

Purchasing Policy

CAEVEST PRIVATE LIMITED



Prepared by

CORPORATE COMMUNICATIONS
CAEVEST PRIVATE LIMITED
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Purchasing Policy

Overview:

This policy explains Caest's requirements and advises on the procurement of simple goods and services. Caest employees are required to undertake an efficient, timely and cost effectively process while ensuring appropriate levels of diligence and accountability in accordance with the mandated requirements outlined in this policy.

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Scope

This policy applies to all directors, employees and contractors engaged by Caevest globally.

This policy includes information on the:

-) simple procurement process
-) specific requirements for determining the number and type of quotes sought
-) use of the standard documentation and templates.

Principles:

The object of this policy is to enable staff to implement and follow a system of procurement for:

-) obtaining value for money Caevest and our clients
-) providing for ethical and fair treatment of participants
-) ensuring probity, accountability, and transparency in procurement operations.

Expected Workplace Behaviour

Caevest expects all employees and contractors of Caevest to:

-) At all times behave in a manner that is consistent with Caevest's policy, and
-) Report any instances where the actions or behaviours of Caevest's employees are not consistent with Caevest's commitments set out in this policy.

Definitions

The *Simple Acquisition Plan* outlines the simple procurement process to be undertaken and is used to seek approval from internal management or our Client before approaching the market.

The *Simple Purchase Recommendation* outlines the evaluation process undertaken and is used to seek approval from the delegate once the preferred supplier has been chosen.

The *Request for Quote* is a document used to invite suppliers to bid on goods and/or services and outlines the purchaser's requirements, applicable terms and conditions, the proposed contract, and a response form.

Procurements up to and including SG\$50,000

Caevest staff are to:

-) Seek a minimum of two quotes in accordance with Caevest or its client's procurement procedures
-) Minimize the effort associated with very low value purchases
-) Comply with our client's procurement procedures.

Simple Procurement Process (>SG\$50,000 and up to and including SG\$500,000)

The simple procurement process follows a three-stage process.



Simple Acquisition Planning:

Simple Acquisition Planning consists of:

-) defining the requirement (e.g. quantity, quality, delivery, timing)
-) assessing other strategies such as utilizing existing period contract arrangements
-) identifying how to approach the market
-) undertaking a risk assessment to consider and address relevant risks
-) obtaining financial authorization
-) determining the selection/evaluation process
-) developing or supplying a written specification to suppliers where appropriate
-) determining a time and location for the submission of quotes.

Key points:

Commercial focus: procurement is to be undertaken efficiently and effectively in accordance with good commercial practice.

Record Keeping: Records supporting the purchase need to be maintained and appropriate documentation completed to seek relevant approvals, commensurate with the nature and complexity of the transaction.

Risk Management: Project risks for simple procurements greater than SG\$50,000 MUST be documented including the identified risk, the likelihood of the risk occurring, the potential impact of the risk, and the proposed mitigation or treatment of the risk.

Liability: Low to medium risk procurements that use the standard goods and services contracts are to include a default liability limit selected at between one and five times the value of the contract, as determined by the risk of the procurement.

Example risks being considered in arriving at a limit include:

-) personal injury including sickness and death
-) loss of or damage to tangible property
-) infringement of intellectual property rights
-) any liability to a third party arising from any negligent or wrongful act or omission of the supplier, its employees, agents, subcontractors, or arising from any breach of the supplier's contractual obligations to the public authority
-) an intentional tort
-) a breach of trust
-) fraud or dishonesty.

Insurance: The type(s) of insurance required should be appropriate for the services/goods being obtained and the amount of insurance required should be equal to the financial cap of liability applicable to the contract.

Adjusting Approval Templates: When utilizing the *Simple Acquisition Plan*, *Simple Purchase Recommendation* and *Simple Procurement Report* template, extra details under the relevant template heading can be added as long as these do not contradict other policies and guidelines or other aspects of the template.

Approvals: Where the procurement value exceeds the procurement authority, the *Simple Acquisition Plan* must be submitted to the Managing Director for approval.

Simple Supplier Selection:

Simple Supplier Selection consists of:

-) seeking quotes from suppliers
-) evaluating quotes received against evaluation criteria
-) clarifying and negotiating the quote as appropriate
-) obtaining approval to engage the successful supplier/s
-) executing a contract
-) debriefing unsuccessful suppliers.

Managing Conflicts of Interest: Any actual, potential or perceived conflict of interest that has the potential to unfairly affect or influence the proper outcome of a decision or process, must be identified and managed in accordance to with Caevest's Code of Ethics.

Request for Quote: A Request for Quote (RFQ) template is to be used, as far as practicable, for the simple procurements greater than SG\$50,000. The RFQ is to be tailored to the procurement with only the minimum information necessary to fairly evaluate quotes sought.

All information received from suppliers is to be treated as confidential.

Debriefing Unsuccessful Suppliers: Unsuccessful suppliers should be offered the opportunity to receive feedback on their quote.

Simple Evaluation Plan: A Simple Evaluation Plan can be used, where required, especially for more complicated and multifaceted simple procurements.

Simple Contract Management

Simple Contract Management consists of:

-) ensuring roles and responsibilities for managing the contract have been identified and understood by the relevant parties

-) ensuring the contract is effectively implemented and that the supplier delivers the requirements of the contract
-) addressing any issues that arise
-) processing invoices for payment within 30 days of the supplier's invoice being received by Caevest unless stipulated otherwise in a contract.

Simple Procurement Process Requirements:

Threshold and Requirement	Up to and including SGD \$30,000	Greater than SGD\$30,000 and up to and including SGD\$220,000	Greater than SGD\$220,000 and up to and including SDG\$500,000.
Quotes to be sought	A minimum of one quote must be sought	A minimum of three written quotes must be sought	A minimum of five written quotes must be sought if possible
Approval Documentation	An acquisition plan is not required	A <i>Simple Acquisition Plan</i> template must be used and approved, with a subsequent Simple Purchase Recommendation template used and approved. A <i>Simple Procurement Report</i> template can be used in lieu of the separate documents and must be approved by the appropriate manager after selecting the preferred supplier and before executing a contract.	A <i>Simple Acquisition Plan</i> template must be used and approved, with a subsequent Simple Purchase Recommendation template used and approved. A <i>Simple Procurement Report</i> template cannot be used in lieu of the separate documents
Request for Quote	No specific requirements	The <i>Request for Quote</i> template is to be used, as far as practicable.	
Risk Management	No specific requirements	Project risks must be documented, and a risk assessment undertaken to determine the default liability cap.	
Contracts	Comply with Caevests procurement procedures	Caevest's contracts should be used as far as practicable, for low or medium risk procurements.	

Implementation of this Policy

The number of quotes sought can be restricted to less than the required number if there are legitimate reasons for limiting the number of suppliers. Reasons include:

-) only a limited number of suppliers with the capability, experience, and suitability to meet Caevest or their Client's needs.

- J The need for compatibility with existing equipment or services
- J Obligations under warranty or other contractual arrangements that require the use of goods or services from a particular supplier.
- J An absence of competition due to technical reasons

The justification for limiting the number of suppliers must be outlined in the relevant *Simple Acquisition Plan* or *Simple Procurement Report* and approved by the Managing Director who needs to ensure that limiting the number of suppliers is not due to avoiding competition and the integrity of the procurement process is maintained.

The Managing Director is responsible for this policy across all the company, worldwide. The Human Resources lead will communicate this policy and any subsequent updates or amendments to it, to all employees within the company for implementation.

Compliance and Review

The Board is responsible for establishing, overseeing, and assessing achievement against measurable objectives in relation to gender diversity. The Managing Director is responsible for all other objectives and initiatives set out in this policy.

Breaches of this Policy

Employees who do not strictly comply with this Policy will face disciplinary action, including counselling, formal warnings, and dismissal. All Caevest employees and contractors are responsible for reporting any breaches of this policy to their line manager or HR representative.

Further Information

For further information contact the Administration Manager, email admin@caevest.com.