



CABI Procurement Policy and Procedure

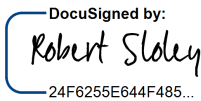
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1 REVISION HISTORY

Revision	Date	By	Change
0			First Issue
1	28.09.10	I Barry	Amendment para 6.3 from CIO to CFO (now 7.3)
2	25.07.12	R Sloley	Amended to incorporate EU requirements
3	8.8.12	I Barry	ITT (para 7.3), and Ethics (para 9) for reference to new Bribery Policy
4	7.11.12	R Sloley	Provide more detail in the ITT process (para 8.4) and extend Appendices.
5	21.11.14	R Sloley	
6	23.09.21	R Sloley	Section 12 – Legislation and Standards – new clause regarding information published to the IATI Registry about recipients of donor funding.
7	01.12.22	R Sloley	General review, update of contract level values, removal of Legislation and Standards as IATI clause is in the Agreement templates, and removal of RFI, RFP and ITT templates from appendices to form separate document templates.

2 APPROVALS

Name / Role	Signature and Date
Robert Sloley, Chief Financial Officer	 09-Dec-2022 <small>24F6255E644F485...</small>

These guidelines summarise CABI's policy on the procurement of supplies and services. Where there are questions on the content or the practical application of this policy, these should be addressed either to the CFO (Robert Sloley) or Procurement Manager (Edward Robinson)

3 SCOPE

This policy applies equally to all purchases of goods and services (including consultancy), whether in relation to production and project activities or infrastructure and general operating activities. It sets out the basic requirements for procurement within CABI. Relationships with Collaborators (also referred to as Implementing/Downstream partners) are not in scope for this Procurement policy and but are addressed in the Collaborator policy

Although all procurement must operate under a common CABI regulatory and control framework, for property and related transactions where the process and circumstances and processes are often very particular, the specific procedures and processes contained in this document need not necessarily apply. **The CFO must be consulted on all property related transactions over £50k. Where property expenditure is donor funded, they must follow the relevant donor procedures.**

4 DONOR PROCUREMENT GUIDELINES (INCLUDING THE EC)

CABI's procurement policies and procedures are comprehensive and should be acceptable to CABI's donors. However, where a project sponsor or donor has established procurement procedures and rules that are at variance to those established in this document, the donor procedures should take precedence as long as they are consistent with the principles specified in sections 8 of this document.

5 PROCUREMENT FRAMEWORK

The CABI procurement policy operates in the context of other related policies and procedures as follows:

- Authorisation
- Anti-fraud and Anti-Bribery
- Code of Business Conduct
- Exclusion from Access to Funding
- Collaborator
- Data Protection
- Data Transfer and Retention

The CFO acts as custodian of the policy on behalf of Executive Management Team and the CABI Board.

The following are essential prerequisites for all supplier relationships:

- zero tolerance of abuse and exploitation
- zero tolerance of bribery and fraud
- sustainability and environmental protection (see also section 6)
- adherence to data protection legislation and regulation

The guiding principle of CABI's purchasing philosophy is to obtain goods and services which provide maximum **total value for money**. Whilst purchase price is a key element of value for money, other factors are also of importance:

- whole of life cost
- quality, both of product and service
- internal staff time
- delivery and speed of execution to match operational requirements
- method of payment, e.g., lease/purchase options
- technical specification/performance
- continuity of supply
- cost reduction opportunities
- health and safety
- ethical sourcing and sustainability

CABI's purchasing activity operates on a decentralised basis. Co-ordination and leadership from the CFO and Procurement Manager are provided to support this structure. In each

business unit, managers have delegated authority and responsibility for fulfilling their own procurement needs (see also the Authorisation Policy).

6 SUSTAINABILITY

The procurement process at CABI must give due attention to sustainability. Sustainability concerns the environmental, climate change, social, including staff health, safety and welfare, and economic impacts of the product or service over its lifetime, such as design, use of non-renewable material, methods of manufacture and production, logistics, operation, maintenance, reuse, recycling options and disposal. At the very least, compliance with relevant legislation on environmental protection, staff welfare, health and safety must be ensured.

7 AUTHORITY TO PURCHASE

Only staff with appropriate delegated authority can make purchasing commitments on behalf of CABI.

Managers with responsibility for cost centres have authority to spend subject to signing limits specified in the Authorisation Policy with IT purchases also approved by the Executive Director of IT. Project Managers are responsible for ensuring that the type and level of project expenditure complies with the donor contract.

8 PROCUREMENT PRINCIPLES

All staff involved in purchasing activities must follow the CABI Code of Business Conduct and the Anti-Bribery Policy, and the following principles should be applied:

Declaration of interest

Any personal interest, which may impinge or might reasonably be deemed by others to impinge upon impartiality in any matter relevant to purchasing duties, should be declared to the Line Manager for approval before conducting the business.

Confidentiality of Information

The confidentiality of information received in the course of business should be respected.

Fair Competition, Non-discrimination and Equal Treatment

Procurement should be carried out by competition unless there is a justified reason to the contrary. Any arrangement which may prevent the effective operation of fair competition should be avoided.

Gifts and Hospitality

Rules regarding Gifts and Hospitality are set out in the **Anti- Bribery Policy**.

Sound Financial Management

Purchasing process should be in accordance with the principles of economy, efficiency and effectiveness.

Reciprocity

CABI's customers are not precluded from becoming suppliers providing the overall requirements of this policy statement are met.

Transparency

The process, timelines, documentation and requirements should be made clear to all potential suppliers

Equal access

Suppliers should be given equal access to information directly relevant to the procurement process.

Exclusion of participation in procurement

CABI reserves the right to exclude suppliers or tenderers from the procurement process if any of the following situations apply:

- They are bankrupt, are having their affairs administered by the courts or where their credit-rating gives reasonable cause to doubt their ability to maintain continuity of supply.
- They are subject to criminal or any other legal proceeding prejudicial to a relationship with CABI.
- They are subject to a conflict of interests
- They are guilty of misrepresentation in the supply of information for a request for proposal
- They have, in the judgement of the CABI CFO, not able to provide sufficient re-assurance on the supplier preconditions stated in Section 5 'Procurement Framework'.

See also policy on 'Exclusion from Access to Funding'

Personal Purchases

CABI's staff may receive or purchase goods or services for personal use only where formal arrangements exist for such provision e.g., approved staff discount schemes.

Documentation, Storage and Audits

It is the responsibility of the Manager accountable for the procurement to ensure that the procurement process is documented and that those records are stored and can be quickly and easily retrieved in the event of audit or any other enquiry. CABI maintains an audit trail of every purchase transaction for seven years and such records should always be made available for audit.

9 PURCHASING PROCESS

Members of staff making purchases should adopt the following process:

9.1 IDENTIFICATION OF NEED

Identification of need should normally involve an analysis to ensure that there are no better alternative solutions. Consideration should be made as to whether the requirement can be deferred (acquired later), diminished (reduced requirement) or deleted (the purchase

avoided). An additional step at this stage is to determine the budget available to fulfil the requirement.

9.2 PROCUREMENT PLAN

For the majority of purchases this should be a straightforward process. However, for significant purchases it is important that individual roles and responsibilities are clearly defined, together with the timescales for the procurement.

9.3 EVALUATION/SELECTION OF SUPPLIERS

- **Check whether or not there is an existing supplier for the goods/services.** Existing or Preferred suppliers may be used without recourse to competitive bid for each transaction, but those suppliers deemed to be preferred should be clearly recorded. However, regular checks against alternative suppliers should be made and documented (the frequency depending on the type of purchase).
- **Appointing a new supplier** Members of staff seeking to appoint a new supplier should get that appointment endorsed by their Line Manager.
- **Procurement documentation**
It is important that there is a clear specification of the requirement. Depending on that requirement and the level of expenditure (see section 9.4 below) the documentation could take one of the following forms:
 - **Request for Quote (RFQ)** is a simple request for a process from a supplier for a specified service but must be documented (email would suffice) and must follow the standard procurement principles
 - **Request for Information (RFI)** is commonly used where goods and services have yet to be specified and where relevant suppliers may need to be identified.
 - **Request for Proposal (RFP)** is a formal document and process and is used where elements of the product or service still need to be specified precisely and where there needs to be a more open dialogue with suppliers on the specification.
 - **Invitation to Tender (ITT)** is a more formal document and process and is typically used where products and services are relatively well defined.

Templates for the RFI, RFP and ITT are available on SharePoint (see [Policies](#) on the Finance home page). Additionally, a Data Protection questionnaire is also available and may be sent to the potential supplier as part of short-listing ITT candidates.

9.4 PROCUREMENT PROCEDURES AND CONTRACT LEVELS

The following summarises the minimum threshold for the application of particular procurement procedures.

Goods with a contract value of £10,000 or more:

Request for Quote required from a minimum of three suppliers.

It is not essential that a new price is obtained for repeat purchases of a similar nature with an established 'preferred' supplier, however the purchaser is at all times responsible

for ensuring that the goods/service are obtained at a competitive market rate, and this should be reviewed on a regular basis (typically every 3 years).

Works (Building and associated services) with a contract value of £15,000 or more, or repeat procurement exceeding £15,000 within a 3-year period:

Request for Quote required from a minimum of three suppliers.

Services (including consultancy) with a contract value of £25,000 or more, or repeat procurement exceeding £25,000 within a 3-year period:

Request for Quote required from at least three potential service providers. Subject to donor (in particular EC) agreement if applicable, services provided by **CABI Associates** need not be subject to competitive price quotation for separate work performed. A register of designated CABI Associates is held by the HR Director and the CFO.

Goods, Services and Works with a contract value of £70,000 or more

A formal **Request for Proposal** or **Invitation to Tender** is required.

The above thresholds must not be exceeded without prior authorisation of the CFO.

Regional Directors must approve, document and apply procurement levels that are most appropriate to their Region. Those thresholds must not exceed the values stated above. Departmental managers may, if they choose, approve, document and apply procurement levels which again should not exceed the threshold levels stated above.

The application of local procurement levels is likely to be subject to internal audit.

9.5 CONSULTANTS AND COLLABORATORS

Use of consultants are subject to the procurement processes described in this document with the exception of those appointed as **CABI Associates** where some form of selection process is deemed to have taken place.

Collaborators (may also be referred to as Implementing/ Downstream Partners, are organisations who partner with CABI in the **direct implementation of projects**. They differ from suppliers of goods and services (including consultancy) who have an indirect and/or more limited role in project implementation. e.g., equipment, travel, accommodation. Collaborators, whether organisations or sole traders, often form part of a project proposal (and to that extent selected by the donor) and in some cases may be in-country public institutions. The use of Collaborators is covered by the Collaborator Policy, which is out of scope of this Procurement Policy.

9.6 REQUEST FOR PROPOSAL (RFP) AND INVITATION TO TENDER (ITT) ('TENDERS')

The different types of procurement procedure which could apply to tenders at CABI are outlined in Appendix 1. The Authorising Manager should decide the most appropriate procedure to be applied in consultation with the Procurement Manager or CFO if required. **However, the negotiated/single tender process can only be used where there is a clearly documented rationale with the prior authorisation of the CFO.**

Whatever procurement procedure is most appropriate, all RFP and ITT should follow the process specified below:

i. Establishment of the Evaluation Committee

- This Committee should consist of a minimum of three persons. Use of external experts should be considered where this is appropriate.
- Conflicts of interest should be avoided, but where this is not possible, they must be declared and recorded on the inception of the Evaluation Committee and steps taken to ensure the core procurement principles still apply.

ii. Publication of tender documentation

The tender notice should include the following information:

- Information on the nature of the product or service to be procured including quantity, function, quality criteria, timing etc.
- Closing dates and times of the tender process, where to obtain information and who to contact.
- A clear description of the award criteria.
- Details on the management of the contract, payment terms and any other financial or contractual considerations.

Please liaise with the Marketing and Communications Team, and HR, regarding publication of the tender on www.cabi.org and social media.

iii. Communication with potential suppliers during the process

During the procurement process itself, the Evaluation Committee should ensure that that it communicates with potential suppliers in an even-handed manor to ensure Fair competition and Equal Treatment.

iv. Opening of tenders

The Evaluation Committee should agree on the process for opening and receiving of RFPs and tenders to ensure Fair Competition and Equal Treatment

v. Evaluation of tenders

The tenders should be evaluated using specific criterion which should include:

1. Technical, functional, operational and professional capabilities
2. Price
3. Economic and financial capacity

A scoring system which weights the different criteria according to their importance may be used, as appropriate, as an objective means of supplier selection. Overall, the scoring system should be consistent with the value for money objectives of the procurement policy and the principles described in section 8.

vi. Communication of the outcome of the tender

The Evaluation Committee is responsible for ensuring that principles all tendering suppliers are informed of the outcome of the tender promptly in a manner which is non-discriminatory and withholds confidential information.

viii. Tender document storage

It is the responsibility of the Evaluation Committee to ensure that all documents that were used as part of the tendering process and outcome are stored on SharePoint and readily available in the event of review or formal audit.

ix. Complaints process

Complaints from suppliers on the conduct of a tender should be addressed to the **Chair of the Audit and Risk Committee** (a non- executive director of CABI) at the following address:

Chair of the Audit and Risk Committee
c/o CEO's Office
CABI Head Office
Nosworthy Way
Wallingford
Oxfordshire
OX10 8DE, UK

9.7 CONTRACT MANAGEMENT

Once the preferred supplier has been selected, then the terms and conditions of contract including service levels, service descriptions and schedules should all be confirmed and agreed. Contract templates, Non-Disclosure Agreements, draft clauses and guidance notes can be found in the [Agreements](#) section of SharePoint with advice also available from the Head of IP Legal and Compliance (Susan Philcox).

9.8 RECEIPT OF PRODUCT/SERVICE

When goods and services are delivered by the supplier, they should be checked the purchasing documentation to ensure that they meet the requirement and are compliant with the agreement in place. The invoice should not be processed for payment until that check has taken place and any issues are satisfactorily resolved.

9.9 LESSONS LEARNED

Any feedback from end users and other internal customers should be collected where applicable and passed on to the supplier. The purpose of this is to monitor and rate the performance of the suppliers in order to develop their service and aim for continual improvement.

10 PAYMENT

- CABI aims to settle all suppliers' accounts against their invoice 30 days from the end of the month in which the goods are received or service is carried out or, if later, the invoice is received unless otherwise agreed in advance.
- Savings in purchase price may be accepted by CABI for prompt or early settlement. Such agreements must be authorised by the local Finance Manager who will be responsible for the early payment terms.
- The Budget holder with responsibility for the department making the purchase is responsible for ensuring that the invoice is correctly coded and that the details of the invoice conform with the supplied goods or service and that the stated terms and charges are correct.

11 E-COMMERCE

Purchasing through the internet follows the same processes, principles and procedures outlined in this document.

12 KEY RESPONSIBILITIES

- The CFO, on behalf of EMT and the CABI Board, is the custodian of this policy
- Regional Directors outside of the UK are responsible for ensuring that local Centre procurement thresholds are in place, are consistent with the CABI procurement policy and principles, and that local compliance is observed.
- CABI managers and staff are responsible for ensuring compliance with both the spirit and substance of this policy.

APPENDIX 1 TYPES OF PROCUREMENT PROCEDURE FOR TENDERS

There are different types of procurement procedure which could apply to tenders at CABI. These are described below:

Open procedure

In 'open' calls for tender (international or local) all legal economic operators may submit a tender. The contract is given the maximum publicity consistent with the size of the contract award and the need to achieve value for money by publishing a notice in national or international newspapers or other appropriate media. The tenders are compared against the stated criterion and the contract is awarded. No negotiation prior to the selection of the successful tenderer is chosen although some fine tuning may continue as part of the contractual process provided the tender itself is not fundamentally changed and the process is not discriminatory.

Restricted procedure

In 'restricted' calls for tender, only those suppliers who satisfy the specified pre-selection criterion may be invited to do so. The selection criterion and the tasks to be undertaken are described in the published contract notice. A 'long list' of all candidates replying to the notice is cut down to a shortlist on the basis of their replies. The contract is given the maximum publicity consistent with the size of the contract award and the need to achieve value for money by publishing a notice in national or international newspapers or other appropriate media. A detailed tender document is sent to the shortlisted candidates. Once tenders have been analysed, they are compared, and the successful tenderer is chosen. No negotiation prior to the selection of the successful tenderer is chosen although some fine tuning may continue as part of the contractual process provided the tender itself is not fundamentally changed and the process is not discriminatory.

Competitive dialogue

In the case of more technical or complex contracts where it is clear that the use of either the open or restricted procedure is inappropriate and will not produce the best value for money, the process of competitive dialogue may be used. In this procedure, a contract notes setting out or attaching the needs and requirements of CABI should be published. A dialogue would then be opened with the candidates meeting the criteria with a minimum of three candidates invited to tender. If fewer than three candidates meet the selection criteria, then the tender should continue with the candidates that do meet the criteria. During the process, Tenderers must be treated equally, and the principles specified in section 8 should apply and confidentiality respected. After informing the participants that the dialogue has been concluded, their final tenders should be submitted. After the tender has been submitted, they may be fine-tuned provided the tender itself is not fundamentally changed and the process is not discriminatory. This fine tuning may continue as part of the contractual process.

Negotiated procedure/single tender process

In the case of more technical and specialised procurement, a single tender or negotiated procedure could apply. Here, the evaluation committee would proceed with negotiation of a single supplier but, at the conclusion of the process, would need to issue a document to explain how the process was conducted, the members of the evaluation committee selected and the price set. Again, the Evaluation Committee is responsible for ensuring that the fundamental procurement principles are adhered to.