

## POLICY AND PROCEDURE FOR PROCUREMENT

### POLICY

As a membership organisation, the ITF needs to spend money wisely and selectively to ensure that best value for money is obtained.

The ITF recognises this requirement in entering into contracts to supply goods and services, and all contracts with a value of \$50,000 USD or more will be subject to a tendering process.

The ITF 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 \$50,000** (or \$50,000 per annum for a multi-year contract) but contracts of less than \$50,000 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 the ITF.
- In-House Legal 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 ITF's likely annual requirement.
- All employees involved in procurement 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, our staff are required to work in line with the following:
  - a. **Personal interest** - They must 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 or hospitality of any value must not be accepted during a tender process from a tenderee. Where there is any doubt:
  - *consult your Line Manager or Executive Director 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 Operating Officer.
- Contracts over \$250,000 p.a. will require signature by the Executive Director budget holder and countersignature by the Executive Director, Finance & Administration, the Chief Operating 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 \$250,000 in total will require signature by the Executive Director budget holder and countersignature by the Executive Director, Finance & Administration, the Chief Operating Officer and the President.

## **STANDARD TERMS**

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