

SECTION 2: PROCUREMENT STANDARD

2.1 Purpose and Scope

This standard implements the *Accounting Policy*.

2.1.1 Overview

Strategic Procurement requires accountability for the spending of Smooth Sailing Solutions funds which is justified, planned and transparent. Goods and services procured must be “fit for purpose” and represent value for money while being socially responsible and ensuring integrity in the procurement process.

2.1.2 Purpose

The purpose of this standard is to ensure that the procurement of all goods and services is conducted in an honest, competitive, fair and transparent manner that delivers the best value for money outcome whilst at the same time protecting the reputation of Smooth Sailing Solutions, taking into account the required specification, quality, service, delivery, reliability, environmental, and social issues as well as the total cost of ownership.

2.1.3 Scope

This standard applies to all employees, contractors, consultants, temporary and other workers at Smooth Sailing Solutions and its subsidiaries, and any other person or entity who is involved in the procurement of goods and services on behalf of Smooth Sailing Solutions.

Document Name

2.2 Standard

2.2.1 Use Approved Vendors

Established Suppliers with an agreement with Smooth Sailing Solutions to supply goods and/or services at agreed terms must be used. To establish a relationship with a new supplier, please see the *Vendor Selection Standard*.

2.2.2 Get Quotes

For purchase of goods and/or services less than the *Three-Quote Threshold Value*, a documented quote must be received from at least one established supplier and stored locally.

For the purchase of goods and/or services in excess of the Three-Quote Threshold Value, a minimum of three documented quotes is required.

The threshold values are to be applied on the anticipated total expenditure, accumulated over the term of the contract or a three-year period, whichever is the shorter period.

Table 2-1: Threshold Values

Type of Purchase	Threshold	Requirements
Simple	up to and including \$25,000	Minimum 1 quote
Three-Quote Threshold Value	over \$25,000	Minimum 3 quotes

2.2.3 Take No Gifts

Gifts other than items of small intrinsic value should not be accepted from suppliers or prospective suppliers. If a conflict of interest exists, the person must immediately declare this conflict.

2.2.4 Procedure

ACCOUNTING will establish and document procedures for employees to submit requests for goods or services, for executing purchases according to company requirements, for ensuring that the goods and services were received, and for providing the necessary documentation for payment to Accounts Payable.

Document Name

The individual responsible for executing procurement requests is required to obtain proper approval of any purchase of goods and services before executing the purchase. See *Purchase Approval Authority Standard*.

The purchase approver is responsible for verifying any necessary quotes dictated by this standard before providing approval.

2.3 Compliance and Control

FINANCE DEPARTMENT will verify compliance to this standard through various methods, including but not limited to, business tool reports, internal and external audits, and feedback to the policy owner.

Any exception to the standard must be approved by FINANCE DEPARTMENT in advance.

An employee found to have violated this standard may be subject to disciplinary action, up to and including termination of employment.

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Document Section Classification: Internal Only

2.3.1 Related Policies, Standards, and Procedures

- *Purchase Approval Authority Standard*
- *Vendor Selection Standard*

2.3.2 Change Control

Table 2-2: Amendment History

Version	Date	Person	Description of Change
0.1	June 11 2019	T. Ryng	Initialization per template.
0.2	June 12 2019	T. Ryng	Minor corrections for consistency.

2.3.3 Review and Approval

This document is valid as of [date].

Document Name

The owner of this document is indicated in Table 2-3. This person must review and, if necessary, update the document at least annually.

Table 2-3: Approval

Name	Title	Signature	Date

