



Procurement Policy

and its Appendices

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Procurement Policy

Table of Contents

PURPOSE	3
POLICY STATEMENT	3
CORE VALUES	3
SCOPE.....	3
CUSTODIANSHIP.....	3
PROCUREMENT PLANNING.....	3
CYCLE - GENERAL	4
CYCLE - UNIVERSITY LIBRARY	4
CYCLE – FACULTY TEXTBOOKS	4
ACQUISITION MATRIX.....	5
DELEGATION OF AUTHORITY (DOA) MATRIX.....	5
VENDOR FILE.....	6
PRE-QUALIFICATION	6
DEALINGS	6
SOLICITNG INFORMATION	7
PRE BID MEETING.....	7
BID COMMITTEE.....	7
COMPETITIVE BIDDING	8
BID EVALUATION.....	8
BID AWARD	8
RECEIVING	9
WARRANTY	9
RETENTION.....	10
CLEARANCE	10
EXCEPTIONS TO COMPETITVE BIDDING.....	10
PROCESS.....	11
ETHICS	11
CONFLICT OF INTEREST	11
ENTIRE POLICY.....	11
AMENDMENTS.....	11
APPENDICES	11

Procurement Policy

PURPOSE

The purpose of this Policy is to provide guidelines regarding procurement and purchasing of goods and services at Notre Dame University-Louaize (NDU) (the “University”).

POLICY STATEMENT

All University procurement and purchasing activities shall be undertaken by the Office of Procurement in accordance with the details of this Policy

CORE VALUES

Procurement and purchasing activities shall be undertaken upholding the principles of fairness, transparency, service, quality, effectiveness, efficiency, cost optimization, and stocks management optimization.

SCOPE

This policy applies to procurement and purchasing for / and on behalf of all constituents of the University.

This includes faculties, departments, grants, programs, activities, events, initiatives, etc. on main campus, regional campuses, and any auxiliary to the University.

The definition of terms annexed to this Policy (Appendix A) are an integral part and shall serve as references to explain, clarify, and compliment the policy.

CUSTODIANSHIP

The Office of Procurement is the custodian of this policy.

The University Administration is responsible for protecting the integrity of the procurement process and maintaining fairness in the University’s treatment of all suppliers.

PROCUREMENT PLANNING

Procurement planning is crucial for effective and efficient solicitation of information, quotations, bids, etc. Appropriate planning enables the University to avoid last-minute sporadic procurements and secure a fair, competitive, and transparent process.

End-users should contact the Office of Procurement early enough in order to plan and coordinate efforts.

Procurement Policy

CYCLE - GENERAL

End-users initiate the process via filling a Procurement Request (PR) / Service Request (SR) clarifying the purchase / service specifications.

End-users line management approve the PR / SR and forward it to the Budget Office for clearance¹.

When cleared, the Budget Office forwards the PR / SR to the Office of Procurement for processing.

Accordingly, the Office of Procurement issues the Purchase Order (PO) and proceeds with acquiring goods or services as per the Acquisition Matrix.

CYCLE - UNIVERSITY LIBRARY

The University Library procures books and resources primarily through the Acquisitions Department and the E-resources and Serials Department.

End-users initiate the process via filling a Procurement Request (PR) clarifying the purchase specifications.

End-users line management approve the PR and forward it to the University Library.

The University Library obtains quotes / estimates from distributors / publishers, chooses the lowest acceptable, plugs-in the data onto the related PR, then forwards the PR to the Budget Office for clearance².

When cleared, the Budget Office forwards the PR to the Office of Procurement.

The Office of Procurement, in coordination with the University Library, issues the related PO, as per the Acquisition Matrix.

Accordingly, the University Library proceeds with acquiring books (hardcopy and/or electronic) or acquiring subscriptions to databases, journals, magazines, newspapers, etc. (hardcopy and/or electronic).

CYCLE – FACULTY TEXTBOOKS

The University Faculties procure textbooks to be used by faculty teaching courses through the University Bookshop.

End-users initiate the process via filling a Procurement Request (PR) / Book Adoption Form clarifying the purchase specifications.

End-users line management approve the PR and forward it to Service Provider³.

¹ Budget Office shall state whether it is within budget, over budget, or not budgeted for

² Budget Office shall state whether it is within budget, over budget, or not budgeted for

³ As applicable

Procurement Policy

The Service Provider plugs-in the data (textbook title, publisher, edition, etc.), onto the related PR, then forwards the PR to the Budget Office for clearance⁴.

When cleared, the Budget Office forwards the PR to the Office of Procurement.

Accordingly, the Office of Procurement, in coordination with the Service Provider, issues the related PO, as per the Acquisition Matrix.

The Service Provider proceeds with acquiring books (hardcopy and/or electronic).

ACQUISITION MATRIX

The University acquires goods and services as per the following acquisition matrix:

#	Category	Method	Threshold
1	Micro Purchase	Direct Order (verbal quotes ⁵)	Appendix B
2	Small Purchase	Direct Quotations (at least 3 written quotations)	Appendix B
3	Bid (Sealed)	Above Acquisition Threshold (at least 3 sealed bids)	Appendix B

Appendix B provides the specific US \$ amounts for the Acquisition Matrix.

For Direct Quotations and Bids, the University should obtain at least three written offers from qualified suppliers.

DELEGATION OF AUTHORITY (DOA) MATRIX

The University delegates the authority to approve procurement activities as per the following matrix:

#	Approval to Issue Purchase Order (PO)	Threshold ⁶
1	Director of Procurement	Micro Purchase
2	Director of a Regional Campus	Small Purchase
3	Director of Finance	Small Purchase
4	Vice President for Finance	Bid (Sealed) up to a US \$ Ceiling
5	President	Bid (Sealed) more than a US \$ Threshold

Appendix C provides the specific US \$ amounts for the Delegation of Authority Matrix (DOA).

⁴ Budget Office shall state whether it is within budget, over budget, or not budgeted for

⁵ Verbal quotes documented by Procurement

⁶ It is implicit that the authority of an officer who approves a higher threshold encompasses a lower threshold

Procurement Policy

VENDOR FILE

The Office of Procurement shall maintain vendor files for all third parties from which it procures goods and services.

The Office of Procurement and the Office of Finance shall set the required documents, data, and information needed from third parties.

The Office of Procurement shall contact third parties to obtain needed documents, data, and information.

The Office of Procurement is responsible to keep Vendor files up-to-date at all times.

PRE-QUALIFICATION

The University shall pre-qualify bidders, suppliers, and service providers before dealing with them.

The Pre-qualification consists of screening of potential contractors, suppliers, or vendors to develop a list of qualified bidders who will receive the Request for Bid (RFB) documents or supplier with whom the University shall buy from. Pre-qualification is made on the basis of factors such as experience, financial ability, managerial ability, reputation, work history, etc.

The quantitative aspects of the above parameters should be commensurate with the aspired serviced value and shall be set by the University Administration on a case-by-case basis.

The Office of Procurement shall perform the pre-qualification process based on data, information, input, feedback, etc. from concerned stakeholders and based on its research, studies, analysis, etc.

The Vice President for Finance shall oversee and approve the pre-qualification process.

DEALINGS

The University shall procure its needs from parties mentioned on the Supplier List. This list includes Strategic Suppliers and Approved Suppliers.

The University shall suspend dealings with Suspended Suppliers and abstain from dealing with Blacklisted Suppliers.

The Office of Procurement shall recommend suspending or blacklisting suppliers based on data, information, input, feedback, etc. from concerned stakeholders and based on its research, studies, analysis, etc.

The University President shall approve suspending and blacklisting suppliers based on the recommendation of the Vice President for Finance, as justified by the Office of Procurement.

Procurement Policy

SOLICITING INFORMATION

The University shall solicit information based on which it will plan, prepare, and procure its needs through:

1. Request for Information (RFI)
2. Request for Quotation (RFQ)
3. Request for BID (RFB)
4. Request for Technical Proposal (RFTP)

The Office of Procurement shall issue, receive, and handle the above requests.

PRE BID MEETING

When need be, and as justified by the bid or project subject, prospective bidders shall be invited to a pre-bid meeting.

In this meeting, the University shall explain the objective, scope, and particularities of the bid in question, shall answer all questions, and make both the questions and answers available to all prospective bidders, regardless if they attended the pre-bid meeting or not, or if they are invited to participate in the bid after the pre-bid meeting.

Moreover, within the set deadline, the University shall answer any subsequent question received from any prospective bidder and shall share both the inquiry and the answer with all other prospective bidders.

BID COMMITTEE

The Bid Committee is authorized to open RFBs, RFPs, RFQs, RFIs, RFTBs, pre-qualify bidders, assess end-user evaluation reports, technical evaluation reports, recommend award of bids, and recommend cancellation of bids.

It consists of the Director of Procurement, or assignee, (chair), Director of Finance, or assignee, (member), end-user delegate(s) (member), technical evaluation delegate, as applicable, (member), assigned procurement agent (secretary).

The University Internal Auditor has the discretion to attend any bid committee meeting, ex-officio.

To enable the University Internal Auditor to perform its duties, the Chair of the Bid Committee is responsible to inform Internal Audit of the Bidding Schedule ahead of time.

The President, or any concerned Vice President, may appoint additional members to the Bid Committee, as justified by the bid subject and as deemed appropriate.

Procurement Policy

COMPETITIVE BIDDING

The University shall procure its needs via competitive (sealed) bidding for the transactions that fall above the threshold stated in the Acquisition Matrix.

The Bid Committee invites, handles, evaluates, and recommends award and/or cancellation of bids.

With the bidding invitation, the Bid Committee request bidders to submit a bid bond.

Upon award of the bid, the Bid Committee shall:

1. Return the bid bonds to unsuccessful bidders
2. Ask the winner of the bid to replace the bid bond with a performance bond

The Bid Committee shall recuperate Liquidated Damages and use the Bid Bond or Performance Bond, if a supplier breaches an obligation.

BID EVALUATION

The Bid Committee, before it disseminates a bid, must set the parameters, factors, and weights for technical and price evaluations. These parameters, factors, and weights must be shared with solicited bidders as part of the bid invitation documents.

The Bid invitation shall request bidders to submit their technical offer and financial offer in two separate sealed envelopes.

The University President, based on the recommendation of the Vice President for Finance, shall designate the Office where sealed bid envelopes shall be submitted.

Bid evaluations are performed in two separate steps: Technical evaluation and Price Evaluation.

Based on the results of the technical evaluation, the envelopes which contain the financial offers of acceptable bidders shall be opened; the envelopes which contain the financial offers of non-acceptable bidders shall be returned to these bidders intact.

BID AWARD

The Bid Committee recommends the award of bids to the acceptable supplier that provided the lowest price, when price is the only decisive factor.

The University reserves the right to award the bid to any other supplier based on a hybrid parameters of price and other factors (whole-of-life approach).

The Vice President for Finance or the President approve the award of bid in accordance with the Delegation of Authority Matrix (Appendix C).

The Office of Procurement shall notify the supplier to whom the bid was awarded via an Award Letter.

Procurement Policy

At the same time when the Award Letter is sent, the Office of Procurement shall send Regret Letters to the suppliers to whom the bid was not awarded.

The University President shall approve exceptions to Bid Award based on the recommendation of the Vice President for Finance, as justified by the Office of Procurement.

RECEIVING

Receiving of goods and services is a multi-layer process.

Receiving / Warehouse team receive goods to be delivered to end-users, in accordance with the terms and conditions of the PO. In case of mismatch and/or discrepancy, Receiving team reject the items and create necessary documentation.

End-users receive goods from Receiving team or services from the service provider.

Receiving of Library and / or Faculty items should be coordinated with the University Warehouse Receiving.

Technical experts, as appropriate, receive the technical aspect of goods or services.

The University Receiving Committee acknowledges final receiving of goods and services, based on the receiving of warehouse, end-users, and technical experts.

In addition, final receiving may be supported, as appropriate, by the contractor performance evaluation, commissioning report, quality inspection report, etc.

The University Receiving Committee consists of the Director of Procurement, or assignee, (chair), end-user delegate(s) (member), technical evaluation delegate, as applicable, (member), assigned procurement agent (secretary).

WARRANTY

All acquisitions of machinery and equipment should be subject to manufacturer warranty.

Warranties shall be applied before incurring the cost of repairs and/or replacement of any machinery and equipment.

Procurement Policy

RETENTION

For work contracts (civil, mechanical, electrical, woodwork, installation, etc.), in line with best practice, in accordance with contract terms and conditions, a retention of a certain percentage of the value of the contract shall be retained (e.g. 10%).

Such a retention shall be released after the lapse of a specified period (e.g. one year, one season) or after meeting a certain milestone (e.g. commissioning).

CLEARANCE

Upon final receiving of works, the Service Provider shall submit to the University a Release Letter, duly signed by their authorized signatory, whereby they discharge the University from all rights pertaining to the works and acknowledge receipts of all payments.

This Release Letter is a pre-requisite for the University to settle the final payment to the Service Provider.

The Service Provider shall submit the Release Letter and collect the check simultaneously.

EXCEPTIONS TO COMPETITIVE BIDDING

Competitive bidding is not required in the following cases:

- 1- Transaction falls below the Acquisition Threshold for bidding
- 2- Sole Source
- 3- Standardization
- 4- Emergency procurement:
 - a. when life, public health, or safety are at risk
 - b. when property, equipment, or assets are at risk

The Office of Procurement shall recommend exceptions to competitive bidding based on data, information, input, feedback, etc. from concerned stakeholders and based on its research, studies, analysis, etc.

The Vice President for Finance shall approve emergency procurements in accordance with the Delegation of Authority Matrix (Appendix C), as justified by the Office of Procurement.

The University President shall approve exceptions to competitive bidding based on the recommendation of the Vice President for Finance, as justified by the Office of Procurement.

Procurement Policy

PROCESS

The Procurement Office issues serially pre-numbered Purchase Order (PO) based on quotations, Proforma Invoice, or results of Bids, as per the relevant Authority Matrices. All POs must be initiated by Procurement Requests (PRs) as per the details of this policy.

The Procurement Office issues Zero-dollar Purchase Orders and approves Partial Deliveries (PDs).

Settlements for goods and services received shall be based on the three-way matching of Invoice to Purchase Order to Receiving, in accordance with the University Payment Policy.

ETHICS

The University expects its constituents not to:

- 1- Resort to splitting purchases in order to avoid falling in a higher-bracket Acquisition Matrix
- 2- Solicit or accept kickbacks from third parties
- 3- Enter into collusion against the University

In such a case where any of the above occurs, the University shall resort to the Code of Ethics Policy, Gift Policy, and the Anti-Fraud Policy, and enforce appropriate sanctions.

CONFLICT OF INTEREST

The University expects its constituents to abide by its Conflict of Interest Policy while undertaking procurement / purchasing activities.

ENTIRE POLICY

This Policy represents the entire terms in relation to its subject matter and supersedes all previous policies or arrangements pertaining to procurement.

AMENDMENTS

This Policy shall be amended as needed.

Amendments to the Policy shall be endorsed by the University Council (UC) and approved the Board of Trustees (BOT).

Amendments to Appendices shall be decided upon and approved by the University President.

APPENDICES

Attached.