



# Procurement Policy

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## Contents

<b>Audience and Responsibilities .....</b>	<b>2</b>
<b>Scope and Purpose.....</b>	<b>2</b>
<b>Principles.....</b>	<b>2</b>
<b>Procurement thresholds.....</b>	<b>3</b>
<b>Three quote process.....</b>	<b>3</b>
Formal (£3,001 to £15,000) .....	3
Informal (£1,001 to £3,000) .....	4
<b>Tender process (£15,001 and above).....</b>	<b>4</b>
<b>Single source procurement.....</b>	<b>4</b>
<b>Due diligence.....</b>	<b>5</b>
Financial checks.....	5
<b>Contracts .....</b>	<b>5</b>
<b>Contractors .....</b>	<b>6</b>

Document owner	Date of last review	Date of next review
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# Procurement Policy

## Audience and Responsibilities

This policy applies **globally** to **all individuals** procuring on WFD’s behalf. This includes contractors, agency workers, and other individuals temporarily undertaking work for WFD under a contract of service. It also applies to implementing partners.

All individuals and partners involved in procurement activities will act ethically, impartially and objectively in all their purchasing activities

Staff should not be involved in selecting suppliers or overseeing procurement if there is a real or perceived conflict of interest. This includes situations where the employee, any member of the employee’s immediate family, or employee’s partner has a financial or other interest in the organisation selected.

All individuals and partners conducting work on a third-party contract are responsible for also meeting any additional requirements per the donor’s contract terms.

## Scope and Purpose

This policy applies to all procurement activities relating to:

- **Goods** – tangible products or items, such as stationary or furniture
- **Works** – such as repairs to property
- **Services** – support or activities provided by another organisation, such as conference/ meeting facilities, audit or legal work, or consultancy/ experts

The purpose of this policy is to ensure WFD:

- Has a **transparent and accountable** process
- Funds are used effectively to deliver **maximum benefit**
- Minimises the risk of fraudulent activities and accidental errors
- Is **compliant with donor requirements**, minimising the risk of ineligible spend

## Principles

All WFD procurement activities must be:

- **Fair** – treating all suppliers and potential suppliers equally throughout all procurement activities.
- **Transparent** to all parties involved. All steps in the procurement process must be documented appropriately to provide a clear audit trail, evidencing decisions made.
- **Compliant** with requirements of donors as well as any relevant legislation. Correct process must be followed, and appropriate authorisation given.

Document owner	Date of last review	Date of next review
Head of Finance	February 2018	February 2019

## Procurement Policy

- **Ethical** - Procurement activity must not support organisations involved in criminal activity such as fraud, corruption, forced labour (modern slavery) and other human rights abuses. **Due diligence** should be carried out on potential suppliers and business relationships responsibly managed with appropriate action being taken where unethical practices come to light.
- **Value for Money** - This is not to be confused with the cheapest option. Value for Money can be defined using 3 E's
  - **Economy – best value**
  - **Efficiency – maximising outputs**
  - **Effectiveness – outputs deliver the desired outcome(s)**

## Procurement thresholds

Estimated value	Procurement method
Up to £100	Petty cash (cash & receipt process) <i>Spend over £50 must be pre-authorized in an email by the appropriate budget holder</i>
£101- £1,000	Single quote process – written
£1,001 - £3,000	Informal three quote process – minimum of 3 written quotations
£3,001 - £15,000	Formal three quote process – minimum of 3 written quotations based on a written specification of requirements
£15,001 and above	Formal sealed tender process with 3 to 6 bidders

The **total value** of the purchase (inclusive of VAT), including possible contract extensions, must be taken into consideration when deciding which threshold applies.

Procurements **must not** be artificially split into separate orders to avoid the processes and signatories associated with a higher threshold.

Donor procurement thresholds, if lower, must be adhered to for all spend on a given grant or contract.

## Three quote process

### Formal (£3,001 to £15,000)

1. All potential suppliers should be **equally informed in writing** (e.g. an email) of WFD's requirements
2. Obtain a minimum of three written quotations from different suppliers
3. Evaluate the quotations using a **Comparison Form** [\[LINK\]](#). **Evaluations must be conducted by a committee of at least 2.**
4. Select supplier based on this evaluation. The justification for the selection must be clearly documented on the Comparison Form.

Document owner	Date of last review	Date of next review
Head of Finance	February 2018	February 2019



## Procurement Policy

---

### Informal (£1,001 to £3,000)

Follow steps 2 to 4 above. The level of detail and form in which WFD's specifications are provided to the supplier will be sufficient to obtain reliable and comparable quotations.

### Tender process (£15,001 and above)

1. **Finalise specification** of exactly what is needed including why (outputs and outcomes), when, where and within what budget.
2. **Advertise tender opportunity** (in newspapers, noticeboards, online, etc). In the UK, Government guidance on procurement applies:  
<https://www.gov.uk/government/collections/procurement-policy-notes#2017>  
Suppliers should submit a written Expression of Interest by the given deadline.
3. Issue an **Invitation to Tender** *[template to follow]* to eligible suppliers (target minimum of 5). Suppliers should be given a minimum of 14 days to return a completed tender. A minimum of 3 tenders must be received or the process will need to be restarted.
4. Evaluate tenders received using the **Comparison Form** [\[link\]](#). **Evaluations must be conducted by a committee of at least 3.**
5. Scored **presentations/ interviews** may be used as part of the tender process. All suppliers must be invited, and all evaluation committee members must be present.
6. **Negotiation** may be carried out during the tender process. Suppliers must be treated equally – if some suppliers are given the opportunity to amend their quality or price, all other suppliers must also be given this opportunity. Any agreement reached during negotiation must be documented in writing and signed by the supplier.
7. **Justification** for the **selected supplier** must be clearly documented on the Comparison Form and signed by all members of the evaluation committee.

**A tender is not required for hotel or travel bookings of more than £15,000 if using WFD's preferred suppliers.**

- For hotel bookings three or more quotes should be obtain from WFD's preferred suppliers and the formal three quote process followed.
- For travel bookings using Diversity a range of suitable options should be obtained and travel policy complied with.

### Single source procurement

Single source procurement refers to circumstances where:

- there is either very limited or no competition available
- the item or service is truly unique and available only from a single source
- the donor authorises such a purchase
- an emergency precludes the normal competitive process

**It is crucial that documentation is sufficient to support the need for single sourcing.** The procurement must be authorised in advance as follows:

Estimated value	Authoriser
Up to £2,000	Appropriate SRO
Between £2,001 and £15,000	Director of Programmes or Director of Finance
Over £15,001	Chief Executive

Document owner	Date of last review	Date of next review
Head of Finance	February 2018	February 2019

## Procurement Policy

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### Due diligence

If we intend to procure goods or services of a value totalling **£15,000 of more**, due diligence must be carried out on suppliers in advance of placing orders or entering contracts.

A good due diligence assessment will:

- be **proportionate** to the expected spend
- be **risk** based
- provide a better **understanding** of the supplier/ partner
- support procurement **decision** making

The assessment will include:

- checking necessary **registrations**
- verifying **ethical** criteria have been met (e.g. anti-slavery, [code of conduct](#) agreement, [health and safety](#) standards, environmental considerations)
- verifying the supplier's **financial** standing (see below)
- checking **references**
- completing **Counter Fraud and Terrorism** checks (reference WFD's [Anti-Fraud](#) policy)

### Financial checks

These are carried out to ensure WFD does not enter into a contractual relationship with a supplier who is financially unsound and may be unable to fulfil the contract. The supplier must provide:

- Latest financial statements
- Cashflow forecasts
- Any other financial information which facilitate this assessment (i.e. as appropriate in local context. In the UK financial statements / filed accounts should be available)

Your local finance team member will be able to assist with conducting this assessment. Please contact the Head of Finance in London for additional support.

### Contracts

**In all cases** where procurement processes result in WFD purchasing goods or services from a new supplier, a **new supplier form** [\[LINK\]](#) must be filled out by the supplier and sent to the [accounts.payable@wfd.org](mailto:accounts.payable@wfd.org)

The need to sign a contract will depend on the level of spend:

Estimated value	Requirements
Up to £250	N/A
Between £251 and £2,000	Commissioning Letter or Terms of Reference signed and dated by SRO / budget holder and by supplier.
Between £2,001 and £15,000	A contract <i>should be</i> signed by the <b>SRO / budget holder</b> and by the supplier. If this is not possible reasons must be clearly documented and the Regional Director / Finance Director must approve
Over £15,001	A contract <b>must be</b> signed by the <b>RD / FD</b> and the supplier



## Procurement Policy

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*WFD standard contract templates [to follow] should be used wherever possible.*

**Timing(s) of payment** should be stated in the contract. Ideally payment should only be made following the receipt of goods or services.

Payment should only be made in advance on an exceptional basis. Where payment is to be made to a supplier in advance, appropriate financial checks must be made on the supplier (see Due Diligence section).

### Contractors

A contractor is a person or a company which performs a service or does a job for WFD but is not a member of WFD’s staff. Contractors can be short-term or long-term. They may be used for programme delivery (often referred to as “experts”) or to support corporate functions.

This section of the procurement policy relates only to **short-term consultants** used to support the delivery of WFD programmes.

For the purposes of this policy, short-term will generally be services for up to two weeks at one time, on a one-off or ad hoc basis.

For guidance on recruitment of **long-term consultants or temporary/ agency staff** please contact WFD’s **HR** team.

For procurement of contractor services to support corporate functions (for example, an IT specialist to deliver a system upgrade), WFD’s procurement policy applies – i.e. the appropriate procurement process will be followed, depending on the expected value of the contract.

One of WFD’s unique selling points is its access to consultants/ experts, who are often willing to provide their services at a reduced rate. Wherever possible we should be seeking to secure short-term consultants at below market rates – this enhances value for money and public perception of WFD’s good use of public money.

For short-term consultants the following maximum rate should be adhered to:

- Daily rate: **up to £250**

In addition:

- Travel costs can be covered by WFD. Costs must be compliant with WFD’s Travel policy
- Expenses are reimbursable in line with WFD’s Expenses policy

If a short-term expert cannot be secured at the maximum rate, a higher rate can be agreed but the supporting justification and value for money considerations must be clearly documented.

If a short-term expert is delivering services in relation to a third party programme, for which all costs will be met by the donor, then the budget rates agreed with the donor apply.

Document owner	Date of last review	Date of next review
Head of Finance	February 2018	February 2019



## **Procurement Policy**

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**This policy is effective from April 2018 and replaces all other WFD procurement policies.**

<b>Document owner</b>	<b>Date of last review</b>	<b>Date of next review</b>
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