Renewable World Procurement Policy

1. Approval
Version 2.0 Approved by the Board of Renewable World on 21st August 2018

2. Purpose

‘Procurement’ refers to the process by which Renewable World obtains goods, services and works (including construction works). The purpose of this policy is to ensure that good procurement practice is followed at all times, that procurement procedures are standardised across the various country offices and teams, and that specific requirements of donors are met where applicable.

Services include consultants and translators.

3. Scope

All RW branches and affiliated country office unless otherwise agreed.

Non-sterling approval amounts will use the agreed operational budget rate for that year or project budget where relevant.

4. Principles

- All procurement transactions shall be transparent and made according to clear and consistent criteria that are understandable to an independent observer.
- Open and free competition is to be encouraged.
- No staff member of Renewable World or person acting on behalf of Renewable World shall participate in any phase of a procurement process if there is a real or perceived conflict of interest.
- The purchase of unnecessary items shall be avoided.
- The type of procurement instrument used shall be appropriate for the particular good or service.
- Where donor funds are involved, any donor restriction on the use of funds shall be followed.

5. Evaluation Factors

The following factors shall be considered when evaluating procurement options for a supply of goods or services. The factors apply at all value levels of procurement. Although cost shall always be a key concern, it is important that value for money is obtained in all circumstances; the lowest price option for a particular good or service will not necessarily be the option to choose.

**Price**

Wherever possible Renewable World will seek to pay the lowest price for any equivalent goods or service. The requirement for three quotations should assist in the achievement
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of this aim for higher value procurements. However, it is important to ensure that like is compared with like.

Quality  It is important that the quality of any goods or service are taken into account to ensure overall value for money.

Availability  Wherever possible procurement of goods or services should be arranged sufficiently in advance that availability of a particular supply or service is not a significant consideration. There will be cases where the delivery date of goods and services is a justified factor in a procurement decision.

Running costs  Post-procurement running costs not included in the initial price shall be taken into account where relevant.

Lease  Where appropriate, an analysis shall be made of lease and purchase alternatives to determine which would bring about the most economical and practical procurement.

After-sales  The after-sales service offered by a particular supplier may be a relevant factor in the procurement decision.

Environment  The environmental impact of the procurement decision shall be considered. This includes the environmental credentials of the supplier as well as other environmental considerations such as means of delivery and origin of goods.

6. Procurement Evaluation Form

A Procurement Evaluation Form must be completed for all procurements of £1000 (or local currency equivalent at the annual budget rate) or more, however the procurement is to be carried out using an Engineering Procurement Contract (EPC), service agreement, consultant contract, or Purchase Order. The form must be signed off by the budget holder from which the procurement spend will come and at appropriate authorisation levels as detailed in Sections 8 and 9.

All forms can be found in \Dropbox (Renewable World)\RW Glb Programmes\Methodology & Templates\Financial

Comparative Quotation Summary (CQS)

A CQS is a written record of the quotes obtained from suppliers of goods and services. A CQS is required for all procurements of over £1000 and shall be completed on the procurement evaluation form. The CQS shall show how quotations have been evaluated with reference to the factors above.
7. Purchase orders

A purchase order is a written or electronic order from Renewable World to a supplier of goods or services requesting the specific goods or services. A purchase order is a contract between RW and the supplier. Purchase orders are required for all procurements of £1,000 or more. Other written instruction may be made for purchases below this though a record of the order must be made.

When a purchase order is used:

- A consecutive purchase order number must be used from the purchase order log held in each country office or at Head Office
- A purchase order form must be completed. A template can be found here: Dropbox (Renewable World)\RW Glb\Finance and Corporate Services\Financial Forms & Templates
- A hard copy of the purchase order must be signed by the budget holder relevant to the expenditure and given to Finance

8. Preferred supplier

Where similar work is regularly done it may be appropriate for Renewable World to have preferred suppliers.

To become a preferred supplier, the supplier must be chosen using the Evaluation factors listed in point 3. The reasons for them becoming a preferred supplier must be recorded clearly on a procurement evaluation form and filed. The date of last review shall be recorded.

The selection of a preferred supplier should not be an automatic choice and purchasers should ensure that they have made a reasonable assessment of the likelihood that the preferred supplier would be the best value for money had competitive bids been sought.

Preferred suppliers can only be used if they have been evaluated for similar work previously and must be reviewed on an annual basis.

Where preferred suppliers are used then a CQS is not necessary. However, all other parts of the procurement policy apply.
9. Procurement levels

Different procurement procedures apply depending on levels, notwithstanding the following grant terms need to be adhered to.

<table>
<thead>
<tr>
<th>Value (In GBP or equivalent local currency)</th>
<th>Procurement requirements</th>
<th>Contractual mechanism</th>
<th>Authority for final decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under £1,000 Within Operational or any Project Budget</td>
<td>Verify fair market value.</td>
<td>Written instruction, service agreement or purchase order for operational spend. Written PO for project expenditure. If using a consultancy service, then a written contract is required.</td>
<td>Budget holder*</td>
</tr>
<tr>
<td>£1,000-£5,000 Within Operational or Project Budget(^1)</td>
<td>Procurement evaluation form completed including CQS (comparative quotation summary) showing at least three alternative options. These may be informal quotations or prices obtained online.</td>
<td>Written purchase order. If using a consultancy service, then a written contract is required.</td>
<td>Budget holder</td>
</tr>
<tr>
<td>£5,000-£10,000 Within Operational or Project Budget</td>
<td>Procurement evaluation form completed including CQS (comparative quotation summary) showing at least three alternative options. Written quotations must be obtained from suppliers.</td>
<td>Written purchase order</td>
<td>Budget Holder &amp; COO or HoF or PRGM(^^1)</td>
</tr>
<tr>
<td>Above £10,000 Within Operational or Project Budget</td>
<td>As above, and Compulsory Closed Tender.</td>
<td>Written purchase order for PEF, CQS, Suppliers own Tender document submission, Contract, and PO. (^2)</td>
<td>Budget Holder, PRGM(^^1) &amp; COO or HoF</td>
</tr>
</tbody>
</table>

*Budget Holder- Country Manager (CM), Programme Reporting and Grants Manager (PRGM), Chief Operating Officer (COO) and Head of Fundraising (HoF).

\(^^1\) For Project Expenditure under Full Grants Only

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\(^1\) Note the project budget is the total project budget where RW lead and not RW’s funding contribution. Where we are a partner the project budget is our sub-grant.

\(^2\) RW Templates for relevant forms are held on \Dropbox (Renewable World)\RW Glb\Finance and Corporate Services\Financial Forms & Templates
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Delegated Budget Holder: is a manager responsible for a sub-budget (e.g. Office Costs) such as the Regional Finance Manager and may approve expenditure on behalf of the Budget Holder if this has been expressly agreed in the budget setting process. The Budget Holder remains responsible for that budget.

If the policy above cannot be applied e.g. for lack of competitive suppliers, approval will default to the highest authority in the table above.

Approval levels may be subject to additional terms in project grants or other applicable grants (see section 11).

10. Signing authority

<table>
<thead>
<tr>
<th></th>
<th>Within budget</th>
<th>Outside budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance Manager(s)</td>
<td>Up to £1,000</td>
<td>£0</td>
</tr>
<tr>
<td>Country Manager, PRGM &amp; other SMT</td>
<td>Up to £10,000</td>
<td>£0</td>
</tr>
<tr>
<td>COO &amp; HoF</td>
<td>Up to £20,000</td>
<td>Up to £2,000</td>
</tr>
<tr>
<td>COO &amp; Chair or Treasurer</td>
<td>Above £20,000</td>
<td>Above £2,000</td>
</tr>
<tr>
<td>International travel and floats</td>
<td>Require authority with a more senior level authorisation within their authority levels (Manager-SMT, SMT-COO COO- Treasurer)</td>
<td></td>
</tr>
</tbody>
</table>

11. Conflicts of interest

Staff members and other persons acting on behalf of Renewable World shall not participate in any decision involving a transaction in which they may have a conflict of interest. The definition of a conflict of interest and the procedure for dealing with any conflicts of interest that arise is set out in Renewable World Conflicts of Interest policy. If there is any doubt purchasers must raise the matter with please speak to the CEO COO or the finance team in advance of the procurement taking place. Please also see Conflicts of Interest Policy.

12. Donor requirements

Additional restrictions on procurements are often applied by donors when the cost of goods or services will be funded by them; these restrictions will be set out in the grant agreement. Donor procurement restrictions shall be reviewed in advance of any grant agreement being signed to make sure that Renewable World can fulfil the necessary requirements. Once the grant agreement is signed then Renewable World must meet these additional requirements in full. Renewable World’s requirements for procurement are the minimum standards for any procurement even if donor requirements are less restrictive.
13. Other Policies

Please refer to the following RW policies as appropriate during the procurement process:

Conflicts of Interest
Fraud
Anti-Bribery