

# **PROCUREMENT POLICY**

**REAL PEOPLE KENYA LTD**

<b>Version</b>	<b>Revision Date</b>	<b>Author</b>	<b>Areas Revised</b>	<b>Scope</b>	<b>Document Owner</b>
1.0.0	December 2021	Wendy du Toit	Initial Draft	RPKL	Finance
1.0.1	June 2024	Caroline Wanjiku	Formatting,8.2, 7.4.2, 9.3.1	RPKL	Finance

## 1. Introduction

### 1.1 General

- 1.1.1 This policy aims to ensure that goods and services are procured by Real People Kenya in a manner that shall realise best value for money, minimise risk and safeguard the company's interest.
- 1.1.2 The procurement policy is applicable to the procurement of all goods and services including rentals, leasing and acquisition of items of a capital nature within the company.
- 1.1.3 This document sets out the policy relating to all procurement procedures and all related contractual agreements. These guidelines will facilitate a reduction in operational expenditure and ensure that legally sound agreements are concluded with suppliers. The number of suppliers will be streamlined where possible, which will result in better pricing leverage when negotiating contracts.
- 1.1.4 This policy has been crafted to provide, guide and maintain a proper working environment with regards to procuring of goods and services to protect the company, our employees and the citizens of the communities where we conduct business. We will only conduct business in compliance with the law. This means that we will not authorize, pay, promise or offer to give anything to a government official or to any private party in order to improperly influence that individual to act favourably towards our company or other third parties. We will not request or authorize any third party to make any such payment, promise or offer.
- 1.1.5 This policy thus prohibits promising, offering, or giving anything of value to any party, including a customer, potential customer, business provider, or potential business provider, with the intention or appearance of improperly influencing its business decisions. Such behaviour will be deemed to constitute bribery and is unacceptable business conduct wherever Real People operates or wherever its products are sold or sourced.
- 1.1.6 Finance and Admin department will be responsible for ensuring the overall compliance with this policy. The Procurement Committee's responsibility is to guide on prerequisites and review the vendor applications.

## 2. Scope

- 2.1 The policy is compiled for information, guidance and instruction to all Staffs of Real People Kenya.
- 2.2 All members of staff are required to acquaint themselves with the contents of the policy.



### 3. **Statement of policy**

3.1 Exco shall have powers to amend this policy. Such amendments may be made with retrospective effect and any amendment made retrospectively shall take effect accordingly. In exercising such powers, Real People shall take into consideration: -

3.1.1 Any directive, instruction or recommendation from Real People Procurement Committee or the Board.

### 4. **General guidelines and practices**

4.1 All suppliers of goods and services will be covered by an appropriate contract, purchase order and/or agreement and in accordance with the approval's hierarchy (Annexure A), as agreed by the procurement Committee.

#### 4.2 **Use of preferred/prequalified or contracted suppliers**

4.2.1 Contracted and/or preferred or prequalified suppliers should be considered before other suppliers.

4.2.2 Only contracted or preferred suppliers should be used for any purchases for/on behalf of the company, unless for an adhoc purchase.

4.2.3 It is the responsibility of the Procurement Committee to manage the supplier application process.

4.2.4 The database of preferred or prequalified suppliers and contracted suppliers will be maintained and reviewed by the Legal Department continuously and/or within the lifespan of the contract, or annually, whichever is shorter.

#### 4.3 **New suppliers**

4.3.1 If no preferred/contracted supplier is able to fulfil a specific business need, then a new supplier will be engaged. This process shall be conducted by the Procurement Committee, and in accordance with the Supplier Selection Process.

4.3.2 The requesting Business Unit will be required to complete the requirements for a new supplier and submit to Legal department and Procurement Committee. Upon review by the Legal Department, , an approval will be sought from the Procurement Committee. The requisite documentation, information and selection criterion will be as guided by the Procurement Committee on case-by-case basis.

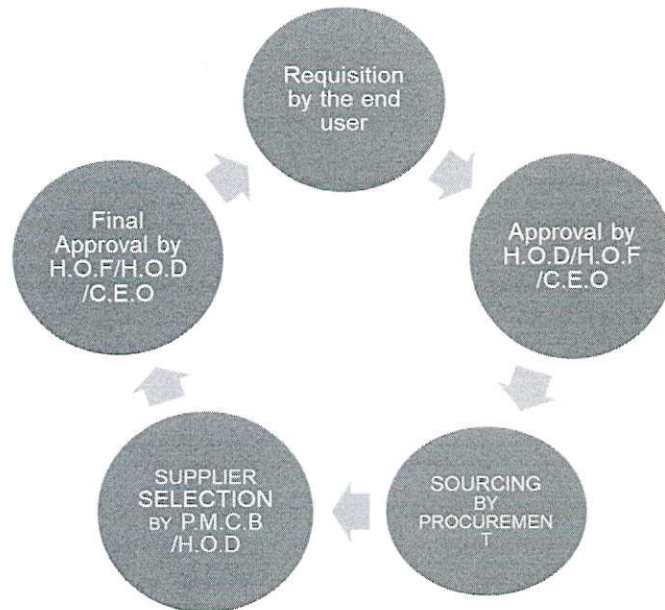
4.3.3 The turnaround time for completion of the above will depend on the complexity and value of the product or service required.

4.3.4 Any supplier selected for orders who has any relation to an RPKL employee, requires EXCO approval prior to any transactions taking place.



4.4 Issue of e-TIMS invoices before payments are done.

4.4.1 Procurement Cycle:



## 5. Quotations

5.1 Upon approval of the requisition by all the relevant parties the process of sourcing commences as per the procurement policy matrix.

5.2 The requirements for the procurement of goods or services through written quotations are:

5.2.1 Quotations must be obtained from at least three different providers should the value of expenses exceed Kes.50,000 per order and at least two quotes for good/services below Kes 50,000.

## 6. Approval

6.1 Upon sourcing, all the quotations are collated for supplier selection.

6.2 Decision making will be pegged on quality, price, efficiencies, multiple locations and availability.



6.3 Limits and approvals:

AMOUNTS LIMITS	UNDER KES 10,000	10,000 TO 50,000	50,000 TO 250,000	OVER KES 250,000
PURCHASING (REQUISITION)	SECTION HEADS(BMs)/USERS	SECTION HEADS(BMs)/USERS	SECTION HEADS(BMs)/USERS	H.O.D
PRE-PURCHASING APPROVAL (REQUISITION)	NONE	NONE	H.O.D	C.E.O
SELECTED SUPPLIERS FOR APPROVAL	APPROVAL	APPROVAL	C.E.O	C.E.O
ATTACHED QUOTES	2 QUOTES	2 QUOTES	3 QUOTES	3 QUOTES

6.4 Irrespective of any amounts the approval to be different from the person making the request.

7. **Purchase and delivery**

7.1 The goods or services will be received and checked against the purchase order and delivery note or job card by the requestor and signed off.

7.2 The invoice will be sent to the relevant finance officer in the finance department for processing against the purchase order. Finance will ensure that the invoice tallies with the delivery note.

7.3 Any discrepancies will be addressed by the user department and the Finance department.

7.4 **Warranties, guarantees and Service Level Agreements (SLAs)**

7.4.1 Where applicable, warranties and guarantees are required to be accompanied by the contract.

7.4.2 SLA's must be duly executed by both parties prior to engagement.

8. **Hardware, software, and other technical equipment**

8.1 All Hardware and software are to be procured through the IT department.

8.2 Admin will ensure accurate asset registers are maintained.

8.3 The Company assets shall include desktops, laptops, or any other I.T devices. IT will ensure that all company assets are identified and affixed with serial numbers.

8.4 Quotes are to be obtained through the Department. Real People accredited suppliers will be preferred whilst obtaining quotes.

8.5 Requests to use alternative suppliers will be considered by the department in conjunction with the procurement Committee to ensure that the service delivery is above board, and the quality of goods is not compromised.

8.6 Purchasing a company ICT Asset

8.6.1 The request to purchase a company ICT Asset will be assessed by the IT Department, together with the relevant Departmental Head.

- 8.6.2 It is the responsibility of the Department Head to notify Finance about the purchase. Finance will calculate the purchase price in accordance with the prescribed rates, and the quotations provided.

9. **Responsibility**

- 9.1 Procurement Committee is responsible for successful implementation and on-going execution of this policy. Employees are responsible for meeting and maintaining the standards set forth in this policy.

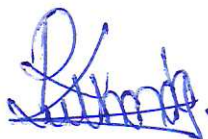
10. **Policy Review**

- 10.1 This policy shall be reviewed every two (2) years from the date of signing but may be reviewed before the said timeline if the need arises.

**# End #**

Signed By: Dr. Robert Shibutse

CEO – Real People Kenya Ltd



Date: