International Fund for Public Interest Media

PROCUREMENT POLICY

Version:	1.0
Policy Owner:	Finance Director
Date of Audit & Finance Committee Approval:	August 2024
Review Schedule:	Every two (2) years
Most Recent Review:	August 2024
Next Review:	December 2026

1. Introduction

The Procurement Policy (herein, the Policy) outlines the principles and procedures for procuring goods and services. It ensures transparency, competitiveness, and cost-effectiveness by establishing clear guidelines for bid solicitation and evaluation, promoting fair vendor competition, and implementing rigorous review and approval processes. The Policy ensures that procurement achieves value for money, aligns with the core principles of public procurement, and supports the International Fund's overall strategy, fostering transparency, accountability, and integrity in all procurement activities.

The International Fund is committed to applying the highest professional and ethical standards to its procurement activities to ensure optimal use of its funds.

2. Scope of Application

The purchase of goods or services, including consulting services, from an individual, company, or organization will all be conducted in accordance with this Policy. This Policy applies to all Employees that are indirectly or directly involved in the process of procuring goods and services on behalf of the International Fund. All Employees are expected to be familiar with the Policy, comply with good procurement practice, and be able to demonstrate their compliance.

This Policy does not apply to grants or sponsorship fees (including for events, conferences, and convenings). Grantmaking and sponsorship are addressed in a separate **Funding Policy.**

3. Compliance and Review

The Finance Director is responsible for overseeing the implementation of and compliance with this Policy.

This Policy shall be periodically reviewed as and when required, and every two years at a minimum. The Procurement Committee (see Section 8) is authorized to establish necessary controls and a monitoring system for procurement that is risk-based and proportional to the value of each procurement.

The Audit & Finance Committee of the Board shall review and approve any material amendments to the policy every two years.

4. Definitions

Budget Holder: An individual within the International Fund who is responsible for managing a specific budget.

Employee: For the purposes of this Policy, an Employee is any person holding an appointment to a position with the International Fund, regardless of the duration or nature of their appointment (i.e., full-time, part-time, fixed-term, or temporary), and duty station or grade, as well as to others working for the International Fund under other types of contractual arrangements, including consultants and interns.

Line Manager: The direct manager of an Employee.

Open Tender: Public procurement process through which an invitation to bid to provide goods or services is openly advertised, allowing any qualified supplier or contractor to submit a proposal for consideration.

Purchase Order (PO): A formal document required for purchases under this Policy, ensuring accurate invoice matching by the Finance Team.

Purchase Agreements: Formal agreements with suppliers and contractors, approved by the appropriate management level.

Vendor Master Data: Supplier information, with dual approval workflows in the online banking system and structured approval processes in the Accounting System.

Segregation of Duties: An internal control mechanism ensuring no single individual handles an entire procurement process, distributing tasks to prevent errors and fraud.

5. Key Procurement Principles

The International Fund observes five principles in all its procurement activities:

5.1. **Value for money**: the procurement process will consider the best value for the International Fund's funds and procurement-related decisions will be based on total costs, quality, and fitness for the purpose of the proposed goods or services.

5.2. **Transparency, accountability, and integrity**: all bidders shall have equal access to open and full information regarding the requirements, selection criteria, and processes that govern any particular procurement process. Employees involved in the procurement process are accountable for their actions and have a responsibility to act with integrity, including through ensuring that the International Fund funds are used efficiently.

5.3. **Effective international competition**: the procurement of goods and services will be carried out in a manner that aims to be open to as many bidders as possible, to maximize effective competition and value for money.

5.4. **Equity and non-discrimination:** the procurement process will not discriminate based on personal characteristics, such as, but not limited to gender, race, nationality, ethnic origin, religion disability, age, sexual orientation, or gender identity.

5.5. **The best interests of the International Fund**: the procurement of goods and services shall be conducted in the best interest of the International Fund and its overall strategy and activities.

6. Ethics in Procurement

6.1. The International Fund conducts all procurement activities in an ethical manner, holding itself and its suppliers and contractors to the highest ethical standards.

6.2. The International Fund has zero tolerance for fraud, corruption, or any financial irregularities. For more information, please refer to the policy on **Countering Fraud and Corruption**.

6.3. Employees involved in procurement activities must:

6.3.1. Report any suspected fraud, corruption, or other financial irregularities or mismanagement in accordance with the **Whistleblowing Policy** and **Countering Fraud and Corruption**.

6.3.2. Comply with **the Code of Conduct** and **Conflicts of Interests Policy.**

6.4. The International Fund is guided by the UN Suppliers Code of Conduct. Vendors are also encouraged to align their operations and strategies with the UN Global Compact principles.

7. Procurement Procedures

7.1. The procedures for particular procurement processes, including with respect to levels of review and approval, vary depending on the scale of the purchase, market familiarity, and the type of goods or services required:

(a) **Low value procurements (under US $10,000 of total commitment value)**. Examples of such procurement may include office stationery or low value equipment.

(b) **Medium value procurements (US $10,001–150,000 of total commitment value)**. Examples of such procurement may include publishing and printing services, provision of IT hardware or software, or small inputs of professional services.

(c) **High value procurements (US $150,001–239,000 of total commitment value).**

(d) **Very high value procurements (more than US $239,001 of total commitment value).**

7.2. To streamline the procurement process and the release of the first invoice under any contract, the International Fund uses the following decision tree:

	Business requirement formulated by employee			
Estimated total commitment value (or local currency equivalent)	<$10,000	$10,001 - $100,000	$100,001-$240,000	>$240,001
Purchase Order (PO) content (*see Annex 1*)	*Simplified* PO form filled in by purchasing employee	*Standard* PO form filled in by purchasing employee	*Detailed* PO form filled in by purchasing employee	*Detailed* PO form filled in by purchasing employee
Purchase Order (PO) primary approval	No primary approval needed	PO formally approved (signed) by Budget Holder	PO formally approved (signed) by Budget Holder, COO and CEO	PO formally approved (signed) by Budget Holder, COO and CEO
Supplier Selection	Known or identified supplier	Best value-for-money from at least 3 contacted suppliers*	Best value-for-money from at least 3 contacted suppliers*	Best value-for-money from at least 3 contacted suppliers* or through an open tender
Supplier Selection and PO secondary approval	Review and Approval by Finance Director	Review and Approval by Finance Director and Chief Operating Officer	Review and Approval by Finance Director, Chief Operating Officer and Chief Executive Officer	
Contract with Supplier	Not needed if IFPIM GT&C of purchase communicated with PO	A formal contract is signed in accordance with the Authorized Signatory Policy	A formal contract is signed in accordance with the Authorized Signatory Policy	A formal contract is signed in accordance with the Authorized Signatory Policy
Three-way match	Supplier Invoice received is matched with PO by Finance Team	Supplier Invoice received is matched with PO by Finance Team	Supplier Invoice received is matched with PO by Finance Team	Supplier Invoice received is matched with PO by Finance Team
	Reception is confirmed by exception to Finance Team	Reception is confirmed by email purchasing employee	Reception is confirmed by email purchasing employee	Reception is confirmed by email purchasing employee
Difference investigation	If difference with PO - an updated *simplified* PO is approved by FD	If difference with PO - an updated *standard* PO is approved by Budget Holder	If difference with PO - an updated *detailed* PO is approved by Budget Holder and COO	If difference with PO - an updated *detailed* PO is approved by Budget Holder, COO and CEO
Invoice payment	Invoice payment according to the agreed payment terms			

* For specific services such as audit and legal, or other services identified by the Chief Operating Officer, a *Procurement Committee* recommends a pre-approved list of suppliers, eliminating the need for purchasing employees to collect multiple bids.

7.3. Documenting Solicitation Methods

7.3.1. For procurements with a total commitment value up to $10,000, purchases can be made without obtaining competitive quotes.

7.3.2. For procurements with a total commitment value exceeding $10,001, at least three formal quotes or bids must be obtained, or the purchasing employee must provide a clear written justification for proceeding without three quotes or bids.

7.3.3. In certain situations, a competitive procurement process may not be feasible or beneficial. Sole source procurements are justifiable under the following circumstances:

(a) *Emergency Situations*: An urgent situation necessitates immediate procurement, and any delay from a competitive process would be detrimental.

(b) *Insufficient Competition*: Efforts to solicit multiple quotes have resulted in insufficient competition (including in cases where the required good or service is highly specialized), warranting sole source procurement.

(c) *Standardization Requirement*: the International Fund needs to use a particular provider in order to remain consistent or compatible with existing systems or services.

(d) *Validity of Previous Offers*: Competitive offers for comparable goods or services have been obtained recently, and the prices and conditions of the recommended quote or bid remain favorable.

(e) *Policy Exceptions*: The type of procurement qualifies as an exception as outlined in section 9 of the Procurement Policy.

(f) *Approved Suppliers List:* The product or service falls under a category regulated by a suppliers list approved by the Procurement Committee.

7.3.4. For procurements with a total commitment value exceeding $240,001, the International Fund may opt for an open tender process. This approach ensures transparency, fairness, and competition among potential suppliers, helping to secure the best value for the International Fund. The open tender process involves several key steps, including the submission and evaluation of bids in two distinct parts to maintain objectivity. Annex 1.3 includes more information about the open tender process.

8. Procurement Committee

8.1. A Procurement Committee is established to oversee the supplier selection process, to evaluate existing suppliers and recommend future suppliers or service providers.

8.2. The committee comprises at least: (i) the Finance Director, (ii) the COO or CEO, and (iii) a member of management with technical expertise relevant to the goods or services being procured. If relevant technical expertise is not available within the organization, an external expert may be invited.

8.3. The Finance Director is responsible for maintaining the approved suppliers' list, including tracking their performance and ensuring the list is updated at least once every two years.

9. Exceptions to the Standard Procurement Process

Certain items and services are exempt from the Competitive Bidding process due to their unique nature. The following are considered exceptions:

9.1. **Office Rent and Public Utilities**: This includes essential services such as electricity, water, and other utility services that are typically provided by a single entity within a region or are otherwise not subject to competitive procurement processes.

9.2. **Compulsory Payments**: This category encompasses obligatory payments such as fines, bank or credit card fees, and government-mandated fees. These payments are non-negotiable and are determined by regulatory authorities or entities with which the International Fund has otherwise entered into an agreement, thus falling outside the scope of competitive procurement.

9.3. **Travel and Travel-Related Expenses**: This category is subject to the **Travel and Travel-Related Expenses Policy**.

10. Documentation of Procurement Actions

10.1. All procurement actions shall be fully and transparently documented.

10.2. All procurement-related documentation shall be retained for a minimum of five years. Comprehensive documentation serves as the foundation for holding suppliers accountable, is crucial in the event of disputes or claims, and provides an audit trail that helps to verify compliance with procurement policies and procedures.

10.3. Documentation should include, but is not limited to:

(a) Duly approved purchase order with all solicitation documents attached.

(b) Detailed assessments of each bid, including selection justifications.

(c) Final contracts with suppliers.

(d) Approvals from the Procurement Selection Committee.

(e) Documentation of supplier performance, including delivery records and any issues encountered.

11. Delegation of Authority

The International Fund's **Delegation of Authority Policy** sets out the delegation of authority to sign contracts/ purchase orders on behalf of the International Fund.

12. Vendor Master Data

12.1. The ability to create and modify information about suppliers and vendors within the Accounting System and online banking system is carefully controlled. See the **Internal Controls Framework**.

12.2. The Finance Team conducts a confirmation call to verify the banking details of all vendors. The results of this call are formalized and kept for control purposes.

12.3. Global vendor master data is reviewed regularly, and unused suppliers are removed from the database.

13. Accounts Payable Management

The Finance Team periodically reviews listings of outstanding purchase orders with goods or services received but not yet invoiced to account for any incurred liabilities, following confirmation with relevant International Fund personnel. This review is formalized and archived for control purposes during all quarterly closings. For more details, refer to the **Reporting Policy** and **Closing Policy**.

14. Segregation of Duties

14.1. Segregation of duties is a crucial internal control mechanism employed by the International Fund to ensure that no single individual is responsible for more than one related function within a process.

14.2. This control is designed to prevent errors and fraud by distributing tasks and associated privileges for specific processes among multiple individuals.

14.3. The International Fund's procurement process is structured to ensure proper segregation of duties:

14.3.1. No single individual is responsible for the entire procurement process or its critical parts. This includes tasks such as purchase order initiation and approval, invoice creation validation, vendor payment creation and validation.

14.3.2. Personnel responsible for creating or modifying vendor records cannot approve these changes. The approval of new vendors in the system is separated from the accounting function and is performed by designated payment approvers.

14.4. By implementing these measures, the International Fund minimizes the risk of unauthorized transactions and helps maintain accurate financial records.

Annex I: Simplified Purchase Order Form for Low Value Procurements

I. Purchase Order Information

Date of request:	
Requestor Name:	
Email Address:	
Description of Product / Service Required:	*(suitably brief)*
Estimated commitment amount:	
Supplier selection method	*Sole source procurement (< $5,000 in total commitment value)*
Name of the Vendor Selected	

By signing this form, you are affirming that the International Fund Procurement Policy has been followed.

Requestor Name and Signature:	

II. Purchase Order Secondary Approval

Date:	
Finance Director Signature:	

Annex II: Standard Purchase Order Form

I. General Information

Date:	
Requestor Name:	
Email Address:	
Budget Holder:	
Description of Product / Service Required:	*(include the specifications of the goods or services to be procured in as much detail as is known at this stage)*
Estimated annual amount:	

II. Quotation Methods

☐ Formal bidding process with multiple vendors *

☐ Supplier from Approved Supplier List (no bidding process required)

☐ Sole source purchasing**

** All vendor communication (solicitation efforts and written proposals) should be attached to the purchase order to be approved.*

*** If the purchase is made from a sole source, please provide extensive justification in part V.*

III. Primary Approval

Date:	
Budget Holder Signature:	

IV. Top 3 Most Competitive Quotes Received

Vendor Name	Quote #	Quote Date

V. Supplier Retained

Basis for Supplier Selection (best value-for-money, sole source*, etc.):

VI. Signature by Purchasing Employee

By signing this form you are affirming that the International Fund Procurement Policy has been followed.

Date:	
Requestor Signature:	

VII. Secondary Purchase Order Approval

Date:	
Finance Director Signature:	
Date:	
Chief Operating Officer Signature:	

Annex III: Open Tender Process

The open tender process involves the following steps.

a. Bid Submission Process

Bidders are required to submit their proposals in two separate parts:

1. **The "Financial" Part**

   This section includes the bid's pricing details and any other elements directly related to the award criteria. The primary focus here is usually on the price, though it may also include specific criteria outlined in the tender documents.

2. **The "Qualitative" Part**

   This section contains all other relevant documentation and information pertaining to the bid, such as technical specifications, compliance documents, company background, and experience. This part also includes evidence demonstrating that the bidder meets the selection criteria, such as technical capabilities, qualifications, past performance, and capacity to deliver the required goods or services.

b. Evaluation Process

The evaluation process is designed to ensure that the selection criteria are met before considering the financial aspects of the bids.

1. **Opening the "Qualitative" Part**.

   The "Qualitative" part of all bids is opened first. This allows the evaluation committee to assess each bidder's qualifications, technical capabilities, and overall ability to meet the tender requirements without being influenced by the price. The Procurement Selection Committee examines the technical aspects, ensuring that the bidders comply with all specified criteria. This may include evaluating technical specifications, quality standards, delivery timelines, and other critical factors.

2. **Technical Evaluation**

   The evaluation committee conducts a thorough technical assessment of the "Qualitative" part, ensuring each bid meets the established criteria. Only bids that satisfy these requirements will proceed to the next stage. Bids that fail to meet the technical criteria are disqualified from further consideration.

3. **Opening the "Financial" Part**:

   Once the technical evaluation is complete and bids are shortlisted based on their ability to meet the selection criteria, the "Financial" part is opened. The committee then evaluates the financial aspects, primarily focusing on the price. The aim is to identify the most economically advantageous offer, taking into account the quality and technical aspects already assessed.

c. Final Decision

The evaluation committee reviews the combined results of both the technical and financial evaluations. The bid offering the best overall value for money is selected.

The committee ensures that the chosen bid aligns with the International Fund's procurement policies and objectives, including considerations of fairness, transparency, and achieving value for money. The entire process is documented meticulously to ensure transparency and accountability.