

## PROCUREMENT OF GOODS AND SERVICES POLICY

### Purpose of Procurement:

The overall purpose of procurement regulations is to ensure that IMMAF gets the highest quality of desired goods and services at the best price possible. Further, the regulations are aimed at streamlining the process of procurement while maintaining adequate controls. These procurement procedures apply to all staff involved in the procurement process and to all types of procurement.

### Policy Statement on Purchasing:

The IMMAF Purchasing Policy is derived from the associated values and aims contained in its Statutes.

The Purchasing Policy will also operate within the wider framework of Financial Regulation and any legislative requirements in the jurisdiction under which IMMAF is registered and governed.

The Purchasing Policy is as follows:

1. IMMAF will seek to achieve value for money in all purchases. A number of factors including price, quality and fitness for purpose are relevant when considering value for money.
2. IMMAF will endeavour to purchase materials and services produced with a minimal negative effect on the environment. Preferential treatment will be given to companies, which can provide value for money and demonstrate that they operate in an environmentally sound manner.
3. Wherever possible, IMMAF will not deal with companies who are known to operate discriminatory practices (e.g. employee, racial/ethnic, and equality).

### The Procurement Committee:

The IMMAF procurement committee shall be composed of;

- designated Board representative
- CEO
- one (or more) senior administration representative (s) under whose department the procurement or purchase is required or has been requested

The committee shall meet when there is need to deliberate on issues pertaining to procurement. The key terms of reference for the committee shall be to:

- i) Award tenders
- ii) Approve orders
- iii) Award contracts
- iv) Approve variation of contracts conditions

### **Principles of Implementation:**

The departmental head (or designated specialist member of staff) will wherever practicable negotiate all major contracts.

Major items and group purchases (as defined) will be technically specified by the relevant specialist staff who will undertake or provide professional advice and guidance on all such contract negotiations and provide guidance on a range of goods and services and regionally negotiated contracts.

### **Purchasing Procedures:**

1. All suppliers asked to quote must be given exactly the same information regarding the requirement.
2. Written information will be sent to suppliers asked to quote for purchases over £1,000.
3. For purchases between £1,000 and £5,000 two written quotes must be obtained.
4. For purchases over £5,000 three written quotes must be obtained.
5. For all purchases over £10,000 sealed bid tenders must be sought. When inviting a tender full detail of the requirement must be stated along with the closing date for the tender. All sealed bid tenders must be enclosed in plain envelopes with no markings to distinguish the sender. All envelopes to be opened on the same day on the agreed date.
6. The same process applies for in-kind deals and partnership evaluated at a potential equivalent financial value of over £10,000
7. If there is a need to appoint a supplier to provide goods at interim periods of time over a long period (e.g. furniture during a long-term refurbishment program.) The above process should be conducted at the onset and the supplier appointed for the duration of the project.
8. All purchases must comply with EU Procurement Directives. The Directives set out the principles for Works, Supplies, Services and Utilities contracts, which are above specified financial threshold levels. The rules specify procedures for advertising and awarding depending on the type of contract which contracting authorities must comply with.
9. Contracts above the threshold levels affected by the EU procurement rules must be advertised in the Supplement to the Official Journal of the European Communities (OJEC) before being notified elsewhere. The current levels and full directives can be found on the Public Tenders website – [www.publictender.co.uk/legislation](http://www.publictender.co.uk/legislation).

10. If a firm repeatedly proves themselves to be the cheapest provider of a particular service and the work is of a satisfactory standard the Chief Executive should be advised to obtain approval to add the firm to the list of nominated suppliers. It will be permissible to utilise their services for orders of £1,000 or less without obtaining further quotes.
  
11. A nominated Purchasing Officer will be responsible for maintaining the list of Nominated Suppliers and ensuring that comparable quotes are obtained at least once a year to ensure that they should be retained on the list.
  
12. Goods or services will be delivered to the originator of the requisition who is responsible for checking that the goods or services match the order exactly. A satisfaction note should then be sent to the Purchasing Officer advising that the order has been received correctly (or noting any variance.)
  
13. Invoices will be sent directly to the Purchasing Officer that will only pay the invoice on receipt of the satisfaction notes and purchase order, providing that the purchase order matches the invoice. Authorisation must be obtained prior to paying invoices.

#### Levels of Authority:

The following table sets out the limits of authority for signing most types of legal document, and the scope for those so authorised to delegate their powers.

Expenditure	Level of Authority	Initial Approval	Final Approval
<b>Capital</b>			
Purchase of Land or Building	Any financial commitment by the IMMAF to commit to the purchase of land and buildings no matter the value	CEO	Board
Repairs and Maintenance	Any amount to repairs and maintenance greater than £10k	CEO	Board
<b>Revenue</b>			
Commitment to long term property lease greater than one year	Any financial commitment by the IMMAF to commit to a property lease greater than a year no matter the value	CEO	Board
Commitment to a short-term property lease less than one year	Up to the value of £25k for any one year	CEO	CEO
Revenue Expenditure where the programme requires investment directly	Any single amount or amounts to the same organisation that are greater than £10k	Procurement Committee	Board

from the IMMAF (In other words not a funded programme)			
Revenue Expenditure where the programme requires investment directly from the IMMAF (In other words not a funded programme)	Any single amount or amounts to the same organisation that are less than £10k	Procurement Committee	CEO
Revenue Expenditure in line with the budget proposals	Any amount less than £25k	Department head	CEO
Revenue Expenditure in line with the budget proposals	Any amount over £25k	Procurement Committee	CEO
Revenue Expenditure outside annual budget proposal	Any amount over £30	Procurement Committee	Board

## PARTNERSHIP PROPOSALS

IMMAF procurement policy and purchasing procedures apply to the consideration of partnership offers as per their potential equivalent financial value evaluation. (e.g. £10,000 worth of goods will be treated as a £10,000 purchase in terms of level approval required)

This includes Partnership Proposals which;

- offer in-kind goods or services to IMMAF
- include potential profit-share arrangements
- limit IMMAF in its procurement or purchase of goods and services from other suppliers

Evaluation of each supplier's offer should include consideration of cost to IMMAF, to include:

- Additional financial costs to IMMAF which would be required in order to activate, deliver or capitalise the partnership (e.g. employment of extra staff, legal, promotional, capital expenditure, travel)
- In – kind cost to IMMAF
  - e.g. - financial value of staff hours required, worked out as percentage of salary/ wage
  - IMMAF assets
- Diversion of resources from and impact on delivery of core KPIs, and loss to other projects (e.g. in terms of staff hours, progress made and predicted financial losses in other areas of business)
- Potential loss to IMMAF through limitations to procure or purchase from other suppliers (e.g. through exclusivity clauses) or to form other partnerships

- Length and terms of partnership deal
- Reputational risk
- Commercial risk
- Liability risk
- Legal and accountancy costs