

Procurement Policy

Global
Policy Owner: Technology & Business Services Director

1. PURPOSE

The Fred Hollows Foundation (**The Foundation**) uses procurement to obtain goods and services for internal use and in support of our implementing partners. The Foundation seeks to follow a pragmatic approach to procurement that balances efficiency with a commitment to sustainable and responsible action.

The Foundation is committed to efficiency in implementation of our vision and purpose; to ensuring compliance with relevant legislative and internal controls; to responsible procurement practices with regards to environmental sustainability, promotion of indigenous-owned business and diversity; and to ensuring transparent, ethical and responsible business conduct. The Foundation will follow a leading approach to sustainable procurement that can provide a positive model for our valued partners in their own procurement activities.

2. DEFINITIONS

Procurement includes any activity that results in acquisition of goods and services either in exchange for payment; through hire, lease or rental; or in kind for use of The Foundation or on behalf of our partners; but excluding employment, volunteering and implementing partnerships in country programming.

Procurement is an end-to-end process encompassing the selection of goods and services, selection of suppliers, risk-screening and contracting, supplier onboarding, ordering, receiving, paying, logistics, support and managing ongoing supplier relationships and performance.

Specialist Procurement refers to procurement of specific goods and services where The Foundation has internal teams that provide specific rules, guidelines or support (including but not limited to medical, legal services, technology, financial auditing, banking, insurance, premises and travel).

Expenses are small, lower-risk procurement of incidental items and services, usually obtained without complex procurement or purchasing (often via credit card or reimbursement) which are nonetheless governed by this procurement policy.

Supplier any organisation (including sole traders) engaged by The Foundation to supply goods or services in exchange for payment (including in kind) and which is not an Implementing Partner.

Procurement Manual and Process is the detailed embodiment of this policy in operational procedure at global level.

Value of Purchase Guidelines are a set of rules that supplement the Manual to govern the complexity of procurement process, including the value at which competitive selection is required, as well as the types of records, systems, approvals and exceptions that may be employed.

Implementing Partner is an organisation engaged by The Foundation to work with us to deliver a program of work that furthers our goals of ending avoidable blindness. Our engagement with implementing partners is a central aspect of our work and is not governed by the procurement policy except in respect to cases where The Foundation procures goods and service on behalf of an implementing partner.

Indigenous-owned a business or enterprise that is at least 50% owned, operated, and controlled by individuals who identify as (in Australia) Aboriginal and/or Torres Strait Islander peoples or (in other countries), relevant indigenous peoples.

Modern Slavery refers to situations where coercion, threats, or deception are used to exploit people and undermine their freedom. This includes practices such as human trafficking, forced labour, debt bondage, forced marriage, and child labour. The definition should align with the Australian Modern Slavery Act 2018, with similar legislation in countries, and with international conventions.

Competitive Selection any process which compares offerings or bids from multiple suppliers with selection of the most competitive offering.

Disability is an evolving concept resulting from the interaction between persons with impairments and broader attitudinal and environmental barriers that hinder their full and effective participation in society on an equal basis with others¹.

Personnel persons who carry out work in any capacity for The Foundation including paid employees, contractors, sub-contractors, consultants, work experience students or volunteers.

3. BACKGROUND

- 3.1 The Foundation undertakes Procurement of goods and services for internal purposes including but not limited to advertising, telemarketing, legal services, technology, leases, data services, consultancies, insurance, vehicles, hotels, travel services, financial services and more. The Foundation also undertakes procurement of goods and services (such as cameras, microscopes, surgical equipment, consumables and spectacles) to be given to and used by our implementing partners (referred to as “procurement on behalf of partners”) and (less often) provided directly to patients or other beneficiaries.
- 3.2 Procurement also has a bearing on other elements of our Strategy and Values – for example, procurement has a direct impact on the environment and can be used as a tool to further the causes of disadvantaged people including people living with disability, indigenous peoples and the elderly.
- 3.3 Procurement forms one of our major areas of expenditure and underpins many of our critical activities, so it is essential that this expenditure is carefully controlled, transparent, accountable and ethical, while ensuring that procurement processes and systems remain agile, simple and easy to use.
- 3.4 In undertaking procurement activities, we are bound by laws and regulations of the jurisdictions in which we operate while still needing to consider the laws and regulations of countries where funds originate (for example Australian regulations for anti-terrorism and modern slavery) and terms imposed by specific donors (for example the Australian Government’s Department of Foreign Affairs & Trade).
- 3.5 This Policy guides the operation of procurement and related processes of supplier and service management. The Procurement Manual and Value of Purchase Guidelines implement this Policy and affirm our commitment to transparent, ethical and responsible business conduct.

4. GUIDING PRINCIPLES

- 4.1 The guiding principles of this Policy are that:
 - 4.1.1 The most important consideration in selection of goods, services and suppliers will be the support of effective programming and other work (through maximising delivery, mitigating risk, and controlling cost), while maintaining compliance with legal and contractual obligations.
 - 4.1.2 Environmental sustainability, and opportunities to achieve more environmentally sustainable outcomes must be considered in all stages of procurement planning and risk, selection, and management. Sustainable procurement options (considering energy consumption, waste reduction, use of recycled products, reduction in harmful substances, packaging, and end of life recycling) should always be preferred where the provisions of 4.1.1 regarding effectiveness and compliance, are otherwise being met.

¹ [UN Convention on the Rights of Persons with Disabilities](#)

- 4.1.3 The Foundation will actively support efforts to promote indigenous-owned business in Australia by identifying opportunities to source through Aboriginal and Torres Strait Islander owned businesses where practicable. Indigenous-owned options should always be preferred where the provisions of 4.1.1 are otherwise equal.
- 4.1.4 The Foundation values the inclusion of people with Disability in all areas of society and as such will consider Disability inclusion, as well as businesses owned by persons with Disability, when undertaking procurement selection. The Foundation acknowledges that disability inclusive procurement is an emerging area and aspires to pursue opportunities in this area during the term of this Policy.
- 4.1.5 The Foundation will undertake Procurement on Behalf of activities only where this adds a clear benefit to achieving results and where the Partner lacks necessary capacity to undertake procurement themselves. The Foundation will not undertake such activities in order to circumvent or allow a partner to circumvent their own procurement processes unless this decision has been independently reviewed and approved to ensure it does not contravene contractual or legal requirements.
- 4.1.6 Incidental expense payment methods (credit cards, reimbursements, petty cash etc) must not be used to circumvent procurement process and these purchases remain subject to the Procurement Policy, Manual and Value of Purchase guidelines.
- 4.1.7 The Foundation has adopted a decentralised model for procurement – there is no centralised procurement function – but in the case of **Specialist Procurement** all teams and employees must follow relevant rules and guidelines defined by specialist teams in addition to following the provisions of this Policy and Manual.

5. COMMITMENTS UNDER THIS POLICY

5.1 Commitment to Policies, Processes and Systems

- 5.1.1 All expenditure that fits the definition of procurement will be undertaken in accordance with this Policy, the Procurement Manual, the Global (or locally adjusted) Value of Purchase Guidelines and Procurement Process, and with proper use of associated Systems.
- 5.1.2 All expenditure commitments and payments will be approved according to the Delegations Policy and Manual; and records of approval of commitment (properly executed Contracts or Purchase Orders) and approval to pay (properly authorised Invoices, Expense Claims and Bank Payments etc) will be maintained.
- 5.1.3 The Foundation will maintain a written Procurement Manual and supporting documents, processes and systems which set out standards such as risk management, selection processes, sustainability, due diligence and evidence which must be followed.
- 5.1.4 All evidence required to demonstrate the proper running of the procurement process must be retained in a manner that supports necessary compliance processes i.e. it must be complete, accurate and easily found.

5.2 Commitment to Fair and Transparent Competitive Selection

- 5.2.1 All procurement that meets the criteria laid out in the Value of Purchase Guide (Global or Local) will be subject to a **competitive process** unless subject to a properly authorised **waiver of competition** or involves a recognised **preferred supplier**.
- 5.2.2 Competitive selection will be conducted fairly and without bias, ensuring that potential suppliers are treated equally and provided with equivalent information and access.
- 5.2.3 Any and all actual, possible or perceived conflicts of interest must be declared in accordance with the relevant policies and processes, and any affected staff members must excuse themselves from participating in selection decisions.
- 5.2.4 Final choice of goods/services and/or supplier following competitive process must be approved in accordance with the Delegations policy limits governing the eventual purchase.

5.3 Commitment to Negotiation, Supplier Integrity and Fair Dealings

- 5.3.1 All procurement activities *should*, and any that meet the value of purchase definitions requiring competitive selection *must*, include price negotiation in good faith. The Foundation is a not-for-profit registered charity in Australia and other jurisdictions – it is usual to expect consideration of this and achieve discounts above and beyond what might normally be achieved in sales processes.
- 5.3.2 All suppliers with whom The Foundation does, or proposes to do, business with and that meet the definitions of Procurement will be screened for risks including adverse media attention, court cases, liquidity and the like.
- 5.3.3 All potential suppliers involved in management of sensitive data, are high-risk, or meet the definitions requiring complex competitive process will be subject to additional due diligence which may include checks on governance, liquidity, insurance, technical security and reference checks.
- 5.3.4 All suppliers will be treated with respect and in accordance with the provisions of our Supplier Code of Conduct. Equally, all suppliers will be held accountable for performance, and the performance of suppliers providing goods or services meeting the requirements for complex competitive selection must be monitored actively and regularly to ensure value for money.
- 5.3.5 Supplier intellectual property and the privacy of supplier staff in their capacity as employees of suppliers will be treated with respect – all files, documents and systems holding such information will be classified as **confidential** or above. If The Foundation should also come into possession of sensitive information pertaining to suppliers or supplier employees, then appropriate higher classification and controls must be applied.

5.4 Respect for Legislation, Regulation and Contractual Terms

- 5.4.1 All procurement activities from selection to supplier relationship management are governed by applicable local laws, regulations and practices. It is the responsibility of individual employees to ensure they understand and comply with these provisions.
- 5.4.2 Procurement activities may also be governed by terms imposed by funding bodies (donors) or by the countries from which funds are obtained. It is the responsibility of individual employees to ensure they understand and comply with these provisions.

6. RESPONSIBILITIES & ACCOUNTABILITIES

6.1 Chief Executive Officer

- 6.1.1 The CEO is responsible for ensuring this Policy is upheld and will inform the Board of The Foundation of any concerns relating to procurement that may present risk to The Foundation, its Personnel, beneficiaries, partners, reputation, operations or other activities.
- 6.1.2 The CEO will hold relevant Directors and Managers accountable to this Policy.

6.2 Policy Owner

- 6.2.1 The Policy Owner will promote the existence of this Policy to all Personnel.
- 6.2.2 The Policy Owner is responsible to ensure the Policy complies with The Foundation's obligations and contemporary practice and will update this Policy as required.
- 6.2.3 The Policy Owner will be responsible for addressing any issues arising in relation to this Policy and will be or arrange a point of contact for all Personnel for any issue of contention.
- 6.2.4 The Policy Owner will inform the CEO of any key risk to The Foundation regarding procurement and will record risks and incidents on the organisational risk register.

6.3 Senior Leaders

- 6.3.1 The Senior Leadership of The Foundation (Chiefs and Directors) will ensure that all procedures, practices, plans and operations align with this Policy and that all relevant Personnel are aware of, and understand, this Policy and their responsibilities under it.
- 6.3.2 Senior Leaders are also responsible for monitoring and responding to any procurement risk or concerns arising within The Foundation's business activities, will include procurement risks in risk registers, and seek the advice of the Policy Owner on issues of contention.
- 6.3.3 Teams are encouraged to put in place localised or specialist procedures to implement the principles set out in this Policy, including for specific countries. However, this Policy will prevail to the extent of any ambiguity or inconsistency between this Policy and those procedures.

6.4 Managers (Country and People Managers)

- 6.4.1 Managers will demonstrate a commitment to procurement and model procurement practices.
- 6.4.2 Managers are to communicate this Policy and all related procedures to Personnel.
- 6.4.3 Managers will engage with their teams in an open, honest and meaningful way to ensure they understand what is expected of them.
- 6.4.4 Managers will constructively participate in the resolution of procurement issues.
- 6.4.5 It is the responsibility of The Foundation's managers to be aware of the types of non-compliance that might occur in their areas of responsibility, and to be alert for any indication of improper activity and to maintain controls to avoid such occurrences. The Foundation's managers are required to ensure that all staff under their supervision are given a copy of this policy in a language they can understand and acknowledge receipt of it.

6.5 All Personnel

- 6.5.1 All Personnel will adhere to the principles and commitments under this Policy and any related procedures and will take all reasonable care to ensure that their actions or omissions are not in breach of this Policy nor directly or indirectly encourage others to breach this Policy.
- 6.5.2 All Personnel are responsible for identifying and responding to any procurement-based risk or concerns arising within The Foundation's business activities. Any matters of contention must be reported to the Executive Director.

6.6 All associated stakeholders

All associated stakeholders operating with or on behalf of The Foundation are responsible to understand and abide by the principles and relevant commitments under this Policy and to advise the primary contact point within The Foundation of any issues that may arise.

7. MONITORING

- 7.1 This Policy will be reviewed every three years, and the Policy Owner is responsible to undertake this review.
- 7.2 The Global Compliance Team (GCT) has oversight for all Governance and Operational Policy and will ensure the Policy is listed on the Policy Register and provide support to Policy Owner to ensure monitoring and reporting obligations are met.

CONTROL OF DOCUMENTATION

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