

ACTION LESOTHO

POLICY ON PROCUREMENT AND DISPOSALS.

PROCUREMENT:

1. The procurement policy of Action Lesotho shall be compatible with procurement rules for government departments and public sector companies in Ireland.
2. The purchase of goods and services by Action Lesotho shall be on the basis of the following guidelines:

(a) In Ireland:

Value less than €2,000: Goods and services whose value is less than €2,000 may be bought on the basis of a verbal or written quotation from one or more competitive suppliers.

Value between €2,000 and €10,000: Goods and services whose value is between €2,000 and €10,000 may only be bought on the basis of written quotations from three competitive suppliers. The quality of the goods or services to be provided, as well as the price, may be considered in deciding on the supplier.

Value between €10,000 and €25,000: For goods and services between €10,000 and €25,000, Action Lesotho will first issue a written specification, or invite written submissions from at least 3 potential suppliers, to determine the quality of the goods and services being offered, or the qualifications of the suppliers, before inviting written tenders from suppliers who satisfy Action Lesotho that they have the capacity/qualifications to supply the required goods or services.

Value in excess of €25,000: It is not envisaged that Action Lesotho will be procuring goods or services whose value exceeds €25,000. However, if this should arise, tenders will be advertised or invited via e-tenders.

(b) In Lesotho or South Africa:

Because the market for goods and services is poorly developed, particularly in Lesotho, it is rarely possible to get written quotations, and almost impossible to get more than one competitive quote. Therefore, the management team in Lesotho has to be given discretion to find a satisfactory supplier of the required goods or services, and to negotiate the best price possible. If possible, the management team should try to apply the following guidelines. If this is not practical, then the manager responsible for the purchase should put on record how he/she made the purchasing decision, particularly in relation to second-hand goods or equipment.

Value less than R100,000: Goods and services whose value is less than R100,000 may be bought on the basis of a verbal or written quotation from one or more competitive suppliers, evidence of which shall be the supplier's receipt for the payment.

Value over R100,000: Goods and services may only be bought on the basis of written quotations from at least two, and preferably three, competitive suppliers. The quality, as well as the price, of the goods or services may be considered in deciding on the supplier.

3. Goods or services may not be purchased from a member of the Board of Directors or from an employee or consultant, in circumstances which give that director, employee or consultant more favourable treatment than any other supplier of those goods or services.
4. Goods or services may not be purchased from a relative of a director, employee or consultant, unless
 - (a) such relationship is declared in advance, and
 - (b) the relative is the best qualified person available to supply the goods or services, or
 - (c) the price of the goods or services is the lowest available from satisfactory suppliers.

DISPOSALS:

A) Capital goods: Disposal by Action Lesotho of capital goods, vehicles, equipment, buildings or property owned by it in Lesotho shall, wherever possible, be subject to the following rules:

1. **Value less than R100,000:** Goods may be sold on the basis of a verbal or written offer from one or more competitive purchasers. An official Action Lesotho receipt must be issued for the money received.
Value between R100,000 and R300,000: Written bids must be sought. Goods may only be sold to the highest bidder.
Value over R300,000: The goods must be advertised for sale in some widely accessible local media. Written bids are required. The highest bid must be accepted. Formal deed of sale must be executed.
2. The only exception to the above rule is that Action Lesotho may, with the permission of the Board in Ireland, transfer any property or other assets for a nominal sum to any organisation which Action Lesotho has helped to set up, or which will carry on the work of Action Lesotho for the benefit of the people of Lesotho.
3. Capital goods may not be sold to a Director, employee or consultant, or to a relative of a Director, employee or consultant, unless:
 - (a) competitive bids have been sought, and
 - (b) the offer by the Director, employee, consultant or their relative is higher than any other bid received.

B) Current Goods: The sale or disposal of current goods, such as crops, produce or offspring of livestock, or stocks of materials, shall be the responsibility of the In-Country Director, or by a manager delegated by her, who will have discretion as to the manner and price of such sale/disposal, but will try to follow the principle that such sale/disposal should be for the benefit, directly or indirectly, of the people of Lesotho.

Goods sold to employees should be sold at a price equivalent to or higher than the market price for a similar transaction.

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