

# **Community Resource Management Foundation**

Procurement: Policy

## **PROCUREMENT POLICY & PROCEDURES**

### **1 PURPOSE**

Community Resource Management Foundation (CRMF) procurement processes are designed to provide the appropriate controls needed to conduct its business with suppliers of goods and services and other third parties in a cost effective, controlled and transparent manner.

### **2 SCOPE**

2.1 This Policy applies to all CRMF Headquarters, Country and Project Offices, who are directly or indirectly involved in the procurement of goods and services for or on behalf of WF. Any exception not covered in the policy will be dealt on a case by case basis by the Global Procurement Lead, e.g. when requirements are expressed by a respective Donor.

2.2 Employees involved in any procurement activity must take full responsibility to understand and comply with the procurement processes, including any ethical requirements.

2.3 Unless otherwise expressly stated herein, the Procurement department is the single point of contact for all procurement activities at CRMF. Only the Procurement department or delegated staff are authorized to purchase on behalf of CRMF.

2.4 Procurement Planning is essential for the effective and timely solicitation of bids, award of purchase orders or contracts, and delivery of the goods or services required. Requestors should submit their annual/half yearly/quarterly procurement plans by 15 January every year or at the start of a Project.

### **3 POLICY STATEMENT**

All procurement of goods and services and the employees of WF will be governed and shall conform to the procurement policies and procedures, donor requirements and/or host country laws when engaging in procurement activities.

### **4 POLICY DETAILS**

#### 4.1 Overview

a) Regional and Project Offices may have localized procurement manuals that have more restrictive procedures, processes and/or thresholds, with appropriate approval. These localizations should not contradict CRM Procurement Policies including not exceeding any set forth thresholds.

b) Due to the nature of certain purchases, procurement policies and procedures do not apply to payroll, utilities, utility-related services, insurance, sub-grants, local periodical subscriptions and items controlled by government pricing. Other services such as air tickets are managed through long term supplier contracts where procurement process may apply once in identifying the supplier and in each renewal of the contract

#### 4.2 Finance and Controls

a) Payments. The standard payment terms given to the supplier by CRMF is 30 days. Any exceptions should be discussed with the Finance department. All invoice relating to goods and service will be delivered directly to Finance department for registering Invoice and effecting payment.

b) Annual Evaluation of Purchases. On an annual basis Risk and Compliance department should test, on a sample basis, all categories of purchases and suppliers for validity, accuracy and completeness. The findings should be presented to the Global Procurement Lead. The Risk and Compliance department can request the assistance of the Procurement department in performing their review.

c) Contracts Management. All contracts or other forms of legal commitment entered into on behalf of the CRMF should be reviewed and approved by the Legal department. The

Procurement department will keep the original copy of the contract. A photocopy of the contract will be given to the requesting unit for reference purposes and for contract implementation and administration.

d) Framework or Long-Term Contracts. It is a long-term agreement established between the WF and one or more selected suppliers on a call-off basis for the supply of a determined or undetermined quantity of a certain item at an unfixed or fixed price for a specified period of time. It is suitable to satisfy recurring requirements thus reducing administrative costs and repetitive acquisition and is able to reduce procurement lead time. Requestors are encouraged to work with the Procurement department to identify such opportunities where a long-term agreement is possible.

e) Records Management. It applies to the retention and storage of documents created by WF as part of its procurement activities as well as documentation submitted by suppliers. Both electronic and hard copy documentation shall be safely and securely stored with access being restricted to authorized personnel. This ensures that commercial confidentiality is protected, and that documentation is available in the event that it needs to be accessed at a later date. Procurement files should be kept for a minimum of 7 years for audit trail purposes and may differ based on Donor requirements and other circumstances.

f) HQ Procurement Technical Approval is required for all country offices procurement with PR value exceeding

Offices must send a copy of the full procurement file (including the documents listed below:

- Approved PR
- Full RFP or tender document package
- Minutes of opening ceremony
- Signed technical & commercial supplier bids
- Comparative bid analysis
- Procurement Committee minutes on the award recommendation
- Draft of the contract (if applicable)

NB: If the above documents are issued in the local language, translations into English are

required and must  
be sent together with copies of the original documents.

## 5 PROCEDURES

5.1 Regional and Country Offices that have localized their procurement policies and procedures have to obtain the Global Procurement Lead approval on processes and thresholds.

5.2 The procurement policies and procedures are linked to the OCS workflows. Changes in the policies or the approvals.

### 4 CRMF Procurement Policy and Procedures

5.3 The procurement policies will be revised as per the policy development framework every three (3) years, however if there are changes in the circumstances such as serious economic changes (e.g. economic recession, severe currency fluctuation...etc.) or changes in applicable laws (e.g. sales tax, VAT...etc.) which may require change in thresholds or certain policies, the policy owner will submit a policy proposal to include the required changes for management decision.

## 6 RESPONSIBILITIES

All personnel engaged in procurement activities must fully comply with all the procurement policies and procedures. The procurement of goods and services for or on behalf of WF shall be conducted in a manner that is based on the principles set out below.

### 6.1 Value for money (VFM)

VFM represents the combination of cost, quality and sustainability that best meets the requirements of CRMF. The principle implies that successful offers will not always be those that are offered at the lowest price, but rather those that represent the lowest overall cost to CRMF and the best return on investment.

### 6.2 Competition

Procurement shall be carried out on a competitive basis to the maximum practical extent based on threshold.

### 6.3 Impartiality, Transparency & Accountability In ensuring impartiality, potential suppliers of

goods and/or services shall be accorded equitable treatment and their offers shall be evaluated based on their legal, technical and financial abilities. Employees shall be accountable for their acts with respect to procurement based on the lines of accountability established in the Procurement Policy & Procedures.

6.4 Splitting Purchases or attempting to by-pass, procurement processes is prohibited.

“Splitting” means dividing the total cost of a single or a multiple Purchase into two or more smaller transactions, with the intention of, or resulting in, avoiding the application of the procurement processes.

6.5 Code of Conduct

CRMF employees’ conduct must be characterized by integrity, respect and loyalty to CRMF interests and must not in any way harm or compromise CRMF reputation. Fraud and/or collusion in any form is strictly prohibited.

Fraud is defined as any action aimed at obtaining an unauthorized benefit, such as money, goods, services or other personal or commercial advantages, regardless of whether such advantage benefits the employee(s) concerned, CRMF or a third party.

6.6 Conflict of Interest

A conflict of interest refers to a situation where a conflict arises for an individual between two competing interests. This refers to a reasonably perceived, potential or actual conflict of interest. Conflicts of interest can involve financial or non-financial interests of the staff member and the interests of a business partner or associate, family member, friend or person in a close personal relationship with the staff member. If such situation arises, then the staff member should complete and sign a conflict of interest declaration form in accordance with the Risk and Compliance policy.

6.7 Prohibition on Gifts.

Suppliers should be informed that during the tender process they should not provide gifts or entertainment to CRMF employees or their families who are involved in the tender process.

Please refer to Personnel Policy

## **7 PROCESS MAP OR FLOWCHART**

Not applicable

## **8 DEFINITIONS AND ACRONYMS**

8.1 Goods are defined as tangible item with a value that is greater than the petty cash value and for which it

will be procured following the procurement policy.

8.2 Services are defined as activities that are performed by individuals or companies for CRMF and the value exceed the petty cash limit.

8.3 Consultants are defined as a contractual arrangement between CRMF and an individual consultant or company in which the consultant performs a particular set of tasks and provide output over a defined period of time; usually a relatively short duration. For more information on consultants, please refer to the consultancy policy.

8.4 OCS refers to One Corporate System which is CRMF Enterprise Resource Planning (ERP) system using Agresso Software.

## **9 REFERENCES AND ASSOCIATED POLICIES**

- This policy supersedes Procurement Procedures and Guidelines – February 2023