PART A: PROCUREMENT GUIDELINES

A1.0 INTRODUCTION

a) Procurement involves the process of selecting suppliers, establishing payment terms, strategic vetting, selection, the negotiation of contracts and actual purchasing of goods. Procurement is concerned with acquiring (procuring) all of the goods, services, and work that is vital to the Bank.

One of the procurement best practices is to perform "categories management" by classifying the procurement spends into few categories.

b) GSP has classified MBB Group procurement spend to the following categories, namely:

Procurement Spend Category	Example of Purchases
Banking Operations	Cash-In-Transit, Cheque Processing, First-Line Maintenance of Self Services Terminals i.e. Automated Teller Machine (ATM), Cash Deposit Machine (CDM), & Smart Recycler Machine (SRM).
Facilities Management	Building Management Works and Banking related Operation Services.
General Spend	Uniforms, courier services, stationeries, and forms etc.
IT and Telecommunication	Hardware, software, IT solution, IT Services, and etc.
Sales and Marketing	Event Management, Advertising, Media, Creative Agencies, Promotional Items, Printed Marketing Collaterals, and etc.
Professional Services	Recruitment Agencies, Training Service Provider, Consulting Firm, Subscription Services, and etc.

c) GSP / Local-SP unit / in-Country Procurement unit scope and involvement cover all purchases of goods and/or services, or other forms of acquiring assets for use in MBB Group except for the following: -

i) Rental and purchase of landed properties;

ii) Disposal of Assets/ Properties

iii) Highly confidential services authorised / instructed by PGCEO/Group EXCO/Group Board Committees;

iv) Insurance;

v) Brokerage;

vi) Legal Services;

vii) Trustees;

viii) Non-Governmental Organisations ("NGOs");

ix) Accommodation;

x) Food & Beverages (for staff meals only);

xi) Joint Ventures ("JV"), Partnership, or Affiliation, and;

xii) Intra-Group.

For exemptions from the BAU scope arising from the above, these must be sought and clearly stated in the preliminary approval i.e. Budgetary paper, Business Case paper, etc., in accordance with the relevant approving authority policies i.e. NCDP and DOA or any equivalents. Otherwise, the Requester needs to consult with GSP / Local-SP unit / in-Country Procurement unit to determine whether the engagement requires: -

i) A new tender, or;

ii) A minimum market benchmark, or;

iii) A historical price for cost comparison.

d) It is the responsibility of Requester in obtaining budgetary and business case approval. GSP / Local-SP unit / in-Country Procurement unit / Procuring unit shall only proceed with sourcing activity when the Requester has already obtained the necessary budget and business case approvals. However, RFI can be conducted prior to budgetary and business case approval. Please refer to **Appendix 2** for **Business Case Proposal Process Flow**.

e) However, for the RFI where MBB is requesting a supplier to provide information only; it cannot be used as the basis for price comparison and for the award of a project.

f) Effective sourcing would require joint-working between GSP / Local-SP unit / in-Country Procurement unit / Procuring unit, Requester and the approver. The purposes of governance structure are: -

i) Make, sponsor and enforce right decision;

ii) Drive an appropriate spirit of partnership among MBB Group, subsidiaries and all supporting functions;

iii) Support the quest to procurement excellence.

g) Head of Business and Head of GSP to jointly review any deviation of Group Procurement Manual (GPM) related to sourcing strategy and recommend for acceptance and approval by the Approving Authority according to Non Credit Discretionary Power (NCDP) in the Spend Approval Paper.

A1.1 Objectives

a) This document was designed to streamline the procurement functions within MBB Group.

b) The key objectives of this document is to provide MBB Group on the following:

i) Standard guideline on good management practices expected in the procurement process and procedures.

ii) To procure high quality goods and services as economically as possible.

A1.2 Scope

a) This document governs all the procurement activities i.e. from the need to procure to contract closure.

b) This guideline is to be adhered by all entities within MBB Group in procuring goods and services. It commits the organization and every individual involved in the procurement process within /MBB Group, to use their best endeavors to ensure the procurement activities are legal and accountable.

c) Authority to approve any requisition against budgeted or unbudgeted expenditures shall be in accordance with relevant approving authority policies i.e. NCDP and DOA or any equivalents.

A2.0 PROCUREMENT GUIDING PRINCIPLES

A2.1 Level Playing Field

a) All potential suppliers must have the same opportunities and the same information.

b) All tender documents must be sent out at the same time.

c) Any changes in due dates, requirements or information pertaining to the proposal or tender requests must be communicated to all suppliers at the same time.

d) All tender documents must be opened at the same time.

e) Please note that any consultant who is prescribing the job scope of a particular initiative should not be participating as a supplier for the said tender. This also applies to ANY company where the consultant owns or has rights to make decisions for the supplier and is applicable throughout the term of the engagement. This is to ensure there are no conflict of interest and a level playing field.

f) There should be no conversation between or among any suppliers and any MBB Group employee about the tender during the Silent Period except as is provided in the RFP documents for the purpose of clarifying the tender. Questions are to be directed to the "Tender Contact" in writing and answered in writing. Careful documentation of questions and answers as well as any questionable behavior on the part of any participant in the procurement process is essential.

g) During the Silent Period, careful consideration must be given to avoid any appearance of discrimination for or against any supplier. A disciplined approach to handle conversation about the tender and any questions arising from suppliers desiring clarification or additional information about the tender will eliminate any concern about discrimination.

h) The guideline is to avoid communication about the tender during the Silent Period. Violation of the principles may lead to disqualification of a supplier, cancellation of the tender exercise and/or disciplinary action for employees. Where questions are asked by a supplier, clarification, or further information, the reply should be sent to all suppliers, whether they asked for clarification, or not.

i) MBB Group is allowed to conduct clarification sessions separately with the individual suppliers with the objective to clarify and understand the technical and commercial submission better. This session may also be used for negotiation purposes.