

Procurement - Policy & Procedures

1.0 Purpose

- 1.1 These policies and procedures address the acquisition of goods and services for all University departments in a manner that is transparent, efficient, and ethical. The purpose is to mitigate risks, maintain compliance with regulations, and achieve cost-effectiveness.

2.0 Scope

- 2.1 This policy applies to all University personnel who are involved in the procurement of goods and services for AUIB.

3.0 Definitions

- 3.1 Procurement - the process of acquiring goods, works, and services, covering both acquisitions from third parties and in-house providers.
- 3.2 Procurement unit - the procurement function within the Financial Administration Department (FAD), headed by the Procurement Supervisor.
- 3.3 Purchase request - an electronic document that requests the purchase of goods or services. A purchase request is not an order for purchase, but a request for permission to purchase based on the department's budget.
- 3.4 Purchase order - a commercial source document that is issued by the University's procurement department when placing an order with a vendor or supplier. The purchase order contains details of the items to be purchased, such as the types of goods, quantity, and price. It is the contract between the University and the seller.
- 3.5 Request for quotation - an electronic document that invites vendors to submit price quotes and bids for goods or services.
- 3.6 Standard cost - a budgeted unit cost used to charge departments for goods and services.
- 3.7 Supplies inventory - a stockroom maintained by the FAD that keeps a supply of commonly demanded items (e.g., paper, pens).

4.0 Policy

- 4.1 Procurement is the responsibility of the Procurement Unit within the FAD.
- 4.2 The procurement process can take an average of 7-10 days (from the local market), so departments making requests for goods and services should take this into account. Some goods are in inventory and can be supplied immediately.
- 4.3 Any major acquisition or acquisition that is time-sensitive should also be discussed with the Vice President of Administration and Finance (VPAF) in a face-to-face meeting so that it receives priority handling.

- 4.4 All acquisitions must conform to the approved budget amounts for the department.
- 4.5 Any acquisition not covered by the approved budget must be handled on an exception basis by submitting the request to the VPAF.
- 4.6 Requisitions that require importing may need a lead time of up to 3 months.
- 4.7 The procurement team can freeze requisitions from parties that haven't received delivered items in the system.
- 4.8 For items that exceed the price threshold, the order needs to go through additional approval processes, and the requesting party needs to provide justifications for the potential economic and academic value. This will extend the expected delivery date.
- 4.9 Electronic Hardware must be requested first from the IT department if not available in stock, then the IT department will request it on behalf of the requester.
- 4.10 Items that have designs and affect the University's image or identity like signage, marketing materials, décor etc. must be pre-approved by the marketing team.

5.0 Procedures

- 5.1 Each department has two assigned roles concerning the procurement of goods and services:
 - Administrator - this person has the credentials to submit procurement requests for the department.
 - Line manager - this person has the credentials to approve procurement requests for the department. A line manager can also submit procurement requests.
- 5.2 To procure a good or service, the administrator or line manager signs onto the AUIB website by selecting the faculty and staff tab, then clicking on the Finance ERP option in the drop-down menu.
 - 5.2.1 In their absence, the administrator can alter the settings in the Oracle Procurement Module so that another person is delegated to make a purchase request.
- 5.3 Once a purchase request is entered, it will be electronically addressed to the line manager in the department who is responsible for approving the request. The line manager can approve or reject the purchase request. The approved purchase request is electronically routed to the Procurement Unit within the FAD.

Initial Screening

- 5.4 The Procurement Unit will first screen the purchase request to determine if the department has sufficient budget to cover the requested goods or services. If the remaining budget amount is not sufficient, the purchase request will be rejected.



5.4.1 The Procurement Unit will screen the purchase request for prohibited items and reject any request for the following:

Open flame items:

- Candles
- Incense
- Lighters

Sharp objects:

- Knives (unless required for specific tasks and with proper safety measures)
- Box cutters
- Razor blades

Chemicals and hazardous materials:

- Toxic or flammable substances
- Strong cleaning chemicals
- Industrial solvents

Electrical devices:

- Space heaters (unless approved)
- High-powered electrical appliances without safety certifications
- Damaged or faulty electrical equipment

Heavy machinery:

- Equipment without proper safety features
- Machinery with unguarded moving parts

Weapons:

- Firearms
- Ammunition
- Explosives

Medical supplies:

- Needles (unless for medical purposes)
- Controlled substances (other than prescription drugs acquired by the Medical Clinic)

Unauthorized electronics:

- Surveillance equipment without proper authorization
- Unauthorized recording devices

Biological materials:

- Live animals (unless for approved purposes)
- Biological specimens without proper handling procedures

Other dangerous items:

- Gasoline and other flammable fuels
- High-risk sports equipment without proper safety measures
- Non-compliant or recalled products

Purchase Request - Inventory

5.5 If the purchase request passes the initial screening described above, the Procurement Unit will check if the items requested are kept in the Supplies Inventory.

5.6 If the items are available, they will be dispatched by the Inventory Coordinator, who is responsible for the stockroom.

5.7 The Inventory Coordinator enters the transfer into the system, which automatically charges the department the cost of the items. At this point, the transaction is completed.

Purchase Request- Ordering

5.8 If the item requested is not in stock, then a Procurement Coordinator is assigned to send a Request for Quotation to the appropriate suppliers.

5.9 Once quotations have been received, the Procurement Coordinator, after consultation with the Procurement Supervisor and the requesting department, if needed, submits a Purchase Order to the supplier chosen to supply the goods or services.

5.10 The Procurement Supervisor will expand as necessary and maintain a list of suppliers with a proven track record of high-quality performance and responsiveness.

Purchase Request - Goods Received

5.11 All goods ordered are delivered to the Inventory Warehouse. The Inventory Coordinator accepts the goods and then notifies the purchase requester to retrieve the items.

5.12 When receiving the items, the purchase requester signs a Goods Received Note accepting the Goods.

5.13 The received documents and the Goods Received Note are then forwarded to the Procurement Coordinator.

Purchase Request - Invoice

5.14 Once the good or service is provided, the supplier sends an invoice to the Procurement Unit.

5.15 The assigned Procurement Coordinator then assembles the order, goods received note, and invoice to the Accounts Payable Accountant, to cross check.

5.16 Any discrepancies between the two documents must be corrected before processing and making payment.

5.17 The Accounts Payable Accountant makes the payment and provides the SWIFT/payment voucher to the Procurement Coordinator to indicate completed transaction. All documents related to the transaction are archived.

Related Policies and Documents

Procurement Form

Risk Management Policy

Records Management Policy