



Procurement Policy

Policy: Procurement Policy		Process Owner: Procurement Manager			
				Date: 03/10/2022	
FFTL	Version	01	Approved by	Gregorio Correia	Signature

Amendment History

Sr. No	Date of Amendment	Amendment description	Approver Name
1			
2			



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1. Purpose

- 1.1 The Policy aims to ensure Federação Futebol Timor-Leste receives the highest quality of desired goods and services at the best price possible.
- 1.2 The Policy aims to establish a standard guideline to promote consistent application of procurement best practices and to ensure transparency and accountability in the use of funds.

2. Definition

Authorised Delegate	means a person who has the authority to authorise procurement of goods or services and sign off the transaction
Conflict of Interest	means any case where a person's personal interest might contradict interest of FFTL. FFTL's requirements regarding Conflict of Interest reported are set out in the Conflict of Interest Policy.
Contract	means an agreement between two or more parties (supplier and FFTL) that sets out what will be delivered at what cost and other obligations and requirements.
Emergency	means serious and unexpected situations that include but are not limited to: natural or manmade disasters, critical health or environmental emergencies (such as pandemic or food safety incident) and failures of critical infrastructure or equipment where: Urgent situations arising through a lack of planning do not constitute an emergency.
Pre-qualified Supplier	means a Supplier that FFTL has certified as high-quality and satisfying the selection criteria.
Procurement	means all activities involved in the acquisition of goods, services, infrastructure and capital works, including but not limited to: <ul style="list-style-type: none"> 1. identifying the procurement need 2. evaluating and selecting of suppliers 3. contracting and placing orders 4. managing contracts and suppliers 5. ensuring the compliance of contractual requirements, policies, regulations and relevant laws
Purchase Order	means the document issued by the FFTL procurement officer to a Supplier acknowledging that there is a commitment to purchase from a Supplier
Purchase and Service Requisition	means the request document raised to obtain approval to issue a Purchase Order to a Supplier.



Supplier	means an external entity that supplies goods and/or services to FFTL
Tender	Means FFTL publicly invite offers to respond to a procurement request

3. Scope of Application

- 3.1 The Policy applies to all procurement of goods and services required by Federação Futebol Timor-Leste
- 3.2 The Policy covers the standard procurement cycle from initial engagement to final delivery of goods and services or contract completion
- 3.3 These procurement procedures apply to all staff involved in the procurement process and to all types of procurement.

4. Institutional Framework

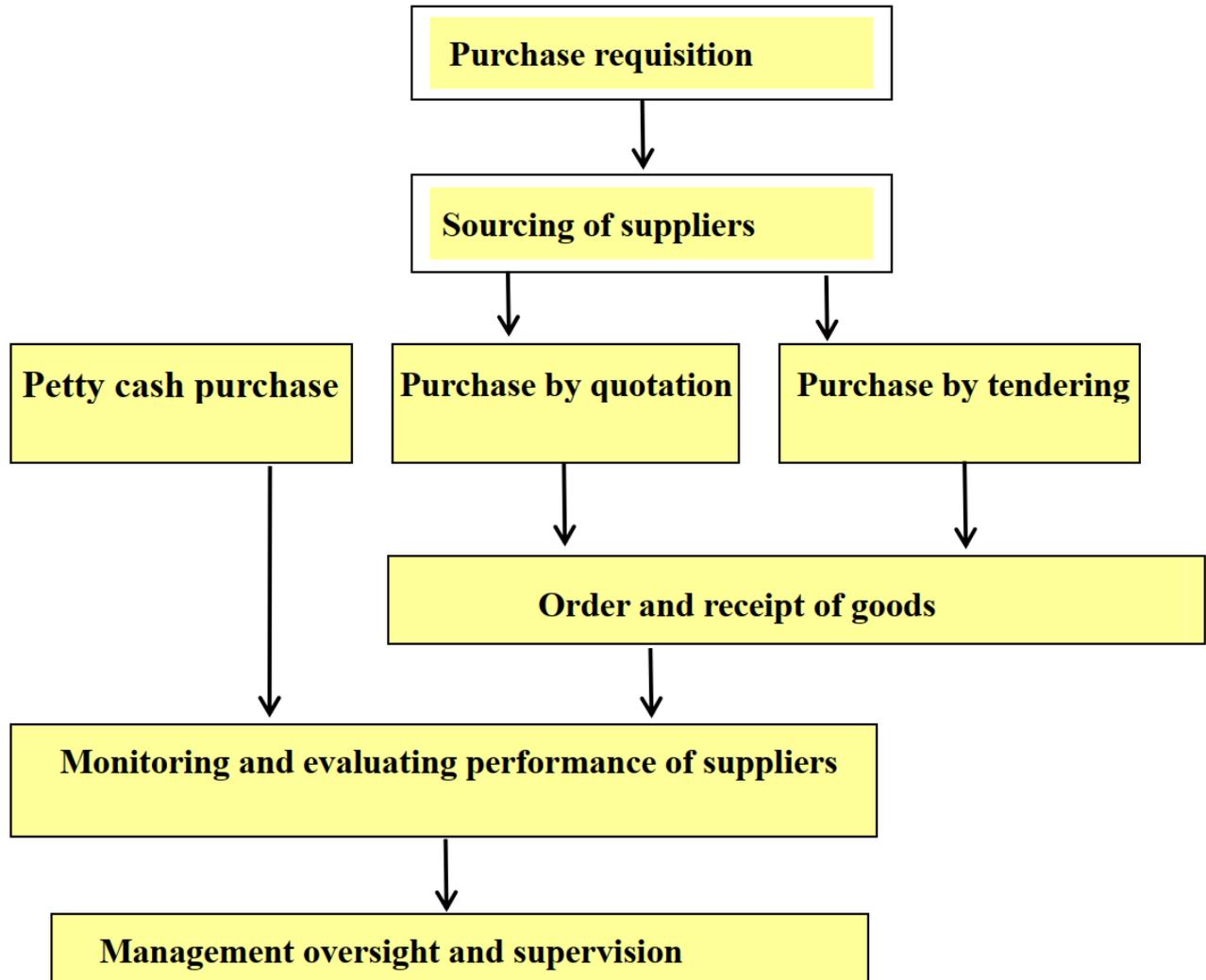
- 4.1 The Policy should be read in conjunction with other frameworks, regulations, policies and procedures, including
 - a) Conflict of Interest Policy
 - b) Staff Manual

5. Core Policy Principles

- 5.1 The Policy covers the standard procurement cycle from initial engagement to final delivery or contract completion
 - a) **Best interest of Federation of Football Timor-Leste:** to carry out procurement activities in a manner that best facilitates FFTL to reach the general and specific objectives in line with applicable regulations.
 - b) **Value for Money:** the service provider will be selected by considering fitness for purpose, fair market value, whole of life cost, post-delivery support as well as previous experience
 - c) **Competition:** Procurement activities should be carried out in a competitive manner and follow the procurement rules to obtain required quotations as prescribed in this Policy.
 - d) **Unbiased Selection:** no service provider should be unjustifiably discriminated against, and no service provider should receive an unfair competitive privilege.
 - e) **Transparency:** the information relating to the procurement and selection should be carried out in a transparent manner, ensuring relevant procurement information is made available to interested parties in consistent and timely manner.
 - f) **Sufficient planning:** procurement activities should be planned adequately to ensure timely and successfully implementation of activities and to ensure compliance with the fund regulations.
 - g) **Conflict of Interest:** A conflict of interest should be declared and reported to the Head of Human Resource so actions could be taken.



6. Procurement cycle



6.1 There are four steps in the procurement cycle as follows

- a) Annual procurement planning;
- b) Transaction specific procurement planning;
- c) Procurement process;
- d) Receipt of goods/services

6.2 **Annual procurement planning.** Procurement planning is part of the annual budgeting process. Each departmental head is responsible for planning the procurement needs on an annual basis through the use of the annual procurement plan (APP). The APP indicates the goods/services to be bought in the various



quarter of the year. The APP should be shared with the Finance Department, General Secretary and President for comments before **30 November**. It will require approval of the executive committees.

6.3 Transaction specific procurement planning. Each specific procurement procedure process should be initiated by procurement requisitions to the procurement officer from the requesting department using a procurement requisition form. The request of goods and services will only be approved within the APP and annual budget agreed in the beginning of the year except in case of emergencies, which must be approved by the General Secretary with valid reason explaining the unplanned expenditures. The procurement requisition form should show detailed specifications and requirements for the goods/services being requested.

The procurement requisition form will indicate the following

- a) Goods/services requested
- b) Quantities
- c) Delivery date and location
- d) Procurement value
- e) Whether the procurement within the APP/budgeted or emergency or unplanned (provide valid reasons for emergency or unplanned procurement)
- f) Signature of the preparing person
- g) Signature of the Head of Department

6.4 Procurement Process: The procurement officer should conduct the procurement process using the procurement requisition form. The procurement should follow the procurement method according to the procurement threshold and specific requirements of the procurement. The procurement officer is also responsible for issuing Purchase Order (PO) to the vendor to confirm the details of the procurement.

6.5 Receipt of goods and services: The procurement cycle will be completed by certifying that the goods and services have been entirely received by FFTL. The procedure for receipt of goods and services is crucial in confirming that the vendor has satisfactorily met their obligations. The person receiving the goods/service will be required to complete a Goods Received Note (GRN) to acknowledge the delivery of goods by the vendor and receipt by FFTL. Once the performance and obligations have been completed by the vendor, all the relevant documents should be submitted to the Finance Department for payment. All payments must be made between the vendor and FFTL in reference to the financial policies.

7. Vendor Selection

7.1 The procurement department is responsible for selecting the vendor and ensure that best possible price, quality and delivery time available within the markets is obtained.

7.2 It is crucial to maintain a list of pre-qualified vendors, for each good and service based on the selection criteria (section 7.4) and previous experience. The list of pre-qualified vendors will make identification of vendor more efficient.



- 7.3 The vendor list should be reviewed and updated on an annual basis to ensure the vendors meet the FFTL requirement and conflict of interest policy. The procurement officer should also introduce more vendors to the vendor list to ensure FFTL will obtain the best and most competitive price in the market.
- 7.4 The following set of criteria is important for evaluating and selecting the vendor
- a) Price
 - b) Quality of goods or services
 - c) Delivery of goods and services within the agreed timeframe
 - d) After sale service, including the availability of supplies
 - e) Past experience
 - f) Financial stability of the vendor
 - g) Availability of the vendor to response to request
 - h) Payment terms
 - i) Warranty offered
- 7.5 The procurement officer is required to prepare a procurement evaluation form for each quotation received, detailing the rationale for selecting the vendor using the criteria in section 7.4. The procurement evaluation should be submitted to the authorised delegate together with other relevant documents.

8. Controls on procurement

- 8.1 The request of goods and services will only be approved within the annual budget agreed in the beginning of the year except in case of emergencies, which must be approved by the General Secretary with valid reason explaining the unplanned expenditures. The Head of Department is responsible for ensuring the actual procurement remains within the budget throughout the year.
- 8.2 The annual central review should review the numbers of unplanned expenditures. A Large number of unplanned expenditures will indicate a weak internal control in the financial process. FFTL should constantly monitor and avoid the occurrence of unbudgeted procurement activities.
- 8.3 The financial officer is responsible for assisting the procurement department in conducting checks on a periodic basis on procurements activities to ensure the procurements conform to APPs, donor regulations, FFTL policies and procedures.
- 8.4 Procurement officers and all decision-makers in the procurement process will be required to sign a conflict-of-interest declaration on a regular basis as prescribed in the conflict-of-interest policy.
- 8.5 There should be a proper segregation of duties between
- a) The person who orders a particular purchase from a vendor
 - b) The person who receives the goods
 - c) The person who authorizes payment



9. The procurement process report

- 9.1 Upon receipt of procurement requisition form from the department, the procurement officer should first verify that the requisition is properly approved according to the authorised delegate. The procurement officer should maintain a procurement process report for the all the requisition details. The purchase of goods/services should begin subsequently.
- 9.2 The procurement process report is updated to reflect the requisition received from the departments. The report should also include information on the status of each procurement requisition, procurement value, and expected date of delivery.
- 9.3 The procurement process report should be submitted to the Deputy General Security on a monthly basis
- 9.4 The procurement officer is also required to prepare a monthly financial report on procurement to the General Secretary and copy to the Finance Department. The Finance Department should ensure the procurement is in line with the APP and annual budget.

10. Procurement method

- 10.1 The procurement method will depend on the total estimated value of the required goods or services, based on the following parameters
- 10.2 Procurement rules based on the procurement value



Total Procurement Value	Procurement Requirements	Approvals Required	Contracts Required
Less than \$500	<ul style="list-style-type: none"> No quote required Bank transfer preferred but Petty Cash allowed Purchase Order (PO) not required 	<ul style="list-style-type: none"> Head of Finance 	Contract may be established with main dealers of regularly purchased goods
\$500 – 1,000	<ul style="list-style-type: none"> No quote required Bank transfer Raise a Purchase Order (PO) 	<ul style="list-style-type: none"> General Secretary 	Contract may be established with main dealers of regularly purchased goods
\$1,000 - \$2,000	<ul style="list-style-type: none"> 1 written quote required Bank transfer Raise a Purchase Order (PO) 	<ul style="list-style-type: none"> General Secretary or President 	Contract may be established with main dealers of regularly purchased goods
\$2,000 - \$5,000	<ul style="list-style-type: none"> 2 written quotes required Bank transfer Raise a Purchase Order (PO) 	<ul style="list-style-type: none"> President 	Contract required with the selected vendor
\$5,000 - \$25,000	<ul style="list-style-type: none"> 3 written quotes required Bank transfer Raise a Purchase Order (PO) 	<ul style="list-style-type: none"> General Secretary and President 	Contract required with the selected vendor
\$25,000 +	<ul style="list-style-type: none"> Tender process to be undertaken 	<ul style="list-style-type: none"> Executive Committees and President 	Contract required with the selected vendor



**OFFICE
FORMS**



Purchase Requisition Form				
TO BE COMPLETED BY REQUESTOR		Requisition Date _____		
Name _____		Contact Number _____		
Department _____		Delivery Date _____		
Suggested Vendor (if known) _____		Signature _____		
Item No.	Item/Product Descriptions	Quantity	Unit Price\$	Total Amount \$
GRAND TOTAL:				
Please specify specifications/justifications/reason for the above request (attach separate sheet if space not sufficient)				
<u>Budgeted Expenditure</u>		<u>Comment</u>		
Yes No				
If selected "No", please provide reason				
Approved by Head of Finance (<\$500) (Name, signature & date)				
Approved by General Secretary (Name, signature & date)				
Approved by President				



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