



FINANCE DIVISION

Our reference: IIUM 205/4/1/1

Date: 18th February 2025

Heads of Kulliyahs / Centres / Divisions / Institutes / Offices / Mahallahs
International Islamic University Malaysia

Dear YBhg. Dato' / Prof. / Dr. / Sir / Madam,

Assalamu'alaikum Warahmatullahi Wabarakatuh

FINANCE CIRCULAR NO. 3/2025

REVISED PROCUREMENT AUTHORITY LIMITS

1.0 OBJECTIVE

The objective of this Circular is to advise all University Management Committee Members, Deans, Directors, Chief Librarian, Chief Medical Officer, and all staff of the International Islamic University Malaysia on the revised procurement authority limits for International Islamic University Malaysia.

2.0 APPLICATION

This Circular applies to all staff of the International Islamic University Malaysia.

3.0 PURPOSE

The purpose of this Circular is to set out:

- the authority limits that apply to single transactions for particular procurement authorities; and
- responsibilities and accountabilities in relation to procurement authorities.



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4.0 SCOPE

This Circular policy applies to all transactional purchasing activities for goods, services and works using funds held or managed by the International Islamic University Malaysia, regardless of their source, and including research funds.

5.0 RELATED DOCUMENTS

This Circular is to be used in conjunction with the other circulars and policy directives referenced herein. The following documents set out further information relevant to this Circular.

- IIUM Manual of Financial Policies and Procedures (MFPP) [updated 11th March 2019]
- IIUM Manual of Purchasing and Procedures (MPP) [updated 22nd April 2014]
- Finance Division Circular No. 3 Year 2022 – Procurement through Online Platform
- Finance Division Circular No. 4 Year 2022 – Procurement under Emergency Expenditure
- Policy on Procurement of ICT Resources
- Guideline on Procurement of ICT Resources
- IIUM Anti-Bribery and Anti-Corruption Policy
- IIUM Code of Business Ethics



6.0 BACKGROUND AND CONTEXT

6.1 Due to the significant time that has elapsed since the last review and the steady erosion to the value of money, the threshold values for the procurement of goods, works and services have to be revised.

6.2 The University proposed to revise the procurement threshold values for the procurement arrangement of Direct Purchase from RM20,000.00 to RM50,000.00 in line with *Pekeliling Perbendaharaan Malaysia [PK 2.10 - Pembelian Terus (Bekalan dan Perkhidmatan)]* which came into effect on 22nd November 2022 with a view to expedite the procurement process or purchase.

7.0 DECISION

7.1 The University Authority [Board of Governors] in its meeting no. 74/2024 held on 26th November 2024 approved the revision of procurement authority limits for the Head of K/C/D/I/O/M from the threshold of RM20,000.00 to RM50,000.00 and the corresponding procurement arrangements for the revised procurement authority limits. The details of the revised authority limits for procurement, the corresponding approving authorities, and the procurement methods are **highlighted in green** as summarised below.

Budget Holder / Source of Funds	Authority Limits	Procurement Methods	Approving Authorities
K/C/D/I/O/M [IIUM Campuses]	RM20,000.00 and below	Direct Purchase	Head of K/C/D/I/O/M
All Sources of Funds excluding Research Funds	Above RM20,000.00 until RM50,000.00	Quotation	Head of K/C/D/I/O/M

Budget Holder / Source of Funds	Authority Limits	Procurement Methods	Approving Authorities
	Above RM50,000.00 until RM200,000.00	Quotation	1. Rector 2. Executive Director, Finance Division
	Above RM 200,000.00 until RM 500,000.00	Quotation	IIUM Quotation Committee
	Above RM500,000.00 until RM100 Million	Tender	IIUM Tender Committee
	Above RM100 Million	Tender	Ministry of Finance
K/C/D/I/O/M IIUM Kuantan Campus	Above RM50,000.00 until RM100,000.00	Quotation	1. Campus Director 2. Head of Finance (IIUM Kuantan Campus)
All Sources of Funds Excluding Research Funds	Above RM100,000.00 until RM200,000.00	Quotation	1. Rector 2. Executive Director, Finance Division

7.2 PROCUREMENT METHODS

The procurement of goods, services and works up to the value of RM50,000 must be subject to the following methods and conditions to ensure the price of the goods, services and works to be acquired is reasonable and offers the best value for money to the University.

7.3 PROCUREMENT VALUE THRESHOLD OF RM20,000.00 AND BELOW

7.3.1 Procurement Method – Direct Purchase

Procurement of goods or services or works up to the value of RM20,000.00 shall be executed through Direct Purchase.

7.3.2 Procedures:

- i. K/C/D/I/O/M must perform a market price survey whenever a non-competitive method of purchasing [Direct Purchase] is used to solicit quotation(s) for goods or services or works to ensure the K/C/D/I/O/M obtains the best price or most reasonable price for the University.
- ii. K/C/D/I/O/M shall conduct a market price survey using methods in Section III of the **Market Price Survey Form**, attached hereto as *Attachment A*, to get at least five (5) price comparisons.
- iii. If K/C/D/I/O/M chooses Method 1 - Price Competition of Section III to solicit five (5) quotations from IIUM Registered and Unregistered Suppliers and selects the lowest and responsive offer of the five (5) quotations received, the price can be concluded to be fair and reasonable.
- iv. If K/C/D/I/O/M does not receive a minimum of five (5) quotations, the K/C/D/I/O/M must choose other methods to obtain additional price comparisons to meet the minimum number of price surveys required.
- v. K/C/D/I/O/M shall attach complete price comparison documentation and complete all sections of the Market Price Survey Form. The complete Market Price Survey Form must be submitted together with the **Purchase**

Requisition Form, attached herewith as *Attachment B*, used to secure the budget.

- vi. K/C/D/I/O/M shall submit a complete **Procurement Approval Form**, attached herewith as *Attachment C*, indicating the selected IIUM Registered supplier with a fair and reasonable price based on the market price survey conducted to the Approving Authority.
- vii. Approved Procurement Approval Form together with a complete Purchase Requisition Form including a complete Markey Price Survey Form shall be submitted to the respective Finance Zone Office for the issuance of Purchase Order.

Note : K/C/D/I/O/M is encouraged to use online purchase for goods and services up to the value of RM3,000.00 as prescribed by Finance Division Circular No. 3 Year 2022 - Procurement through Online Platform; **OR**



Petty cash for goods and services up to the value of RM500.00 in a single invoice/receipt as prescribed by Policy 4.1 - Petty Cash of the IIUM Manual of Financial Policies and Procedures (MFPP) [updated 11th March 2019].



7.4 PROCUREMENT VALUE THRESHOLD OF OVER RM20,000.00 TO RM50,000.00

7.4.1 Procurement method – Request for Quotations (RFQ)


Procurement of goods, services and works over the value of RM20,000.00 to RM50,000.00 shall be executed through RFQ. K/C/D/I/O/M must perform a market price survey for goods or services or works to ensure the price to be paid is fair and reasonable.

7.4.2 Procedures:

- i. K/C/D/I/O/M shall conduct market price survey using methods in Section III of **Market Price Survey Form** to get at least five (5) price comparisons.
- ii. If K/C/D/I/O/M chooses Method 1 - Price Competition of Section III to solicit five (5) quotations from IIUM Registered Suppliers and Unregistered Suppliers and selects the lowest and responsive offer of the five (5) quotations received, the price can be concluded to be fair and reasonable and as an Independent Price Estimate.
- iii. If K/C/D/I/O/M does not receive a minimum of five (5) quotations, it must choose other methods to obtain additional price comparisons to meet the minimum number of price surveys required.
- iv. K/C/D/I/O/M shall attach complete price comparisons documentation to and complete all sections of the Market Price Survey Form. The complete Market Price Survey Form must be attached to the **Purchase Requisition Form** and the Independent Price Estimate is used to secure the budget.
- v. K/C/D/I/O/M shall conduct an official Request for Quotations to a minimum of five (5) IIUM Registered Suppliers and K/C/D/I/O/M shall adhere to the relevant procurement processes/requirements prescribed for competitive bidding procurement method relating to:
 - a. the minimum number of seven (7) days for the Request of Quotations;
 - b. Opening of Quotations; and
 - c. Evaluation of Quotations

Note : If a period of time elapses exceeding six (6) months or market conditions change between the time the Independent Price Estimate was prepared and the Request for Quotations conducted, then an update to the Independent Price Estimate must be prepared; **AND**

The Independent Price Estimate developed prior to the official Request for Quotations must be used as a reference in evaluating bids.

- vi. K/C/D/I/O/M shall prepare a **Procurement Proposal** together with a complete **Purchase Requisition Form** including a complete **Market Price Survey Form** shall be submitted to the Approving Authority for approval. K/C/D/I/O/M is responsible to ensure the Procurement Proposal adhere to the **Due Diligence Checklist for Complete Preparation of Procurement Proposal**, attached herewith as  **Attachment D**.

7.5 PROCUREMENT FOR RESEARCH ACTIVITIES

7.5.1 Approving Authority

The details of the revised authority limits and the procurement methods for research activities are **highlighted in green** as summarised below:

Budget Holder / Source of Funds	Authority Limits	Procurement Methods	Approving Authorities
K/C/D/I/O/M [IIUM Campuses] Research Funds	RM20,000.00 and below	Direct Purchase	Head of Research (for Sponsored/ Contract and University grants only)

Budget Holder / Source of Funds	Authority Limits	Procurement Methods	Approving Authorities
	RM20,000.00 and below	Direct Purchase	Director, Research Management Centre <i>(for Ministry grants)</i>
	Above RM20,000.00 until RM50,000.00	Quotation	Director, Research Management Centre

7.5.2 Procurement Method for Value Over RM20,000.00 to RM50,000 – Request for Quotations

Procurement of goods or services for research activities with a value of over RM20,000.00 to RM50,000.00 shall be executed through Request for Quotations with certain moderation as follows:

- i. The invitation must be made to at least three (3) suppliers either bumiputera or non-bumiputera who are registered with IIUM;
- ii. The notice of invitation is shortened to three (3) days;
- iii. There is no requirement to have an Opening Quotation Committee. The bidder can directly submit the quotations via letter, facsimile or email as determined by the researcher;
- iv. Evaluation of quotations by one (1) Evaluation Committee which comprises at least two (2) members inclusive of the Chairman to be appointed by the Director of RMC;
- v. The rest of the prevailing procurement rules and regulations remain unchanged.

7.6 PROCUREMENT FOR SASMEC@IIUM

7.6.1 Approving Authority

The details of the revised authority limits and the procurement methods for SASMEC@IIUM are **highlighted in green** as summarised below:

Budget Holder / Source of Funds	Authority Limits	Procurement Methods	Approving Authorities
K/C/D/I/O/M [SASMEC] All Sources of Funds Excluding Research Funds	Above RM50,000.00 until RM200,000.00	Quotation	<u>Non-Medical Based Procurement</u> 1. Hospital Director 2. Director (Administration) 3. Deputy Finance Director
	RM50,000.00 and below	Direct Purchase / Quotation	<u>Medical Based Procurement</u> Hospital Director OR Director (Clinical), SASMEC
	Above RM50,000.00 until RM200,000.00	Quotation	<u>Medical Based Procurement</u> 1. Hospital Director 2. Director (Clinical), SASMEC 3. Deputy Finance Director, SASMEC
	Above RM200,000.00 until RM500,000.00	Quotation	SASMEC@IIUM Quotation Committee

7.6.2 Procurement Method and procedures for Medical-Based items for Value up to RM50,000

The procurement method and procedures for the purchase of medical-based items at SASMEC are outlined as follows:

- i. Direct method; **OR**
- ii. Competitive bidding with:
 - The minimum number of two (2) invited vendors;
 - The minimum number of days for invitation for quotation is one (1) day;
 - The quotation may be submitted through email or letter without the requirement to seal the quotation.

8.0 RESPONSIBILITY FOR MONITORING COMPLIANCE

8.1 The Head of K/C/D/IOM is responsible for monitoring the overall compliance with this Circular and reporting any breaches to the Executive Director of the Finance Division. Procurement officials at K/C/D/I/O/M must accordingly procure within the revised thresholds of the relevant procurement process prescribed therein. Breaches of this Circular may result in disciplinary action under the Staff Code of Conduct.

8.2 Procurement of goods, services and works shall not be deliberately split into parts or items of a lesser transaction value in order to circumvent the prescribed procurement process. When determining transaction values, where required, goods, services and works consist of different parts or items, said parts or items must as far as possible be treated as a single transaction for the purposes of determining which procurement process to follow.

8.3 Review and approval of IT-related procurements by the Information Technology Division are required. The K/C/D/I/O/M must refer to the Policy entitled “**Policy on Procurement of ICT Resources**” and “**Guideline on Procurement of ICT Resources**” for guidance and procurement value thresholds.



8.4 In line with the fiduciary responsibilities of the Head of K/C/D/I/O/M, the financial management of the K/C/D/I/O/M must be carried out efficiently, responsibly, and transparently in adherence to IIUM Anti-Bribery Management System (ABMS) Framework.

9.0 VIOLATIONS

Should violations of this Circular be verified, pursuant to the authority of the University Finance Committee, the Executive Director of the Finance Division, may, by written order, rescind or reduce the level of purchasing authority delegated to the Head of K/C/D/I/O/M. In such event, the Head of K/C/D/I/O/M will be notified.

10.0 REPEALING CLAUSE

All provisions of existing circulars and other issuances inconsistent with this Circular are hereby rescinded/repealed and/or modified accordingly.

This Circular supersedes:

- Policy No. 4.2.2 –Financial Limits of Authority, (a) Procurement Authority, No. 1 to No. 5 of IIUM Manual of Financial Policies and Procedures (MFPP) [updated 11th March 2019];
- Policy No. 4 –Organization and Delegation of Purchasing Authority, A-Organization and Delegation Philosophy of IIUM Manual of Purchasing and Procedures (MPP) [updated 22nd April 2014];
- Finance Division Circular No. 4 Year 2017;
- Finance Division Circular No. 5 Year 2017
- Finance Division Circular Letter to SASMEC@IIUM dated 18th May 2018

- Finance Division Circular Letter to SASMEC@IIUM dated 03rd September 2019; and
- Finance Division Circular Letter to SASMEC@IIUM dated 15th August 2022.

11.0 EFFECTIVITY

This Circular shall be effective immediately and remain in force unless otherwise repealed/amended.

12.0 ENQUIRIES

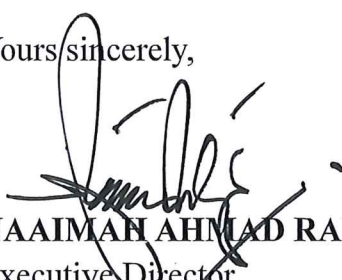
All enquiries in respect of this Circular or any other enquiries in respect of procurement must be directed to: procurementdepartment@iium.edu.my

In line with good governance and best practices in financial management, all staff are required to strictly adhere to the new procurement authority policy, with the utmost accountability, and consistently uphold the University's policies, procedures, and guidelines.

Thank you. *Wassalam.*

LEADING THE WAY

Yours sincerely,



NAAIMAN AHMAD RADZI
Executive Director
Finance Division
International Islamic University Malaysia

- c.c. : Rector
- : Deputy Rector (Academic and Internationalisation)
 - : Deputy Rector (Research, Innovation and Development)
 - : Deputy Rector (Student Development and Community Engagement)
 - : Executive Director (Management Services Division)
 - : Campus Director, IIUM Kuantan Campus
 - : Legal Adviser
 - : Director, Office for Strategy & Institutional Change
 - : Director, Risk Management Office
 - : Director, Office of Internal Audit