

## 1.6 Sourcing for procurement

See the above definition of sourcing.

### 1.6.1 Defining the need for goods or services

#### 1.6.1.1 In the UK

When a programme approaches the Logistics team with a procurement request, the Logistics team will review the request and:

- Where the value is less than £1,000 or goods or services needed are covered by an existing national contract, they will advise the requestor to purchase themselves using the procurement portal or their procurement card. Note: The maximum credit amount on the BRC procurement card is set at £5,000.
- Where the value is greater than £1,000, the requestor must complete a Request For Action (RFA). The top half of the form is to be completed by the requestor, who passes it on to the logistics team, who recommend options to fulfil the need and seek approval from the Head of Logistics and finance. The RFA must be as clear and detailed as possible. Where required, the Logistics team will request additional details from the requestor. All communications must be attached to the approved RFA before procurement.

See [Requisitions in UKO flowchart](#) for details

There are two routes for UK logistics procure goods or services from the UK. The [UK Procurement routes](#) process is detailed in annex to this chapter.

The choice of procurement process will be based on different criteria, such as estimated costs, risks and the lead time available.

Basic BRC procurement thresholds:

Less than £1,000	<b>Direct purchase</b> A single quote is required. RFA preferred.
£1,000 to £50,000	A <b>minimum of three written quotes</b> should be sought and evaluated using the <a href="#">comparative bid analysis</a> (CBA) template. If the procurement is being conducted through a partner, any procurement file with a value of more than £25,000 must come to UKO logistics for review before a purchase order is placed. If the logistics coordinator deems it necessary to reduce this threshold from £25,000, they should do this in the GAD and the lower value is applicable.
£50,000 to £250,000	<b>Open national tender</b> If tender is being conducted through a partner, UKO logistics must review tender documents before advertising and participate in the committee on contract. UKO logistics must review the contract before it is signed with the supplier.
More than £250,000	<b>Open international tender</b>

The procurement thresholds and respective processes are detailed in the “Procurement processes-UK” flowchart.

#### 1.6.1.2 Procurement through partners

The procurement procedure that applies to the partnership is defined in the grant agreement document. When procurement terms are specified in the GAD, they will usually be one of the mirror the programme’s donor’s requirements (see below standard requirements).

The financial thresholds below only apply to programmes following BRC procurement guidelines. Financial thresholds for each NS will have to be defined and agreed locally, and individual donors can define different thresholds and processes. The GAD determines which guidelines will have to be followed.

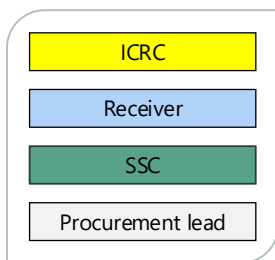
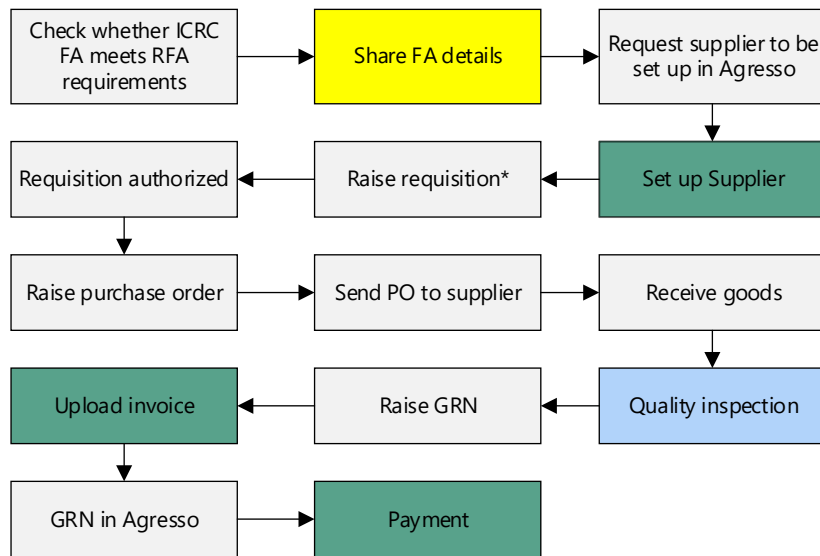
Value in GBP	BRC <b>Corporate</b> Process	BRC <b>International</b> Process
< £ 1,000	Direct purchase	Direct purchase (Logs to raise requisition/RFA if procuring for internal customer)
£ 1,000 - £ 5,000	Agresso requisition and payment Minimum 3 quotations	Requisition /RFA Minimum 3 Quotations CBA UKO Logs can review CBA
£ 5,001- £ 25,000		Requisition /RFA Minimum 3 Quotations Sealed bids (physical or electronic) CBA UKO Logs can review CBA
£ 25,001- £ 50,000		Requisition /RFA Closed local tender Minimum 3 bids Local CoC + CBA UKO Logs approval <b>required</b> for CBA
£ 50,001 - £ 250,000	Open national tender	Requisition /RFA Open Local tender UK Logs approval <b>required</b> before tender publication Minimum 3 bids Local CoC + CBA UKO Logs approval <b>required</b> for CBA
> £ 250,000	Open international tender	Requisition /RFA Open International tender Minimum 3 bids UK Log team must be represented on CoC (can be waived)

\* All thresholds must be upheld - however, where it leads to better quality procurement, more stringent thresholds can be followed. For example, it is possible to choose to tender internationally for procurement < £250,000

### 1.6.1.3 Using the Movement's resources

The BRC has access to ICRC established procurement contracts. They are a preferred option when procuring NFIs, as they are subjected to strict QA testing from the ICRC internal QA team and from third-party service providers mandated to verify the quality of the items manufactured by the supplier. Procurement through an ICRC contract must be managed by UK Logistics.

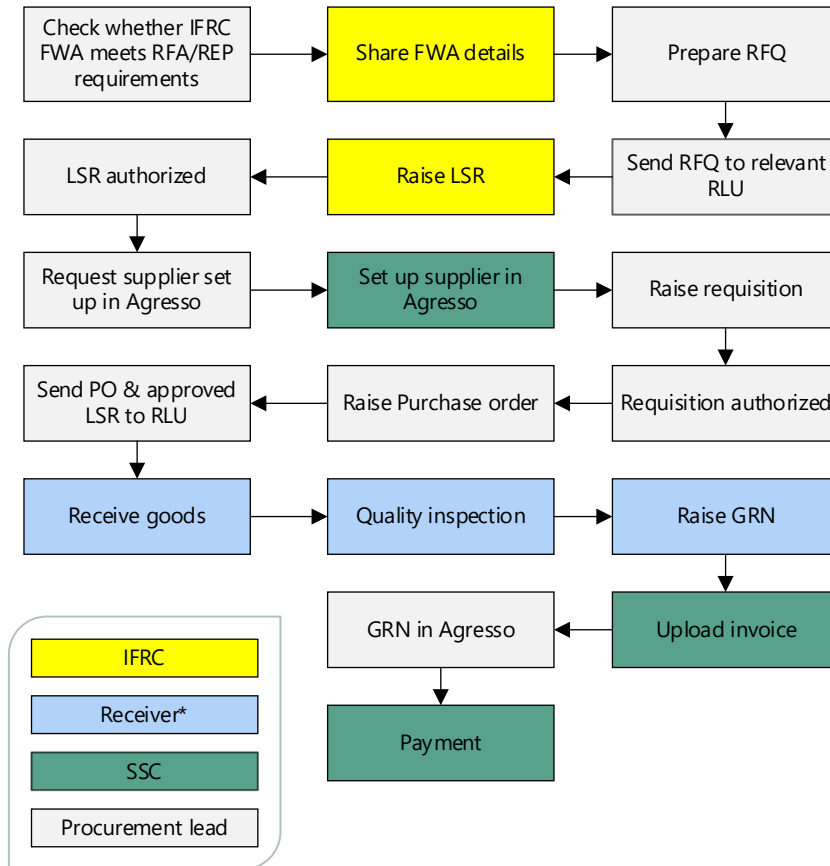
## Approved Request for Action (procurement) or REP for stock replenishment



\* ICRC FA must be referenced in the Requisition and in all relevant documents attached to Agresso

BRC can also access IFRC established contracts. They are particularly useful in the replenishment of pre-positioned stocks, with delivery at the IFRC warehouses (regional logistic units). A Global Logistics Services agreement governs the relationship between the BRC and the IFRC as a procurement service provider. Procurement through an IFRC contract must be managed by BRC UK Logistics.

## Approved Request for Action (procurement) or REP for stock replenishment through IFRC FWA



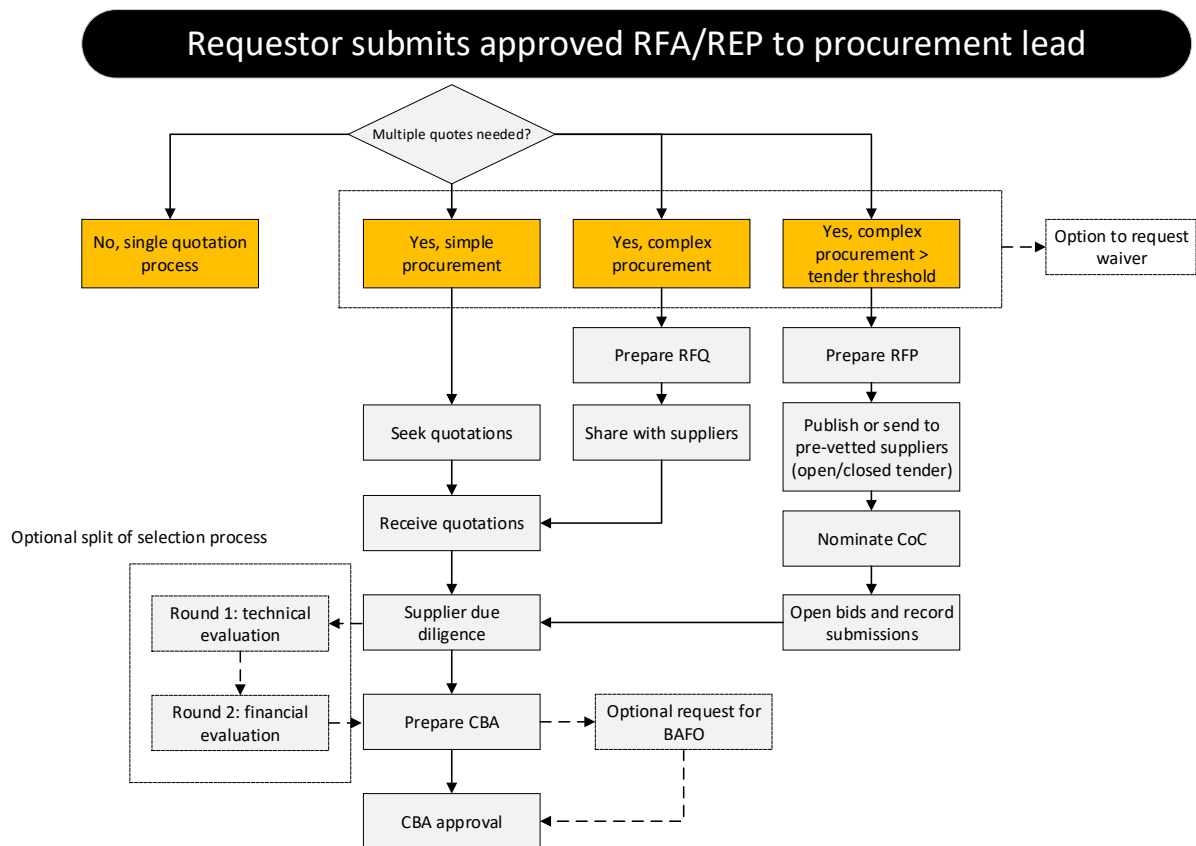
### 1.6.2 Quote-based procurement

Depending on the agreed financial thresholds and signature authority, some purchases will require one or more quotes to be obtained from suppliers. The requestor will complete and have their requisition form approved, indicating a desired timeline for delivery, before submitting the form to the designated procurement focal point for action. The procurement focal point will consult the market and inform the requestor on a realistic timeline for delivery of the requested items, based on the procurement strategy.

Depending on the complexity of specifications, an **RFQ** should be shared with suppliers for purchases, in order to ensure that all potential bidders receive the same information about the requested goods or services. RFQs should be shared with known suppliers and do not need to be advertised or published. They should clearly state the criteria against which the bidders will be evaluated, which must be agreed with the requestor. RFQs can be shared as simple **forms** to fill out, or as a formal, more detailed **document**.

When multiple quotes are received, they are evaluated against each other in a **CBA** that captures the selection criteria, calculates a weighted score per supplier and gives recommendations as to which is the most suitable supplier. The CBA must be prepared by the procurement lead and submitted to the Committee on Contract (**CoC**) if one is appointed and otherwise to the Logistics team lead, the Finance team lead and the budget holder for approval.

Where relevant and specified in the original request, technical expertise can be sought (and the technical expert must also sign the CBA).



## Quote-based procurement, RFQs and CBAs

- Use RFQs for the procurement of items with detailed specifications.
- Draft the RFQ with the requestor and include evaluation criteria.
- Share an RFQ with all the suppliers you contact.
- Analyse and score quotes received in a CBA.
- The CBA is approved by the CoC or by Logistics, Finance and budget holder (Logs and finance sign-off depend on procurement value).

As part of the analysis, due diligence must be carried out and counter-terrorism checks must be performed on all bidders. The BRC have access to a database of sanctions lists, against which all prospective suppliers must be checked. See the attached [guidance note](#) for details on how and when to conduct the counter-terrorism checks.

As part of due diligence, the supplier should also be asked to submit their environmental policy showing commitment to working to high environmental standards, such as a carbon offset plan or an environmental and sustainability policy document. The BRC's environmental and carbon reduction policy can be found on Redroom.

As part of the selection process, it is good practice to request that bidders submit samples of the goods or services they will supply to the procurement lead. Samples should be anonymised by the logistics team and shared with the requestors for their input.

After the quotes' analysis, a purchase order or contract must be drafted and submitted for approval, together with the complete file (including approved CBA, approved waiver (if applicable) and recommendations).

In UKO, this means raising the purchase order in Agresso and submitting for approval (Note that the supplier must have been created in advance in the system, which can take up to 48 hours – see [guidance on creating a supplier in Agresso](#)). All supporting documents must be attached to the order in Agresso (copies of quotes, original requisition/RFA, GRN, waybill and any other documents included in the procurement file).

### 1.6.3 Tendering for goods or services

#### 1.6.3.1 Tendering as a BRC partner

As part of the development of a procurement policy, every organisation should define a requisition value above which the market will have to be consulted in more details, via a Request for Proposal ([RFP](#)).

The RFP must contain:

<b>Product requirements</b>	Information (and extra appendices, if needed) to guide the bidder's offer in terms of product quality, experience, pricing proposal and delivery schedule.
<b>Submission instructions</b>	How to submit (electronically or physically) and a deadline.
<b>Bid evaluation Criteria and schedule</b>	The weighting of each criterion (more detailed than in an RFQ), a list of document requirements and an overview of the selection process to be used, often different for services (presentations or site visits) and goods (samples). Include timings and location details for events such as bid opening ceremony, etc.
<b>Terms and conditions of purchase</b>	Policies that a bidder will need to accept should they be successful, including due diligence measures.
<b>Bidder response document</b>	To ensure all bidders submit the same essential information, this document should be shared in attachment to the RFP to structure the bidders' offers and ensure bids contain all the necessary information.

<b>Declaration of undertaking</b>	See template (this is an optional addendum as recommended by IFRC procurement guidelines – it is mandatory to use if conducting a tender under IFRC rules)
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## RFP - details

<b>Product requirements</b> To help the bidders structure their offer	<b>Submission instructions</b> Ways to submit, deadline	<b>Terms &amp; conditions of purchase</b>
<b>Bidder response document</b> Standard format for all bidders to use to detail their offer	<b>Bid evaluation criteria and schedule</b> Include timings and location details for events such as bid opening ceremony	<b>Declaration of undertaking</b> optional IFRC addendum procurement guidelines – mandatory if conducting a tender under IFRC rules

The RFP must be published for a minimum of two calendar weeks for local tenders and three weeks for international tenders. Up to an agreed threshold, it only has to be shared with known suppliers, in a restricted tender. Known suppliers can be listed on a database or can be consulted through an Expression of Interest (EOI) and then included in a supplier database. Above that threshold, the RFP will have to be advertised publicly on an online platform or in local newspaper; in remote locations it can be posted on an outside wall of the office. This “open tender” process allows all interested parties to submit a proposal.

Restricted tender occurs when only pre-selected operators can submit offers. Restricted tenders generally start with calls for EOIs, which allows for the advanced selection or shortlisting of suppliers that are then asked to respond to the tender.





Bids can be submitted physically or electronically (in UKO, they can only be submitted electronically through an **e-procurement system**, accessed by CPT or international logistics). All bids received must be recorded on a **bid opening minutes** format, and confirmation of receipt must be sent to each bidder within 24 hours of the deadline stated in the RFP.

Where bids have been submitted electronically but outside of the e-procurement system, they should be sent to a generic email address that only one person can access (BRC international Logistics use [BRC International Logistics@redcross.org.uk](mailto:BRC_International_Logistics@redcross.org.uk)). There are different options to send automatic notifications and to ensure electronic bids are only opened after the submission deadline – IT can support this process if they are consulted well in advance. If bids are received in hard copies (physical copies), it is good practice to use a **Bid submission register**.

After opening the bids, they can be evaluated by:

- a designated group of stakeholders
- a CoC (a minimum of two people, appointed by CPT or by the procurement lead – this is helpful where technical and programmatic considerations need to be taken into account for the supplier selection).
- the procurement lead, where no CoC or stakeholder group has been appointed.

### **Committee on Contract**

A CoC must be appointed for any tender, unless the requirement is waived. CoC must have representatives from: requestor, procurement, finance, technical expertise where needed.  
< £250,000: CoC can be local  
> £250,000: CoC must include UKO staff

Bids must be shortlisted (remove any bids that are obviously unacceptable), scored against the set criteria in a CBA and checked for counter-terrorism sanctions (see **guidance**). A positive result on the counter-terrorism checks will result in elimination at the technical review stage. The CBA must be approved by requestor, budget holder, Finance approver, Logistics approver and where needed by a

technical expert, or by the tender committee or CoC where applicable.

Where the tender committee approves the CBA, the **minutes** of the selection meeting must be kept on file. The minutes must list the bidders who were eliminated before CBA stage and explain their elimination.

### **Best and Final Offers**

There can be further consultations and negotiations with the final shortlisted bidders, with requests for a BAFO. BAFO can be a single question, designed to set the last suppliers in the competition apart, or a request to review the quote provided. All responses and inputs from bidders must be kept on file, and the tender committee should meet to evaluate the updated information until a single bidder is selected.

A BAFO does not need to be requested systematically. All responses and inputs from bidders must be kept on file, and the tender committee should meet to evaluate the updated information until a single bidder is selected.

Unsuccessful bidders must be informed through **standard letters of regret** once the contract with the successful bidder has been confirmed – informing them before then puts the organisation at risk

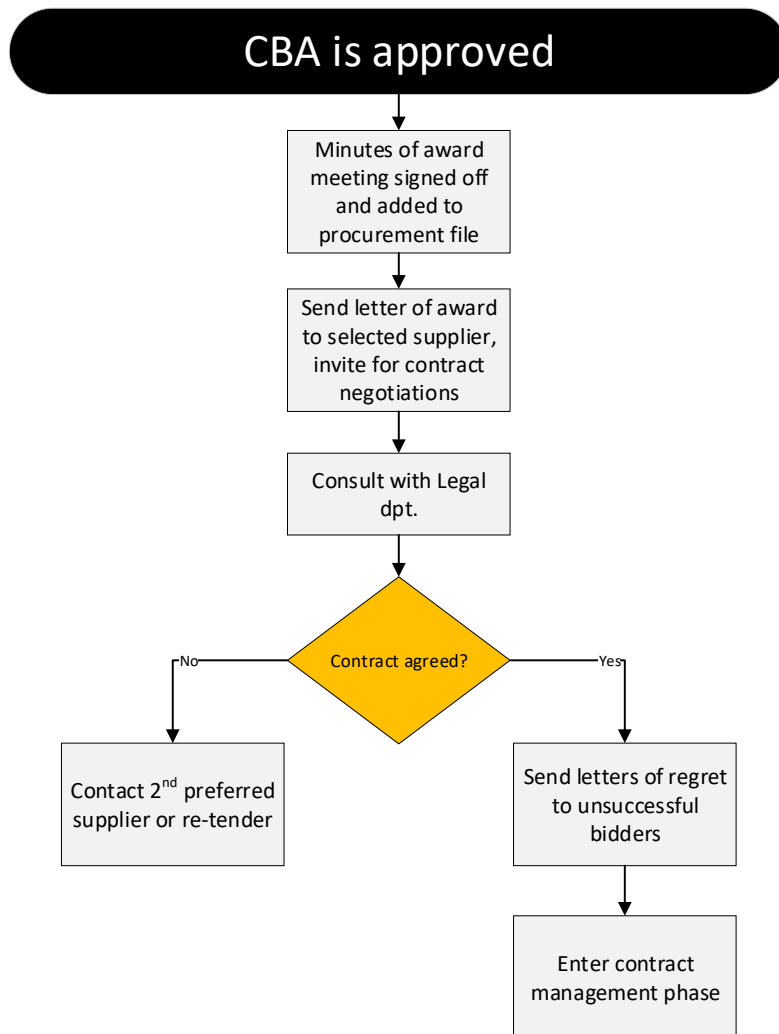
in case the contract cannot eventually be awarded to the successful bidder. Where a supplier

is discarded because of a positive result in the counter-terrorism checks, refer to the **CT guidance document** for details.

The successful bidder must be informed via an **award letter** that references the tender number, terms and conditions and policies that the supplier must agree to. The award letter should invite the successful supplier for contract negotiations and signature.

### Joint tendering

Tenders can be run in collaboration with other RCRC members. This requires significant coordination in the absence of a standard approach. There are ongoing initiatives to coordinate and streamline the process. Contact the Logistics Coordinators for overseas joint procurement, and the SLM for UK-initiated procurement.



### 1.6.3.2 Running a tender from UKO – specifics

When a tender is run from UKO, part or all requirements in Section 1.6.3.1 apply, and the Corporate Procurement Team must be informed ahead of publishing the RFP.

CPT will help the procurement leads develop the tender document and will publish it on their e-tendering system. In parallel, Logistics Coordinators can invite suppliers to register on the system and subsequently apply to the tender if the RFP is published as a closed tender.

The RFP will be endorsed by a tender committee or CoC above a certain threshold (see the UKO example). In any case, bids must be kept sealed until the agreed deadline and opened in presence of the tender committee (if applicable), or by the procurement lead if there is no tender committee appointed. Where CPT have appointed a group of stakeholders in addition to the CoC, they will request input from those. Additional stakeholders can be Finance, Health and Safety or Insurance for example. These do not need to be included in the CoC.

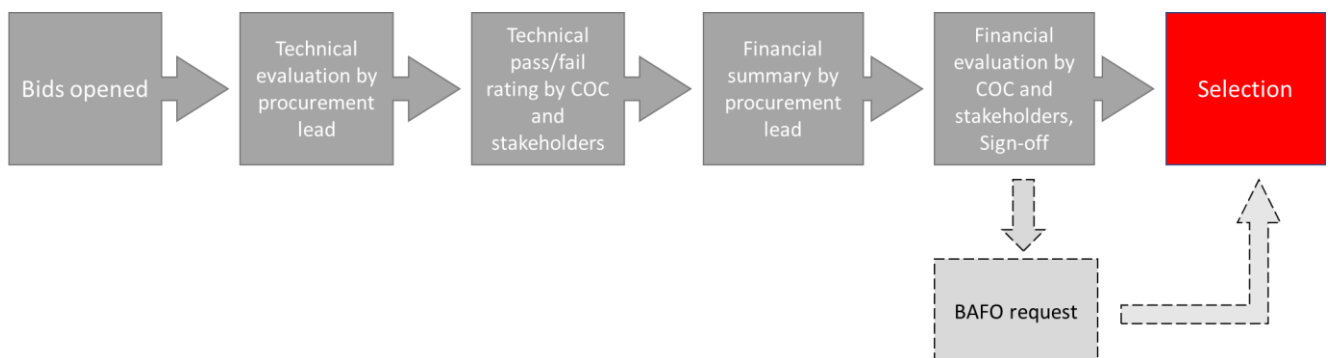
For UK tenders, CPT will run a due diligence check that includes a financial and credit check, and a review of the bidders' policies and insurances. The results of this process will be shared with the CoC and stakeholders for their review and approval.

CPT will then review the technical details of the bids and share them with the stakeholders, together with an evaluation template. Stakeholders and CoC members will have to mark each point as "pass" or "fail". When all stakeholders have evaluated the bids, CPT will organise a call to review the bids collaboratively. On this call, all participants will agree which bidders should be progressed to the next selection step.

When the successful suppliers have been identified, CPT will put together a summary of the pricing schedules submitted by each supplier and share it with the stakeholders. Where it is clear that more than one bidder could equally deliver the project, they can go back to the shortlist and request their best and final offer (BAFO). The stakeholders will then choose a final bid.

A procurement summary report is compiled by CPT and submitted to the Head of Logistics and head of procurement in SSC for approval. This must be signed off to certify that the procurement has been completed within BRC policies and procedures before the contract is formally awarded. Unsuccessful bidders must be informed through a standard letter issued by CPT, after the best bidder has been definitively identified.

The successful bidder must be informed and called in to finalise the agreement.



A detailed process flow chart for tendering is available for download as an annex to this chapter.

## Tendering

- Carefully draft the RFP with the requestor.
- Publish the RFP for a minimum of two weeks.
- Restricted tender (shared with known suppliers) vs. open tender (publicly advertised).
- Appoint a committee on contract based on financial value, risk rating or technical complexity.
- Record all received bids in bid-opening meeting minutes.
- Confirm receipt of all bids to bidders in less than 24 hours.
- The procurement lead compiles details of the bids.
- The committee on contract meets to select the best offer.
- Where a tender is greater than £250,000, the CoC must be UK-based.
- Unsuccessful bidders must be informed after the successful bidder has accepted the contract.
- For support in joint tendering, contact UK logistics.

### 1.6.4 Supplier due diligence

Whenever the international directorate at the BRC or its partners consider engaging with a supplier through a procurement process with a total estimated spend above £5,000 and using BRC funds, the prospective suppliers should be checked using the [MK Denial website](#) before being issued a purchase order or contract.

This threshold can be set lower than £5,000 in cases where additional donor requirements apply or in cases where the risks are higher – for example, due to the context or nature of items purchased. The agreed threshold must be proposed as part of the [risk register](#) developed as part of the IQM process, agreed with the partner and stated in the [GAD](#). The threshold agreed in the GAD supersedes the standard £5,000 threshold.

If a supplier is issued with multiple POs with an estimated total value above £5,000, it is recommended that a Framework Agreement is established following a tender process. Where the procurement lead organisation has a framework agreement (FWA) or long-term agreement (LTA) in place with a supplier, the supplier should be checked periodically, as per the agreed review schedule (this would usually be annual). The [supplier due diligence guidance note](#) explains how and when to perform counter-terrorism checks.

## Supplier due diligence and counter-terrorism checks

- For all procurements greater than £5,000, suppliers need to be checked on the MK Denial portal.
- Procurement thresholds can be changed in the GAD.
- Run counter-terrorism checks on contracted suppliers as per the contract review schedule.
- Liaise with UK logistics team for support on counter-terrorism checks.
- Sharing outcomes of counter-terrorism checks within the Movement is possible, but must always be discussed with line manager and UK Logistics.

### 1.6.5 Contracting/raising purchase orders

#### 1.6.5.1 When procuring as a BRC partner

Following the selection process and due diligence checks, purchase orders (POs) formalise the agreement with the selected supplier.

The below information must be included in the PO:

- the original requisition number
- the tender reference number
- details of items ordered and unit price
- applicable incoterm and any other specific conditions
- any added fees, taxes or delivery costs
- T&Cs and/or payment terms (where relevant)

Note: The purchase order must be signed by both parties in order to be valid.

Where a contract is issued for signature, the same details must be included, with the addition of:

- scheduled deliverables and related payments
- service-level agreements
- all applicable policies, duly signed and approved by the contracted parties

A set of template contracts is available for download from the annexes section of this chapter.

- Transport contract
- Consultancy contract
- Rental contract (lease agreements – see template for warehouse lease contract)
- Framework agreement
- Financial Services Provider contract template (ICRC template, please adapt and contact BRC international Logistics team for support)

Internally, the signatory of the PO or contract is determined by the total procurement value or is the authorised legal representative of the organisation based on the Integration Agreement that is in place within the country. When changes to the contract are needed, they must be documented, approved by the original approver of the contract, dated and kept on file with the original contract.

	Purchase orders	Contracts
<b>Raised by</b>	Procurement	
<b>Consulted</b>		Legal
<b>Approved by*</b>	Budget holder	
	Finance	
	Procurement	Legal

\*Seniority of the signatory of the PO or contract is determined by the total procurement value or is the authorised legal representative of the organisation

**Extending value or duration of a contract.** At the expiry date of a contract or when the total value of it has been spent, a **contract extension form** must be filled out to request an extension. The contract extension form must be signed off by the Head of Procurement (in BRC, this is the Head of CPT or the Head of International Logistics).

A contract can only be renewed once, and the duration of the extension cannot exceed the duration or value of the original contract. At the expiry date of the extended contract, a full procurement process must be completed again (or waived through a waiver request).

	Purchase orders	Contracts
<b>Reference</b>	Original requisition number	
	Tender reference number	
	Details of items ordered: standards, quantity, unit price	
	Added fees, taxes, delivery costs	
	Payment terms	
	For international procurement: applicable incoterm	
		Delivery schedule and payments
		Service Level Agreement
		All relevant policies attached

### 1.6.5.2 Contracting/raising purchase orders – UK specifics

The requirements in Section 1.6.5.1 apply, and the Corporate Procurement Team must be informed ahead of contracting. BRC corporate procurement tools must be used, i.e. a requisition must be raised in Agresso and approved as per the approval matrix designed in Agresso; once it has been approved, a purchase order can be raised.

Where Agresso is not used, the below information must be included in the PO:

- the original request number
- the tender reference number if applicable
- details of items ordered and unit price
- currency (note that Agresso does not automatically have a field for currency on the PO request forms; enter the currency in the product field, or retrospectively)
- applicable incoterm and any other specific conditions
- any added fees, taxes or delivery cost
- T&Cs

**Contract amendments for UK contracts:** request must be submitted to CPT, who will draft a contract amendment, sign it and share with Logistics.

## Purchase orders and contracts

- Always refer to the original requisition.
- Include all terms to be covered by the contract (schedule, prices, payment terms, etc).
- Refer to all attached policies or documents.
- Signatory per contract amount or by legal representative in country.
- Amendments should be made in writing, signed by original signatory and filed together.
- Use service-specific templates.

### 1.6.6 Framework agreements

#### 1.6.6.1 In general

Ideally based on the '80/20 procurement strategy' so they cover the most procured items or highest spend lines, framework agreements (FWA) are a specific type of contract that cover several purchases along a determined period. FWA should be used to source regularly procured and readily available products where the market prices are sufficiently stable, where the product specifications and prices are fixed for a period of time.

Standard items usually procured under framework agreements include:

- printing material

- office consumables and stationery
- vehicle servicing and repairs
- IT support
- fuel
- travel agency
- generator service
- standard and high-usage NFIs – blankets, tarpaulins, jerry cans, cook sets, etc

A FWA is set up through a tender process, by circulating a request for proposal (RFP) or expression of interest (EOI) to the open market. The FWA should be reviewed every one to three years.

Once set up with the **framework agreement template**, a purchase of any value can be made against the FWA, based on the approved price list or following the standard single quote procedure if no price list has been included in the FWA.

Selection criteria must be similar to criteria in an RFP but can also include:

- a minimum spend requirement
- minimum order quantity or value requirement
- a maximum spend allowance
- fixed pricing for a standard list of items or fee (for example, travel agency that will apply a fee to each booking)
- turnaround time, from order to delivery service-level agreement

#### 1.6.6.2 FWA set up in the UK for use in the UK

In the UK, the standard FWA awarded by CPT is a two-year contract, with the possibility of a one-year extension (this can change and must be agreed at the start of the project). To set up a FWA, the same steps are followed as for a tender, with the supplier management details added to the specifications. CPT will support by setting up supplier review meetings as needed.

## Framework agreements

- Use for regularly procured items with standard specifications, where prices are stable.
- Select a supplier through a tender process.
- The validity limit can be an amount or a period of time.
- Review the FWA every one to three years.
- Once set up, purchase of items can be done directly or through a single quote (if no price list is included in the contract).



## 1.6.7 Purchasing

PURCHASING OPTIONS		
<b>From FWA</b> no need to complete a procurement process. Purchase order can be raised against the FWA directly, per the agreed unit prices or following a quick-quote process	<b>With a procurement card</b> Procurement card can be requested from SSC. The card can be used as a credit card for small purchases under £1,000. Maximum credit amount is £5,000.	<b>With a Caxton card</b> Caxton card can be requested from SSC. Use for personal expenses while travelling. Not for operational expenditure unless on an ERU deployment.
<b>Online purchasing</b> Out-of-pocket up to £1,000. > £1,000: must be managed by CPT procurement lead.	<b>Petty cash</b> Out-of-pocket or with professional cash advance up to £1,000. Claim expenses/reconcile advance against receipts.	

Purchasing is the process of buying items or services without a full procurement process. It can be done in various ways in the BRC:

- **From a FWA** – see Section 1.6.6. When a framework agreement is in place, there is no need to complete a procurement process to buy the items that are covered by it; a purchase order can be raised against the FWA directly, against the agreed unit prices or following a quick-quote process. The BRC has a number of national contracts with suppliers; some allow purchasing to be done through the suppliers’ portals, while others can be contacted through SSC. All contracted suppliers are listed in the purchasing marketplace on RedRoom. Anyone in the organisation can use these contracts, and BRC staff in the UK must use them for the items they cover. Search “buy goods and services” in RedRoom using the search box to see the categories of items which can be purchased through national contracts.
- See flowchart diagram for **small, one-off purchases with a procurement card**. A procurement card can be requested from SSC – complete a form and submit it to SSC. The card can be used as a credit card for small purchases under £1,000 (there is no need to upload funds to the card before making a purchase). Details on how to obtain and use a procurement card can be found on RedRoom (search for “procurement card” in the search box).
- **Caxton currency card** for travel expenses: this card can be loaded with cash for those travelling overseas. Details can be found in the employee handbook (search for “Employee handbook” on RedRoom). It should be used for covering travel expenses while overseas and not be used for purchasing materials and items for programmes. However, when an ERU delegate has been issued with a Caxton card, they can use it to cover all types of expenses.
- **Online purchasing** can be done out-of-pocket (preferably with a line manager’s approval in advance) or using the procurement card. Note that online purchases greater than £1,000 must be managed by the purchasing team lead in CPT at SSC, who will place the online order.
- **Petty cash**: it is acceptable to pay for small purchases with petty cash, up to an amount that is set internally. In the BRC, this amount is £1,000. Up to this amount, one quote is sufficient and a supplier can be paid in cash (although this is not preferred), against an open cash advance to be reconciled with receipt, or out of pocket.

