

Global Procurement Standards

Policy Author: Global Procurement
Specialist

Policy Owner: Global Vice President
and Controller

Scope/Eligibility: All IJM Representatives procuring goods and services.

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Questions? Contact: Finance/Procurement team in your office or email: governance@ijm.org.

Section 1: Framing

Philosophy Statement

IJM's 2030 vision requires IJM to scale up quickly, implementing programs in new locations and new projects across the world. Implementing this scale of operational and programmatic work requires IJM to procure an immense volume of goods and services, which puts the organization at significant financial and reputational risk. IJM aims to procure goods and services in a manner that demonstrates stewardship of donor resources by maximizing the value of all goods and services in support of its mission. These standards seek to provide an efficient procurement process to allow teams agility and flexibility as they execute and implement the IJM strategy with cost-effectiveness while ensuring the proper guardrails are in place to ensure we are procuring transparently, professionally, and ethically.

Purpose

These standards identify the circumstances under which the global procurement process should be followed. These standards ensure all employees involved in any stage of the procurement process promote good stewardship, transparency, minimize risks, and ensure compliance with international and local laws. IJM seeks to reduce supply chain risks, ensure that required pass-through provisions of other agreements, e.g., grant agreements, are included, capture economies of scale, and achieve the best commercial terms and conditions leading to procuring best-value goods and services.

Context and Authority of Policy

Source of authority is consistent with the guidelines from IJM's Board Policy Manual, the [Global Contracts Policy](#) and the [Global Conflict of Interest Policy](#). These procurement standards also seek to be compliant with the external requirements and industry standards set by our most strategic external granting institutions.

Exclusions

The following purchases or contracts are exempt and do not require IJM procurement processing services:

- Goods or services purchased for **Employee travel**,
- Goods or services provided by **Contingent Workers**. See [Contingent Worker Engagement and Onboarding Policy](#).

Section 2: The Standards

STANDARD #1: IJM PROCUREMENT PRINCIPLES AND ETHICAL STANDARDS

To support the delivery of high-quality programs within required timelines, IJM's procurement process is based on the following principles:

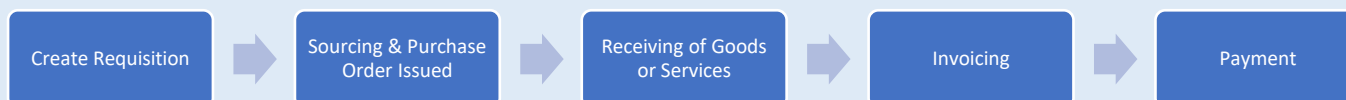
- **Transparency:** IJM protects the integrity of the process and the interests of all stakeholders involved through fair and open competition and open access to information.
- **Accountability:** IJM Representatives document and take responsibility for their actions and decisions, ensuring compliance with IJM's procurement policies and relevant donor requirements in the procurement process.
- **Best value for money:** IJM seeks to obtain the best quality goods and services at the lowest cost in every procurement transaction.
- **Efficiency:** IJM's procurement process ensures that goods and services are provided in a timely manner to enable efficient and effective implementation of all IJM programs.

Procurement integrity is central to IJM's procurement process and maximizes the best value for money. All procurement transactions must be conducted by IJM employees in a professional manner and in accordance with the highest ethical standards.

This is accomplished through employee adherence to IJM's [Global Conflict of Interest Policy](#) by disclosing and mitigating any known or perceived conflicts and ensuring that employees do not engage in fraudulent practices. The damage of fraudulent or corrupt practices would extend far beyond financial losses, posing serious threats to IJM's credibility and mission.

STANDARD #2: SCOPE AND USE OF PROCUREMENT PROCESS

Unless the purchase or contract is exempt (found in the scope above), all purchases of goods and services must adhere to IJM's standard procurement process either through IJM's Workday system or through a manual process found in regional or country addenda based on this global workflow:



All IJM employees must first consult with their local procurement and/or finance team *prior* to procuring goods or services.

note Goods or services provided by **Independent Contractors, Implementing Partners, or Artist Agreements**, will also need to adhere to the [Global Contracts Policy](#) and/or [Global Standards for Implementing Partnerships](#). These individuals or organizations follow the same due diligence process ([Global Due Diligence Policy](#)) but don't always require purchase requisitions.

STANDARD #3: THRESHOLDS FOR PROCUREMENT METHODS

IJM seeks to demonstrate good stewardship by ensuring that it adheres to donor requirements and obtains best-value for money by carrying out procurement in a way that encourages fair and open competition. The table below outlines the spending thresholds and their corresponding competition requirements and procurement methods.

Total Aggregate Spend Threshold	Procurement Method for Competition	Process and Documentation Requirement
<\$10,000	Micro Purchase: Limited Competition	<p>Purchase Requisition is required for purchases >\$599 including written supplier quotation/s.</p> <p>For purchases <=\$599 quotations and multiple competitive bids are recommended but not required.</p> <p>Use of preferred suppliers are strongly recommended.</p> <p>Purchases should be distributed equitably among diverse suppliers to the extent practical.</p>
\$10,000 to \$250,000	Small Purchase: Request for Quote (RFQ)	<p>Purchase Requisition is required.</p> <p>Obtain at least 3 documented quotes.</p> <p>Complete the Bid Vendor Selection Form (BVSF) to summarize the quotes, indicate rationale for business award and confirm that there are no conflicts of interest.</p>
>\$250,000 <i>Contracts 24 months or longer or containing auto-renewals may need an RFP subject to Procurement's assessment.</i>	Large Purchase: Formal Bidding through Request for Proposal (RFP)	<p>Must complete a formal bidding process.</p> <p>Documented requirements and written responses required.</p> <p>Complete the Bid Vendor Selection Form (BVSF) to summarize the quotes, indicate rationale for business award and confirm that there are no conflicts of interest.</p>

Competitive quotes are required for goods and services with an aggregate value of \$10,000 or more within the same fiscal year with the same vendor unless there is an acceptable sole source justification. A transaction cannot be split to avoid these spending thresholds and the competition requirements.

Specific grant-funded programs may adjust the thresholds based on the donor's procurement requirements. Country programs may also reduce thresholds depending on the local risk and value of the local currency in comparison with the US dollar. If a grant-funded program or country program/regional office chooses to adjust thresholds based on donor requirements or lower thresholds due to local risk, this should be documented in a donor or country-specific addendum.

STANDARD #4: FORMAL COMPETITION – REQUESTS FOR PROPOSALS

IJM requires formal competition for the purchase of goods or services over \$250,000 through the Request for Proposal (RFP) method of procurement.

- RFP solicitations **must be publicized** and clearly identify all technical specifications and other evaluation factors along with their relative importance.
- A solicitation team will prepare the solicitation, clearly identifying the technical evaluation criteria in writing, and evaluating the competitive proposals received, **making a selection based on the evaluation criteria.**
- **A minimum of three qualified offerors is required**, and the contractor selected must be a responsible offeror whose proposal is most advantageous to IJM considering price and other qualifying factors.

STANDARD #5: JUSTIFICATIONS FOR NON-COMPETITIVE PROCUREMENT

Sole Sourcing

Although competition is not required for acquisition below the micro-purchase threshold, IJM should strive to introduce competition where possible. Non-competitive sourcing can only be awarded if one or more of the following circumstances apply to justify sole source procurement:

- The item or service is available only from a single source;
- The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation; or
- After solicitation of a number of sources, competition is determined inadequate.

Sole source purchases are an exception to IJM policy. The requester will still need to make a Purchase Requisition and will need to complete the [Bid Vendor Selection Form](#) (BVSF) to document the rationale behind the business decision prior to purchase based on the following justification criteria:

- The requestor has investigated and documented his/her evaluation of potential alternate sources of supply for the requested product or service;
- The requestor's documentation explains how similar products and/or services cannot meet the required specifications; and/or
- The requester has documented that a good faith effort has been made to identify other source

Other exceptions to competition requirements:

- In the event of emergencies that may cause significant disruptions to IJM's operations, exceptions to competition requirements and the procurement policy may be granted by the Global Vice President & Controller. A document indicating rationale must be sent to Global Vice President & Controller and approved *prior* to engaging the supplier.
- In the event that emergency may cause imminent threat of physical harm or death or significant damage to IJM's reputation, no prior approval is required but a report should be submitted within 24 hours after the purchase to the Global Vice President & Controller documenting the rationale for the emergency purchase.

A single employee cannot proceed with an emergency purchase without a manager's or Budget Owner's prior approval.

STANDARD #6: VETTING AND DUE DILIGENCE

All suppliers of goods and services must go through proper due diligence checks including vetting and competition, based on the requirements and procedures found in the [Global Due Diligence Policy](#). These steps and checks must be completed by either a procurement team or approved delegate prior to any purchase, goods being ordered, contract being executed, or work started.

IJM Representatives involved in sourcing should strive to maximize competition and have, at a minimum, three suppliers invited to submit bids. Equal opportunities must be offered to all suppliers at the same time. A fair process is free from favoritism, conflicts of interest, or preference in judgement. Compliance with the [Bribery, Extortion, Fraud & Improper Dealing Policy](#) should be followed when soliciting bids and interacting with vendors.

In addition to vetting for excluded parties related to sanctions or debarment based on watchdog lists, IJM must only select responsible contractors as demonstrated by their record of past performance, integrity, compliance with public policy, and financial and technical capabilities.

STANDARD #7: PRE-APPROVED / PREFERRED SUPPLIER LISTS

IJM uses strategic sourcing to promote cost-effectiveness and efficiency by establishing lists of pre-approved suppliers. These preferred suppliers are identified for key purchasing categories. When such suppliers are available in an IJM office, procurement should be acquired through these suppliers.

Creating Pre-Approved/Preferred Supplier Lists:

- Strategic suppliers may be added to the preferred supplier's list via a sourcing event (RFQ/P) led by the procurement team or assigned personnel. The benefit of being on this list is that the organization can use these pre-vetted and pre-identified suppliers without going through the BVSF process.
- The procurement team or assigned personnel will review and **vet** the list of preferred suppliers on an annual basis to ensure they are meeting performance and compliance expectations.
- Suppliers on this list must be re-evaluated for **competition/sourcing event** every 2-3 years to ensure the suppliers still provides the overall best-value good or service to IJM.
- All offices are required to maintain a list of pre-approved/preferred supplier lists in regional or country addenda.

Purchasing goods or services through Pre-Approved/Preferred Supplier Lists:

- Purchase Requesters are allowed to order goods or services directly from these suppliers without receiving competition, vetting, or prior approval, etc., as those steps have already been conducted, as long as suppliers remain on the preferred supplier list.
- Purchase requestors will still need to submit a Purchase Requisition, however, according to the thresholds set above.

STANDARD #8: PROCUREMENT CONTRACTS

All procurement contracts are subject to the [Global Contracts Policy](#). Prior to any contract being signed or executed the Business Owner, Contract Initiators, or Purchase Requesters for the department should be familiar with the Global Contracts Policy guidelines.

STANDARD #9: PROCUREMENT PLANS

All IJM Offices should create procurement plans annually alongside the annual strategy and budgeting process.

STANDARD #10: SEGREGATION OF DUTIES

All IJM Offices and Procurement Teams should maintain proper segregation of duties. Segregation of duties are required to ensure adequate controls are in place in the procurement of goods and services.

Activities/Roles	Create/Edit Requisitions	Sourcing Buying	Finance Review	Contract Review	Budget Approvers	Receive	Pay
Contract Initiator/Purchase Requester	Yes	No	No	Yes ***	No	Yes**	No
Procurement/Buyer	No	Yes	No	Yes ***	No	No	No
Finance / Accounts Payable	No	No	Yes	No	No	No	Yes
Manager/Budget Owner	No*	No	No	No	Yes	Yes*	No
Office of General Counsel	No*	No	No	Yes	No	No	No

**Managers/Budget Owners/OGC can also be Requesters – when such scenario occurs their managers should be approving the requisition (i.e., one-up approval). Requesters cannot approve their own requisitions.*

***Unless a central receiving role is present/available. When goods are received, the department who owns the budget should ensure goods are inspected, that they meet the specifications provided, that they are in satisfactory condition and the order quantity is complete. Ideally, this verification is done by someone other than the one who placed the order or ordered the goods for proper segregation of duties.*

**** Both the Requester/Initiator and the Procurement/Buyer should review and understand the deliverables outlined in the contract and the terms. Procurement should review to ensure industry standards are being applied. The Requester and receiver of the goods or services should also review and understand the deliverable outlined in the contract and terms to ensure compliance is achieved when the goods or services are delivered. If there are disputes when the contract is fulfilled the Requester will be responsible to communicate and address remediation concerns in partnership with Procurement.*

STANDARD #11: ADDITIONAL PROCUREMENT PRACTICES

Avoid wasteful or duplicative purchases

- IJM purchasers will review purchase requests and prevent the purchase of unnecessary or duplicative items.
- Additionally, when required under grant-funded programs, IJM purchasers will also consider “Lease Versus Buy”. In this scenario, the requester should work with their local procurement and finance team to complete a ‘cost-benefit template’ and compare the cost of leasing against the cost of buying an identical item.
- If the terms of the lease include other services, such as operation and maintenance, then the cost of obtaining these services separately should be added to the purchase price for the purpose of this analysis (total cost of ownership). The residual value of the item at the end of the period should also be considered. Examples of items the organization could decide to lease versus buy would be vehicles and office equipment >\$25,000.

Note that in many field offices, leasing a vehicle (or equipment) is not an option because the market does not offer any leasing options or the IJM office will not be able to comply with common lease terms (i.e., a prohibition on driving a leased vehicle on unimproved roads, a requirement that leased vehicles be serviced at a facility that will be too far from IJM office location, etc.). In these circumstances, a ‘lease vs. buy’ comparison should not be required. However, requester is responsible for working with their funding agency to ensure that grant requirements are still met.

Consider small and disadvantaged businesses

For procurement under grants requiring diversity in contracting, IJM must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible.

Maintain procurement records

IJM will retain procurement records sufficient to detail the history of procurement for contracts awarded competitively, particularly under grant-funded awards in accordance with records retention requirements, including:

1. Rationale for the method of procurement (informal quotes, formal written quotes, sole source, etc.).
2. Supplier selection or rejection process – including the completed BVSF.

Decisions and Authority

Item	Recommend	Agree	Perform	Input	Decide
Approving, amending the global policy or approving exceptions	Global Finance – Procurement Lead	Office of Global Counsel	Global Finance – Procurement Lead	Contract Initiators, Regional Finance Leads, Country Office Finance Managers	Global Finance – Global VP and Controller
Approving addenda to the global policy	Country Office Finance Managers		Global Finance – Procurement Lead	Contract Initiators, Office of Global Counsel, Global Finance – Procurement Lead	Regional Presidents – or as delegated

Implementing the policy	Global Finance – Procurement Lead		Procurement Teams, Purchase Requestors	Designated Contract Initiators Country Office Finance Managers	Global Finance – Global VP and Controller
Enforcing the policy		Regional and Field Office Directors	Regional and Country Leaders	Office of Global Counsel Global Finance – Procurement Specialists	Global Finance – Global VP and Controller

Definitions and Terms

FOR REFERENCE

- **Common definitions:** Common terms related to on governance or frequently used IJM terms.
- **IJM's global glossary of terms:** IJM's full global glossary of terms.

Term	Description	Example
Artists Agreements	An artist agreement is engaging an artist, such as a musician, to perform or provide art for IJM, such as when we engage an artist to perform at an IJM event or promote IJM. This is also a specific example of sole sourcing.	They are inherently unique and can be sole sourced by virtue of the nature of the services they perform. They still need to go through the contracts process but there is no requirement to get multiple bids. Examples include artists, singers, musicians for Global Prayer Gatherings, Prayer Retreats, etc.
Contract	An agreement between IJM and a third party which involves one party providing something of value to the other party in exchange for something from the first party. This is most commonly an agreement to provide money in exchange for goods or services but may involve other exchanges as well. A donation could even be viewed as a contract, as a donor provides funding in exchange for IJM using the funding for agreed-upon purposes.	Purchase orders, memorandum of understanding, framework agreements, statement of work (SOW), etc.
Contract Relationship	A relationship between IJM and another person or entity where each party receives something of value, and each party is obligated to do something. This may involve IJM making payments or providing services.	
Business Owner	The decisionmaker on business terms regarding a spending decision or other contract, including the decision about whether to move forward with the relationships. Accountable for ensuring the deal is made and performed properly and getting input from other impacted teams. This authority is delegated within each Division, by Division heads. The Business Owner may delegate responsibility for	

	execution to someone on their team, which, for contracts, is known as a Contract Initiator.	
Contract Initiator	The person who has responsibility for steering the contract relationship through the contract process.	
Budget Holder	Any IJM Employee that is responsible for oversight of a team or group budget.	
Purchase Requester	The person who created the Purchase Requisition. In some departments/offices this may also be the 'Contract Initiator' who proposed a contract relationship with a supplier. Any IJM employee may act as a Requester or Contract Initiator provided that they been authorized by the Department Budget Owner.	
Purchase Requisition (PR)	A written or computerized request from an authorized employee of a department for the procurement of goods or services.	
Purchase Order (PO)	A type of contract that documents the purchase of goods and/or services.	
Request for Quotation (RFQ)	A more informal and faster method of sourcing where vendors are requested to submit bids for goods or services. Normally used for standard, off-the-shelf items, where procurement value falls below pre-established thresholds.	
Request for Proposal (RFP)	A formal method of sourcing where prospective vendors is requested to submit bids and proposals for goods and/or services based on the specifications or Terms of Reference (work to be performed, timeline and deliverables). Used in cases where requirements are complex, estimated contract value is above certain thresholds, where formal technical evaluations need to be performed and where pricing may not be the only basis for final business allocations.	
Bid Vendor Selection Form (BVSF)	A document that summarizes the rationale for the business awards and/or allocations. This also contains potential "Conflict of Interest" declaration from individuals involved in the procurement process.	
Supplier of Goods and Services	<p>An overarching term used to describe any independent third party with whom IJM enters into a contract for provision of goods or services including individuals and firms. The terms vendor and supplier will not be used interchangeably throughout this policy, as vendor will be a subset of suppliers referring just to firms.</p> <p>IJM uses the term Supplier to include IJM funded Implementing Partners, Independent Contractors, and Vendors as a matter of convenience, however, acknowledges that these subgroups remain distinct.</p>	

Goods	All commodities, raw materials, products, equipment, vehicles, and supplies purchased by IJM.	Office supplies, IT hardware and software, vehicles, gasoline, etc.
Services	Work, duty, or labor performed by a vendor pursuant to a contract.	IT services, training, consulting, event management, temp labor, etc.
Implementing Partner	A non-governmental organization or entity that collaborates with IJM to lead a project on IJM's Program Roadmap or carry out project activities (e.g., casework, advocacy, narrative building).	An NGO doing casework for a project on IJM's Program Roadmap
IJM-Funded Partnership	A partnership IJM funds in whole or in part with funding from IJM's budget that is not from a grant.	An Implementing Partner that is funded through IJM's unrestricted funds to carry out casework activities
Independent Contractor	A contingent worker that IJM engages to provide business services via a contract between IJM and the individual with a defined scope of work. They are individuals with whom IJM enters into a contract for the provision of goods or services	
Vendors	Companies with whom IJM enters into a contract for provision of goods or services.	
Non-payee	Broad term for services covered within a contract or agreement that do not require payment.	
Specifications	Descriptions of the characteristics of a commodity or service required or desired. They are the explicit requirement furnished with a solicitation upon which a bid is made, and a PO or contract is to be based.	
Sole Sourcing	A purchase where there is only a single vendor capable of delivering the required product or service based on market conditions and/or the requesters knowledge and/or ministry needs. Similar types of goods or services may exist but only one supplier by virtue of their expertise, quality, specifications, availability, compatibility with existing equipment or related conditions can meet the specific need.	Artists for prayer events/retreats, some IT software/hardware, unique services/goods needed for emergencies, etc.

Section 3: Procedures and Resources

Global Procedures for Workday

Action	Procedure	Who is Responsible?
Fill out a Purchase Requisition	Purchase Requisition (PR) is filled out in Workday and approved by Budget Holder.	Purchase Requester, Contract Initiator, or Budget Owner

Standard Name: Global Procurement Standards
Standard Owner: Global Procurement Specialist

Complete Sourcing	Complete competition, vendor vetting, and release of Purchase Orders	Sr. Coordinator-Procurement & Procurement Lead
Purchase through pre-approved/ preferred suppliers	Complete the “punch out process” in Workday.	Purchase Requester, Contract Initiator, or Budget Owner
Receive of good and/or services.	Goods are inspected to ensure that they meet the specifications provided, they are in satisfactory condition and the order quantity is complete. For services, ensure work provided meet aligned expectations and contracted provisions.	Ideally, the receiving of goods is done by someone in the department other than the one who placed the order or ordered the goods for proper segregation of duties but if no such role exists the Requester or Contract Initiator can receive.
Invoice / Payment	After the supplier invoices and goods/services are received there should be a “3-way match” (PO- Goods Receipt-Invoice Receipt) in the system which will allow the Accounts Payable (AP) team to release the payment to supplier. AP Team will also check that contracts are attached (if needed) and proper vendor vetting is completed.	AP Specialists
Create Procurement Plans	Use the template to complete procurement plans and send them to local procurement teams or the country finance lead.	

Regional or Country Addenda and/or Exceptions

- It is expected that Regional/Country teams, especially those not on Workday, will outline country-specific criteria and processes in addenda
- [Addendum to Procurement Standards – IJM Australia](#)

Related Policies or Standards

- [Global Contracts Policy](#)
- [Global Bribery, Extortion and Improper Dealings Policy](#)
- [Global Conflict of Interest Policy – IJM Representatives](#)
- [Global Authority for Approval Thresholds and Signatures](#)
- [Global Requirements for Supplier Invoicing](#)
- [Global Due Diligence Policy](#)

Enforcement

Violation of the Standards may result in disciplinary action, up to and including termination of employment.