

PROCUREMENT POLICY

1- Principle

This Procurement Policy applies to all Coculture staff, managers, directors, freelancers, and officers, as well as any partners who are acquiring ongoing contractual relationships for the provision of services and/or goods to or on behalf of Coculture. This Policy may be shared with potential suppliers, donors, and external partners and incorporated into any resulting contractual relationship.

2- Purpose of Procurement Procedures

The purpose of procurement procedures is to ensure that:

- All goods and services are procured in a consistent and transparent manner across all units and the programs /projects it supports.
- A process of neutrality and fairness be applied through all stages of the tendering and purchasing process.
- Goods and services are acquired with the supplier offering the best value for money.

3- Policy

3.1. Rationale:

The Procurement Policy for Coculture has been established to ensure that:

- Coculture obtains the best value for its purchases in terms of cost and quality.
- The purchasing process is effective and efficient.
- The system is financially practical, transparent, and accountable to all stakeholders.
- It is in line with the organization's policies.
- Is able to manage and prevent potential conflict of interest situations.
- That the organization has a mechanism for monitoring and evaluating performance in purchasing and procurement.
- It is sufficient in its processes to be protected from complaints and legal actions mounted by potential suppliers who believe they have not received fair treatment.

3.2. Ethical Guidelines:

As part of the Organization's good control objectives, Ethical guidelines have been established and are to be adhered to in the course of goods and services procurement. As such, the following are to serve as a guideline for the Purchasing process:

- To obtain the best value for the organization's goods and service's needs.

- To ensure that there is a clearly defined documented process of all purchases that is followed consistently and thus allows for the transparency of decisions and any required purchase reviews by stakeholders.
- All of the Organization's Staff will ensure that they are not, or are not perceived to be, in a conflict of interest with any supplier,
- Those Staff who have, or may be perceived to have, a vested interest in the outcome of a purchase must disclose any conflict to their immediate supervisor in order to determine whether they should exclude themselves from any role in the purchase, and this process be clearly documented in case a review is required, and
- That all Staff involved in the procurement process be suitably skilled and qualified to attend to the completion of their purchasing and contracting role(s).
- Where procurement is taking place for program/project goods and services, the directives of the Donor Agency will prevail should there be a conflict.

3.3. Procedures

There are three methods of Procurement for goods and/or services:

- Direct Purchase from a company/supplier.
- Written quotation.
- Call for Expressions of Interest.

3.3.1 Direct Purchase

Purchase of goods and services up to 800 EUR may be purchased without quotations, subject to the following conditions:

- a) Values should be reasonable and consistent with normal market values for comparable items,
- b) The quality of the of the item is relative to the value paid,
- c) The organization's director should approve the procurement.

However, in the case of the above procurement for program/Unit goods and services, the directions of the Donor Agency will prevail.

3.3.2. Written quotation

For purchases of more than 800 EUR, a minimum of three written quotes must be obtained subject to the following conditions:

- a) Values paid should be reasonable and consistent with normal market values for items of a similar nature
- b) Requirements should not be split into components or succession of orders for the same goods or services for the purpose of enabling the goods/service to be obtained under 800 EUR.
- c) The organization's director should approve the procurement.

Process:

- 1- Procurement of goods and services shall be properly approved. Procurement of goods and services in total shall be approved by means of annual and quarterly budgets. The budget prepared must be in accordance with the donor's policy & guidelines. For this purpose, an estimated expenditure on the procurement of goods and services shall be prepared by identifying line items of expenses,

activity plan, and funding commitments for the current and future quarters, together with quotations obtained. Any intended purchase of goods and services shall be first fully defined in terms of its quantity, quality, and other performance parameters to ascertain the type of good and service to satisfy the user's needs. The purchase requisition shall be reviewed and approved after considering the budget availability, estimated expenditure, and need. The actual expenditure shall be within the approved budget.

- 2- Procurement of goods and services shall be made for the best terms available and shall avoid all possible personal conflicts of interest. The inquiry shall be made as to the need of goods/services required and make appropriate decisions for procurement. Quotation shall be obtained from various available suppliers.

Purchases shall be carried out wisely and economically as opposed to cheaply. The best shall be bought within the allocated budget. This requires taking other factors like quality, delivery, payment terms, after-sale service, etc. into account.

- 3- In some instances, donor agencies stipulate conditions for the purchase of certain goods and services; these shall be complied with. Decisions for procurement shall be made after careful vetting of various quotations and suppliers. On approval, a purchase order (PO) shall be raised to place the order with the supplier selected.

- 4- Goods and services received shall be properly inspected for quality, quantity, and condition.

All goods/services received shall be checked with the PO to ensure that only ordered items are received, and in case of any discrepancy shall be reported to the director.

Inquiry shall be made with the supplier in case where goods/services received are not in accordance with the PO, and corrective action shall be taken to avoid incurring any loss in procuring the wrong goods and service. In case of goods returned to suppliers for which an invoice was raised, a credit note must be obtained at the time when such goods are returned. The recipient should not sign the delivery note, and the reason for non-acceptance should be noted on it. In the case of procurement of any technical goods or services, external assistance (expert) may be sought in the identification and specification of goods/services.

Acknowledge the receipt of goods/services by signing the delivery note or by preparing the goods received note.

- 5- All procurement of goods/services shall be properly accounted. All supporting documents, including PO, invoice, delivery note etc shall be verified to ensure that only those goods specified in the PO are received. Record purchases of goods and services in the books of account.

3.3.3 Competitive Tendering and Contracting

Expressions of Interest (EOI) and Requests for Proposals (RFP) consist of procedures that are intermediate between obtaining written quotations and seeking tenders.

It is generally used to select an initial field of probable competitors who can provide innovative solutions within a given field for all purchases over 5,000 EUR.

- A) In the case of requests for Proposals or Expressions of Interest, a detailed overview of the product or service concept that is required is prepared and forwarded, along with a covering letter to a number of identified suppliers who are invited to submit written proposals.
- B) Similarly, requests For Proposals/Expressions of Interest can be announced in a variety of advertising mediums to achieve the most significant exposure to potential suppliers.
- C) Under this arrangement, Coculture is subsequently able to negotiate variations to the specification with a preferred supplier.

- D) The approval of these contracts, which are generally large in nature, requires the coculture Executive Director to be part of the final selection and sign-off process.

3.4. Waiver Request

A waiver of obtaining quotations can be obtained. The requirement of obtaining a quotation can be waived in rare or exceptional cases where it is not practical or the amount is not material. Such waivers can be limited to emergency purchases, which include failure to obtain an item that could endanger life or property, cause substantial additional expense or significant loss of revenue, or in cases where there is only one sole supplier available. Proper documentation and approval by the director shall be obtained. However, donor compliance should be reviewed before applying the above process.

Authorized by coculture CEO
Khaled Barakeh

