

Silk & Leather
Procurement Policy

## Policy Scope

This policy outlines how Silk & Leather manages its purchasing activities to maximise value, minimise cost, and drive company growth and expansion.

The policy applies to store managers and management staff who have the delegated authority to procure goods, services on behalf of the company.

For the purpose of this policy, the term supplier includes all suppliers, contractors and consultants engaged to provide goods, services and/or works to the company.

## Procurement Practices

1. The procurement of goods, services and/or works must be consistent with the Work Health and Safety Policy.
2. All procurement activities must take into consideration the environmental impact and value for money over the whole-of-life of the goods and/or services.
3. Consideration needs to be given to ongoing operational costs including the use of water and energy, disposal, recyclability, etc.
4. Business and operations managers are responsible for all aspects of procurement, including compliance, and assist in risk management, spend control, vendor consolidation, and cost reduction.
5. The authority to authorise expenditures must be limited in accordance with the company's Delegation of Authority.
6. Procurement activities should be controlled and only implemented by staff suitably trained and with the necessary skills.

## Procurement Principles

1. Staff involved in procurement should first check if the goods and/or services can be provided through one of the company’s current supplier/s that has already been set up to do business with the company.
2. Credit cards are a low-cost and simple way of purchasing from a supplier for one-time or basic price-based purchases, rather than creating a new supplier in the finance system. Before committing the company to a transaction, employees should confirm with the supplier that a credit card is an appropriate means of payment.
3. If the purchase is for recurrent volumes, a fixed term contract should be negotiated to assure favourable pricing, service, and terms over a prolonged period.
4. Records created or received during the procurement process should be kept in accordance with the company's current document and records management policies and procedures.
5. Prudence and discretion should be the main drivers considered while determining the most pertinent sourcing strategies.

**The purchase value will determine the bidding process:**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Value** | $1000 | $1000 - $4000 | $4000 - $14000 | $14000 - $27000 | $27000 |
| **Method** | Direct purchasing | Written quote | More than one written quote | 4 or more written quotes | Proposal or tender required |
| **Approval** | Store manager | Store manager | Operations manager/Business manager | Operations manager/Business manager | CEO |