



PROCUREMENT POLICY

Revision 1: February 2023

Introduction

The following policy seeks to guide the acquisition process used to secure services, goods and work from external sources.

This policy is intended to ensure that OBSID receives goods, services or works at the best possible price, when aspects such as quality, quantity, time, and location are compared.

Before a purchase is approved, it must be determined that the provider is appropriate and that pricing, conditions of purchase and related items are suitable.

Objectives

To ensure fairness, transparency, competitiveness, cost effectiveness and accountability when obtaining securing or purchasing goods or services.

Policy

It is a requirement of this policy that all quotes and relevant information (motivation, minutes of meetings when relevant, supporting documentation) is to be recorded and stored with the current financial year records / archived at the end of each financial year.

Procurement process

The procurement process encompasses the following phases:

- Identifying needs and budget review to determine available spend;
- Researching and identifying suppliers;
- Contacting and communicating with suppliers to obtain valid quotations:
- Negotiation of terms;
- Assessing supplier service;
- Satisfaction (condition, on time, correct goods or services delivered) and payment.

Financial responsibilities of executive authorities

Board approvals (where required) may be obtained via email unless otherwise stated in this policy.

Once off expenses below R20 000-00:

Individual purchases that form part of the annual operating budget, are once off expenses and do not exceed R20 000-00 are exempt from this policy.

It is the CEO's responsibility to ensure that sound procurement practices are followed in each instance.

Expenses exceeding R20 000-00 and below R100 000-00 (approved as part of operating budget or accumulated surplus / retention fund budget)

1. The CEO, with inputs from the relevant program team, must source two independent quotes including relevant specification details regarding the item or service to be secured;
2. The CEO, with input from the relevant program team, must make a recommendation as to the preferred provider.
3. The CEO must submit the written recommendation (plus all supporting documents) to the Board Chair and Board Vice Chair for consideration and approval to proceed;
4. If the goods or services are to be supplied inside of a contract, this contract may only be signed by the Board Chair and the Board Vice Chair (or other Directors as may be mandated by the Board to fulfill this duty on behalf of OBSID);
5. The procurement decision (plus all supporting documents) must be included in the document pack for the next scheduled Board meeting for review.

Expenses exceeding R100 000-00 (approved as part of operating budget or accumulated surplus / retention fund budget)

1. The Board may establish a working group to provide input into the procurement;
2. The CEO, with inputs from the relevant programme team and working group, must document the terms of reference for the proposed procurement;
3. These terms of reference must be sent out to at least three possible providers, who must submit quotes in response to same;
4. The CEO, with inputs from the relevant program team and working group, must prepare a supplier assessment document;
5. Potential providers must be invited to make a presentation to a selection panel convened per instance and that will be comprised of working group members and staff ;
6. A selection grid must be completed per provider and retained as part of the procurement record;
7. The selection panel must make a written recommendation as to the selection of the provider which will be submitted to the full Board for final review and approval
8. If the goods or services are to be supplied inside of a contract, this contract may only be signed by the Board Chair and the Board Vice Chair (or other Directors / The CEO as may be mandated by the Board to fulfill this duty on behalf of OBSID).

Internal capacity building / program expansion projects OR special projects (funded by accumulated surpluses)

1. The CEO must lead the project development process and document a full project / program scope. As part of this process, the CEO must consult with relevant program team members and Board members and may also call for inputs from external parties;
2. Once documented, the CEO must develop an implementation plan and a full proposed budget;
3. The project / program scoping document, implementation plan and budget must be sent to the full Board for review and further comment;
4. Approval to proceed must be obtained from the full Board.

Variation from this policy

In instances where potential suppliers are deemed unique in terms of their specific skills, competencies and attributes, the full Board may agree to vary the requirement to request proposals from multiple suppliers for specific projects.