



BLANTYRE INTERNATIONAL UNIVERSITY

BIU PROCUREMENT POLICY

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Definition

This procurement policy establishes a mandatory, unambiguous model for procurement activities carried out by the university. It serves as a basic framework to ensure transparency and impartiality in procurement activities, while adhering to the legal and regulatory context the University operates in its purchases and the award of contracts.

This policy applies to all purchases, irrespective of the source of funds or who is authorised to make commitments on behalf of the University.

Procurement encompasses the end to end process of acquiring goods and services. It begins when a need has been identified and ends with the awarding of a contract and/or delivery of and payment for the goods and services. It can also include, where relevant, the ongoing management of the contract and consideration of disposal of goods. It not include the provision or securing of grants; investments (or divestments); nor engagement of employees.

The goal of Blantyre International University (BIU) for procurement is to achieve value for money through efficient and effective practices, including the management of risk, compliance with legal, regulatory and contractual requirements, and following accepted standards of probity and social responsibility.

All University staff must understand this policy in order that they are able to work with the procurement service to best effect. Members of staff shall not depart from this policy without the prior approval of the Chancellor.

The University's employees who wilfully, repeatedly circumvent or materially fail to comply with this procurement policy may have their procurement responsibilities suspended or revoked, and may face disciplinary action, including termination of employment, and may also be held personally liable for damages caused to the University.

Procurement Policy

In order to achieve value for money, the following shall be considered: the whole life costs of any purchase, including maintenance consumables and disposal costs, non-price factors such as quality and after sales support and the effect of the procurement on wider University activities.

Efficient and effective procurement shall follow practices that optimise cooperation across the University and with other organisations where appropriate; maximise the use of standard processes and products; optimise the supplier base to ensure efficiency and appropriate levels of competition; identify and plan for the needs in good time; specify requirements accurately; consider alternative sources and means of supply and use approved arrangements; ensure open and fair competition in the selection of suppliers; agree appropriate and fair contract terms; maintain good supplier relationships; manage contracts rigorously; manage stocks and stores efficiently; and, manage disposal in cost-effective and legally compliant ways.

Value for Money

Value for money means that procurement must be undertaken in a way that optimises the use of resources to deliver the maximum benefit to the University in reaching its objectives. Value for money in procurement means getting the right product, of the right quality, in the right



quantity, at the right place, at the right time, and at the right place and under the right contract terms.

Obtaining value for money does not mean that the University does not necessarily mean obtaining the lowest price. Value for money is about obtaining the best quality and value for the price offered and ensuring that the quality of the goods or services meets BIU's requirement and budget. Factors which may be considered in assessing value for money include: 1. fit for purpose; 2. whole of life costing; 3. timeliness; 4. service, support and warranty; 5. the level of risk; 6. quality; and 7. efficiency and effectiveness.

With regard to social responsibility, all procurement shall take into account the University's commitment to sustainability, equality and diversity, and support for local communities.

Ethical and Fair Treatment of all Potential Suppliers

Providing for ethical and fair treatment of potential suppliers means conducting all dealings in an open, honest and impartial manner. All procurement must be undertaken in a manner that ensures: transparent and competitive tendering; straight forward and user friendly tender documents; clear and easy to understand evaluation criteria and methodology; consistent processes; and the opportunity of feedback on outcome decisions.

Risk Management

Management of risk procurement shall be undertaken in a way that does not expose the University to unacceptable levels of risk, ensures that the University's procurement activity does not damage suppliers or distort markets, ensures that suppliers are sound and reliable, ensures acceptable terms and conditions of contract are in place, ensures appropriate segregation of duties, complies with the University's financial Rules and Regulations.

Risk Management is about ensuring potential risks associated with the purchase of goods or services are identified, assessed and managed to minimise unexpected or undesirable outcomes while achieving maximum benefit from the procurement. (Risk Management Policy)

Accountability, Transparency and Probity

The University requires the highest ethical standards to be applied to all business transactions and anyone involved in procurement on behalf of the University must uphold the highest standard of personal integrity in business relationships and not use their positions for personal gain and shall therefore declare any personal interests that may affect their impartiality and not accept inducements or gifts (other than those which are small or of low intrinsic value such as pens, diaries, calendars, etc), declares hospitality and ensures that any hospitality accepted does not compromise their positions or affect their impartiality. They must also uphold the highest standard of business integrity and shall endeavour to ensure genuine, fair and transparent competition; ensure that any information that they provide is accurate and valid; and, respect the confidentiality of any confidential information provided to them.

All procurement must be undertaken in a manner that ensures clearly established roles and responsibilities; appropriate record keeping and documentation; transparency of decisions; the confidentiality of all commercial information; and identification, disclosure and management of conflicts of interest.

The principles of accountability, transparency and probity exist to ensure the integrity of the procurement process and actions taken by the University's staff.

Procurement Committee

The Chancellor shall appoint five member of staff to serve as a Procurement Committee for a period of two years.

Procurement Thresholds

There are 4 monetary thresholds, each with its own procurement process requirements. In all cases, at least three quotations shall be obtained.

1. Procurements up to MWK20000.00

The Chief Finance Officer shall approve procurements of up MWK20,000.00.

2. Procurements over MWK20,000.00 to MWK20,000,000.00

These shall be approved by the Chancellor.

3. Procurements over MWK20million but less than MWK100 million

These shall be approved by the Chancellor on the recommendation of the Procurement Committee.

4. Procurements above MWK100 million shall be approved by the Board.

The full value of the purchase must be taken into account when deciding on the threshold of the proposed procurement. Goods and services being procured must not be split into components or a succession of orders for the purpose of avoiding requirements of this policy. Any financial extension to Purchase Orders must be approved by the Chancellor if the total cost is outside their delegation.

Responsibilities of Procurement

- a) identifying and describing the reasons behind the need to purchase;
- b) determining budget and ensuring funds are available, including obtaining "in principle" agreement/support from the appropriate department for the proposed purchase;
- c) determining requirements;
- d) researching supplier and product options;
- e) researching and considering sustainability options;
- f) preparing a scope or specification of the required goods/service and determining evaluation criteria that will be required to be met;
- g) establishing realistic timeframes and milestones;
- h) determining the best procurement method according to threshold of spending;



- i) identifying whether or not the procurement requires advisors such as legal or technical, and developing a strategy for engaging their assistance;
- j) identifying potential risks associated with the procurement;
- k) determining the term of the contract and whole of life costing; and
- l) obtaining approval from the appropriate authority.

Exemption Process for Procurements

The requirement to obtain the minimum number of quotes may be dispensed with on one of the following grounds:

- a) the required supplies or services are available only from one source;
- b) the item is a component of equipment in service and obtainable only from the manufacturer of the original equipment;
- c) the item must be compatible with existing equipment for reasons of satisfactory operation, staff training already carried out, or prior investment in spares and maintenance facilities;
- d) a limited increase in quantity is required to an item already being supplied or manufactured; or
- e) there is an urgent and unexpected need (it should be noted that lack of planning is not recognised as an urgent and unexpected need). (Where an exemption sought is based upon an “urgent and unexpected need”, and a relevant pre-qualified register exists, procurement must be made from that register.)

Where such circumstances exist, the approval of the Chancellor must be obtained to vary the specific requirements in this policy.

Direct sourcing must not be used to avoid competition or discriminate against any potential supplier. The requirement to achieve value for money remains paramount.

Sustainable Procurement

The University is committed to environmentally responsible and sustainable procurement practices to minimize the institution’s environmental impact. The criteria below shall be reviewed and considered prior to the start of any procurement activity for the University.

Criteria

Absolutely necessary

Is this purchase absolutely necessary to the University’s operations? Can it do without it?

Durability

Is it built to last? Does it need lots of maintenance? What is the overall cost of ownership?

Energy and fuel-efficient

Does the product(s) help the University to save money on energy or fuel?

Local source

Can this product be purchased from a reliable local source? Does it require less fuel or energy to bring it to the University's facility?

Responsible source

Does the manufacturer (or distributor) provide proof of responsible environmental and social practices?

Reusable

Can the product be used several times for the same or multiple purposes? Can the University borrow it, rent or get it used?

Low or no environmental impact

Is the source material easily renewable? Is there any negative impact on the environment in the harvest, production, transportation, use or disposal? Is it recyclable?

Right size

Can it be smaller, lighter or made with less material?

Right Quantity

Should a bulk purchase be considered to minimise the frequency of purchases?

Amendment

This policy may be amended by the Board of Directors at any time.

Entry into Force

This policy shall enter into force upon its approval by the Board of Directors