

Procurement Policy

1. Objective

- 1.1. The objective of the Procurement Policy is to ensure that the University gets the best value for money. Procurement of goods and services can take place through a number of methods, including through tenders, requests for proposals, requests for expressions of interests, or through direct purchase through various means.
- 1.2. This policy is part of the overall Finance Policies of the University

2. Guiding Principles

- 2.1. The guiding principles of this policy are best value for money, economy through centralised procurement, procurement by specialized/skilled personnel, open competitive procurement, and procurement to always be grounded in overall budget of the University.
 - 2.1.1. **Best Value for Money:** A given quantity and quality of a good or service must be purchased for the least cost.
 - 2.1.2. **Economy through Centralised procurement:** Larger volumes are more amenable to discounts and better pricing.
 - 2.1.3. **Open Competitive Procurement:** Every supplier, both within and outside the country, should have equal and fair opportunity to quote.
 - 2.1.4. **Procurement Office to be an accountable Office:** Procurement is a specialized activity requiring skilled people.
 - 2.1.5. **Grounding of procurement in the budgetary process, in particular, on the link between procurement and revenue generation:** Procurement must always be linked to the revenues to be generated from the procurement as per the budget.
- 2.2. Where there is an issue of interpretation in this policy and any related procurement activity, interpretation shall be within the context of these principles.

3. Procurement Foundations

- 3.1. **Consumables:** The Director of Finance, with inputs from each budget unit, shall list all procurements for operational activities to be made during a year for the University, and draw a Stock Management Plan for Consumables. The Stock Management Plan shall produce a stock flow of all goods and services needed by the University. This shall be done by no later than December each year for the forthcoming year.
 - 3.1.1. The stock flow shall determine the process of procurement and supply of stock to each section and budget unit.
 - 3.1.2. As far as is feasible and practical, all goods and services which are for use across the University, and/or which are regular consumable items, shall be procured centrally through Open Competitive Bidding (OCB).
 - 3.1.3. Seasonal price variations and shelf-lives of goods and services needed by the University shall be key determinants of the procurement timing and processes for those items.
- 3.2. **Capital Goods:** The University recognizes that the University, being an entity with considerable technical and managerial expertise, can carry out a number of capital works internally. The Director of Finance, with inputs from each budget unit, shall list all procurements for capital items to be made during a year for the University, and draw a Capital Development Management Plan for the year. This plan shall determine which capital works shall be done in-house fully, which shall be done in-

house partially, and which shall be outsourced fully. This Plan shall be drawn up by no later than December each year for the forthcoming year.

- 3.2.1. For works which SINU can itself manage, assemble and/or produce, either in whole or otherwise, the final cost ought to be at least no higher than what it would cost the whole good/service to be procured externally. The Director of Finance, under approval of the Vice Chancellor, shall do quantity assessments for imputed full costs, on the basis of technical advice it may seek, where assembly and/or production and/or management of the whole capital works is to be carried out internally; the cost of all involvement of SINU staff, facilities and consumables for carrying out such analysis shall be added to the total cost of works to be done internally for comparative purposes.
- 3.2.2. The Capital Development Management Plan shall determine the processes of procurement for capital development of the University.
- 3.2.3. Where the whole or part of the capital works are managed or carried out by the University internally, procurement of the supplies for these works shall be done through open competitive bidding.
- 3.3. As far as is feasible and practical, all external procurements shall be done through Open Competitive Bidding (OCB).
- 3.4. As far as is feasible and practical, large volume items, whether these be of operational nature or inputs into capital works, shall not be broken into fractions for procurement purposes. The Director of Finance shall, with inputs from all sections of the University, make comprehensive lists of items needed on an annual basis and cause these lists to be quoted on through OCB or sealed price submissions or expressions of interests.
- 3.5. Appendix 1 shows the flow charts for procurement.

4. Procurement Office

- 4.1. Procurement shall be the responsibility of the Supply Chain Office of SINU, which shall report to the Vice-Chancellor through relevant reporting chains.

5. Open Competitive Bidding (OCB)

- 5.1. SINU recognizes that an effective way to get greater value for money is through open competitive bidding. Another way is for systematic price negotiation with suppliers of goods and services.
- 5.2. SINU shall resort to OCB as far as is practical and feasible to procure goods and services which can not be supplied internally at an acceptable price. An 'acceptable price' is one which is defensible publicly as a just and fair price. Where goods and services can be supplied internally, either in full or in part, there shall be no necessity for OCB for the respective component(s) that would be supplied internally.
- 5.3. Goods or services supplied internally also require inputs into the supply process, which may have to be acquired externally. The procurement of these inputs shall be through sealed bids or sealed submissions of price lists, or sealed expressions of interest.

6. Procurement Processes: The following procurement rules shall be observed by SINU

6.1. Procurement of Goods & Services costing under \$50,000:

- 6.1.1. **Non-Perishable Items:** A documented process approved by the Vice Chancellor depending on the nature of items, shall be followed. The process may include sealed bids, quotations, publicly advertised sale prices, auctions, negotiations and other means acceptable in a normal business/commercial environment.

- 6.1.2. **Perishable Items** (example fresh food products): A documented process approved by the Vice Chancellor depending on the nature of items, shall be used.
- 6.2. **Procurement of Goods & Services Costing from \$50,000 to \$500,000:** Suppliers of goods, or services, or inputs into a good or service, shall be invited to submit their quotations/prices through sealed bids marked with the appropriate quotation reference.
- 6.2.1. All procurement of Goods & Services costing between \$50,000 and \$500,000 shall be managed by a Minor Tender Board (MTB), which shall be a sub-committee of the University Tender Board.
- 6.2.2. The MTB shall make a recommendation to the Vice-Chancellor who may accept the recommendation of the MTB and allow the procurement to proceed, or seek additional information before making a decision, or return the documents to the MTB with advice on matters to be considered further, or refer the recommendation to the UTB for decision making.
- 6.2.3. All sealed bids should be opened by the MTB at the same time after the closing date and signed by the management accounting staff together with the independent person at or above the Officer rank from outside the Finance Department.
- 6.2.4. Where the price of the item is not verifiable, before the call for procurement and where there is no compliant bid below \$500,000, the files would be reverted to The University Tender Board for decision making.
- 6.2.5. All call for quotations/prices/sealed bids shall be through public advertisements. The calls shall also always be published on the University website and the University Notice Board at the Vice-Chancellor's Office.
- 6.3. **Items above \$500,000 but upto \$5,000,000:** Procurement of all Goods or Services estimated to cost between \$1,000,000 and \$5,000,000 shall normally be done through open competitive bidding.
- 6.3.1. All call for OCB or Tenders shall be through public advertisements. The calls shall also always be published on the University website and the University Notice Board at the Vice-Chancellor's Office.
- 6.4. **Items above \$5,000,000 but upto \$50,000,000:** Procurement of all Goods or Services estimated to cost above \$5,000,000 and upto \$50,000,000 shall be done through the University Tender as for goods between \$500,000 and \$5m, but with conditions that:
- 6.4.1. the UTB submit its report to the FIC, and that
- 6.4.2. The FIC is empowered to assume the responsibility of approving and/or amending the recommendations, or deciding on the referred to procurement matter as it deems fit in its own deliberate judgment.
- 6.5. **Items above \$50,000,000:** Managing the procurement processes of all Goods or Services estimated to cost above \$50,000,000 shall be the responsibility of the Council upon recommendations of the FIC.
- 6.5.1. FIC shall recommend to Council on procurement of goods estimated to cost over \$50m.
- 6.5.2. Council shall approve and/or amend the recommendations, or decide on the referred to procurement matter as it deems fit in its own deliberate judgment.
- 6.5.3. Council shall ensure that all purchases of goods/services over \$50m shall be done through OCB.
- 6.5.3.1. All call for OCB or Tenders shall be through public advertisements. The calls shall also always be published on the University website and the University Notice Board at the Vice-Chancellor's Office.

7. University Tender Board

7.1. The University shall establish a University Tender Board.

7.2. Composition: The University Tender Board shall comprise:

Chairman: Vice Chancellor, SINU

Secretary: Head of Supply Chain Office

Members:

Pro Vice-Chancellors

Director of Finance

At least two Deans of which one should preferably be closely associated with the nature of the proposed purchase

One independent member (from outside the Supply Chain Office) depending on the nature of the proposed purchase, appointed by the Vice Chancellor in consultation with the Head of Supply Chain Office.

In Attendance: Head of the Department/Unit/Section requesting the purchase

The UTB may invite technical experts to attend UTB, but these experts shall not have any voting right.

7.3. The UTB shall compose a sub-committee of the UTB, called the Minor Tender Board (MTB). The MTB shall comprise:

Chairman: Head of Supply Chain Office

Secretary: Director of Finance

Members:

Pro Vice-Chancellor Corporate

Pro Vice-Chancellor Academic

At least one Dean, preferably most closely associated with the nature of the proposed purchase

One independent member (from outside the Supply Chain Office) depending on the nature of the proposed purchase, appointed by the Chairman of UTB.

In Attendance: Head of the Department/Unit/Section requesting the purchase

The MTB may invite technical experts to attend UTB, but these experts shall not have any voting right.

7.4. Remits:

7.4.1. The Minor Tender Board shall make recommendation to the Vice Chancellor on all procurements estimated to cost between \$50,000 and \$500,000. The Vice-Chancellor may accept the recommendation of the MTB and allow the procurement to proceed, or seek additional information before making a decision, or return the documents to the MTB with advise on matters to be considered further, or refer the recommendation to the UTB for decision making. The MTB shall report to each UTB. The minutes of the MTB shall be presented at the UTB for information.

7.4.2. The University Tender Board shall deal with all procurements estimated to cost over \$500,000 and upto \$50,000,000, with the proviso that for any purchase over \$5,000,000, the UTB shall only recommend to the FIC, which shall make the final decision on the procurement.

7.4.3. The Finance and Investments Committee of the Council shall deal with all procurements estimated to cost over \$50,000,000.

7.4.4. The limits given above may be amended from time to time by the Council.

7.5. Functions of the Tender Board

- 7.5.1. The University Tender Board shall consider and may authorize the acceptance of any tender called by the Vice Chancellor for the supply of Goods and Services within the respective remits.
- 7.5.2. The University Tender Board shall approve the scope of works and deposit requirements for any tender above estimated to cost \$500,000 before such a tender is advertised.
- 7.5.3. For tenders estimated to cost below \$500,000, the Chairperson of the UTB shall authorize the advertisement.
- 7.5.4. Where the University Tender Board is satisfied, after considering a tender, indent or order that the tender is unreasonable or collusive or that the tender or order is unjustifiable; it shall reject the tender or refuse to approve the issue of the indent or order as the case maybe.

7.6. Tender Processing

- 7.6.1. The respective Tender Board may form an expert subcommittee to analyze the tenders as deemed necessary.
- 7.6.2. The quorum for the respective Tender Board shall be 50% of membership.
- 7.6.3. Tender Committee meetings shall be held on a nominated day as agreed to in the first meeting of the Tender Board each year, and publicized through the SINU Website. The Tender Board may call additional Tender Board meetings as deemed necessary to expedite the work and functioning of the University.

8. Invitations to Tender

- 8.1. The Vice Chancellor shall ensure that any advertisement calling for tenders for the supply of goods and services to the SINU or for the purchase of stores, shall contain information sufficient to enable potential tenderers to prepare their tenders.
- 8.2. Every advertisement calling for tenders shall contain information regarding:
 - 8.2.1. The final date and time by which all tenders must be received by the relevant tender board.
 - 8.2.2. The address to which such tenders should be sent or delivered or deposited.
 - 8.2.3. The way in which tenders should be marked so as to facilitate the identification of tenders submitted.
 - 8.2.4. The marking of tenders where the tenderer does not wish to have his/her identity disclosed to other tenderers.
 - 8.2.5. The fact that a Tender Board may reject all or any tenders submitted.
 - 8.2.6. Any tender deposit required from tenderers.
 - 8.2.7. Tender contact person who can provide further details on the tender called
- 8.3. The Vice Chancellor shall ensure that any advertisement calling for tenders for the supply of goods and services to SINU or the purchase of stores shall:
 - 8.3.1. Where any change is made to the specification of the goods or services to be supplied or the stores offered for sale, potential tenderers should be written to, advising of such alteration in the specifications or a fresh advertisement shall be published incorporating the revised specifications and canceling the previous advertisement.
 - 8.3.2. Where any alteration is made to the date and time by which tenders shall be submitted, such information shall be published by way of an advertisement.
- 8.4. An advertisement may invite tenders for the supply of particular types of goods and services without specifying the quantity of goods and services.
- 8.5. Tenderers shall remit tender deposit with their tender as specified on the tender documents. The tender deposit should be in the form of a bank cheque, or cash deposited with SINU cashier or

into the nominated SINU bank account, and will be refunded to unsuccessful tenders. For the successful bidder, the tender deposit should be held as a part of the required bond.

8.6. The Vice Chancellor may specify a fee for the supply of documents relating to tenders.

8.7. The following principles shall always be maintained for any procurement:

8.7.1. Every supplier shall be accorded the right to quote.

8.7.2. Sealed bid and tender boxes shall be opened in a transparent manner

8.7.3. A "reasonable person test" shall be applied in all decisions on procurement of items.

8.8. Receipt of Tenders

8.8.1. A tender box shall be provided at the office of the Vice Chancellor in respect of all tenders to be submitted. There shall be separate boxes for tenders closing on separate dates.

8.8.2. All tender boxes shall be equipped with three separate and different locks.

8.8.2.1. For the University Tender Board, the key for one of the locks shall be held by the Chairperson of the UTB; the key for the second lock shall be held by the UTB Secretary, and the key for the third lock shall be held by the Pro VC Corporate.

8.8.2.2. For the Minor Tender Board, the key for one of the locks shall be held by the Chairperson of the MTB; the key for the second lock shall be held by the MTB Secretary, and the key for the third lock shall be held by the Pro VC Corporate.

8.8.3. All tenders delivered in person by tenderers shall be placed in the tender box and all tenders received by mail or telefax shall be placed by the receiving officer in the tender box.

8.8.4. An unidentified tender which is opened inadvertently shall be placed in a sealed envelope and the envelope placed in the tender box, the time, date and place of receipt and the initials of the receiving officer being noted on the outside of the envelope.

8.8.5. Any tender received after the closing time for the tender shall be stamped indicating the date and time of receipt and shall be passed unopened to the Secretary of the Tender Board. The Secretary shall bring this to the attention of the Tender Board.

8.8.6. After the closing time of Tender, the Tender Box should be sealed immediately and put away in the Vice Chancellor's office. The Secretary of the Tender Board Committee or his/her representative should ensure that this process is carried out properly and immediately.

8.8.7. Tenders sent by emails shall be received by the University. Each tender shall have a specific official email address provided. The first 4 digits of the password to this email box will be held by the Chairperson of the respective Tender Board, while the rest of the digits of the password shall be held by the respective Tender Board's Secretary. This email box shall be opened during the opening of the physical tender box.

8.8.8. Tenders received through the general email of the University shall be printed, placed in individual envelopes together with the covering note and sealed; the envelopes shall be marked 'Tender Emailed to General University Address', dated, and placed in the Tender Box immediately on receipt of the email.

8.8.9. Tenders that come in packets larger than the Tender Box Window, shall be received by the Office of the Vice Chancellor, stamped, a copy of the stamped front page of the envelope made and placed in the Tender Box, and the original tender envelopes locked in the department safe, to be brought to the Tender Board at the time of opening of the tenders..

8.8.10. For clarity, "tenders" includes calls for sealed bids or price quotations.

8.9. Tender Board Procedures

8.9.1. The Tender Board shall meet at such time and place as may be directed by the respective Chairperson.

- 8.9.2. All tenders submitted and received shall be officially recorded and initialed during tender board meeting.
- 8.9.3. At no stage may additions or alterations be made to original tender documents.
- 8.9.4. The list prepared by the secretary showing the names and details of tenders received shall be signed by the members of the tender board present.
- 8.9.5. Any tender that is received after the time and date specified as the closing time for tenders shall not be considered, unless this were the only Tender submitted.
- 8.9.6. The respective secretary of the tender board shall ensure that receipts are obtained for any moneys received in the form of tender deposits attached to tender documents.
- 8.9.7. A tenderer or his representative may be present at the time the tenders are received or opened.
- 8.9.8. No tenderer who is present at the time when tenders are opened shall be given any information other than confirmation that his tender has been received and recorded, and the prices of all the bidders as called by the chairperson or secretary for official records.
- 8.9.9. A report on the decisions made by the University Tender Board in relation to tenders shall be submitted to the SMC and to the FIC.

8.10. ***Opening of Tender Boxes and Tenders***

- 8.10.1. The Tender Boxes shall be opened no later than 10 working days from the close of the respective tender. A decision on the tender shall be made within 20 working days of the date opening of the Tender Box. Where the decision making process may take longer than 20 working days from the date of opening of the Tender Box, each bidder shall be notified of the delay and the likely date for decision making.
- 8.10.2. Tender boxes shall be opened by:
 - 8.10.2.1. In the case of Minor Tender Board: a minimum of 4 members of the MTB comprising the Chairperson of the MTB, the Secretary of the MTB, the Pro-VC Corporate and one other member of the Board.
 - 8.10.2.2. In the case of the University Tender Board: a minimum of 4 members of the UTB comprising the Chairperson, the Secretary, the Pro-VC Corporate and one other member of the MTB.
- 8.10.3. The date of the opening of the tender boxes shall be posted on the University website at least 24 hours prior to the opening of the tender box.
- 8.10.4. Bidders may observe the opening of the Tender boxes. The bona fide of the bidders shall be established by the identification of the bidders envelope by the bidder before any envelope is opened. No bidder shall be permitted in the room once the process of opening of the envelopes commences.

8.11. ***Consideration and Evaluation of Tenders***

- 8.11.1. All tenders received shall be treated in confidence. Every document relating to tenders shall be treated as confidential information.
- 8.11.2. In the event that any tender received contains any apparent error, the tender board may direct the secretary to seek clarification.
- 8.11.3. Any tender received which is in any way qualified, shall be rejected, and in the event that none of the tenderers are in full compliance of the tender specifications, the tender would be re-advertised.

- 8.11.4. Any tender received may be withdrawn by the relevant tenderer before that tender is accepted, but no tender once received may be amended.
- 8.11.5. All tenders received and opened shall be referred by the respective Chairperson to a tender evaluation committee and/or, where necessary, to a technical or specialist staff from any department/faculty, to examine and evaluate such tenders.
- 8.11.6. A tender that does not comply with the specification or conditions stated in the advertisement for such tender shall be considered as an invalid tender.
- 8.11.7. Where the Vice Chancellor has required that a tender deposit should accompany any tender submitted and a tender has been received without such a tender deposit, such tender shall not be considered as a valid tender.
- 8.11.8. On the request of the Chair of the Tender Board, a report shall be submitted to the tender board by the Dean or the Director of the relevant section, following the examination and evaluation of tenders, summarizing all the tenders received and containing recommendations relating to such tenders.
- 8.11.9. All persons from whom a tender has been received shall be informed of the acceptance or otherwise, of their submissions. The tenderers should be advised within seven days of the meeting of the Tender Board.
- 8.11.10. All monies received in the form of tender deposits shall be refunded to the relevant tenderers whose bids failed. For the winning bid, the deposit shall contribute to any bond that may be required from the Tenderer.

8.12. **Actions of Tender Board**

- 8.12.1. The Secretary to the Tender Board shall record the detailed deliberations of the tender committee and have the written decision approved by the Chairman of the Tender Board within five (5) working day and then pass the file with the recording and signed decision and all documents relating to the tender to the Finance Division for processing.
- 8.12.2. All additional jobs to the approved tender shall be awarded as a separate tender as far as possible and variation to allocated tenders should be kept to the minimum.
- 8.12.3. All tender documents, including the costing, specifications, signed contracts, details of site visits and payment details should be kept intact in the tender file. The folios should be serially numbered and a tender file register maintained. The completed files should be available in the Finance Department for audit inspection.

8.13. **Post-Tender Negotiations**

- 8.13.1. Post-tender negotiations with the successful bidder (i.e. after the tender has been awarded but before the signing of contracts) with a view to improving price, delivery or other tender terms can be entered into, provided:
 - 8.13.1.1. It would not put other tenderers at a disadvantage
 - 8.13.1.2. It is undertaken in a transparent manner
 - 8.13.1.3. It would not affect their confidence and trust in the University's tendering process.
 - 8.13.1.4. In each case, a statement of justification should be approved by the relevant tender boards prior to the event, showing:
 - 8.13.1.4.1. Background to the procurement
 - 8.13.1.4.2. Reasons for proposing post-tender negotiations
 - 8.13.1.4.3. Demonstration of the improved value for money

9. Qualifications

- 9.1. For capital expenditure funded by grant aid (development assistance), the Tender Board will respect any specific term and/or condition of the grant on procurement of supplies for the project. If there are no such conditions or specific term/condition, then the University's procurement policy shall apply.
- 9.2. Calls for Expressions of Interest (EOI) shall always be open to the public. All EOIs shall be opened as per the regulations on the limits. However, submittees of EOIs do not necessarily have any inherent right to be present at the opening of submissions.
- 9.3. **Expressions of Interest (EOI):** should be used mainly where SINU does not have a solid idea of the kind of product or service required or where purchases of same items in varied quantities are expected to continue over a period, normally a year. SINU may have a high level understanding of the business problem or requirements, or type of product it requires, but be unsure of the market's ability or desire to meet its need. SINU therefore may need to collect some additional information before it is able to make some procurement decisions. EOIs shall be called in such cases.
- 9.4. **Request for Proposal (RFP):** A Request for Proposals (RFP) is a project based process involving solution, qualifications, and price as the main criteria that define a winning proponent. The RFP should mainly be used to acquire services when SINU wants to review and implement different and/or new solutions to a problem, project, or business process, i.e. when SINU is looking for the best value solution to resolve a problem or to deliver a good or service, but is not sure how to achieve it. RFPs should therefore be used in cases where SINU clearly understands its business problem or need and is aware that there are potential options available in the market place, but is open to suggestions for solutions to their problem. Once an RFP has been evaluated, the University may end up in a number of situations such as:
 - 9.4.1. Deciding on a preferred solution or service provider, and negotiating a contract with them
 - 9.4.2. Shortlisting preferred candidates, and entering into negotiations with all of them, as a strategy towards finding the best option
 - 9.4.3. Deciding to accept part of a solution from one or more vendors, if the University is not convinced that any one solution is acceptable
 - 9.4.4. Deciding that there is no acceptable solution and changing the requirements, and either asking for further submissions from companies that have responded to the RFP, or closing this particular RFP and starting again. Organisations submitting RFPs do not have the right to be present at the opening of the submissions on RFPs.
- 9.5. **Internal Bids:** Nothing in this policy prevents any person or section of SINU to make a bid, submit tenders, or submit EOIs or submit RFPs. With an intention of developing capacity within, SINU encourages sections and individuals within SINU to make bids, and submit EOIs and RFPs. Internal bids would be evaluated against the same set of criteria which is used to evaluate external bids. Where internal bids are to be submitted, the leader of the bid shall make the Secretary of the Tender Board aware of his/her intent as soon as practical, but no later than the close of the bids.
- 9.6. **Purchases from Abroad:** The University recognizes that Solomon Islands does not have the necessary range, quality and/or competitiveness for supply of all goods and services which the University needs for its operations. The University also recognizes that online or e-shops are now increasing in market share of suppliers.
 - 9.6.1. The Vice-Chancellor, Director of Finance, Budget Heads, and the Tender Board have the authority to seek pricing and/or quotations, sealed bids, or call for EOIs, from suppliers outside Solomon Islands. These prices, quotations, EOIs, sealed bids shall be considered together with those received from local suppliers. Likewise, online / e-shop listed prices may be considered together with the prices received from local suppliers. All such opportunities shall also be advertised within Solomon Islands.

9.6.2. In all such cases, the prices from overseas suppliers for consideration shall be CIF, delivered to Kukum Campus, or any other nominated SINU Campus.

- 9.7. **Procurement through Search and Factory/Supplier Visits:** Given the expanding industrial base globally, particularly in Asia, SINU may decide to procure goods through personal visits to suppliers abroad. For all such procurement, the relevant delegated authority must inspect or cause to be inspected the item(s) targeted, and submit a written report to the VC on the quality, estimated value, prices (landed and delivered to SINU), and comparable indicators for purchases from other sources. Procurement shall only proceed upon VC's approval of the report.
- 9.8. **Sole Manufacturers/Authorised Dealers:** OCB and call for sealed bids may not be adopted for procuring of items directly from manufacturers were there to be only one manufacture of an item, or where there is only one authorized dealer or sole distributor of a specific item. In such cases, however, thorough negotiations on prices, quality, delivery, etc., shall be carried out.
- 9.9. **Auctions/Mortgagee Sales/Trade Shows:** These provide opportunities for procurement. Nothing in this policy prevents SINU to take advantage of opportunities to procure through auctions or mortgagee sales or trade shows. For all auction, mortgagee sale or trade show procurement, the relevant delegated authority must inspect or cause to be inspected the item(s) targeted, and submit written report to the VC on the quality, estimated value, and likely SINU offers; auction/mortgagee sale/trade show procurement will only proceed upon VC's approval of the report.

10. Delegated Limits

- 10.1. The authority to approve purchase of supplies and services for SINU rests with the Vice Chancellor.
- 10.2. Under his powers of delegation, the authority to approve purchases may be delegated by the Vice Chancellor to budget heads to procure goods and services at SINU which are:
- One-time purchases only, and
 - Which no other section of the University also needs to procure, and
 - Which are of urgent or emergency in nature.
- 10.2.1. The limit of this delegation is \$50,000
- 10.2.2. The delegation notwithstanding, the budget head is obliged to follow the processes for Procurement of Goods & Services costing under \$50,000 listed above.
- 10.2.3. For clarity, budget heads are members of the Senior Management Committee. The individual budget head shall not delegate this power.
- 10.3. Approval Limits for Processing/Signing after Procurement Decisions: Under his powers of delegation, authority may be delegated by the Vice Chancellor to budget heads to process and sign procurement orders for goods and services at SINU for which provision is made in the respective budget and for which the central purchase processes have determined the specific item, the respective supplier and the respective prices.
- 10.3.1. The limit of such processing / signing are:
- 10.3.1.1. Managers, Heads of Schools: Upto \$100,000

- 10.3.1.2. Deans & Directors, other than Director of Finance: Up to \$250,000
 - 10.3.1.3. Pro-Vice Chancellors and Director of Finance: Upto \$500,000
 - 10.3.2. The delegations notwithstanding, the procurement decision by the delegated authority shall always be within the context of achievements of the revenue budget for the respective budget head. Where budgeted revenues for any budget unit falls short of the revenue budget, and where meeting upto 80% of the revenue budget is unlikely, the budget head is expected to exercise caution in the exercise of the respective delegation limit and discuss the options available with the Director of Finance and the Vice Chancellor.
- 10.4. Review: The delegations provided to the respective offices above are subject to regular reviews by the Vice-Chancellor. The delegations do not derogate the authority of the Vice Chancellor to incur expenditures under the Procurement Policy of SINU and the approved SINU annual budget.

11. Contract Management:

- 11.1. There shall be standard contracts pertaining to the nature of Goods and services.
- 11.2. All contracts, other than contracts of service, shall be authorized and signed by the Vice Chancellor. Contracts of service shall be authorized by the Vice Chancellor and signed by the Director of Human Resources.
- 11.3. Variations should be kept to a minimum and any variation to the contract shall be brought back to the Tender Board for approval.
- 11.4. Payment must only be processed after an authorized payment certificate is provided to Finance by the Budget Head.
- 11.5. Payments for Mobilizations / Advance Payment shall not exceed 30% of the Contract sum. The only exception to this is where suppliers from abroad require full payment in advance before delivery; in all such cases, the University shall exercise absolute caution and carry out risk analysis before payments are made.
- 11.6. A retention of 5-10% of the contract sum shall be provided for, for construction and commissioning contracts; this sum shall be deducted from every payment and retained until at least 3 months after the practical completion or commissioning of the project.
- 11.7. Penalties may be charged as per the provisions of the contract.
- 11.8. Payment shall only be made to the supplier by a "not negotiable cheque". Cash cheques or cash payments shall not be issued to suppliers, other than for the categories of procurements listed in s4.1 above.
- 11.9. Where supplier contracts are not the norm, as per normal business practice, Finance Department must ensure supplies and services are obtained through issue of a SINU Purchase Order.
- 11.10. All business contracts shall be reviewed at least once around mid-way of its life.

12. Purchase of Non-Budgeted Items Outside Approved SINU Budget

- 12.1. SINU may procure goods and services for which provisions have not been made in the annual budgets. All such procurements shall be under the following provisions.
 - 12.1.1. For purchases costing less than \$1,000,000: Upon the recommendation of the University Tender Board, the FIC may approve the purchase if funding sources are clearly identified and demonstrated to be sufficient to cover costs, and inform the Council of the same.
 - 12.1.2. For purchases costing over \$1,000,000: Upon the recommendations of the University Tender Board and FIC, the Council may approve the purchase.

Revision history

Version	Author (Name & Designation)	Approval Date	Revision
1	Not known	Not known	Original submission
2	Vice Chancellor, through Senior Management Committee	8 August 2019 By SINU Council	Revision 1

Appendix 1: Supply Chain and Procurement Management

