

Procurement manual

Church of Sweden national level

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(shortened version to be used as guidance to partners to Church of Sweden
International department)

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Procurement of goods and services

This manual relates to procurement by the Church of Sweden at a national level. The aim of the manual is to provide support to employees in procurement. The procurement policy adopted by the Church Board on 21 May 2008 constitutes the underlying steering document.



1 PLANNING

1.1 Perform a comprehensive analysis

Is there already an agreement in place that covers your need for a purchase? If so, you should always use this in the first instance.

If there is no agreement, you must first perform a comprehensive analysis of the need. On this basis, you can identify what type of procurement is required.

Examples of questions that need to be included in a needs analysis

- ✓ Is there a budget?
- ✓ How much do you estimate that the product or service will cost?
- ✓ How complex is the procurement? Do you need to bring in an external expert?

1.2 Determine what type of procurement is required

Procurement includes everything that relates to the purchase during the agreement period. When purchasing a photocopier, for example, the purchase sum should also include support, training and the installation cost for the entire agreement period (SEK 2,000 for the photocopier, SEK 5,000 for training and installation, SEK 5,000 per year for support. The agreement period is three years. The total purchase sum is SEK 22,000). It is the total purchase sum that determines what type of procurement you have to select.

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There are three ways of procuring: price comparison, basic procurement and procurement.

Estimated purchase sum, excl. VAT Specified below in price base amounts	Type of procurement	Procedure
< 2 base amounts	Price comparison	<ul style="list-style-type: none"> • No formalities • No entries in a journal
2–5 base amounts, goods 2-7 base amounts, services	Basic procurement	<ul style="list-style-type: none"> • Enquiries made to at least 3 suppliers • Documentation • Entries in journal
> 5 base amounts for goods > 7 base amounts for services	Procurement	<ul style="list-style-type: none"> • Enquiries made to 3–5 suppliers • Documentation • Entries in journal

Price enquiry

For purchase below two base amounts, no formal procurement is required. However, you normally need to describe the product or the service so that the supplier understands what you need. When purchasing, services in particular, it is important to describe the assignment and to have a written agreement regarding the content and price of the assignment.

Basic procurement

For purchases that exceed two base amounts but that do not reach the next level, you have to perform a basic procurement. In this situation, you prepare a written invitation to tender that contains parts of points 1.3–1.7, but that is not as comprehensive as a complete procurement.

Procurement

Purchases that exceed 5 base amounts for goods or 7 base amounts for services must be subjected to competition through procurement. At least 3 suppliers must be invited to submit tenders, although ideally 5 or more.

The more suppliers are involved and the more complex procurement is, the more important it is for each sub-element in points 1.3–1.7 to be carefully processed and documented.

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1.3 Refrain from procuring

There are situations where it is not appropriate to conduct procurement. There may not be any competition, for example. You may not want to subject the purchase to competition, as you can only select one particular service or product. There may be financial or practical reasons. For example, you may decide to extend an assignment, without procurement, for a consultant who has already been working on an assignment for a year. In this case, the training of a new consultant would entail an additional cost and further extend the assignment. If you find yourself in a situation where you cannot or do not want to subject an assignment to competition, it is extremely important for you always to stipulate requirements regarding the execution, to negotiate agreements and terms, as well as to ensure that the price is reasonable.

Document and give reasons why no procurement was performed, and enter the decision and supporting data in the journal.

1.4 Plan and calculate the time required for the procurement

Procurement takes time. Experience shows that it usually takes longer than you expect. The entire process must therefore be planned out carefully. The right people need to be engaged, meeting times need to be booked, spare time should be scheduled in case it is not possible to keep to the original plan. In the event of a large procurement, experts may need to assist with parts of the process.

How comprehensive and time-consuming procurement is depends not only on how much money is involved, but more on how complex and significant the procurement is.

The table below details activities that you need to consider before commencing the procurement.

Activity	Comments	Date
Write requirement specification	Who does this in the team	
Write the invitation to tender	Who does this in the team	
Send out the invitation to tender	Sent by e-mail	
Confirmation from suppliers that they have received the invitation to tender	By e-mail	
Latest date for questions from the suppliers	By e-mail	
Last date to submit tenders	By e-mail	
Write agreement	The law division examines the proposal before it is signed.	
Start of the contract	The date on which the agreement is to enter into force	

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1.5 Create a procurement team

The best way to succeed with procurement is to ensure that the right people are involved in the procurement process. Make sure that the people have time to participate in the procurement and allocate personnel resources in consultation with the relevant managers in advance. Distribute the work duties within the procurement team.

Resource	Activity 1	Activity 2	etc.
Person 1			
Person 2			
Etc.			

1.6 Formulate the invitation to tender

One central duty in procurement is to prepare the documentation for the invitation to tender. This must clearly set out what is being procured and how the tenders will be evaluated.

Bear in mind that the more structured the requirements and the questions, the better and more comparable the tender responses you will receive. Feel free to attach a reply template on which the suppliers can fill in their tender.

The documentation for the invitation to tender comprises the following parts:

1. **Background.** Explain about the Church of Sweden and describe in brief why we are performing the procurement.
2. **Conditions for the procurement.** Specify all formal requirements that apply to the procurement, such as response time, the period of validity of the tender, contact persons, any labelling. Distinguish between must (requirements) and should (wishes) in the documentation.
3. **Terms of the agreement.** Attach a proposed agreement or terms that will be included in a future agreement. Examples of terms that can be good to include:
 - Time (contract period, termination period, delivery times, etc.)
 - Delivery terms
 - Payment terms
 - Options
 - Disputes
 - Penalties.

It is important that an agreement reproduces all the terms that the parties agreed on during the procurement.

4. **Evaluation criteria.** Specify which criteria will be used to evaluate the tender.

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5. **Estimated volume** (quantity or in SEK). In order to submit good tenders, the suppliers need to know how much you intend to purchase or how much you intend to spend during the agreement period. Be clear as to whether you are promising a certain volume or whether it is an estimated volume.
6. **Requirement specification.** Enter what you require from the product or service. Specify with must and should requirements. Describe the requirements so that the suppliers can evaluate whether they are suitable for the assignment. Describe the product or the service so that the suppliers understand the scope and can set the price.
7. **Company presentation.** Request information about the company, its ethical and environmental policies, collective agreements, etc.

1.7 Identify suitable suppliers

It is not always obvious how to proceed when it comes to finding suppliers for a specific product or service. There are various approaches. Below are examples of possible routes:

- Existing suppliers
- Networks and contacts
- Google
- Trade registers
- Journals/periodicals
- Trade fairs
- Advertising.

2 IMPLEMENTATION

2.1 Send out the invitation to tender

Compile all the documentation for the invitation to tender, including any appendices. Check that it contains the information that the suppliers need in order to submit a complete tender. More than one person should read through the material before it is sent out.

Appoint a contact person and ensure that it is clearly stated in the invitation to tender that the supplier may only contact this person until such time that the procurement has been completed.

After the invitation to tender has been sent until the completion of the procurement, confidentiality in relation to external parties shall apply.

The invitation to tender should ideally be sent out and received by e-mail.

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2.2 Determine response period

The response period must be sufficiently long to provide the suppliers with a reasonable amount of time to produce information and submit a thorough tender. What constitutes a reasonable time depends on the scope and complexity of the procurement. Generally speaking, two to four weeks is a reasonable time.

During the response period, the specified contact person should be available and able to answer any questions. Otherwise a replacement should be appointed.

2.3 Answer questions from suppliers

If questions are received that can affect the tender responses and the outcome of the procurement, both the questions and the answers must be sent to all the suppliers who have notified that they will be submitting a tender. The question and the answer should ideally be sent by e-mail. Verbal answers to questions during an on-going procurement should be avoided.

2.4 Compile the tenders

Produce a compilation of the submitted tenders so that they can be compared and presented to the procurement team in the most straightforward manner.

2.5 Evaluate the tenders

Evaluate the tenders according to the criteria that have been specified in the invitation to tender.

During the evaluation, you may discover that supplementary information is required. For example, information may be absent in a tender. The invitation to tender may also prove to have been missing parts that have been added or discovered during the process. Supplementary information must always be provided in writing. An e-mail is sufficient in most cases.

2.6 Conduct negotiations and select supplier

Select a few suppliers to proceed with more in-depth discussions and negotiations. Even if a tender has been submitted, you can negotiate on prices and terms. It may occasionally be necessary for some of the companies to come and present their services or products in order for you to gain a better understanding of the company and what it is offering.

Decisions relating to the choice of supplier must be documented and reasons must be given. The way you have applied the evaluation criteria and the way you have assessed the tenders must be clear.

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2.7 Write agreement

The person who is responsible for procurement is also responsible for ensuring that the agreement is signed by a person who is authorised to sign agreements.

Before the agreement is signed, it should be examined by the law division in the Church's legal department. It is important for both the lawyer and those who are to sign the agreement to have a reasonable amount of time to examine the agreement. In order for the work to proceed smoothly, the law division and the signatories must be notified in advance about when they can expect to receive the documentation.

The agreement must be signed by the contract manager, initialled by the departmental manager and signed by a person who is authorised to sign for the company. In exceptional cases one person may hold both roles, although the normal situation is for two or three people to sign an agreement.

3 FOLLOWING UP

3.1 Notify other suppliers

When the agreement has been signed by both parties, other suppliers must be notified. In the case of more extensive procurements, you should ideally make contact in person and supplement this with an e-mail.

3.2 Appoint a contract manager

Regardless of who has signed an agreement, each agreement must have a contract manager.

This person has a specific responsibility to ensure that the operation has good access to the services and products that have resulted from the procurement.

3.3 Provide notification about the agreement (implementation)

The employees who are affected by the agreement must receive information about it. If the agreement affects several departments or divisions, relevant parts of it should be published on the intranet. If anything changes during the agreement period, the operation should be notified once more. The contract manager is normally responsible for this, although the operations manager can also do this.

3.4 Contract manager's duties

During the agreement period, the contracts officer is responsible for updating the prices and keeping them available on the intranet and in the contract database

- ✓ monitoring termination and extension times in the contract database
- ✓ during procurement, obtaining reference numbers and serial numbers from the contract database; the agreement must be labelled with these

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- ✓ updating changes to the product range, added or discontinued products or services on the intranet and in the contract database
- ✓ ensuring that views from the operation regarding e.g. quality and altered requirements are taken into consideration, as well as adjusting and providing supplementary information if necessary
- ✓ following up at suitable intervals to ensure that deliveries are taking place in accordance with the agreement
- ✓ holding follow-up meetings with the supplier
- ✓ consulting with the procurement function if necessary to ensure effective purchases for the Church Offices

Plan new procurements in plenty of time if necessary or when agreements expire.

3.5 Archive all documents

After the agreement has been signed by all parties, it must be registered in the contract database and entered in the journal. This is performed by the departmental secretary or the contracts officer.

After the procurement process is complete, all documents must be gathered in a procurement file which is then sent to the archive.

The procurement file must include:

- ✓ documentation for the invitation to tender, including appendices
- ✓ distribution list containing the supplier's address and telephone number, as well as any contact person and e-mail address
- ✓ submitted tenders
- ✓ documented evaluation and reasons for the choice of supplier
- ✓ decision
- ✓ contract/agreement

When the procurement has been completed, the matter is concluded in the journal.