



Fairtrade Australia & New Zealand

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Fairtrade ANZ Procurement Policy

Purpose

The purpose of this policy is to provide accountability, value for money and an optimal outcome for Fairtrade ANZ, including the use of any grant funding.

This policy has been developed to provide a framework and develop a consistent approach to procurement decisions throughout Fairtrade ANZ. This includes

Related Policies

- Control of Funds Policy; and
- Anti-Fraud and Corruption Policy.

Who does this policy apply to?

This policy applies to:

- All personnel and associates of Fairtrade Australia and New Zealand, including permanent, fixed term and casual employees, contractors, interns, volunteers and Board and Committee members.
- All personnel, partners and subcontractors that are engaged by Fairtrade Australia and New Zealand.
- All goods and services purchased by Fairtrade ANZ.

Policy

Key Principles

The key principles of Fairtrade ANZ's procurement processes are:

Value For Money: value for money relates not only to purchase price but also factors such as fitness for purpose, reliability, availability, delivery cost, operating cost, after sales support and warranties. Decisions on the basis of value for money must be supported by objective evidence of cost benefits.

Open and Effective Competition: purchases made by Fairtrade ANZ must be transparent and demonstrate a commitment to effective competition through competitive processes, which do not compromise the objective of value for money. This includes ensuring independence between Fairtrade ANZ and its suppliers, absence of bias and favoritism and ease of competitive entry, particularly for new and small suppliers.

Ethical purchasing: where practical Fairtrade ANZ will seek to purchase products which have been ethically produced and/or which are not harmful to the environment and society. Ethically produced goods

and services must still meet Fairtrade ANZ's requirements for value for money and be of suitable quality and fit for purpose.

Risk Management: there is an element of risk in every purchasing transaction and risk management is an integral part of the decision-making process for all purchases.

These principles are intended to provide consistency in Fairtrade ANZ's approach to its procurement and provide a transparent basis upon which purchasing decisions are made in the best interests of Fairtrade ANZ.

General

All purchases of products (good and services) from selected approved and evaluated suppliers must:

- be in accordance with approved budgets;
- be authorised by a person with the appropriate financial delegations;
- be verified upon receipt by an appropriate staff member; and
- meet the specified requirements of this policy.

Purchasing Levels

The following Purchasing Levels apply to the procurement of all goods, services and works by Fairtrade ANZ:

Up to \$10,000

For goods, services and works with a total value up to \$10,000 excluding GST, the number of quotations to obtained is not fixed, however personnel are still encouraged to seek multiple quotes where practical and be able to demonstrate that a good financial and quality outcome has been achieved.

\$10,001 to \$40,000

For goods, services and works with a total value of \$10,001 to \$40,000 excluding GST, a minimum of 3 verbal quotes should be obtained, recorded and placed on file (unless otherwise authorised by the CEO). Where the lowest priced quote is not selected, a brief statement of the reasons that an alternative provider was selected should be recorded.

\$40,001 to \$80,000

For goods, services and works with a total value of \$40,001 to \$80,000 excluding GST, a minimum of 3 written quotes should be obtained (unless otherwise authorized by the Chair of the Board). Analysis and selection from these quotes must be reviewed by the Executive Manager – Finance and Operations and the CEO.

Above \$80,001

For goods, services and works with a total value above \$80,001 excluding GST, a formal tender process (open or selective) should be undertaken. The tender process should include the preparation of an evaluation plan with specified selection criteria and public advertising of the tender (unless a selective tender process is deemed most appropriate).

The purchase of goods, services and works must be secured by a formal contract.

For More Information

For more information or to report any concerns/violations, please contact info@fairtrade.com.au or info@fairtrade.org.nz

Approval and Review

This policy will be reviewed once every 3 years.

Last Approved By Board: November 2018

Scheduled Review Date: November 2021