

Red Cross Procurement Policy		
Name:	Procurement Policy	Internal Document
Approved By:	EXECUTIVE	Version Date: September 2017
Status:	CURRENT	Next Review: 2020

1. Scope of Policy

This Policy applies to all Red Cross employees (other than those engaged by the Australian Red Cross Blood Service) who have authority delegated to them by the Board or under the CEO sub-delegations to enter into contracts with suppliers of goods or services, on behalf of Red Cross.

2. Intent of this Policy

When I act in accordance with this Policy, I will be complying with the Red Cross Ethical Framework when I am procuring any goods or services on behalf of Red Cross and so contribute to Red Cross' objectives of ensuring:

- economically responsible procurement;
- ethical & socially responsible procurement;
- effective, soundly based and reasonably justified processes; and
- avoidance of any conflict of interest.

I acknowledge and understand that all procurements are to be made in accordance with both this Procurement Policy, and in accordance with the terms of my authority under the CEO sub-delegations of authority.

I can find relevant forms and information on the Lounge.

I must not seek to contract, or enter into any contract, on behalf of Red Cross except in accordance with this Policy and a delegated or sub-delegated authority I hold.

If I do not procure goods & services in accordance with this policy, I may be subject to disciplinary action which may include dismissal.

3. Supplier Selection

I will select suppliers by using my best judgment and applying Red Cross economic, ethical & socially responsible principles in the selection process, within the Ethical Framework.

- In procuring economically, I will consider total cost, fitness for purpose, quality, price, risk and streamlined process while also keeping "cost vs benefit" as part of the consideration.
- In procuring ethically, I will act fairly and with probity, in a manner which is soundly-based and reasonably justified; and I will be accountable through all stages of the procurement process. I will declare any conflict of interest. I will not make or participate in a procurement decision (or seek to influence it in any way), unless I am permitted to do so by the Conflict of Interest Policy.

- In procuring with social responsibility, I will engage suppliers who satisfy the Corporate Social Responsibility (CSR) requirements of Red Cross. I will consider suitable indigenous suppliers and support supplier diversity and social enterprises. I will visit www.supplynation.org.au and www.socialtraders.com.au to assist in this process. I will also give consideration to local enterprises.

For any purchase, I will confirm if there is an existing supplier that could deliver my requirements before creating a new supplier request.

I will engage National Procurement to provide supplier selection support and assist me to ensure that suppliers comply with our corporate social responsibility (CSR) requirements.

Prior to the execution of any contract or extension, I will engage with National Procurement to ensure a copy of the contract is held centrally and seek their assistance to negotiate a favourable outcome for Red Cross.

Wherever possible, I will use the applicable Red Cross standard terms and conditions of contract as the base for any contract with a supplier.

I will obtain legal advice from the Legal & Policy Unit in relation to any proposed procurement as early as possible, when legal advice is required under the Contract Management Policy.

4. Preferred Supplier Agreements

Wherever possible, I will purchase through Red Cross preferred suppliers as I understand that the total cost of procurement is reduced by using these suppliers even though a competitor supplier's unit price may appear lower. I understand that for a supplier to be classified as preferred, they are required to meet the following preferred supplier criteria:

- a current contract signed by the supplier and Red Cross; and
- an agreed catalogue of goods and services; and
- measureable and reportable key performance indicators (KPIs) including suitable financial and contractual consequences for non-compliance;
- provide consolidated billing as per our requested structure where applicable; and
- agree to our terms and conditions including 30 days from end of month payment terms.

5. Requisitions & Quotations

For any purchase over \$1,000 I will follow 'Table 1. Requisition & Quotations Thresholds' and add the required number of quotations into RedConnect.

For purchases under \$1,000, I can either raise a RedConnect requisition or use a Red Cross credit card in accordance with the Red Cross Credit Card Policy.

I will request National Procurement to provide an additional quotation for purchases greater than \$50,000 and less than \$100,000 and involve them in the preliminary stages of my requirements gathering.

I must not approve my own requisitions or split purchase orders to bypass the designated thresholds.

I understand that Red Cross will communicate to all suppliers that no contract can arise with Red Cross (and consequently payment may be withheld), should the supplier provide goods and services without a RedConnect generated purchase order prior to supply.

6. Requests for Quotation (RFQ) & Requests for Tender (RFT)

I will engage National Procurement to manage the request for quotation (RFQ) process when I am undertaking the purchase of goods or services greater than \$100,000 over the term of a contract or renewal of an existing contract and involve them in the preliminary stages of my requirements gathering.

I understand that National Procurement may direct that a request for tender (RFT) process be followed for expenditure greater than \$200,000 for a contract or renewal or extension of a current contract.

7. Goods and Services Receipt

Actual receipt of goods or services receipt is the key event in our accounting system that activates invoice payment authorisation. I will only receipt goods following their delivery or on the completion of an agreed service. Where payment is required by a vendor prior to receipt of goods or services and no credit facility is available, I must seek National Procurement approval.

8. Exemption from Procurement Policy

I acknowledge that any request to be exempt from the Procurement Process must be supported by a strong rationale and needs the relevant exemption form completed and approved by, at minimum, National Procurement prior to any purchase. I can find this form on The Lounge.

In exceptional circumstances in which:

- a purchase of essential goods and services is required to mitigate a detrimental consequence; and
- it is not practicable to comply with this policy,

a member of the Executive Team may exempt the purchase from this Policy, in accordance with the CEO sub delegation of authority to that member.

9. Non Allowable Purchases

I am not permitted to procure the following goods and services directly and must contact the relative department for authorisation. In addition to gaining authorisation, and where the purchase involves a fixed asset, I will also follow the current fixed assets procedures which can be found on the lounge:

- All engagement with appointed internal & external auditors – Request authorisation from CFO.
- Property leases - Request authorisation from National Leasing. cdavis@redcross.org.au.
- Motor vehicles & fleet related assets including repairs and maintenance - Request authorisation from National Fleet. natfleetops@redcross.org.au.
- IT hardware, software, telecommunications and associated services - Request authorisation from IT Procurement. itprocurement@redcross.org.au.

In extenuating circumstances where it is not possible to seek or obtain the required authorisation (set out above), approval from the CFO is to be sought.

- Legal Services - Request Legal & Policy to engage any desired external legal services (subject to an exemption authorised by the CEO, external lawyers must be engaged only by the Legal & Policy Unit).

National Procurement Contact

I can email nat_procurement@redcross.org.au for any procurement enquiries.

Table 1. Requisition & Quotation Thresholds

Estimated value over term of contract (ex GST)	Non - Preferred Suppliers	Preferred Suppliers
Less than \$1,000	I will create an approved RedConnect requisition prior to purchase or use a Red Cross credit card for purchase. For stock purchases, I will always create a RedConnect requisition.	I will create an approved RedConnect requisition prior to purchase. For stock purchases, I will always create a RedConnect requisition.
From \$1,000 to less than \$5,000	I will create an approved RedConnect requisition prior to purchase and attach a minimum 1 quote into RedConnect.	I will create an approved RedConnect requisition prior to purchase. I do not require a quote unless the product or service is not part of the preferred supplier contracted catalogue. Otherwise I will attach 1 quote into RedConnect.
From \$5,000 to less than \$15,000	I will create an approved RedConnect requisition prior to purchase and attach a minimum 2 quotes into RedConnect.	I will create an approved RedConnect requisition prior to purchase. I do not require a quote unless the product or service is not part of the preferred supplier contracted catalogue. Otherwise I will attach 2 quotes into RedConnect.
From \$15,000 to less than \$50,000	I will create an approved RedConnect requisition prior to purchase and attach a minimum 3 quotes into RedConnect.	I will create an approved RedConnect requisition prior to purchase. I do not require a quote unless the product or service is not part of the preferred supplier contracted catalogue. Otherwise I will attach 3 quotes into RedConnect.
From \$50,000 to less than \$100,000	I will create an approved RedConnect requisition prior to purchase and attach a minimum 3 quotes into RedConnect. I will seek National Procurement to provide one of these quotes.	I will create an approved RedConnect requisition prior to purchase. I do not require a quote unless the product or service is not part of the preferred supplier contracted catalogue. Otherwise I will attach 3 quotes into RedConnect. I will request National Procurement to provide one of these quotes.
From \$100,000	Request for Quotation Required. I will engage National Procurement to manage the request for quotation (RFQ) process including final negotiation. For value greater than \$200,000, National Procurement may call for a Public Tender.	I will create an approved RedConnect requisition prior to purchase. I do not require a quote unless the product or service is not part of the preferred supplier contracted catalogue. Otherwise I will refer to the non preferred threshold quotation and approval requirements.