



**Perbadanan Insurans Deposit Malaysia**  
**Protecting Your Insurance And Deposits In Malaysia**

**PROCUREMENT POLICY**



Perbadanan Insurans Deposit Malaysia  
Protecting Your Insurance And Deposits In Malaysia

<b>Ref No</b>	BOD/EVP-FS/2006/01	<b>Version No</b>	12
<b>Initial Approved Date</b>	26 September 2006	<b>Last Reviewed Date</b>	28 June 2022
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Approved by the Board of Directors at the Board Meeting No. 84 on 28 June 2022



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## 1.0 OBJECTIVES AND PRINCIPLES

1.1 The objective of the Procurement Policy (“the Policy”) is to achieve high standards of professionalism, transparency and accountability for Perbadanan Insurans Deposit Malaysia (“the Corporation”)’s procurement process, while maximising efficiency, effectiveness and flexibility of the process within a system of checks and balances. This is to ensure that the Corporation obtains quality goods and services for the best value.

1.2 In developing the Policy, Management is guided by the following principles:

(a) **Procurement should be effective and efficient to obtain the best overall outcome.**

There is no single procurement method that suits all situations. The Policy contemplates that the Corporation should not be bound by a single procurement method, but allows for different procurement options, depending on various factors. In obtaining the best overall outcome, the process should also take into consideration quality, delivery as well as price and other non-price factors. In certain circumstances, the Corporation may procure same or similar goods or services from two (2) or more vendors simultaneously.

(b) **There is a need for transparency and accountability.**

As a statutory body, transparency in dealings with vendors or service providers and how procurement contracts are awarded is an essential element of accountability, and should be an inherent characteristic of all processes and procedures, plans, actions and decisions relating to the Corporation’s procurement. The Corporation aims to achieve the right balance of public disclosure whilst protecting the Corporation’s interests.

1.3 In line with the principles above, the Policy contemplates ways to achieve the best overall outcome for the Corporation. The Policy discusses the types of procurement methods that apply, depending on procurement nature and amount. The Policy incorporates strong internal controls to mitigate potential reputational, operational and financial risks.

1.4 The Corporation contemplates managing its vendors or service providers in a structured manner to ensure the quality and price competitiveness of goods and



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services to be procured, and establish a long term and secured supply of goods or services.

- 1.5 The Corporation's business model also contemplates strategic partnerships with key service providers, including those with experience in the financial services industry or global experience in deposit insurance or financial compensation schemes. This is to allow the Corporation to leverage on relevant technical expertise, gain access to practical or in-depth expertise and experiences with regard to regulation, or intervention and resolutions, or related simulations. Building such strategic partnerships and working with such service providers will also allow the Corporation to obtain capacity, and improve delivery lead time, so as to enhance the Corporation's preparedness and responsiveness during any intervention and resolution activities.
- 1.6 Contract splitting, whereby a series of contracts for the same goods or services are being used to circumvent the requirements of the Policy, is prohibited.

## 2.0 SCOPE OF POLICY

- 2.1 This Policy covers the procurement of all types of goods, services and developmental work. However, the following are specifically excluded from the Policy and are subject to their respective policies:
  - (a) Business travel and engagement of travel agents;
  - (b) Insurance coverage, specifically for life and medical, including appointment of insurance brokers and third party administrator;
  - (c) Training and employee development;
  - (d) Appointment of recruitment agencies;
  - (e) Subscriptions to memberships in relevant organisations and memberships in recreational clubs whether in the Corporation's name or that of its nominee(s); and
  - (f) The engagement of independent advisors by the Board, the Board Committee or an individual Director.



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### 3.0 EVALUATION AND SELECTION

3.1 For the purposes of procuring goods, services and developmental work, the Corporation takes into consideration the following factors:

(a) **Pricing**

The pricing quoted by the vendor or service provider must be within an acceptable range taking into consideration the current market rates charged by other vendors or service providers within the same band, current market and economic environment (e.g. inflation, tariffs, tax regimes and interest rates). Prices will be compared by reference to the same defined requirements or specifications i.e., it must be an 'apple to apple' comparison, where applicable.

In relation to the procurement of goods and non-consulting services, in general, the lowest quotation or tender bid should be considered, provided it meets the Corporation's expectations or specifications with regard to service level or quality. In addition, the Corporation is not bound to accept the lowest quotation if it believes that the bidder may be unwilling or unable to deliver at that price.

(b) **Best Value for Money**

Best value for money refers to the most advantageous combination of the quality and level of service; technical merit including support and assistance; competitive pricing that contributes to cost effectiveness; sustainability and innovation; and environmental and social considerations.

In relation to the procurement of consulting services and developmental work, the Corporation is not bound to accept the lowest quotation if it believes that the Corporation is not able to obtain the best value for money from the vendor or service provider in respect of the procurement.

(c) **Company / Organisational profile and credentials**

The profile of the vendor or service provider (including its financial strength, management's background and credibility, track record, position in the market, resources to deliver goods or services within the specified time frame)



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must be considered as part of the Corporation’s assessment of the evaluation and selection criteria.

#### 4.0 NATURE AND METHODS OF PROCUREMENT

4.1 The procurements undertaken by the Corporation, in general, can be categorised into three (3) broad areas of goods, services (consulting and non-consulting) as well as developmental work. Such procurement could be by way of outright purchase, hire purchase, rental or lease arrangement, and are intended to cater to its operational needs under normal circumstances as well as during exceptional period(s) of intervention and resolution activities as well as any disaster situation.

4.2 For the purposes of this Policy:

- (a) “goods” include related services incidental to the provision of such goods, including transportation, insurance, installation, commissioning and initial maintenance;
- (b) “services” include consulting and non-consulting services, where consulting services mean services of an intellectual and advisory nature provided by consultants using their professional skills or practical experience to meet the procuring needs of the Corporation and involves a transfer of knowledge (refers to transfer of know-how, expertise or skills).<sup>1</sup> Consulting services are also generally strategic in nature. Non-consulting services, on the other hand, tend to be more tactical and operational in nature; and
- (c) “developmental work” means a development project or initiative of the Corporation, usually in the form of a turnkey project, with tangible outcome or deliverable that has to be built, developed or customised through combinations of consulting services as well as provision of goods or non-consulting services.

4.3 “Procurement amount” means the all-encompassing costs to the Corporation including applicable taxes and incidental costs, as follows:

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<sup>1</sup> Adapted from the *Consulting Services Manual, A Comprehensive Guide to Selection of Consultants, The World Bank Washington D.C.*



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- (a) in the case of a purchase by the Corporation, the purchase price of the goods, services or developmental work; and
- (b) in the case of a hire purchase, rental or lease arrangement by the Corporation, the value of the lease or rental for the period specified in the contract.

#### Direct Sourcing

- 4.4 Any procurement amounting to RM25,000 and below may be carried out through direct sourcing.<sup>2</sup> This method refers to single sourcing or direct negotiation with a particular vendor or service provider and where there are other suppliers capable and available to provide the goods, services and developmental work.

#### Quotation

- 4.5 This method of procurement is based on comparing quotations obtained from vendors or service providers, and such quotations can include proposed services or solutions as may be appropriate to meet the Corporation's procuring needs. This method requires at least three (3) quotations, subject to the exceptions below.<sup>3</sup>
- 4.6 This method of procurement may also apply in circumstances where efforts have been taken to obtain quotations in accordance with the requirements of this Policy but only one (1) or two (2) quotations have been received.
- 4.7 Where it is not practical to obtain the minimum number of quotations due to limited number of vendors or service providers in a particular market, the relevant Head of Department or Function may seek a waiver from complying with the minimum number of required quotations from the Chief Executive Officer ("CEO").

#### Tender

- 4.8 Subject to paragraphs 4.10 to 4.20, procurements that are of highest risks, both by nature and amount of procurement, require a tender process.<sup>4</sup> Tender processes should be conducted in a manner that provides transparency and fair competition among the vendors or service providers. This may be accomplished by adhering to formal tender procedures, soliciting requests for proposals, and negotiating pricing agreements.

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<sup>2</sup> See Section 5 below on when the direct sourcing method of procurement is applicable

<sup>3</sup> See Section 5 below on when the quotation method of procurement is applicable

<sup>4</sup> See Section 5 below for procurements that require a tender process



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4.9 At any point in time, the CEO may determine that a procurement be made via a tender process, regardless of the amount, if he or she is of the view that such procurement may pose significant risks to the Corporation. Examples of significant risks that may be considered include the following:

- (a) Reputation risks – matters having an impact on the corporate image of the Corporation;
- (b) Operational risks – matters relating to the risk of not obtaining the goods and services with the best possible outcome due to spread of vendor or service provider base as well as the terms and conditions of procurement, the ability of the vendors or service providers to deliver the goods or services in accordance with the Corporation’s requirements including the likelihood of fraud while handling the procurement; and
- (c) Financial risks – matters relating to the risk of not obtaining the goods and services at the best possible price given the nature of the goods and services to be procured that may be subject to a wide range of pricing.

#### Panels

4.10 The CEO may consider and approve the establishment of a panel of qualified vendors or service providers, where appropriate, in line with the following:

- (a) Panels will generally be established for regularly supplied goods or non-consulting services that are generic, and where the establishment of such a panel would be efficient and effective for the Corporation in terms of cost, quality and timeliness of deliverables. Examples of circumstances where panels may be established are in relation to the supply of office equipment, stationery or logistics.
- (b) Strategic partnership panels may also be established for consulting or non-consulting services, not only for efficiency and effectiveness, but where such strategic partnerships allow the Corporation to obtain capacity, and improve delivery lead time, so as to enhance the Corporation’s preparedness and responsiveness during any intervention and resolution activities. Examples where strategic partnership panels may be established are in relation to firms, groups or individuals that provide services required by the Corporation such as accounting or assurance services, or valuation services, in respect of the financial services industry.





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The CEO also approves the retention or removal of any vendor or service provider from a panel.

#### ***Composition of panel***

- 4.11 Generally, the minimum composition for a panel of vendors or service providers is five (5).
- 4.12 In certain circumstances, there may be a limited number of vendors or service providers in a particular market. Where the composition of a panel is likely to be less than five (5), the procuring Department or Function may request a waiver from this requirement from the CEO. Regular reviews will nevertheless be carried out to consider other prospective vendors or service providers and to secure reliable alternative vendors or service providers to facilitate competition and mitigate the supply risk for critical work.
- 4.13 The composition of a panel shall be reviewed by the Procurement Committee<sup>5</sup> at least once every two (2) years. In order to remain on the panel, the panel vendor or service provider must continue to meet the quality and standards expected by the Corporation and this will be assessed by the Procurement Committee in line with the Corporation's prevailing vendor management programme. Any change to the composition of a panel shall be approved by the CEO.

#### ***Procurement from panel***

- 4.14 Where a panel has been established, the procurement should be made from the panel. Any proposals of any amount for procurement from a non-panel vendor or service provider shall be assessed by the Procurement Committee. Depending on the nature and amount of procurement, either the direct sourcing or quotations method shall apply. The tender process shall not apply for procurements made through the panel. However, for procurements above RM1 million, a simplified tender process<sup>6</sup> shall apply. The thresholds and procurement methods are set out in section 5.0 of this Policy.

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<sup>5</sup> Refer to paragraphs 5.3 and 5.4 in relation to Procurement Committee

<sup>6</sup> The simplified tender process would focus on technical and pricing evaluation as the due diligence and credentials of the vendors or service providers have already been assessed and would also be regularly assessed



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4.15 Where the quotation method applies, quotations will be sought from all the vendors or service providers on the panel, unless there exist circumstances that prevent a particular vendor or service provider in the panel from providing goods or services to the Corporation at the prevailing time. For the evaluations to be carried out, a minimum of three (3) quotations should be obtained from the panel, except when procurements are necessary to ensure ongoing business activities in an emergency or a disaster situation or during any intervention and resolution activity or a waiver is obtained pursuant to paragraph 4.7.

4.16 Awards must be approved by the relevant approving authority as set out in section 5.0 of this Policy.

#### **Sole Sourcing**

4.17 Sole sourcing refers to a non-competitive award to a single vendor or service provider.<sup>7</sup> Sole sourcing does not refer to procurements that are allowed to be conducted by way of direct sourcing under this Policy.

4.18 Unless expressly stated otherwise, all procurements on sole sourcing basis shall be approved by the CEO.

4.19 Generally, a sole source is justifiable in circumstances which preclude conventional planning and processing to produce the best overall outcome for the Corporation, taking into account the circumstance and all the relevant costs and benefits. Sole sourcing may apply under the following circumstances:

- (a) Member institution intervention or resolution related activities;
- (b) When the procurement is necessary to ensure ongoing business activities in an emergency or a disaster situation;
- (c) Where strategically only one vendor or service provider is considered suitable to meet all the requirements of a procurement, specifically in the following circumstances:
  - where vendor or service provider selection is limited, due to, amongst others, the unique or specific nature of services or goods as required by the Corporation. This is also subject to efforts being taken to source for vendors or service providers.

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<sup>7</sup> See Section 5 below on sole sourcing and the threshold amounts



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- where pricing comparison i.e. ‘apple to apple’ comparison may not be feasible among the limited vendor or service provider as the goods or services provided may be organisation-specific; or
- (d) Where the engagement or sourcing is a continuation of previous procurement awarded through competitive procurement methods<sup>8</sup> and the performance of the vendor or service provider has been satisfactory. This is also subject to there being no circumstance that warrants the change of vendor or service provider, or the use of competitive procurement methods.

4.20 In respect of paragraphs 4.19 (c) and (d):

- (a) The engagement to extend the services by way of sole sourcing may be approved by the relevant approving authority<sup>9</sup> for not more than three (3) years from the completion of the provision of the relevant services under the previous procurement, subject to satisfactory performance of the vendor or service provider and there being no circumstance that warrants the change of vendor or service provider, or the use of competitive procurement methods.
- (b) Upon reaching the end of the extended period of three (3) years, the engagement shall be re-evaluated for a new approval on sole sourcing basis by the CEO subject to the satisfactory performance of the vendor or service provider or through the competitive procurement methods as set out in this Policy. The same process under this paragraph may apply to the engagement upon reaching each period of three (3) years.

## 5.0 PROCUREMENT APPROVING AUTHORITIES AND MANAGEMENT

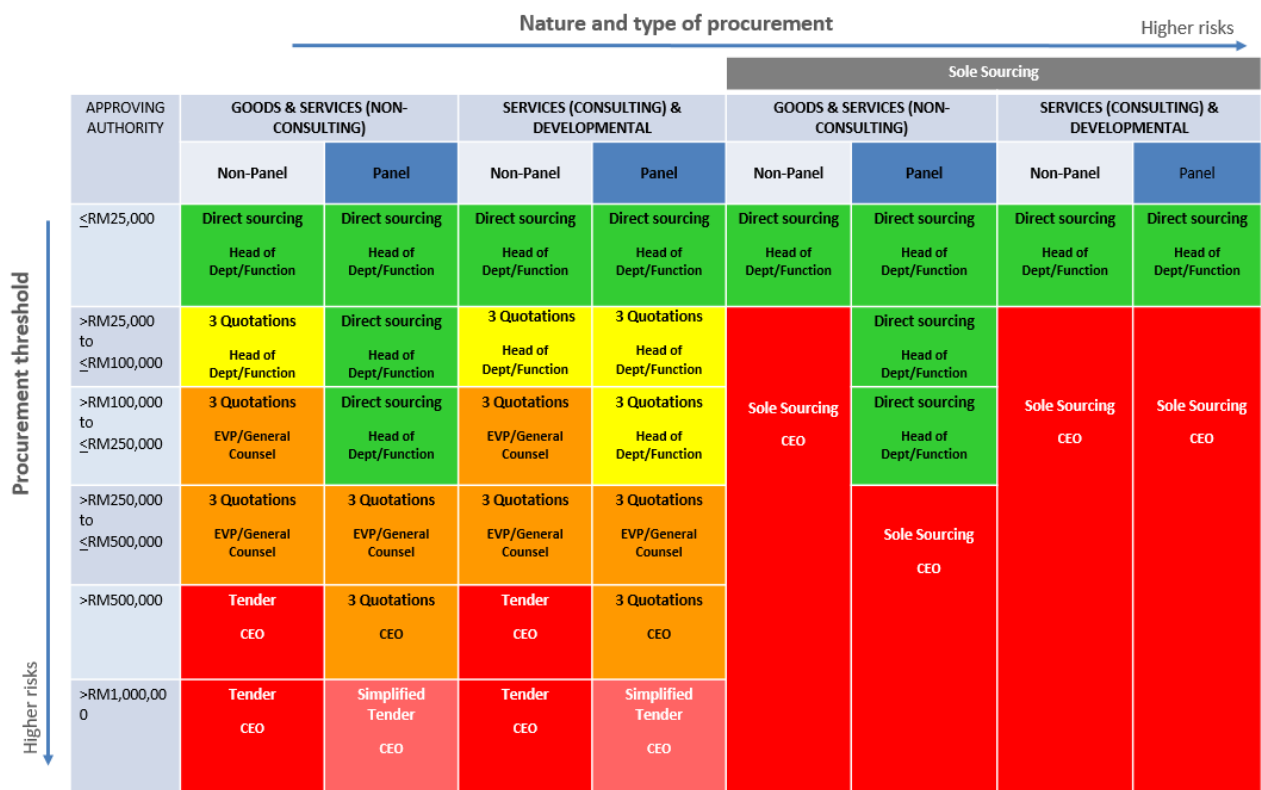
5.1 In managing its procurement processes, the Corporation adopts the differentiated procurement methods that reflects the Corporation’s risk appetite and addresses the underlying procurement-related risks that may include reputational, operational and financial risks. The procurement methods used include direct sourcing, quotations and tender, while sole sourcing is allowed only under specified circumstances. The diagram

<sup>8</sup> Refer to procurements by way of quotation, tender or panels

<sup>9</sup> The relevant approving authority will be based on the procurement amount of the engagement to extend the relevant services

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in the following page summarises the nature and types of procurements as well as the relevant approving authorities by procurement threshold.



- 5.2 The highest authority for the approval of the Corporation’s procurement resides with the CEO while the Corporation’s Board of Directors provides oversight through the Audit Committee. Management provides general as well as specific reporting to the Audit Committee, as discussed in section 8.0 of this Policy.
- 5.3 At the operational level, the CEO has established a committee (“the Procurement Committee”) to provide oversight on the procurement management for the Corporation. The Procurement Committee comprise such member(s) of the Senior Management Committee and such other employee(s) as may be appointed by the CEO. The CEO may also establish other committee(s) to provide oversight on specific types of procurements.
- 5.4 The key roles of the Procurement Committee will be determined by the CEO and may include the assessment of:
  - (a) quotations within certain thresholds for all nature of procurements;



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- (b) vendors or service providers for the purposes of the establishment of a panel, and the retention or removal of any vendor or service provider from a panel;
- (c) where a panel has been established, any proposals of any amount for procurement from a non-panel vendor or service provider;
- (d) tender bids for shortlisting; and
- (e) proposals for procurement by way of sole sourcing, except for non-consulting services, before making a recommendation to the CEO for approval, with the exception of paragraph 4.20 (a).

The Procurement Committee (or other relevant committees as determined by the CEO) may make recommendations in respect of the proposals above to the relevant approving authorities, who have the final authority to approve the transactions.

### Goods

5.5 The procurement of goods generally relates to acquisition of physical or tangible goods or supplies as well as the rights to use those goods or supplies. Examples may include office supplies, office and IT equipment, motor vehicles or commercial off-the-shelf software. Procurement of goods shall be carried out as follows:

GOODS				
NON-PANEL		PANEL		Approving Authority for Procurement and Authorised Signatory for Contract
Procurement Amount	Procurement Method	Procurement Amount	Procurement Method	
Up to RM25,000	Direct sourcing	Up to RM25,000	Direct sourcing	Head of Department or Function.
More than RM25,000 and up to RM100,000	At least three quotations	More than RM25,000 and up to RM250,000	Direct sourcing	Head of Department or Function.
More than RM100,000 and up to RM500,000	At least three quotations	More than RM250,000 and up to RM500,000	At least three quotations	Executive Vice President (“EVP”) or General Counsel.
More than RM500,000	Tender	More than RM500,000	At least three quotations	CEO.



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GOODS				
NON-PANEL		PANEL		Approving Authority for Procurement and Authorised Signatory for Contract
Procurement Amount	Procurement Method	Procurement Amount	Procurement Method	
More than RM1,000,000	Tender	More than RM1,000,000	Simplified tender	CEO.
More than RM25,000	Sole sourcing	More than RM250,000	Sole sourcing	CEO.

Table 1

### Services (Non-Consulting)

- 5.6 The procurement of services is distinguished between those that are consulting in nature and those that are non-consulting. Non-consulting services are generally more tactical or operational in nature. Examples may include items such as pest control, cleaning, hygiene, security and translation services.
- 5.7 In certain circumstances, there may be elements of consulting services embedded within a procurement of non-consulting services. To ascertain the nature of procurement, a general guidance on the predominant element shall be used where if consulting forms the dominant element of the procurement, it shall be deemed to be a procurement of consulting services. The predominant element shall be considered in terms of either the scope of work or costs against the overall procurement as well as the outcome of the procurement.

SERVICES (NON-CONSULTING)				
NON-PANEL		PANEL		Approving Authority for Procurement and Authorised Signatory for Contract
Procurement Amount	Procurement Method	Procurement Amount	Procurement Method	
Up to RM25,000	Direct sourcing	Up to RM25,000	Direct sourcing	Head of Department or Function.
More than RM25,000 and up to RM100,000	At least three quotations	More than RM25,000 and up to RM250,000	Direct sourcing	Head of Department or Function.



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<b>SERVICES (NON-CONSULTING)</b>				
<b>NON-PANEL</b>		<b>PANEL</b>		<b>Approving Authority for Procurement and Authorised Signatory for Contract</b>
<b>Procurement Amount</b>	<b>Procurement Method</b>	<b>Procurement Amount</b>	<b>Procurement Method</b>	
More than RM100,000 and up to RM500,000	At least three quotations	More than RM250,000 and up to RM500,000	At least three quotations	EVP or General Counsel.
More than RM500,000	Tender	More than RM500,000	At least three quotations	CEO.
More than RM1,000,000	Tender	More than RM1,000,000	Simplified tender	CEO.
More than RM25,000	Sole sourcing	More than RM250,000	Sole sourcing	CEO.

Table 2

### Services (Consulting)

- 5.8 Consulting services are generally strategic in nature. Procurement of consulting services shall be carried out as follows:

<b>SERVICES (CONSULTING)</b>				
<b>NON-PANEL</b>		<b>PANEL</b>		<b>Approving Authority for Procurement and Authorised Signatory for Contract</b>
<b>Procurement Amount</b>	<b>Procurement Method</b>	<b>Procurement Amount</b>	<b>Procurement Method</b>	
Up to RM25,000	Direct sourcing	Up to RM25,000	Direct sourcing	Head of Department or Function.
More than RM25,000 and up to RM100,000	At least three quotations	More than RM25,000 and up to RM250,000	At least three quotations	Head of Department or Function.
More than RM100,000 and up to RM500,000	At least three quotations	More than RM250,000 and up to RM500,000	At least three quotations	EVP or General Counsel.

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SERVICES (CONSULTING)				
NON-PANEL		PANEL		Approving Authority for Procurement and Authorised Signatory for Contract
Procurement Amount	Procurement Method	Procurement Amount	Procurement Method	
More than RM500,000	Tender	More than RM500,000	At least three quotations	CEO.
More than RM1,000,000	Tender	More than RM1,000,000	Simplified tender	CEO.
More than RM25,000	Sole sourcing	More than RM25,000	Sole sourcing	CEO.

Table 3

### Developmental Work

- 5.9 Developmental work for the Corporation generally relate to a project or initiative with tangible outcome or deliverables that have to be built or developed. Examples may include turnkey projects such as construction, major<sup>10</sup> office renovation and refurbishment, development of customised or purpose-built IT systems and infrastructure or digital-based application or module.

DEVELOPMENTAL				
NON-PANEL		PANEL		Approving Authority for Procurement and Authorised Signatory for Contract
Procurement Amount	Procurement Method	Procurement Amount	Procurement Method	
Up to RM25,000	Direct sourcing	Up to RM25,000	Direct sourcing	Head of Department or Function.
More than RM25,000 and up to RM100,000	At least three quotations	More than RM25,000 and up to RM250,000	At least three quotations	Head of Department or Function.
More than RM100,000	At least three quotations	More than RM250,000	At least three quotations	EVP or General Counsel.

<sup>10</sup> Major, in this context, involves the elements of conceptualisation and design of the office renovation and refurbishment, as opposed to merely delivering and commissioning materials or goods.





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DEVELOPMENTAL				
NON-PANEL		PANEL		Approving Authority for Procurement and Authorised Signatory for Contract
Procurement Amount	Procurement Method	Procurement Amount	Procurement Method	
and up to RM500,000		and up to RM500,000		
More than RM500,000	Tender	More than RM500,000	At least three quotations	CEO.
More than RM1,000,000	Tender	More than RM1,000,000	Simplified tender	CEO.
More than RM25,000	Sole sourcing	More than RM25,000	Sole sourcing	CEO.

Table 4

### ***Independent assurance / audit-related***

- 5.10 In respect of the procurement relating to independent assurance or audit-related services or developmental work, the Audit and Consulting Services Department shall be responsible for the selection and engagement of such service provider in accordance with the requirements of this Policy. In maintaining independence of the internal audit function, the approving authority for the procurement and authorised contract signatory shall be the Chief Internal Auditor.

## **6.0 CONTRACTS**

- 6.1 For risk management purposes, a formal contract, agreement, letter of appointment or engagement must be made in writing in relation to the following:

- (a) All procurements of services or developmental work where the contract value is more than RM25,000;
- (b) All hire purchase, rental or lease arrangements in respect of goods; and
- (c) All other procurements of goods where the contract value is more than RM50,000.

- 6.2 Depending on the risk and nature of a procurement, Management may take appropriate measures to mitigate the risk of the procurement, such as requiring a



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performance bond from the vendor. A performance bond may be in the form of a bank's guarantee, security deposit or such other form as Management considers appropriate.

- 6.3 Where the relevant laws require the affixing of the Corporation's common seal to any contract, deeds, documents or instruments, subsection 5(3) of the Malaysia Deposit Insurance Corporation Act 2011 shall apply. For avoidance of doubt, except where the law requires the affixation of the Corporation's common seal on any document or instrument, the relevant authorised signatory may sign any procurement contract within his or her approved limit.
- 6.4 The CEO may delegate the authority to execute any documents pertaining to a procurement, from time to time or in his absence, in accordance with paragraph 8.2(2) of the Corporate By-Law.

## 7.0 EVALUATION OF PERFORMANCE

- 7.1 To contribute to efficiency and effectiveness, Management shall ensure procurement arrangements are monitored and evaluated to ensure it continues to offer the expected benefits and contribute to corporate outcomes.
- 7.2 An effective contract performance monitoring and evaluation process is key to ensure that, throughout the duration of the delivery until completion of the procurement, all works carried out by the vendor(s) or service provider(s) meet the requirements of the Corporation as stated in the contract.
- 7.3 The procuring Department or Function will monitor and evaluate the performance of vendors or service providers periodically, at least once every two (2) years and determine suitability of these vendors or service providers to perform work in the future as well as ways to improve performance in accordance with the Corporation's prevailing vendor management programme.

## 8.0 GOVERNANCE AND REPORTING

- 8.1 High ethical standards promote an environment of trust and respect between buyers and suppliers. Accordingly, everyone involved in the procurement process, whether an employee of the Corporation or a third party, must declare his or her interest in



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any contract. If such interest exists, he or she must excuse him or herself from the selection process.

- 8.2 Anyone within the Corporation, in particular, those who are involved in the procurement process must comply with existing laws and the Corporation's Code of Business Conduct and Ethics and the Conflict of Interest Code.
- 8.3 The use of sole sourcing under the circumstances stipulated in paragraph 4.19 (a), (b), (c) or (d), for any contract where the amount of procurement is more than RM100,000 shall be reported to the Audit Committee and the Board on a regular basis. In addition, procurement contracts within the highest approving limit threshold as well as any unbudgeted procurement (either operational or capital expenditure) of more than RM100,000 are required to be reported to the Audit Committee and the Board on a regular basis.
- 8.4 Management will ensure adequate controls and documentation are in place to protect the integrity of the procurement process and that these are conducted in a transparent manner.
- 8.5 In case of any doubt about the provisions of this Policy, the relevant Heads of Department or Function should refer the matter to the EVP (Finance & Stakeholder) who will then assess and recommend as appropriate to the CEO for a decision, if required.

## 9.0 POLICY REVIEW

- 9.1 Management will review the Policy on a triennial basis to ensure that the Policy remains current and relevant. Any changes to the Policy will be presented to the Audit Committee for review and consideration, and subsequently to the Board of Directors for approval.

## 10.0 CROSS REFERENCES

- 10.1 Reference is made to the Corporation's Code of Business Conduct and Ethics for Employees, Conflict of Interest Code for Employees, Corporate By-Law, Supplier Code of Conduct, Policy and Procedures relating to the Corporation's Agreement and the Malaysia Deposit Insurance Corporation Act 2011.



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