

# BOSCO FOOTBALL CLUB

## Procurement Policy

November 2014



# Contents

1.0	Document Control	2
2.0	Overview	3
3.0	Purpose	3
4.0	Scope	3
5.0	Policy	3
6.0	Roles and Responsibilities	8
7.0	Related Policies Procedures and Guidelines	8

## 1.0 Document Control

Version	Description of Change	Author	Owner	Approve	Issue Date
1.0	New Policy				19/11/14
1.1					

Legislation/Regulation	Reviewed by	Date of review
N/A		

## Updates & Distribution List

Suggested changes to this procedure shall be proposed to the document owner. These shall be reviewed with the Executive Committee where relevant and, if applicable, approval of any proposed changes shall be provided by the Committee

When changes are made to this procedure the procedure owner shall save to:  
xxxxxxxxxxxxxxxxxxxx.

The following shall be advised of procedure changes:

- Executive Committee
- Committee
- Any other roles identified as accountable or responsible

**Next revision within 3 years after last issue date unless there have been changes in legislation or scope of application.**



## 2.0 Overview

The Bosco FC procurement strategy is an important component of this prudential management culture and our overall business strategy to improve operational efficiency and cost effectiveness.

As part of this strategy Bosco FC seeks to procure goods and services in an open, competitive, fair and transparent manner that meets the needs of the business whilst complying with our taxation and related statutory obligations.

## 3.0 Purpose

This policy sets out the frameworks that have been established by Bosco FC to guide the procurement of goods and services, including capital works, so that we use a strategic integrated approach that –

- protects the security and safety of the committee;
- maximises the efficiency and commercial viability of each procurement;
- ensures fit for purpose;
- promotes sustainability and open and effective competition;
- minimises the risks to Bosco FC;
- ensures the financial integrity and probity of all procurement activities including effective supplier engagement and management across the procurement and asset lifecycle; and
- promotes the maintenance of accurate documentation and records.

## 4.0 Scope

This policy applies to all Bosco FC committee whether on a permanent, casual, temporary or contract basis and non-executive committee members of Bosco FC.

This policy applies to all forms of procurement of goods and/or services.

## 5.0 Policy

The procurement function at Bosco FC objectively supports and guides the business to deliver on its strategy and targets by applying six key principles across the procurement lifecycle.

### 5.1 Procurement Principles

Bosco FC seeks to efficiently procure goods and services that are fit for purpose in a commercially viable manner. Bosco FC also seeks to ensure that all procurement activity is undertaken in a sustainable manner whilst reducing associated commercial, financial, legal and operational risk.

#### 5.1.1 Efficiency

Bosco FC adopts a whole of club approach to procurement that leverages preferred supplier arrangements whilst efficiently matching demand with the right suppliers. This approach ensures -

- purchase of efficient volumes and specifications that match Bosco FC needs;
- minimisation of wastage due to purchase of products that are not required; and
- resources are managed in the most effective way reducing costs and lead times



### 5.1.2 Fit for Purpose

Bosco FC seeks to ensure that all goods or services procured are fit for purpose. That is they are appropriate, and of a necessary standard, for their intended use.

### 5.1.3 Commercial Viability

Commercial viability is a key element in all procurement undertaken by Bosco FC and includes consideration of fair market price; return on investment; whole-of-life costs; timeliness of delivery; post-delivery support; effective warranty and conformity to law.

### 5.1.4 Sustainability

At Bosco FC we are committed to being a sustainable business and aspire to be an overall positive contributor to our communities, people and the environment. We recognise that our performance depends on that of our suppliers.

Bosco FC will consider economic, social and environmental impacts when acquiring goods and services and seeks to maximise the social benefits for Bosco FC and the wider community whilst avoiding unnecessary consumption and minimising the environmental impact of product use and manufacture. Sustainability factors may be given a higher weighting in purchasing arrangements for products and services where there is a higher degree of sustainability risk.

### 5.1.5 Probity

Bosco FC promotes procurement in an open competitive environment in which suppliers can be confident that their proposals will be assessed fairly and impartially on merit against appropriate selection criteria. Bosco FC's procurement processes provide for;

- clear accountability and transparency;
- appropriate oversight and segregation of duties to avoid end to end control by any one employee; and
- early identification and resolution of any real or perceived conflicts of interest.

Under the Bosco FC [Code of Conduct](#), committee members must:

- declare and avoid situations that involve conflict between their duties as a Bosco FC Committee member and their private interests; and
- in certain circumstances, obtain the executive committee consent before accepting any personal benefit such as entertainment or a gift.

Any real or perceived actual conflict of interest in relation to a procurement activity must be reported.

Committee members involved in large value procurements may be required to complete a no interest declaration as part of the procurement process.

Committee members involved in procurement actions or decisions must not accept gifts or extensive hospitality or other benefits from current or prospective suppliers. Where a tender is in progress no gifts or hospitality can be accepted by any employee. Modest hospitality (e.g. in house lunch, coffee, tea) associated with meetings to discuss goods and/or services being acquired is acceptable but restaurant lunches and dinners, the provision of alcohol, tickets to the theatre or sporting events are not.

As a general principle, this type of hospitality should be valued at less than \$250. If a Committee member is unsure they should seek guidance from the Executive Committee. While it may be necessary, as part of the procurement process, to travel to inspect potential



goods or services, such as equipment, any travel and associated accommodation costs must be borne by Bosco FC.

#### 5.1.6 Risk Management

The risks associated with a procurement activity must be identified and managed in accordance with the Risk Management policy.

Key procurement risk areas include:

- probity ;
- liability on contract terms and conditions;
- lack of clarity of expectations on scope, deliverables, schedule or roles and responsibilities; and;
- additional financial exposure due to insufficient change management controls.

The level of risk assessment to be undertaken must be determined at the funding approval stage.

#### 5.2 Procurement Approaches

When considering the procurement of new goods or services or reviewing existing goods and services, it is the responsibility of Bosco FC Committee members to first assess whether there is an actual need for the particular goods or services or whether there are more efficient and effective alternatives. Principles to minimise demand for resources by reducing purchases, using resource efficient products and services, and assessing longevity of life for products should be applied to all sourcing engagements, and where possible included in the specifications.

The procurement approach adopted will vary depending on whether there are existing/preferred supplier arrangements in place.

All of the procurement approaches are designed to encourage prudent decision making in relation to sourcing of goods and services, and to ensure that a competitive process has been followed with each purchase whilst taking into consideration Bosco FC's procurement principles.

In all instances, approval in accordance with the Limits of Authority (LOA) Policy must be established prior to the initiation of any procurement action.

##### 5.2.1 Existing/Preferred Supplier Arrangements

Bosco FC has established preferred supplier arrangements for a range of goods and/or services. These arrangements have been established after completion of appropriate due diligence and involve agreement to provide in scope services in accordance with a standard set of terms and conditions and within agreed quality standards and service levels.

Where Bosco FC has an agreement with a preferred supplier for particular goods and services that supplier must be used. In exceptional circumstances, use of an alternate supplier may be approved in accordance to the Limits of Authority..

Bosco FC purchasers may procure goods and/or services from an existing preferred supplier without a quote or tender, provided they have approval under the Limits of Authority and an appropriate confirmation email has been raised.



### 5.2.2 Suppliers

Where there are no existing or preferred supplier arrangements in place the approach adopted will depend on the total value, scale, scope and risks associated with the proposed procurement as follows:

Total Value of Proposed Purchase	Sourcing Method/Due Diligence	Purchasing Method	Purchase Type and Risk Assessment
Up to \$1,000	Minimum one informal quote required.	Orders via email confirmation	<u>Small Value Procurement</u> Not Required  <i>Excludes Amenities Manager for Food &amp; Confection purchases</i>
Between \$1,001 and \$25,000	Three comparable formal quotes.	Orders via email confirmation  <i>Email confirmations must be CC'd to the Bosco FC Treasurer</i>	<u>Medium Value Procurement</u> Assess whether: <ul style="list-style-type: none"> <li>• Qualitative assessment needs to be conducted or</li> <li>• Purchase order at any value if guarantee is required or if purchase is above \$300 and needs to be capitalised</li> </ul>
\$25,001 and above	Planned Procurement Engagement	Orders via email confirmation with catalogue or materials master.  <i>Email confirmations must be CC'd to the Bosco FC Treasurer</i>	<u>Large Value Procurement</u> Approach to be determined in conjunction with Executive Committee

### 5.3 Approval and Acceptance of Quotations/Tenders

All recommendations for approval of Quotations/Tenders within Limits of Authority must demonstrate -

- that all requirements of the Bosco FC procurement principles and this policy have been met and each quotation or tender has been evaluated fairly and objectively according to the quantitative and qualitative selection criteria.
- expenditure is justified against the anticipated benefits; and
- the proposed procurement method is appropriate given the level of risk, is timely, avoids creating unnecessary costs for suppliers, and delivers the best value for money relative to quality, price, and availability.



Committee members must not give any indication to potential suppliers of the likely outcome of the process until approval has been received.

All quotation providers/tenderers must be notified within four weeks of a recommendation being approved. Unsuccessful quotation providers should be notified to that effect in writing.

#### **5.4 Complaints Handling and Dispute Resolution**

Any complaints regarding Bosco FC's procurement practices should be submitted in writing to the President. All complaints will be investigated and the complainant will be provided with a response.

#### **5.5 Contract Management**

The acceptance of goods and/or services through quotations may require Bosco FC to enter into a written agreement with the supplier where the terms negotiated are more complex than, or not appropriate to, the supplier's standard terms of supply. All contracts are subject to standards and advice from Bosco FC E Committee if required.

#### **5.6 Payment Methods**

Before payment is approved Committee members must ensure that goods and/or services have been delivered/received and that they meet expectations as set out in the specifications.

Bosco FC's standard terms are 30 days and cannot be varied without the agreement of the Treasurer.

Deviation to the contract arrangements should be reported to the President & Treasurer as part of the contract review process.

##### **5.6.1 Payments under Existing/Preferred Supplier Arrangements**

Payment methods used for preferred suppliers may vary from the Bosco FC standard methods due to provisions negotiated as part of the supply contract/agreement. This may include using an online purchasing mechanism, telephone ordering, monthly direct invoice etc.

##### **5.6.2 Other Payments**

Credit Cards for small value procurements up to \$1,000. Where a Credit Card is used Committee members must ensure that they comply with the requirements. EFT and Invoice payment methods preferred.

##### **5.6.3 Documentation Requirements**

Procurement practices are open to substantial internal and external scrutiny. Records relating to procurement processes can be examined through internal or external audit processes. Committee members are responsible for maintaining accurate records that demonstrate the rationale for selection and rejection of quotations/tenders and subsequent approval of quotations.

Purchases from all suppliers must be covered by an official email unless direct invoice procedures are in place or a credit card is used.



#### 5.6.4 Consequences of Non Compliance

Contravention of this policy is considered a serious matter.

Breaches of this policy may result in disciplinary action being taken. This disciplinary action may include withdrawal of delegation of authority, requirement to reimburse the expense, loss of privileges, performance counselling, warning and/or termination of the position on Committee.

Significant breaches of this policy will be reported to the Committee and depending on the nature of the policy breach, Committee members may also be subject to criminal prosecution, civil liability, or both.

If Committee member believe that their own actions have, or may have contravened the policy they should advise the President & Treasurer immediately.

#### 6.0 Roles and Responsibilities

The President & Treasurer is responsible for establishing a framework to support regular review, compliance monitoring, communication and reinforcement of this policy President & Treasurer are responsible for ensuring -

- Committee members are aware of and understand the requirements of this policy; and
- all procurement and purchasing activities they approve under Limits of Authority comply with this policy;

Committee members are responsible for –

- ensuring that contracts with existing/preferred suppliers are leveraged for all products or service they purchase on behalf of Bosco FC;
- their actions and decisions in relation to procurement and disposals.
- reporting any inappropriate or fraudulent activities associated with procurement; and
- ensuring that they comply with all approved procurement principles and contract processes including obtaining appropriate Limits of Authority approvals.

The Executive Committee has established a Team and will call meetings of the team as required to assess whether an appropriate process has been applied and followed in relation to the significant proposed procurement arrangements brought before it.

#### 7.0 Related Policies Procedures and Guidelines

- Code of Conduct
- Risk Management Policy
- Limits of Authority

