

Policy and Procedure for Procurement

Policy

As a membership organisation, we need to spend money wisely and selectively to ensure that best value for money is obtained.

We recognise this requirement in entering into contracts to supply goods and services, and all contracts with a value of \$100,000 USD or more will be subject to a tendering process.

Our procurement policy aims to:

- a. Secure value for money, based on whole-life cost, not short-term price. Whole-life cost takes into account cost over time, including capital, maintenance, management and operating costs
- b. Conform with English and EC Law and best practice
- c. Ensure contracts are entered into within budget constraints and with correct authorisation
- d. Support compliance with the ITF's Bribery Policy

Procedure

Invitation to tender

- Selective tendering is required for all contracts of more than \$100,000 (or \$100,000 per annum for a multi-year contract) but contracts of less than \$100,000 p.a. will still need to be market tested or benchmarked to ensure best value. Market testing should include obtaining pricing information and qualitative information on the goods and/or services to be procured.
- Tenders are to be sought from at least three suppliers selected as being capable of providing the goods and/or services to the specifications or standards required by us.
- Our in-house Legal team should be consulted at the commencement of the tender process, and agreement should be reached on the appropriate level of legal involvement (whether in-house or external) throughout the process. Involvement may include input into tender documentation, draft contract terms and subsequent contract negotiations, and data protection requirements.
- We will give due consideration to legal and ethical requirements and best practice including, equality and diversity, freedom of information, engagement with small and medium-sized enterprises, data protection and security, sustainability and other aspects of corporate social responsibility.
- Approved suppliers for centrally purchased goods and services can be set up as formal contracts or framework agreements based on requirements estimated for a set period. These cases should be subject to the normal tendering process requirements based on the our likely annual requirement.

- If you are involved in procurement you are expected to maintain the highest standards of propriety and integrity in all of their business relationships both inside and outside the ITF. In particular, you are required to work in line with the following:
 - a. Personal interest - avoid any conflict of interest in purchasing activity at all times
 - b. Confidentiality - confidentiality of commercial information must always be respected and the information never used for personal gain or passed to others
 - c. Fair competition - any arrangement with a supplier which might in any way prevent fair competition must be avoided
 - d. Anti-bribery – all staff should review the ITF's Bribery Policy prior to commencing a procurement process
 - e. Business gifts and hospitality - any goods, services, hospitality, gifts or benefits offered, which might be interpreted as affecting decisions taken by you or others, could be taken as a conflict of interest. Corporate hospitality or entertaining may be accepted in the interests of fostering a professional relationship but must at all times comply with the ITF's Bribery Policy, however, gifts and/or hospitality of any value must not be accepted during a tender process from a tenderer.

Where there is any doubt:

- ❖ consult your Line Manager or Executive Director or Head before accepting; or
- ❖ discuss the possibility of handing the gift over to the ITF; or
- ❖ refuse the offer, citing this guidance.

Signing authority

- Contracts under \$100,000 p.a. will require signature by the Executive Director budget holder
- Contracts over \$100,000 p.a. will require signature by the Executive Director budget holder and countersignature by the Chief Executive Officer or by the Executive Director, Finance & Administration.
- Contracts over \$300,000 p.a. will require signature by the Executive Director budget holder and countersignature by the Executive Director, Finance & Administration or Chief Executive Officer and the President.
- Contracts are normally issued for a maximum of 36 months inclusive of a satisfactory trial period, where appropriate. Contracts with a duration of more than 36 months, or more than \$300,000 in total will require signature by the Executive Director budget holder and countersignature by the Executive Director, Finance & Administration or Chief Executive Officer and the President.

Standard terms

- ❖ We have a clear, consistent policy to pay invoices within terms with a default payment period of 30 days.
- ❖ Where relevant, we may agree a part payment schedule against set deliverables agreed at the time of tendering.

Documentation

All documentation relating to contract tenders will be held by the department procuring the goods and/or services and will be made available for periodic inspection. This information should include:

- ❖ Any research on potential suppliers
- ❖ All information provided to suppliers
- ❖ Tender documents
- ❖ Any responses to queries or requests for clarification (which should be shared with all suppliers invited to tender)
- ❖ Signed contracts

The contract tender must be evaluated in the context of value for money, based on whole-life cost, and the ability of the company to deliver a reliable product or service according to our requirements. Tenders must be considered in terms of best value but where the cheapest option is not taken up valid reasons must be recorded and kept on file for audit purposes.

There are circumstances under which a tender process is inappropriate, for instance where there is a limited market, or where a long standing relationship is clearly beneficial. Under such circumstances the requirement to undertake a competitive tender process may be waived on the authority of the Executive Director, Finance & Administration. All such applications for contract values over \$100,000 p.a. should be made directly to the Executive Director, Finance & Administration in writing and should include all information relevant to the decision including the reasons why the exemptions should apply and financial details of the contract.

A list of the exceptions will be kept on file for audit purposes, presented to the Auditors as required, and to the Finance & Audit Committee on request.

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