

Afrikagrupperna
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Afrikagrupperna's guidelines for purchases and procurements

Definitions

Two main types of purchase may arise: **purchase of goods** and **purchase of services**.

Purchase of goods

Purchase of goods may in part be purchase of consumer goods for office use, seminars etc and in part purchase of equipment, furniture, etc. with an expected longer life and higher value.

Examples of the former are e.g. paper, photocopier toner, pens & pencils, sanitary articles etc.

Purchase of goods for SEK 10 000 or more is treated as fixed assets, for example purchase of more advanced photocopiers and cameras and in Africa also vehicles. The cost for such items is divided up into three to five years through depreciation.

Purchase of services

Purchase of services may be divided up into two main groups: temporary or short-term services and services that take place over a longer period.

Examples of the former are contracting of seminar leaders, translators and evaluators.

Examples of services that take place over a longer period are the use of a computer service company, auditing company and insurance companies.

Purchase of travel tickets can fall into both categories.

Procurement by partner organisation

Most partner organisations have their own guidelines for procurement. The rules and guidelines applied by Sida should otherwise be referred to. See template for partnership agreements.

Basic rules for purchases

The most important aspects to consider when purchasing are price, quality, environmental consideration and good ethics of Afrikagrupperna and of the supplier. Afrikagrupperna has its own guidelines and supports actions, networks and campaigns that promote issues that should be considered when purchasing. See points below and footnotes.

Acceptable business practice

- Always make price comparisons and change suppliers, consultants and auditors at regular intervals. Main auditor – the one who signs the audit report – should be changed at least every seven years.

- Purchase without comparing price is acceptable when for example buying goods of minor value such as office materials, if supplier proximity saves time. In such cases general rebate rates may be negotiated instead.
- Ensure that goods and services procured are produced without the involvement of child labour or that human rights have been violated (in accordance with ILO's core conventions). Fairtrade products should be chosen when possible.
- No goods produced in Morocco should be purchased due to Morocco's illegal occupation of Western Sahara.¹

Environmental considerations

- If possible organic products should be chosen. Bought or hired products should be part of low-input production, delivery and use; and have a low proportion of environmentally hazardous contents, long lifespan and good possibility for recycling.
- Joint ventures should be planned so that travel is minimalised or environmentally adapted. Investigate if virtual meetings can replace some travel or if a more environmentally friendly form of transportation can be used.

Good Ethics within Afrikagrupperna

- If risk of conflict of interest exists when procuring goods or services, then any possible conflict of interest should be reported to one's immediate superior prior to purchase or procurement.
- Noone shall demand or accept, directly or indirectly, any gift, favour, entertainment, loan or any other compensation from a supplier or potential supplier.²

Good Ethics of Suppliers

- The supplier is legalized or registered in the country where it operates (not applicable for consultants³ or for the purchase of fundraising products⁴).
- The supplier pays taxes or at least draws up accounts annually checked by an auditor and pays social security contributions and other fees for employees.⁵ (not applicable for the purchase of fundraising products).⁶
- The supplier treats employees well and respects them in accordance with conventions and laws, e.g. no discrimination on the basis of gender, illness, etc.
- Supplier has a reputation of good service.
- Consultants that are engaged should practice the Code of Conduct that applies to employees of Afrikagrupperna.⁷

Operative regulations

For all purchases noted below, Afrikagrupperna's basic rules for purchases shall be taken into consideration.

Reference to valid signatory concerns Afrikagrupperna's attestees that are appointed by an annual meeting; currently parts of Arikagrupperna's management (Secretary General and International

Program Manager) and also the chairperson and one other member of the board. Budget heads are appointed by Afrikagrupperna's management. If budget heads or regional coordinator are not available to sign an invoice, then signing may be done by a member of Afrikagrupperna's management.

1. PURCHASES BELOW SEK 2 000

Purchases may be initiated and carried out by relevant staff, with invoice to be attested by relevant budget head. May be costs for office supplies or similar.

2. PURCHASE OF GOODS

- **SEK 2 001 to SEK 15 000**

Initiated by budget heads, but the actual purchase may be delegated to an appropriate individual. Invoice to be attested by budget head.

- **SEK 15 001 to SEK 30 000**

The purchases shall be approved and attested by budget head. Purchases in Africa are approved by the regional coordinator, who will also attest the invoice.

- **SEK 30 001 to SEK 75 000**

Always at least three documented price comparisons. Purchases shall always be approved by budget head and a valid signatory who both also attest the invoice (including purchases in Africa).

- **> SEK 75 000**

Procurement procedures must include at least three bids. Procurement shall be approved by a valid signatory and the invoice attested by budget head and by a valid signatory.

3. PURCHASE OF SERVICES

- **< SEK 50 000**

Initiated by budget heads, but the actual purchase may be delegated to an appropriate individual. Invoice to be attested by budget head.

- **SEK 50 001 to SEK 300 000**

Budget head to discuss purchase with a valid signatory prior to purchase. Any contract draft shall be examined by a valid signatory and if there is a need, also the financial department in Sweden.

Contracts to be signed by valid signatory. At least three documented price comparisons. Invoice above SEK 50 000 to be attested by budget head and valid signatory.

- **>SEK 300 000**

Procurement procedure, including quotation invitations with specific assignment and requirements, is necessary. At least three bids are needed. Contracts shall be drawn up and examined by a valid

signatory and financial department in Sweden. Contracts are signed by valid signatory. Invoice to be attested by budget head and valid signatory.

Special condition for fundraising and communication: If earlier procurements have been made and it seems favorable to use the same selected supplier again (i.e. received good results in new number of donors or fundraising) a new procurement procedure does not necessarily have to be made again. However, arguments have to be given by budget head to why a new procurement procedure is not seemed needed. Approval should be given by a valid signatory.

Description of routines for documented price comparison and procurement procedures

As stated the following applies:

- **Documented price comparison to be made for purchase of goods and services over SEK 30 000 and SEK 50 000 respectively.**
- **Procurement procedures shall be followed for goods over SEK 75 000 and services over SEK 300 000.**

Note that price levels relate to a 12 month period. This means that if a supplier will be used several times during a 12 month period, and each single purchase is at a lower level but in total is greater than that level, then a documented price comparison or procurement procedure must take place.

Documented price comparison

Documented price comparison means that requirements placed on purchase are specified in writing. The person responsible for the purchase then seeks out a number of alternatives, e.g. an online search may be made. Thereafter a comparison is made of the extent to which stated requirements are met in relation to price. The decision, with arguments, on the chosen supplier of goods or services shall be documented if the cheapest offer is not chosen.

Procurement procedures

A specification of requirements is drawn up for the goods/services, and thereafter the suppliers/consultants that may meet the requirements is agreed upon. These will be sent a quotation invitation containing requirement specifications, information on who to contact and the last date for submission of a quotation. At least two people should be appointed to deal with the procurement process. Justifications for the choice of goods/services shall be documented. Quotation invitations for consultancy services of higher amounts should be considered to be advertised on Afrikagrupperna's website.

¹ Afrikagrupperna takes part in Västsaharaaktionen (Western Sahara Action) for a free and independent Western Sahara.

² Gifts should not be accepted, except for advertising articles of low value or gifts for all office personnel, such as boxes of chocolates, etc.

If light refreshments and/or a degree of entertainment is part of and in direct connection with a supplier's customer presentation or a gathering of customers for information, then this is not seen as a bribe provided that the main aim of such presentations is informative. However, employees must inform their immediate superior if he/she has been invited to take part in a presentation/information meeting.

³ Should if possible be checked, in particular with purchases requiring documented price comparison. In order to prevent tax evasion, which in particular disfavours developing countries, it is necessary that one at EU and global levels, for example work for the establishment of regulations which require multinational companies to declare profits and pay taxes in their country of operation. Afrikagrupperna is active within the campaign against tax evasion which in Sweden is led by Diakonia.

⁴ For the purchase of fundraising products exceptions can be made if the purchase is benefitting local production, increased possibilities to livelihood and/or to deepen the collaboration with a partner organisation.

⁵ See footnote 5

⁶ See footnote 6

⁷ Afrikagrupperna's Code of Conduct for employees is available at: G:\Gemensam\O HUT – Handbook for Development Cooperation\B. Policies, guidelines\Staff.

This policy refers to:

- Policy for Anti-corruption
- Policy on sustainability
- Policy on Finance, fundraising, purchases and procurements (general)
- Code of Conduct