secures verbal approval that the delivery is planned and might proceed (otherwise, the vehicle is refused access) and that the relevant personnel should be admitted. 3. The Procurement Officer (or a representative) then proceeds to the security gate and directs the vehicle and personnel, once inside the compound, as where to park. 4. Review of receipt documentation 5. The delivery will be offloaded from the delivery vehicle to the designated inspection / checking area by the driver, supplier's focal point and/or the supplier's workers. 6. At the designated offloading point, where the delivery may be checked, the Inspection Committee, plus the General Stock Manager and Stock In-Charge, the panel will meet up and be appraised of the following documentation relating to the delivery by the supplier's representative : <ol style="list-style-type: none"> 7. Purchase Order 8. Standard Bidding Document (SBD) 9. Purchase Invoice 10. Certification (if applicable) 	<p>5.1. The procuring entity staff (Stock Labors) are not involved at this point.</p>
<p>Step Two: Supplies Quality Check/ Inspection Process</p>	<ol style="list-style-type: none"> 1. The Inspection Committee in coordination with GPM is joining the panel. 2. The supplier submits the purchase invoice at the time of the delivery to the General Director. The GD refers the invoice to the General Admin Manager and he/she refers it to the Inspection Committee. 3. Inspection of any physical damage and Visual inspection are administrated to the delivery by the Inspection Committee plus the Supplier Focal Point and GSM using 	<p>1.1. The inspection Committee shall be assigned by the CEO, consisting of three persons including (representative Administration Department, Store Keeper or a member of Stock</p>

	<p>the Descriptive Form to ensure that the Goods supplied are as per technical specification.</p> <ol style="list-style-type: none"> 4. On offloading/ delivery of supplies the availability of Inspection Committee is mandatory, otherwise the supplies will be offloaded but will be placed in the Quarantine area and the procuring entity will not have the responsibility of securing of supplies theft, damage etc. 5. Items against the terms of the purchase order or agreement it's in inadequate quality, may be rejected and immediately returned to the supplier's focal point. 6. Items with incomplete Quality Assurance documentation may be accepted but it will be in the pending delivery, until the documentation submitted. but will be placed in quarantine, meantime and cannot be distributed 7. Based on Afghan Procurement law, the QA documents should be provided to the organization within 40 working days (otherwise, reminders will be issued to the suppliers by the Procurement Unit and supplies will be returned to the suppliers address). 8. Items having quality assurance documents are stored in specific place and sample of items like (Fuel, Mineral Water etc will be sent to ANSA (Afghanistan National Standard Agency) and sample of items like (Dry food, Vegetable Oil, Medicine, Consumable Medical Item and etc) will send to Quality Assurance Department of the MOPH for testing (Quality Analysis Check). 9. The Supplies Description Form will be filled by the Supplies Description Panel, while the supplies delivery finalized by Inspection Committee and the Supplies Descriptive Form will be considered and filled based upon the specification of the SBD/PO and supplier invoice and comparison with actual receipts. 10. The original signed copy of the Supplies Descriptive Form is then filed and signed by the Supplies Description Panel and one copy will be signed by the Administration Panel who is (CEO, General Admin Manager and General Stock Manager. 11. Two original supplier's purchase invoice should be prepared to show the actual delivery quantities and then it will be signed and initialed by the Inspection Committee and the supplier's focal point, as proof of delivery. One original PI will be kept with be GSM and the other will be given to SFP. Each member of the 	<p>Management and third one from the representative of end user).</p> <ol style="list-style-type: none"> 4.1. Quarantine Area; <ol style="list-style-type: none"> a- Is the place where supplies are offloaded within the organization in absence of Inspection committee. b- Is the place where supplies are against the terms and conditions of the procurement agreement and it's kept in this place until to be replaced/ returned. 6.1. Exceptions will be those supplies that there are quarantined because of incomplete QA documentation. 8.1. Quality check fee will be at the supplier's expense. 12.1. The deadline of supplies return is officially shared with the supplier "liquidate damaged procedures should be declared".
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	<p>committees can have a copy of the PI.</p> <p>12. The supplier's representative is then free to depart the organization and should return any rejected items.</p>	
<p>Step Three: Supplies Storage</p>	<ol style="list-style-type: none"> 1. While the supplies physically counted and inspected the Inspection Committee completes signs and files the supplies document and submit the documents to GSM. 2. The supplies are moved from the inspection/checking area by the Stock and located on the appropriate storage locations 3. The Form M.7 (Delivery Report Form) will be prepared by General Stock Manager with the whole supplies details (specification of "items name, items description, quantity, Unit, Unit price, Total price and the Total amount of supplies delivered to stock of the organization, plus the Date of supplies receipt, Purchase order number, Place of supplies offloaded, the Name of Supplier and a Short statement of the supplies receipt will be noticed and signed (approved) by both Store Keeper, General Stock Manager and CEO. 4. The Form M.7 while prepared by GSM the Inspection Committee will review and sign the form. 5. The GSM then attached the M-7 form and Purchase Invoice with an official letter all in original form sending to control manager of MOF (he/she is the MOF representative for controlling financial affairs of organizations. 6. The GSM refers Form M-7 along with purchase invoice the original to the Finance Department for invoice (payment) proceeding and the copy the procurement/purchase Department of contracts/purchase installments records and one another copy in Stock Management Department for contract/purchase balancing and reconciliations. 7. The stock management team will record the receipt of the delivered items based on signed and approved documents into a Stock Record Card (FS7) and one other copy in Bin Card. 	<p>3.1- before preparing the Form M.7 the availability of supplies in the organization stock is mandatory, otherwise any other practices if be taken is against the store management manual.</p> <p>4.1- MOF controller is to technically observing the prices and analysis and comparing the Purchase Invoice with the Form M-7 in order to find the financially mislaid.</p>

Annex 1: Inspection Checklist for receiving Supplies (by Inspection Committee)

No	Questions	Criteria	Score		Comments
			Yes	No	
Checklist for All Initial Receipts into the Organization Stock Management					
1	Purchase order has been sent officially by procurement	View the documents on file			
2	Purchase order not exceed 14 working days on delivery (issued date of PO)	View the documents on file			
3	Standard Bidding Documents (SBD) available with incoming delivery (procurements only)?	View the documents on file			
4	Supplier Invoice available (Original only)?	View the invoices on file			
5	OR, Donor delivery documents available (including recipient director-level authorization)?	View the documents on file.			
6	OR, Transfer documents available (including recipient director-level authorization)	View the documents on file.			
7	Stock Keeper aware of delivery (or collection) time, in advance?	Ask the Stock Keeper if he/she was advised in advance of the delivery/ collection.			
8	Certificate of supplies is available (if applicable)	View documents on assets production batch.			
9	Received supplies have 2 of its shelf life (if applicable)	View the filled delivery documents and check.			
10	Is the manufacture's naming the same on the labels, and the supplier invoice?	Check the naming on labels and invoice.			
11	Any visible evidence of damage?	View the physical condition of both containers and packaging			
12	The damaged and expired supplies are rejected to supplier (procurements only)?	Check Descriptive Form			
13	The items without Certificate of Analysis are quarantined (inspection committee)	View the quarantined items.			
14	All quantity and quality discrepancies are documented and reported (all receipt types)?	Check Descriptive Form			
15	The Stock Keeper received and signed each item delivered and submitted to Stock (all receipt types)	Ask from Stock Keeper and see the PO. Check 5 receipts.			
Total Scores:					

11. References:

- Afghanistan Assets Management Guidelines 1967
- Procurement Law of Afghanistan 2009
- Afghanistan Accounting Manual 2011