

Afrikagrupperna's guidelines for purchases and procurements

Definitions

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

When "the Region" is mentioned, it means those countries that Afrikagrupperna operates in Africa.

Purchase of goods

Purchase of goods might be purchase of consumer goods for office use, seminars etc and/or 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 photo-copiers and cameras and in "the Region" also vehicles. The cost for such items is divided into three to five years, through depreciation.

Purchase of services

Purchase of services may be separated 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 an IT- 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 procurements. If not, the rules and guidelines applied by Afrikagrupperna should 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 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.

Good 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 etc. In such cases general rebate rates may be negotiated instead.

- Ensure that goods and services purchased 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.
- Make sure that no purchases or procurements, of goods or services, can be considered as "a hidden transfer of money", gifts or other personal advantage for the chosen supplier, or personnel and their relatives.
- Afrikagrupperna defines corruption as a misuse of trust, and to use power and position in order to get a personal advantage. If any uncertainty, compare also with Afrikagrupperna's Policy for Anticorruption.
- No goods produced in Morocco should be purchased due to Morocco's illegal occupation of Western Sahara.¹

Environmental considerations

- For purchases and procurements, environmental considerations should always be made where considered needed.
- 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 minimised or environmentally adapted. Investigate if virtual meetings can replace some travel or if a more environmentally friendly form of transportation can be used.
- If uncertainty, also compare with Afrikagrupperna's Policy for Sustainability.

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.
- No one 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 has a regular bookkeeping that is 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 the annual meeting; currently parts of Afrikagrupperna's management (Secretary General, International Program and Finance 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 3 000

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

2. PURCHASE OF GOODS

- **SEK 3 001 to SEK 15 000**

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

- **SEK 15 001 to SEK 50 000**

The purchases shall be approved and signed by budget head. Purchases in "the Region" are approved by the Regional Coordinator, who will also approve and sign the invoice.

- **SEK 50 001 to SEK 100 000**

Always at least three documented price comparisons. Purchases shall always be approved by budget head/Regional Coordinator and a valid signatory (of Afrikagrupperna) who both also approve and sign the invoice (including purchases in "the Region").

- **> SEK 100 000**

Procurement procedures must include at least three offers/bids. Procurement and selection of supplier should be approved by the Management Group (MG). The invoice shall thereafter be approved and signed 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 approved and signed by budget head.

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

Budget head to discuss purchase with a valid signatory prior to purchase. At least three documented price comparisons. 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 and the Regional

Coordinator if purchases in "the Region". Invoices above SEK 50 000 to be approved and signed by budget head and valid signatory/Regional Coordinator.

- **>SEK 300 000**

Procurement procedure, including quotation invitations with specific assignment and requirements, is necessary. At least three bids are needed, with a minimum of at least 30 days time to send in a bid. Judgement should be made if it is needed to place an ad in a national paper in order to get enough competitive and qualitative offers. Motivation should be given if considered *not necessary*. Contracts shall be drawn up and examined by a valid signatory and the financial department in Sweden. Selection of supplier and quotation/offer needs to be approved by MG before contract is signed. Contracts are signed by valid signatory. Invoice to approved and signed 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, as long as the original contract states an option, for a certain timeframe that it can be prolonged. Motivation 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 purchases of goods and services over SEK 50 000.**
- **Procurement procedures shall be followed for goods over SEK 100 000 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 above levels, then a documented price comparison or procurement procedure must take place.

Documented price comparison

Documented price comparison means that the requirements decided for the 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 and documented, of the content 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 and reasons/arguments if the cheapest offer is *not chosen*.

Procurement procedures

Make sure that no procurements are made as “hidden transfers” of money, gifts, or other type of personal advantage for selected supplier, or personnel and their relatives.

Afrikagrupperna defines corruption as a misuse of trust, and to use power and position in order to get a personal advantage. If any uncertainty, compare also with Afrikagrupperna´s Policy for Anticorruption.

Procurements should always be done with transparency, received offers should be treated the same and with no discrimination, and be valued neutral.

A specification of requirements should be drawn up for the goods/services which always should contain price if applicable, term of references (ToR) and expected time of delivery and/or other applicable terms. Thereafter suppliers/consultants that expect to meet the requirements (at least 3 of them) are suggested and agreed upon. This means that a “pre-selection” of suppliers are done, based on which ones you expect to be able to fulfill the decided requirements. 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 work with the procurement process. Justifications for the choice of suppliers for the goods/services shall be documented.

Procurements of goods and services of higher amounts >100.000/300.000 SEK,

should be advertized on Afrikagrupperna´s webside in the form of “an open procurement”, alternatively, “a procurement with special requirements”, for those that are interested to bid.

Domestic or foreign bidders should have the same possibility to make offers. A judgement should be made if it seems necessary to advertize in foreign and/or national press in order to receive enough competitive quotations – a motivation should be given *if not* seemed necessary.

Received quotations should be thoroughly read and evaluated, against the set requirements, of at least two persons - the assigned person for the procurement and another person well informed in the procurement-process. In the advertizing/bidding process both of these persons should be copied when sending a quotation, so that both receives the same information at the same time in the process, in order to make sure that all received offers are documented. A written protocol should document the received offers, where it later should be added information on how well the set requirements are fulfilled and other evaluation comments, for each offer received.

Afrikagrupperna also recommends that a presentation or a meeting is held with the “top-selection of suppliers” in order to receive more specific information. Thereafter the written documentation should state advantages/disadvantages with each offer for an easier decision.

Finally, a decision should be taken based on the summary of received offers, which supplier should be used for the actual purchase of goods or services. The supplier that “gives most value for the money” should be selected.

Offers that are received after the announced dead-line should not be evaluated, since it breaches with the “principal of equal treatment”. After a final decision has been taken, all bidders should be informed about the decision taken and the reasons for the decision.

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 supports 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
- Code of Conduct