

## POLICY FOR PURCHASE OF GOODS AND SERVICES

### OBJECTIVE

To ensure the efficient flow of operations of the company by procuring goods and services at the best quality and price, and by delivering said goods at the right time.

### POLICIES

#### A. Purchase Requisition, Canvassing & Ordering

- a) A PR is required for all requisitions above P3, 000.00.
- b) PR shall be recommended by the Department Head, and shall obtain the signature approval of the Division Head.
- c) The PR shall be entered into SAP and numbered for ease of traceability.
- d) The Purchase Request of Goods shall be prepared by the corresponding departments below:

ITEM TYPE	REQUESTING DEPARTMENT
Lottery Equipment Lottery Operating Supplies	Technical Services Department (TSD)/ Central System and Network Management Department (CSNM)
Back-Office Equipment Office Supplies Furniture & Fixtures	General Services Department (GSD)
Annual Reports Corporate Giveaways	Corporate Planning Department
Back-Office IT	MIS/IT Department
HR Materials	HRM Division

- e) A Purchase Request of services shall be prepared unless there is a service contract which covers the scope of work.
- f) The Purchasing Associate shall ensure that all items to be purchased are properly canvassed.
- g) There shall be a three (3) quotation policy during canvassing. In instances where quotations cannot be submitted by three (3) external providers from the List of Accredited External Providers, the Administration Division has the prerogative to canvass from new external providers to complete the three (3) quotation policy.
- h) Canvasses are not needed for procurement of the following:
  - a. Items from exclusive external providers, sole distributors, and those covered by contracts
  - b. Urgent / emergency purchases
  - c. Repeat purchases of a service/goods within six (6) months provided there is no big fluctuation in prices during the period.
  - d. No other external providers submitted within the required timeframe
- i) Selection of External Providers
  - a. All purchasing transactions will be centralized to the Administration Division Head Office.
  - b. For goods that require specialized technical requirements, the requesting department may assist the Administration Division in the canvassing process. These items include the following:
    - 1. IT equipment
    - 2. Office Uniforms, trophies, training materials
    - 3. Annual Reports, Marketing collaterals
- j) Items that do not require a PO are the following:
  - a. Urgent purchases
  - b. Utilities (e.g. water, power, communications, cable TV, internet)
  - c. Rental of office and land spaces
  - d. General office services covered by agreement (e.g. security, housekeeping, manning agency services, courier services)
  - e. Periodic renewal of contracts (e.g. insurance, HMO, LTO, registration)
  - f. Goods to be procured at established retail establishments (e.g. drugstores, supermarkets, bookstores, etc.)
  - g. Online stores or websites (e.g. Amazon, etc.)
  - h. Other services of the Company that are covered by contracts

- k) The PO shall be authorized when signed by the approving authority as follows:
  - a. Both Division Heads of Administration & Finance – For purchases within authority limit of signatories
  - b. Including the President – For items above authority limit of both signatories
- l) All invoices are to be given directly to Accounting Department by the external provider.