

PROCUREMENT POLICY AND PROCEDURE



PROCUREMENT POLICY AND PROCEDURE

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1. PURPOSE

The purpose of the procurement policy is to:

- ✚ Procure the necessary quality and quantity of goods and/or services in an efficient, timely and cost effective manner, while maintaining the controls necessary for a corporation.
- ✚ Encourage an open competitive bidding process practicable for the acquisition of goods and/or services and equitable treatment of all vendors.
- ✚ Ensure the maximum value of an acquisition is obtained by determining the total cost of performing the intended function over the lifetime of the task. This may include, but not be limited to, acquisition cost, installation, disposal value, disposal cost, training cost, maintenance cost, quality of performance and environmental impact.
- ✚ Procure goods and/or services with due regard to the preservation of the natural environment and to encourage the use of "environmentally friendly" products and services.

2. DEFINITIONS

- ✚ **"Control"** means the possession and exercise of legal authority and power to manage the assets, goodwill and daily operations of a business and the active and continuous exercise of appropriate managerial authority and power in determining the policies of the business and directing the operations of the business.
- ✚ **"Management"** means an activity inclusive of control and performed on a daily basis, by any person who is a principal executive officer of the company, by whatever name that person may be designated, and whether or not that person is a director.

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3. SCOPE

This policy is applicable to the following within the organization:

- Director
- Project Managers
- Financial Management and Accounting Staff; and
- Procurement Officer

4. POLICY APPLICATION

Quotations or proposals submitted after the Request for Proposals (RFP) submission deadline, respectively, will not be accepted.

Goods and/or services with an estimated value:

- up to R5,000 will be acquired at competitive prices by referencing catalogues, suppliers' lists or advertised prices or through negotiation where prices offered are fair and equitable;
- from R5000 to R30,000 will be acquired by implementing an Notice of Intent where only one vendor has been identified with the capability of providing the goods and/or services or by implementing a RFP from a minimum of three suppliers to ensure an adequate degree of competition; and
- Above R30, 000 will be acquired by implementing an NOI where only one vendor has been identified with the capability of providing the goods and/or services or by implementing a RFP which will be sent to pertinent identified vendors and posted electronically on the centre website.

A purchase order will be issued for all goods and services with a value of R5, 000 or more.

No work shall begin until the purchase order is issued and any modification to the goods and/or services shall be made only by amendment to the purchase order.

Where a product is purchased, the cost shall be the sum of all costs, including but not limited to, purchase price, all taxes, delivery, installation, warranty, life cycle cost, operating and disposal costs incurred which meets the specifications.

Where a service is purchased, the cost shall be the sum of all costs, including but not limited to purchase price, all taxes and all related expenses.

The staff and Board of Directors shall consider all factors in obtaining the most cost efficient and effective bid.

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Emergency or time sensitive procurements that do not follow the above procedures require written authorization by the Treasurer, or in his absence, the Chair or Vice-chair.

4.1 MANAGING CONFLICT OF INTEREST

Board members and employees shall not have a pecuniary interest, either directly or indirectly, in any contract with or with any person acting for any contract for the supply of goods and/or services for which the company pays or is liable, directly or indirectly, to pay unless such interest has been declared pursuant.

4.2 CODE OF CONDUCT

Members of the Board are required to declare any pecuniary interest direct or indirect, and its general nature, which may result in a conflict of interest.

Employees of the company are required to declare any pecuniary interest, either direct or indirect, in writing to the DIRECTOR, with a copy to the Chair, indicating the specific nature of the conflict. If the DIRECTOR has a pecuniary interest, either direct or indirect, the DIRECTOR is required to declare the interest in writing to the Chair. The DIRECTOR is required to report any employee conflict of interest that cannot be isolated and resolved to the Chair and the Finance-Audit Committee of the Board of Directors.

Any contract with , or with any person acting for the company, and any contract for the supply of goods, materials or services for work or is liable, directly or indirectly, to pay in which a member of the Board or any employee of WDO has an undeclared pecuniary interest, directly or indirectly, may be voided.

Purchasing representatives will not accept gifts or favours in return for business or the consideration of business and will not publicly endorse one company in order to give that company an advantage over others.

5. PROCUREMENT PROCEDURE

The following procedures will be utilized, as appropriate, to acquire goods and services:

- Request for Information (RFI) to solicit information on which to base a procurement process and/or decision
- Request for Expressions of Interest (REOI) to determine the interest of vendors to provide the goods and/or services
- Request for Qualifications (RFQ) to determine the qualifications of vendors to provide the goods and/or services

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- Notice of Intent (NOI) to award a purchase order when only one vendor has been identified with the capability to provide the goods and/or services
- Invitation to Quote (ITQ) when the specifications of the goods and/or services are known and the preferred supplier will be selected on price alone
- Request for Proposals (RFP) when the preferred supplier will be selected on the basis of a number of considerations including the vendor's approach to providing the goods and/or services, qualifications, experience, ability, personnel availability, timeliness of delivery, price. An RFI, REOI, RFQ or NOI may not lead to an ITQ or RFP solicitation process but are independent of the solicitation process. Participation in an information gathering process does not guarantee participation in the subsequent ITQ or RFP solicitation process. An RFQ may be used to pre-qualify vendors for an NOI, ITQ or RFP solicitation process.

Vendors will be provided with a minimum of 15 calendar days to respond to an RFI, REOI, RFQ, ITQ or RFP.

During an RFP process, vendors may communicate questions of clarification in writing to the employee point of contact specified in the RFP.

Responses to the questions of clarification will be provided by the company employee to all vendors who have identified themselves as intending to submit a proposal.

6. COMMUNICATION OF POLICY

The Procurement Policy will be distributed to all Managers and all personnel responsible Procurement of goods and services as well as personnel responsible for financial management and accounting. A workshop will be conducted for all staff within the organization to familiarize them with the policy.

7. EVALUATION AND REVIEW

This policy will be evaluated on a regular basis and reviewed once a year.

8. DOCUMENTATION

- An approved master copy (hard-copy) of the Procurement Policy.
- An electronic copy of the Procurement Policy.
- A signed circulation list of employees that received the Policy.

Appendices

- Declaration of Interest Form

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All Nations Outreach Christian Council

Declaration of Interest

Do you have any business or personal interests that might be material and relevant to the business?

Yes **O**

No 0

If your answer is yes, please give details.

This image shows a full page of white paper with horizontal blue or grey ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

Name: _____

Date: _____

Please return completed form to:
All Nations Outreach Christian Council