

# PROCUREMENT (PURCHASING) PROCEDURE (PROCUREMENT AND GRANT FRAMEWORK)

PRO10  
2021  
VERSION: 1.0

## PURPOSE

*This procedure outlines the various purchasing strategies to ensure that all goods, services and capital works are the result of transparent, objective, time and cost-effective decision making and risk management.*

## APPLICATION

Staff involved in procurement process.

## POLICY

P010 – Procurement Policy

## PROCEDURE

The Secretariat is committed to ensuring that purchasing strategies meet the principles outline under the procurement policy.

## RESPONSIBILITY

Team Leader Finance Asset Management, Procurement and Travel under the direction of Director Operations

### 1 General

1.1 The purchasing strategies referred to in this procedure are as follows:

- (a) Quotation Procurement
  - (i) Single Quotation (1 quote required)
  - (ii) Multiple Quotations (3 quotes required)
- (b) Exemptions

1.2 Staff must ensure sufficient justification to demonstrate that there is a need for the goods, services and/or capital works to be provided and that the economical and sustainability considerations have been fully considered prior to the purchase of any goods, services and/or capital works.

1.3 Staff must ensure the availability of existing funds within an approved budget, or source of funds, will be established prior to the commencement of any procurement activity.

### 2 Purchase Request

2.1 Staff must complete and submit the purchase requisition form indicating:

- (a) the description of the goods, services or capital works required and the quantity.
- (b) the project code and account code that the goods or services are to be charged to must be clearly identified.

2.2 the supporting documents – quotations and any other documents

2.3 Depending on the nature of capital works, fixed assets or attractive items the procurement process must be either initiated or endorsed by the Properties or IT Team Leader.

2.4 Staff are responsible for obtaining quotations. The vendor must be from the Secretariat's approved list of vendors. In the case of a new vendor should meet the requirements set by the Secretariat.

2.5 The completed purchase requisition together with the quotations must be forwarded to the relevant delegate for approval of the selected quotation in accordance with the Delegations.



PACIFIC ISLANDS  
FORUM SECRETARIAT

### **3 Purchase Order**

- 3.1 Once approved, the approved purchase requisition together with the quotations must be sent to the Procurement Team to raise the purchase order. A purchase order must be raised for all payments under this procedure.
- 3.2 Staff must double check that the purchase order matches the approved purchase requisition form.
- 3.3 Staff must then order the goods, services or capital works either by quoting the purchase order number or forwarding a copy of the purchase order to the vendor.
- 3.4 Staff must ensure that the vendor understands that the purchase order number must be quoted on their invoice.

### **4 Receipting of Goods**

- 4.1 When the goods are delivered, staff must check that the goods match the purchase order and that they are “fit for purchase”. If in doubt, staff must liaise with the vendor before accepting the goods.
- 4.2 If the goods are not the goods ordered or are not “fit for purchase”, staff must return the goods to the vendor immediately.
- 4.3 If the goods received match the purchase order and are “fit for purchase”, the copy of the purchase order must be marked as “goods received” and signed by the staff member receiving the goods.
- 4.4 Staff must collate the copy of the purchase order with the delivery documentation, the copy of the requisition and any supporting documentation.
- 4.5 Staff must then forward the delivery note and the invoice to the Finance Team.

### **5 Verification of Services Rendered**

- 5.1 When a vendor has provided a service staff must indicate that the service provided was satisfactory and met the requirements specific in the Purchase Order.
- 5.2 If the services are not satisfactory staff must advise the vendor immediately.
- 5.3 If the services provided match the purpose specified in the purchase order and satisfactory, the copy of the purchase order must be marked as “services rendered” and signed by the staff member obtaining the service.
- 5.4 Staff must collate the copy of the purchase order with the delivery documentation, the copy of the requisition and any requisition documentation.

### **6 Receipting of Fixed Assets or Attractive Items**

- 6.1 When fixed assets or attractive items are delivered, Property and IT team leaders must check that the fixed asset or attractive item match the purchase order and that they are “fit for purchase”. If in doubt, staff must liaise with the vendor before accepting the goods.
- 6.2 If the fixed asset or attractive item are not the fixed asset or attractive item ordered or are not “fit for purchase”, staff must return the goods to the vendor immediately.
- 6.3 If the goods received match the purchase order and are “fit for purchase”, the copy of the purchase order must be marked as “fixed asset or attractive item received” and signed by the staff member receiving the goods.
- 6.4 Staff must collate the copy of the purchase order with the delivery documentation, the copy of the requisition and any requisition documentation.
- 6.5 Staff must then forward the delivery note and the invoice to the Finance Team.

## **7 Assessment and Verification of Capital Works**

- 7.1 When a vendor has completed capital works the Property and IT team leaders must indicate that the service provided was satisfactory and met the requirements specific in the Purchase Order.
- 7.2 If the capital works are not satisfactory Property and IT team leaders must advise the vendor immediately.
- 7.3 If the capital works provided match the purpose specified in the purchase order and performed satisfactory, the copy of the purchase order must be marked as “capital works rendered” and signed by the staff member obtaining the service.
- 7.4 Staff must collate the copy of the purchase order with the delivery documentation, the copy of the requisition and any requisition documentation.

## **8 Settlement of Invoice**

- 8.1 All vendor invoices must be delivered or emailed to the procuring staff member and copy the Finance Team. It is the responsibility of the staff member to verify, endorse and send to Finance Team for processing.
- 8.2 All vendor statements to be sent to the Finance Team must be matched with the invoice to the purchase order or the contract and will make payment to the vendor provided that the following criteria are met (where relevant):
  - (a) The purchase order or contract has been signed off;
  - (b) The description and quantity on the invoice matches the description and quantity on the purchase order or contract; and
  - (c) The cost on the invoice is within 5% of the estimated price on the purchase order or is the same as that stated in the contract.
- 8.3 Where the conditions under 8.1 are not satisfied, a copy of the invoice must be referred to the relevant staff member for follow up action.
- 8.4 Finance team to ensure that when a payment is made that payment advise is sent to vendor and procuring staff member or team.
- 8.5 Purchase Orders will be reconciled and closed off at year end of the financial period concerned.

## **9 Vendor Management**

- 9.1 New vendors requests will be sent by Procurement to Finance for creation on the Secretariat Accounting System.
- 9.2 Staff requesting for procurement will provide feedback on the vendor’s performance to the Procurement Team, and the Procurement Team will share this information with other potential

## **10 SPECIFIC DIRECTIVES**

- 10.1 Notwithstanding any clause in this Procedure, the Secretary General at any time may at their discretion where the procedure is silent or ambiguous make a judgment call, provided that the minimum requirements and standards in the Policy are met.
- 10.2 Notwithstanding any clause in this Procedure, the Secretary General at any time may at their discretion deviate from this procedure should the circumstances deem necessary, provided that the minimum standards in the Policy are met.
- 10.3 A staff member who is delegated authority under the Delegations Policy 2021 will be able to exercise powers within the scope granted.

## DEFINITIONS

This section is used to describe the meaning of a word, phrase, acronym or other set of symbols that is being used in the context of this procedure and must be read in conjunction with related governance instruments.

**Attractive Item** means item that satisfies the following:

- (a) the cost is greater than FJD250 and less than FJD1000;
- (b) the Secretariat must derive future benefits from it;
- (c) it is intended to be used and be able to be used for a period of time in excess of 6 months.

**Capital Works** means either the construction or design of infrastructure or civil engineering works or installation works for IT.

**Fixed Assets** means a property, plant or equipment that satisfies the following:

- (a) the cost is greater than FJD1000;
- (b) the Secretariat must derive future benefits from it;
- (c) it is intended to be used and able to be used for a period of time in excess of 12 months;
- (d) it is identified at a level that satisfies the Secretariat's need in terms of function or service (e.g. a car is not a combination of assets but one fixed asset).

**Goods** means all items of movable property including computer software and publications

**Poor Planning** means the inadequate allocation of time and attention to a task under this policy that could reasonably be foreseen and actioned in advance, relative to that staff member's expected capabilities.

**Purchasing** means the process of placing orders and buying goods or services for the Secretariat.

**Purchase Order** means a Secretariat buyer generated document that authorises purchase transactions which, when accepted by the vendor becomes an agreement binding on both parties.

**Quotation** means a formal statement or offer made in response to an invitation to supply specified goods or services, and which contains an estimated cost for the goods or service.

**Services** means any technical advice, technical assistance, studies or consultancies.

**Vendor** means an individual or entity, who provides goods and/or services for a price to customer.

## REVIEW

This procedure shall be reviewed periodically after the effective date.

### HISTORY

Approved:	12 <sup>th</sup> November 2021
Effective:	12 <sup>th</sup> November 2021
Authorisation:	Acting Secretary General – Dr. Filimon M Manoni

### RELATED DOCUMENTS

Secretariat's Code of Conduct and Values  
Delegations Policy 2021  
Engagement Policy 2021  
Evaluation Policy 2021  
Enterprise Risk Management Policy 2021  
Personal Information Protection Policy 2021

### REPEALS

Procurement and Tendering Policy and Procedure 2014 PTG-01-14