



# Foundation for Healthcare Innovation and Development (FHIND) - Procurement Policy

## **1. Introduction**

- 1.1 Good procurement is essential in order for our organisation to deliver its strategic aims and day to day operations efficiently conserving funds.
- 1.2 All staff involved in procurement have a responsibility to conduct the procurement legally and ethically and to secure value for money.

## **2. Responsibility for Procurement**

- 2.1 Managers are responsible for the procurement of items under their revenue budget control.
- 2.2 The Executive Board is responsible for the procurement of capital budget items. Responsibility for the procurement of capital items is agreed during the budgeting process.

## **3. Policy**

- 3.1 When judging value for money we will consider economy, effectiveness and efficiency.
- 3.2 Achieving value for money does not always mean accepting the lowest price but, making decisions based on the above principles and the detailed criteria below:
  - Price
  - Quality of product or service
  - Fit of product with need
  - Reputation and capacity of provider
  - Range of goods and services and suppliers available
  - Reliability
  - Responsiveness
  - Delivery times
  - Environmental impact
- 3.3 The person making the order should always ensure they have considered the principles laid out in 3.2 before entering into a supply agreement with any external supplier. They may be asked to evidence their decision for a particular purchase order they issued, so it is wise to note and file the reasoning at the time the decision is made, particularly if not choosing the least expensive option.

## **4. Formal quotes and tenders**

Generally the following financial limits/procedures should be observed. (These may be overridden by agreement of the Executive Director for specific kinds of purchase by particular services). The thresholds apply to the total order and in the case of contracted services to the annual contract cost. Contracts must not be artificially split in order to avoid appropriate tendering.

1. For goods and services between ₦100,000 – ₦250,000 two written quotes should be obtained.

2. For goods and services between ₦250,000 – ₦500,000 three written quotes should be obtained.
3. For goods and services over ₦500,000 a closed tender system should be issued. The Administrative Officer will advise on how this should be done.
4. Where the service is highly specialist and we cannot identify potential alternative supplies, or where there is benefit to be gained from knowledge from a relevant previous collaboration with one particular supplier, we may select a preferred supplier.

#### **5. Ethical Standards and the impact of our purpose**

Procurement processes must be fair to suppliers

- a. There should be no discrimination against groups protected under our Equalities obligations.
- b. The selection Criteria should be equal.
- c. There should be no conflicts of interest.
- d. Suppliers should be paid at agreed date, normally no longer than 30 days from receipt of invoice.
- e. Payment should not be unreasonably withheld and suppliers should be advised in writing why payments are being withheld.

Consideration should always be given to third sector suppliers where available by including them in tender shortlists.

In services where we have an explicit service objective about building links with the community, preference may be given to local suppliers.

Purchasing staff should always avoid using any supplier with whom having a business relationship could be seen by the general public or our key stakeholders as being inappropriate. If in any doubt on this, the question should be raised with the relevant Manger, who may consult with the Executive Director.

#### **6. Financial Management**

Financial procedures are in place, and must be followed, for:

- Budgetary control and retirement
- Purchase ordering
- Payment procedures
- Financial reporting