



**Afghanistan Educational & Health Development Aids
Organization**

AEHDA

Procurement Policy

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About AEHDA

The Afghanistan Educational and Health Development Aids Organization (AEHDA) is a nonprofit, non-political, non-sectarian, and non-governmental humanitarian women lead organization. Originally established as an association in July 2003, AEHDA underwent additional registration with the Ministry of Economy (MoE) at the end of 2020, officially becoming an NGO with registration number 5085. AEHDA's mission spans education, a One Health Approach, healthcare, public nutrition, water, sanitation, hygiene, food security, advocacy and communication, training, capacity building, as well as research and development.

AEHDA was established by a group of committed, dedicated and professional volunteers to offer result-oriented services to rural, urban slums and urban areas of Afghanistan. AEHDA's services will be delivered through utilization of easy adaptable, contextual, accessible and participatory community empowerment strategies in accordance with the key principles of result-based management (RBM) approaches, and in line with Afghanistan national development priorities and national strategic plans. On the other hand, considering the professional/technical capacities in provision of primary education and public health services, AEHDA is one of the pioneer local NGO that provides contemporary, affordable and quality educational and public health services to Afghan population.

Vision:

AEHDA envisions empowering Afghan women, youth, children, and vulnerable groups through equitable access to quality education, healthcare, well-being, sustainable livelihoods, and essential services, fostering a prosperous and resilient Afghanistan.

Mission :

AEHDA is committed to empowering Afghan women, youth, children, and vulnerable groups by providing accessible, quality, and sustainable education, healthcare, mental health and psychosocial support, livelihood opportunities, and essential services. We strive to foster community resilience, social cohesion, and economic growth, ultimately contributing to a prosperous and self-reliant Afghanistan.

2. Procurement Policy

The AEHDA Procurement Strategy outlines how the principles of the procurement policy are implemented in the organization's operations. AEHDA employs specific methods to purchase goods, equipment, and services needed for the organization or its projects. Competitive bidding is a priority. The primary criterion for choosing a supplier is the lowest bid. However, if a supplier does not meet the required service level or provide an adequate guarantee, other criteria will be considered. The purchase file will document why the lowest bid was not chosen.

2.1. Purpose

The purpose of this policy is to provide guidelines for AEHDA's staff involved in procurement activities, ensuring the smooth operations of the organization while complying with various statutory requirements. This policy helps the Organization meet its objectives by enhancing the regulations governing AEHDA's internal control system for procuring goods and services. It ensures that procurement is managed by skilled individuals who can evaluate necessary

purchases, obtain the best value for money from suppliers, stay within budget, and ensure that purchased goods and services meet the specified quality, quantity, and price.

2.2. Procurement Cycle

The procurement cycle involves a series of structured steps and documents that facilitate the efficient acquisition of goods and services. It begins with the Requestor, who identifies and submits a need for procurement. Depending on the nature and budget of the request, various solicitation documents are employed;

1. A Request for Quotation (RFQ) for straightforward, lower-value purchases;
2. An Invitation to Bid (ITB) for formal competitive bidding on higher-value contracts; and
3. A Request for Proposals (RFP) for services requiring detailed proposals and evaluation.

The cycle culminates in formalizing agreements through a Contract, which can be a Purchase Order for goods or a Service Contract for services. This systematic approach ensures transparency, accountability, and effective management throughout the procurement process.

2.3. Key terms

- **Requestor** - The logistic unit or staff member who submits a request for goods or services to be procured.
- **Request for Quotation (RFQ)** - A solicitation document describing the requirements quantitatively and qualitatively, requesting prices and commercial terms from vendors for goods that meet neutral specifications and are typically readily available on the market. The budget range is US\$ 200 to US\$ 5,000.
- **Invitation to Bid (ITB)** - A solicitation document specifying the requirements for formal competitive bidding for contracts with a budget above US\$ 5,000.
- **Request for Proposals (RFP)** - A solicitation document designed to obtain proposals for services that cannot be fully or definitively described. An RFP leads to the selection of the proposal offering the best value according to pre-defined evaluation criteria. Where appropriate, the RFP may indicate that negotiations will be undertaken with the preferred proposal.
- **Contract** - A deliberate agreement between two or more competent parties to perform or not to perform specific acts. In some cases, a Purchase Order, when accepted by the vendor, becomes a contract.
- **Purchase Order** - A contract for the procurement of goods and services.
- **Post contract management** - Post-contract management involves overseeing and ensuring compliance with the terms and conditions established in a contract after it has been executed. This phase includes monitoring the performance of the vendor or service provider, verifying that deliverables meet agreed-upon standards and timelines, and managing any issues or deviations that arise. Effective post-contract management also entails maintaining clear communication with all parties involved, addressing contract amendments or disputes as needed, and ensuring that all contractual obligations are fulfilled to support successful project outcomes and sustain long-term business relationships.

2.4. Responsibility for Implementation

All AEHDA's staff involved in logistics and purchasing tasks are responsible for ensuring that procurement policies within their business areas are followed according to Internal Regulations.

The Procurement team, officially authorized by the AEHDA's director, may include key staff or board members to fully establish their needs and deliver effective procurement solutions. They work closely with these stakeholders to reduce costs and improve the quality of goods and services procured

2.5. Administration

AEHDA must comply with all legal obligations and protect itself by establishing clear procedures for authorizing requisitions, obtaining offers/proposals, authorizing invoices, making expenditures, and disposing of assets. The AEHDA's Director has the ultimate authority and responsibility for procuring goods and services to support operations.

The Director will ensure coherent purchasing functions are established and maintained, typically through a Procurement Unit. The Director delegates responsibilities to staff members based on their qualifications. Procurement Units may vary in size and composition depending on AEHDA's needs, but certain basic functions must always be fulfilled. These functions include a Procurement Manager and a Purchaser, both reporting to the head of AEHDA. The Director is responsible for ensuring proper monitoring and review controls are in place and for maintaining a local Procurement Manual that provides detailed guidance to procurement staff without conflicting with basic procurement policies and procedures.

2.6. Role of the AEHDA Procurement Officer

The role of a Procurement Officer involves a range of responsibilities related to acquiring goods and services for an organization. Here are the key functions typically associated with this position:

- Identify potential suppliers and evaluate their offerings.
- Develop and maintain relationships with suppliers to ensure the best prices and quality.
- Negotiate contracts, terms, and pricing with suppliers.
- Prepare and process purchase orders and requisitions.
- Ensure that the procurement of goods and services is in line with the organization's policies and budget.
- Monitor the delivery of goods and services to ensure they meet quality standards and deadlines.
- Monitor inventory levels to ensure that stock is kept at optimal levels.
- Coordinate with warehouse and logistics staff to manage the receipt, storage, and distribution of goods.
- Track and report on procurement expenditures.
- Implement cost-saving measures and identify areas for potential savings.
- Work within the allocated budget and ensure financial accountability.
- Ensure all procurement activities comply with relevant laws, regulations, and organizational policies.
- Maintain accurate records of purchases, suppliers, and pricing.
- Prepare reports on procurement activities for management review.
- Identify and mitigate risks associated with the procurement process.
- Ensure continuity of supply by managing supplier performance and addressing any issues promptly.
- Develop and implement procurement strategies aligned with organizational goals.

- Conduct market research to stay informed about market trends and industry developments.
- Work closely with other departments to understand their procurement needs and provide support.
- Communicate effectively with suppliers, stakeholders, and team members.

The Procurement Officer plays a critical role in ensuring that the AEHDA procures the necessary goods and services efficiently, cost-effectively, and in compliance with all relevant regulations and standards.

2.7. Limitation of Authority and Value Bands

The Director at AEHDA will design the authorization levels for individual staff. There are two Authorization Schedules related to procurement;

1. The first schedule authorizes specified officers to commit to purchasing goods and services.
2. The second schedule authorizes specified officers to make or approve cash or bank disbursements.
3. To maintain checks and balances, an AEHDA employee will only be authorized in one of these schedules, either commitment or disbursement. The AEHDA Authorization Schedule defines the monetary level of authorization delegated to specific staff members for all expenditures. This schedule cannot be circumvented. Purchases or payments cannot be split or delayed to avoid obtaining the correct level of approval.

2.8. Standard Authorization Schedule

Levels	Title of Authorized Staff	Authorization limit USD	Purchase Order/ Commitment Yes/No	Disbursement /Payment Approval Yes/No	Signature
1.	Program Manager	Up to US\$ 200	Yes	No	
2.	Executive Director	Up to US\$ 5,000	Yes	No	
3.	Committee: 1. Director (lead the committee) 2. Program Manager (Member) 3. Admin Manager (Member) 4. Project Manager	Over US\$ 5,000	Yes, Yes Yes Yes	No No No No	

	(Member) ¹ 5. Finance Officer (Observer)		No	Yes	
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2.9. Custody and access

In the procurement policy of AEHDA, custody and access refer to the secure management and control of procurement-related documents, assets, and records. It is essential to maintain strict protocols to ensure that sensitive information and valuable assets are protected from unauthorized access, loss, or misuse. Custody responsibilities involve safeguarding physical and digital records, including contracts, purchase orders, and supplier communications, while access controls determine who can view, modify, or manage these records. By implementing robust security measures and access restrictions, AEHDA ensures the integrity and confidentiality of procurement processes, thereby supporting transparency and accountability in all procurement activities.

2.10. Who should use the policy

The procurement policy of AEHDA should be utilized by all individuals and departments involved in procurement activities. This includes:

Procurement Department Staff: Personnel responsible for executing and managing procurement processes, ensuring compliance with the policy's guidelines and procedures.

Finance and Administration Teams: Teams that oversee budgetary approvals, financial transactions, and administrative support related to procurement activities.

Project Managers and Department Heads: Individuals who initiate procurement requests and oversee the implementation of purchased goods and services within their projects or departments.

Senior Management: Executives who provide oversight, ensure strategic alignment, and approve significant procurement decisions.

All Employees: Staff who may be involved in or impacted by procurement activities, including those who handle procurement-related documentation or engage with suppliers.

By adhering to this policy, all relevant parties help ensure that procurement activities are conducted efficiently, transparently, and in alignment with AEHDA's objectives and regulatory requirements.

3. Procurement department

3.1. Responsibility of the procurement Department

The Governing Body, composed of the Executive Director, Program Manager, and Finance Manager, is responsible for authorizing high-value or unbudgeted purchases. This group

provides oversight and approval for significant expenditures, ensuring they align with the organization's strategic goals and financial constraints.

The Tender Board or Procurement Committee, led by the Director and including the Program Manager, Key User/Budget Holder, Project Manager, and Finance Officer as an observer, is tasked with selecting suppliers, reviewing quotes, and approving procurement decisions. This committee ensures that procurement choices are well-evaluated and that the best options are selected based on the received quotes.

The User, who could be a field officer, office worker, budget holder, or manager, initiates the request for goods or services and may participate in various procurement-related tasks. This role involves not only requesting the necessary items but also potentially assisting in sourcing suppliers, obtaining quotes, and checking goods upon arrival.

The Budget Holder oversees the project budget and is responsible for authorizing requisitions and approving payments. This role ensures that all expenditures are justified and remain within the allocated budget, providing a critical check to maintain financial control.

The Procurement or Logistics Officer is responsible for sourcing suppliers, managing the purchasing process, and handling the receipt of goods. Although not a member of the Tender Committee, this officer plays a crucial role in executing procurement activities and ensuring that goods and services are acquired in accordance with organizational policies.

By clearly defining these roles and responsibilities, the procurement process is designed to maintain accountability and minimize conflicts of interest, thereby ensuring a fair and transparent purchasing system.

3.2. Structure of the procurement department

The Procurement Department of AEHDA is pivotal in maintaining efficient and effective procurement processes. Its key functions include strategic sourcing to identify and select suppliers based on cost, quality, and delivery, contract management to develop, negotiate, and oversee supplier agreements; supplier relationship management to foster strong, reliable partnerships; and compliance and risk management to ensure adherence to legal and regulatory standards while mitigating procurement-related risks. This structured approach ensures that the department not only adheres to organizational policies but also effectively supports AEHDA's mission.

3.3. Governing Body

The Governing Body consists of the Executive Director, Program Manager, and Finance Manager. This group is responsible for overseeing and authorizing high-value purchases or significant items that fall outside the initial budget. Their involvement is typically limited to high-level approval, ensuring that substantial expenditures align with the organization's strategic goals and financial constraints. The Governing Body provides essential oversight to safeguard against unplanned or unauthorized spending and ensures that significant procurement decisions are in line with the organization's overall objectives.

3.4. The Tender Board

The Tender Board, also known as the Procurement Committee or Purchasing Panel, is led by the Director and includes the Program Manager, Key User/Budget Holder, Project Manager, and the Finance Officer as an observer. This committee plays a crucial role in the procurement process by selecting suppliers for the authorized supplier list and reviewing individual purchase quotes. The committee ensures that the best option is chosen for standard and repeat purchases by evaluating quotes and making informed decisions. The inclusion of representatives from various departments—program, finance, and project management—helps balance perspectives and ensures thorough evaluation of procurement options.

3.5. User

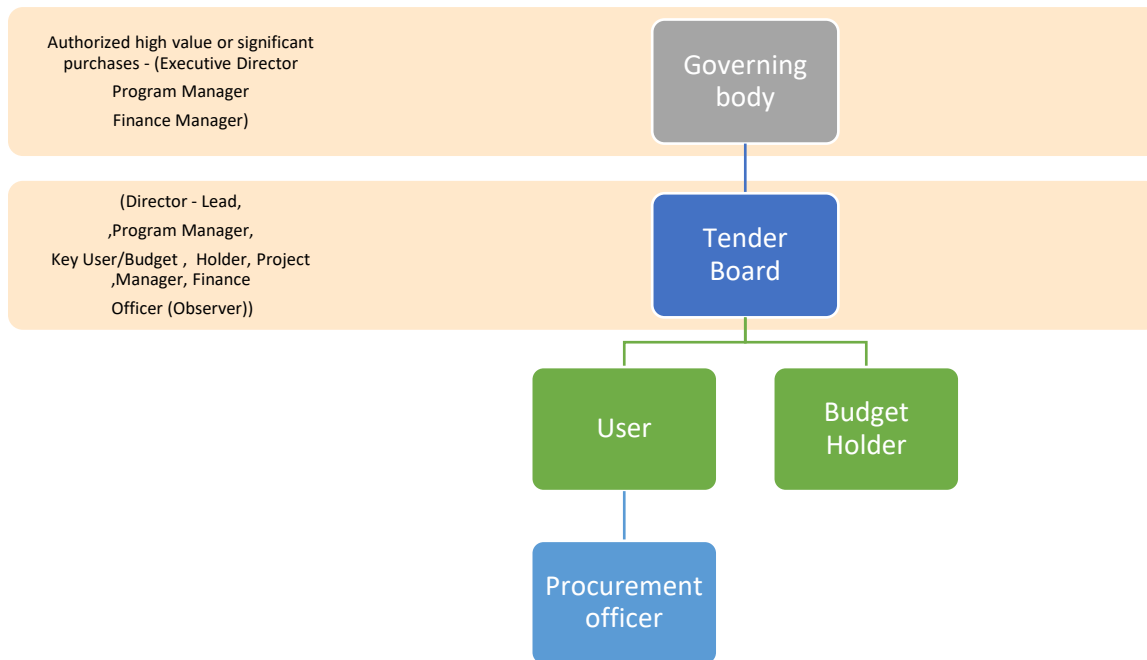
The User is the individual or entity within the organization that requires goods or services. This could be a field officer, office worker, budget holder, or manager. The User initiates the purchase request and may be involved in various stages of the procurement process, including sourcing suppliers, obtaining quotes, and inspecting goods upon delivery. By actively participating in these activities, the User helps ensure that the procurement process meets the specific needs of their department or project while maintaining a focus on practical requirements.

3.6. Budget Holder

The Budget Holder is responsible for managing the financial aspects of a project and ensuring that objectives are met within the allocated budget. If the Budget Holder did not raise the initial purchase requisition, they are tasked with authorizing it to ensure alignment with budgetary constraints. Additionally, the Budget Holder must approve payment requisitions, providing a check to confirm that expenditures are justified and consistent with the budget. This role is crucial for maintaining financial control and ensuring that all purchases are appropriately vetted and aligned with budgetary provisions.

3.7. Procurement / Logistics Officer

The Procurement or Logistics Officer is responsible for sourcing suppliers, obtaining quotes, advertising bids for significant procurements, and managing the actual purchasing process or receipt of goods. Although they do not typically sit on the Tender Committee, their role is integral to executing the procurement strategy. The officer must maintain careful segregation of duties to prevent potential fraud or undue influence in the procurement process. By managing these tasks efficiently, the Procurement/Logistics Officer ensures that goods and services are acquired in accordance with organizational policies and requirements.



4. Principles of the procurement

The principles of procurement at AEHDA are designed to guide the department in achieving optimal results and maintaining integrity throughout the procurement process. These principles include securing the best value for money by balancing quality, cost, and performance; ensuring fairness and transparency through open competition to promote equal opportunities for all suppliers; and striving for economy and effectiveness to minimize costs while maximizing efficiency and impact. Adhering to these principles ensures that procurement activities are conducted ethically and efficiently, aligning with AEHDA's mission and objectives.

4.1. Best value for money

Ensuring that procurement decisions deliver the optimal balance of quality, cost, and performance to achieve the most advantageous outcomes for the organization.

4.2. Fairness and transparency through open competition

Conducting procurement activities with openness and impartiality, promoting equal opportunities for all suppliers through open competition.

4.3. Economy and effectiveness

Striving to minimize costs while maximizing the efficiency and impact of procurement processes, ensuring that resources are used judiciously and achieve desired results.

5. Ethical standards in the procurement

5.1. Conflict of Interest

Suppliers must disclose any potential conflicts of interest to AEHDA. This includes informing AEHDA if any AEHDA official or contracted professional has any interest or economic ties with the supplier's business.

5.2. Confidentiality

Staff must not disclose any classified or proprietary information without authorization. Those with access to such information must ensure it is safeguarded to prevent misuse. Examples of misuse include disclosing information for monetary gain or using it for personal benefit. Unauthorized disclosure of personal data may also breach the Personal Data (Privacy) Ordinance.

5.3. Competition

AEHDA's policies promote a competitive environment among suppliers, fostering economy, efficiency, and effectiveness in public expenditure, while enhancing the competitiveness of suppliers.

5.4. Business gifts

AEHDA has a zero-tolerance policy for gifts and hospitality. Suppliers should not offer gifts, invitations to events, holidays, recreational trips, transportation, or meals to AEHDA staff. Additionally, suppliers should not offer any benefits, such as free goods, services, employment, or sales opportunities, to facilitate business with AEHDA.

5.5. Reporting

Effective reporting is crucial for maintaining transparency, accountability, and informed decision-making in the procurement process at AEHDA. This section outlines the reporting requirements and responsibilities:

Regular Reports: The Procurement Department will produce regular reports detailing procurement activities, including purchase orders, contracts, supplier performance, and compliance with policies. These reports will be generated on a monthly or quarterly basis and shared with senior management and relevant stakeholders.

Exception Reporting: Any deviations from established procurement procedures, such as unauthorized purchases or significant delays, must be reported immediately. Exception reports will detail the nature of the deviation, its impact, and corrective actions taken or recommended.

Performance Metrics: Procurement performance metrics, such as cost savings, supplier delivery times, and contract compliance, will be tracked and reported regularly. These metrics help evaluate the efficiency and effectiveness of the procurement process and identify areas for improvement.

Audits and Reviews: Periodic internal and external audits will be conducted to ensure compliance with procurement policies and regulations. Audit findings will be reported to the relevant oversight bodies, and action plans for addressing any identified issues will be developed and implemented.

Feedback Mechanism: A formal feedback mechanism will be in place for stakeholders to report concerns, suggestions, or issues related to procurement activities. This feedback will be reviewed regularly, and necessary adjustments will be made to improve procurement practices.

By adhering to these reporting requirements, AEHDA ensures that procurement activities are transparent, issues are addressed promptly, and continuous improvements are made to enhance overall procurement performance.

6. Methods of Procurement

6.1. Procurement through Open Competition

6.1.1. Goods and Materials:

- **Below \$200:** Authorized person may make the purchase from the best vendor without the need to obtain three quotes.
- **\$201 to \$4999:** Use RFQ template, obtain at least five bids. Document reasons if fewer than three quotes are received. Keep solicitation open for up to three days.

6.1.2. Services:

- **Below \$200:** Authorized person may engage the best service provider without the need to obtain three quotes.
- **\$201 to \$4999:** Use RFQ template, obtain at least five bids. Document reasons if fewer than three quotes are received. Keep solicitation open for up to three days.

6.2. Procurement through Alternative Methods

6.2.1. Invitation to Bid (ITB):

1. Goods and Materials:

Above \$5,000: Specify quantitative and qualitative requirements. Use one-envelope or two-envelope system. Preferred two-envelope system for unbiased evaluation. Open solicitation for at least one week. Use RFP for procurements above \$15,000 with less defined requirements.

2. Services:

Above \$5,000: Specify quantitative and qualitative requirements. Use one-envelope or two-envelope system. Preferred two-envelope system for unbiased evaluation. Open solicitation for at least one week. Use RFP for procurements above \$15,000 with less defined requirements.

6.2.2. Opening Proposals:

- Evaluate proposals by checking price reasonableness if fewer than three bids are received.
- Exemptions to competitive bidding:
 - **Low-Value Contracts:** Below \$200, use direct single-source procurement.
 - **Monopoly or Fixed Prices:** Where competition is non-existent.
 - **Standardization:** When new supplies must match existing ones.
 - **Failed Competitive Solicitation:** Previous attempts yielded unsatisfactory results.
 - **Real Property:** Market conditions hinder competition.
 - **Urgent Requirements:** Emergencies where issuing solicitations is impractical.

- **Specialized Services:** Competitive criteria cannot be reasonably established.

7. Procurement threshold

7.1. Petty cash procurement

Petty cash procurements are those procurements which are done on daily basis for daily routine.

7.2. Single source quotation

For purchases ranging from \$1 to \$200, a price survey conducted via telephone or in-person visits to one or two suppliers is sufficient. The supplier must provide the original invoice. Obtaining quotations is recommended, especially if advised by the donor. Cash payments can be made. The Program Manager must approve these purchases.

7.3. Competitive procurement

- a. For purchases ranging from \$200 to \$5,000, obtain at least 5 quotations from local suppliers (use template Annex A). To ensure transparency, prepare a bid tabulation form (template Annex B) to compare costs. After the bid tabulation is approved, the supplier will be selected, and a purchase order (template Annex C) will be issued. The supplier must provide the original invoice confirming the quantity and cost. In some cases, a Goods Received Note (GRN, template Annex D) will be prepared. Financial authorization from the AEHDA Director is required.
- b. For purchases ranging from \$1 to \$200, financial approval must come from the head of the program department. For purchases above \$200, the AEHDA Director must approve. All procedures from “competitive procurement a” will be followed.
- c. For purchases above \$5,000, financial approval must come from a committee, including the Executive Director, Program Manager, Admin Manager, and Project Manager. Competitive bidding procedures, including public advertisements (media, emails, newspapers, radio), are required. Follow the procedures outlined in “competitive procurement a”, but on a larger scale. Adhere to donor-specific guidelines if they differ from this strategy.
- d. For purchases above \$5,000, use an Invitation to Bid (ITB) or Request for Proposal (RFP), depending on the nature of the purchase, as described in section 3.2 of the procurement policy. Obtain a confirmation letter or email from the funding organization before signing the contract to ensure compliance with management system standards. Follow donor-specific advice if these strategies do not meet donor requirements.

- e. Purchases from a sole source must be justified in the purchase file. The file should contain all related documents, such as the purchase requisition, quotations, supplier contact information, purchase contracts or orders, invoices, delivery slips, and any other relevant documents.

8. Approving authority

The approval authority at AEHDA is structured to ensure proper oversight and accountability for procurement activities. The Program Manager is authorized to approve purchase orders and commitments up to USD 200 but does not have disbursement approval authority. For transactions up to USD 5,000, the Executive Director can approve purchase orders and commitments, though they also lack disbursement approval authority. For procurements exceeding USD 5,000, a committee composed of the Director (who leads the committee), the Program Manager, the Admin Manager, the Project Manager, and the Finance Officer (observer) is responsible for approvals. This committee collectively reviews and approves both purchase orders and disbursements, ensuring comprehensive scrutiny and adherence to procurement policies for larger expenditures.

Levels	Title of Authorized Staff	Authorization limit USD	Purchase Order/ Commitment Yes/No	Disbursement /Payment Approval Yes/No	Signature
1.	Program Manager	Up to US\$ 200	Yes	No	
2.	Executive Director	Up to US\$ 5,000	Yes	No	
3.	Committee: 1. Director (lead the committee) 2. Program Manager (Member) 3. Admin Manager (Member) 4. Project Manager (Member) ¹ 5. Finance Officer (Observer)	Over US\$ 5,000	Yes Yes Yes No	No No No Yes	

9. Procurement and bid opening committee

9.1. Procurement committee

The Procurement Committee at AEHDA is established to oversee and make critical decisions regarding the procurement process. This committee is composed of key members, including the Director, who leads the committee, the Program Manager, the Admin Manager, and the Project Manager. The Finance Officer serves as an observer, providing insights into financial implications. The committee is responsible for evaluating procurement strategies, reviewing and

approving significant procurement decisions, and ensuring compliance with organizational policies and procedures. By having a diverse and experienced team, the committee ensures that procurement decisions are well-rounded and aligned with AEHDA's objectives.

9.2. Bid opening committee

The Bid Opening Committee is tasked with the critical role of ensuring the transparency and integrity of the bidding process. Composed of members from the Procurement Committee and additional designated staff, this committee is responsible for opening and documenting bids in a fair and transparent manner. The committee ensures that all bids are handled consistently and that the process adheres to established guidelines and regulations. This role is essential in maintaining trust and credibility in the procurement process, as it guarantees that all bids are reviewed objectively and without bias.

9.3. TOR for bid opening committee

The Terms of Reference (TOR) for the Bid Opening Committee outline the committee's responsibilities and procedures. The TOR specifies that the committee is responsible for opening bids in accordance with established procurement guidelines, ensuring that all bids are recorded accurately and handled with confidentiality. The TOR mandates that the committee must follow a standardized process for bid evaluation, including documenting any discrepancies or issues that arise during the bid opening. It also includes provisions for resolving conflicts and ensuring that the bid opening process is transparent and impartial. This formal document provides clear guidelines and ensures that all members understand their roles and responsibilities in maintaining the integrity of the bid opening process.

10. Procurement process overview

10.1. Need assessment

Planning for requirements by the requestor is essential for all purchases. Most supply needs are anticipated through the annual budget and planning process. If exceptional circumstances prevent early planning, the standard purchasing processes and procedures must still be followed. If this is not possible due to urgency, approval should be sought from the Organization's Director, and the reasons for the urgency should be documented.

Before starting any procurement, it is standard practice to check if the goods, especially assets, are available from other sources (e.g., redeployment). No procurement activity will be carried out without a fully completed and authorized Requisition. The purchaser should provide planning support to the requestor in completing the Requisition and give input on:

- Quality
- Delivery expectations
- Detailed specifications
- Policy and procedures

10.2. Pre-procurement

A formal written Requisition must be made by an authorized requestor (i.e., a person or unit with budget authority or project staff) to the Logistics or Procurement Unit to start the procurement process. The Requisition should be submitted on a standard form (see Annex E) that includes space for all relevant information.

The Procurement Unit's primary review of a Requisition ensures that proper approval has been obtained. Logistics/Procurement Unit staff are not authorized to alter the specifications, quantity, or other details of a Requisition unless changes are discussed with the requestor and appropriately approved.

The completed Requisition, along with offers or proposals from vendors and evaluations done by the Procurement Unit, supports the creation of a formal Purchase Order or Service Contract and the eventual payment to a vendor.

10.3. Procurement

The Process of procurement is described below:

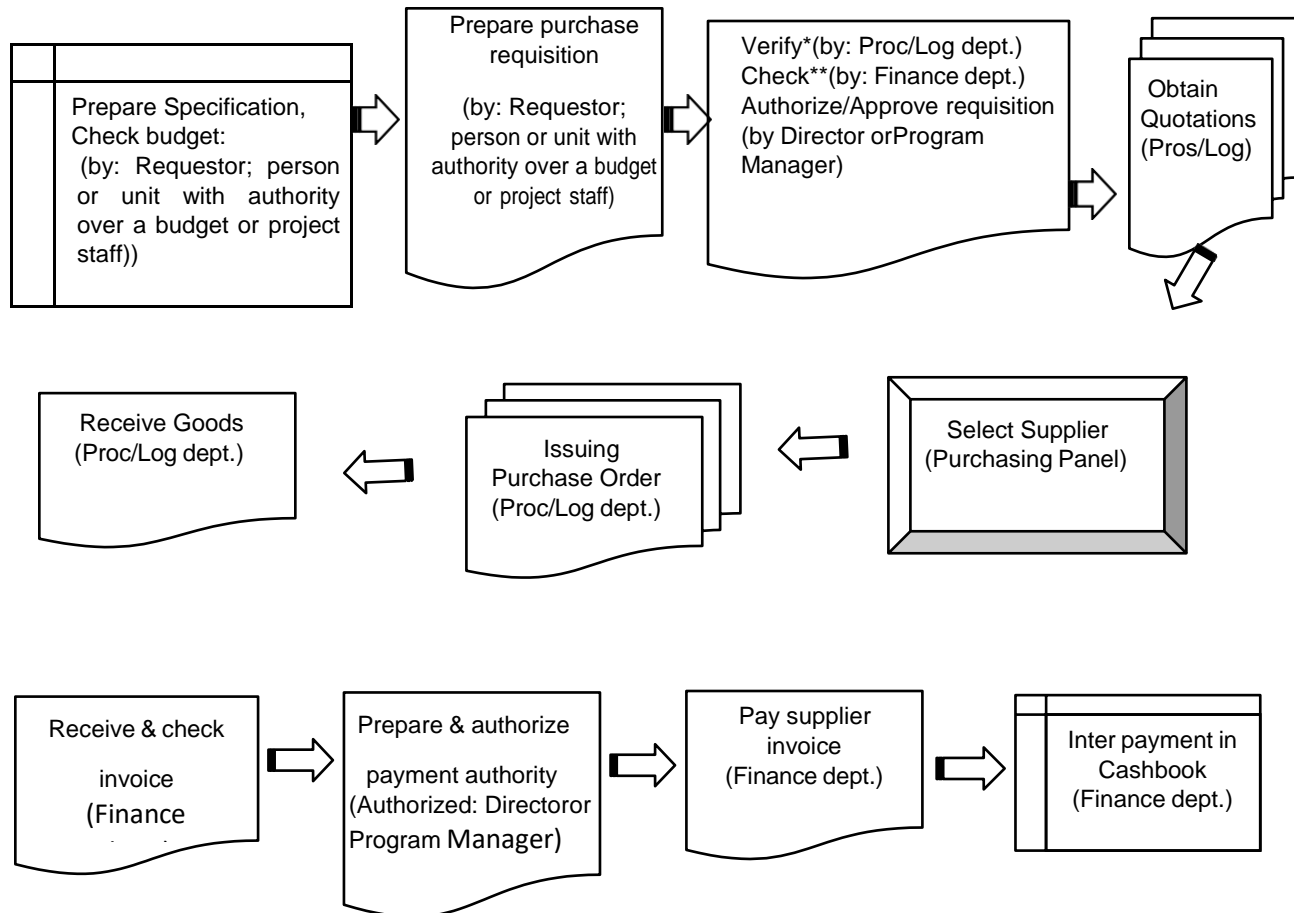
10.4. Procurement/Logistic Department

The Procurement/Logistic Department verifies requisitions for:

- Goods/services specifications
- Accurate price estimates
- Units and quantities
- Availability and delivery time

10.5. Finance Department

The Finance Department ensures the requisition aligns with the budget, and checks budget fund availability.



10.6. Segregation of Duties Procurement Department

In the procurement department, duties should be separated to ensure checks and balances. Different individuals should handle requisition verification, purchase approvals, and payment processing to maintain accountability and prevent conflicts of interest.

Governing Body	Executive Director Program Manager Finance Manager	The Governing Body would normally only get involved with authorizing high value purchases, or significant items that were not budgeted for.
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<p>Tender Board / Procurement Committee / Purchasing panel</p>	<p>Committee: Director (lead the committee) Program Manager (Member) Key User/Budget holder (Member) Project Manager (Member2) Finance Officer (Observer)</p>	<p>The tender committee usually consists of representatives from the program and finance departments, and the key users and budget holders. They select suppliers for the authorized supplier list for standard and repeat purchases. They also review individual purchases, choosing the best option from the quotes supplied to them.</p>
<p>User</p>		<p>The 'user' needs the goods or services and makes a request for purchase. This could be a field officer, an office worker or a budget holder or manager. Sometimes the user may be involved in sourcing suppliers or obtaining quotes, and checking the goods on arrival.</p>
<p>Budget holder</p>		<p>The budget holder is responsible for managing the project and delivering objectives within budget. If the budget holder did not raise the purchase requisition, they should always authorize it. They should also approve the payment requisition.</p>
<p>Procurement / logistics officer</p>		<p>The procurement or logistics officer may be responsible for sourcing suppliers and obtaining quotes, or advertising bids for large procurements. They should not normally sit on the Tender committee. They are usually responsible for going out to do the buying, or receiving the goods if they are delivered. (A dishonest person in this position may collude with suppliers to carry out frauds that are very difficult to prevent and detect – so consider segregation of duties carefully, and take care that they do not influence tender committee decisions unduly).</p>

10.7. Creating a Bidders List

To ensure a robust bidding process, aim to receive more than three offers, especially when:

- There are many potential vendors.
- Some companies might decline to bid.
- New vendors are entering the market.

Request potential vendors to complete a Vendor/Supplier Registration form (Annex L). After evaluation by the Procurement Manager or Logistic Officer, the vendor may be added to AEHDA's active vendor database. A good vendor database should include:

- Full legal name and addresses
- Product information and data sheets
- Supply information (quality, delivery times, payment terms, warranties)
- After-sales services
- Packing and shipping facilities
- Management and historical data
- References
- Results of previous bids and comments on past performance
- From this database of qualified vendors, identify and select eligible companies:
- Vendors who delivered on the last contract
- Competitive vendors from the last RFQ, ITB, or RFP
- Newly identified vendors

Avoid adding vendors to the bidding list just to increase numbers, especially if they might withdraw due to an inability to supply. Regularly inviting vendors unlikely to win a contract is also unproductive. Select capable and competitive vendors to ensure an efficient bidding process.

10.8. Solicitation Documents (RFQ, ITB, RFP)

Solicitation documents should provide all necessary information for vendors to prepare their offers and explain the main evaluation criteria. They should also state AEHDA's rights regarding the acceptance or rejection of offers. Key points to include:

- Detailed information for offer preparation
- Main evaluation criteria
- AEHDA's rights on accepting or rejecting offers

10.9. Procurement Methods

Informal Solicitation

Informal solicitation does not require a formal competitive bidding process. A Request for Quotation (RFQ) is sufficient, and as many vendors as possible should be invited to submit offers, aiming for at least three valid quotes unless a lower competition level is justified. Vendors should be given at least three working days to submit their offers. Quotes must be provided in writing, via email, letter, or fax, and can only be opened after the submission deadline. Basic procurement principles must be observed throughout the informal solicitation process.

10.10. Purchasing Procedures

10.10.1 Small Purchases (Under \$200)

For purchases less than \$200, after raising and approving the requisition, the authorized person from the procurement department may make the purchase from the best vendor, obtaining at least three valid quotes. Bidders should be given a deadline, and quotes must be provided in writing.

- Request for Quotation (RFQ) (Above \$200 up to \$5000)
- For purchases between \$201 and \$4999, procurement is conducted using an RFQ template. At least five bids must be received. If obtaining three quotations is not possible, the reasons must be documented and filed. The RFQ must specify a deadline for receiving quotations, typically keeping the solicitation open for a maximum of three days. Offers must be received in writing.

10.10.2. Formal Methods of Solicitation (USD 5000 and Above) Invitation to Bid (ITB)

For procurement above \$5000, an Invitation to Bid (ITB) is used when requirements can be specified both quantitatively and qualitatively, primarily for goods or well-defined services. ITBs generally follow a two-envelope system.

1. One-Envelope ITB:

- Suppliers submit technical and price information in a single envelope.
- Evaluation verifies that the offer is substantially responsive in all aspects.
- This method is less practical and not preferred due to increased complexity and potential discouragement of bidders.

2. Two-Envelope ITB:

- Suppliers submit technical and financial offers separately in two sealed envelopes.
- The technical evaluation is conducted first without bias from the financial aspects.
- Financial offers are opened only for technically compliant bids in a separate session.
- The one-envelope system should only be used in exceptional cases, such as risk of fraud, due to its potential to complicate the process and discourage effective competition.

3. Conducting an Invitation to Bid (ITB)

When conducting an ITB, the following guidelines must be followed:

4. Open Solicitation Period:

The solicitation must remain open for at least one week. For low-value (less than \$10,000) or non-complex processes, or in urgent situations, this period may be reduced to three days with proper justification.

5. Solicitation Documents:

Include specifications, requirements (quality, delivery terms, dates, quality assurance), quantity estimates, payment terms, evaluation criteria, and other relevant criteria. Define criteria for substantial responsiveness to objectively analyze offers.

10.10.3 Request for Proposal (RFP)

RFPs are used for procurement processes of \$15,000 and above, particularly when requirements cannot be fully defined in the solicitation. They are typically used for procuring services that can be delivered through various methods.

An RFP requests two separate proposals from suppliers:

- Technical Proposal: Details the technical solution to the specified requirements.
- Financial Proposal: Outlines all associated costs.

Suppliers must submit these proposals separately in sealed envelopes (the “two envelopes” system) to maintain fairness and confidentiality. This ensures the technical evaluation is unbiased by the financial aspects. After the technical evaluation, a comprehensive evaluation considering both technical and financial factors is conducted.

10.10.4. Conducting a Request for Proposal (RFP)

Follow these steps when conducting an RFP:

a) Notification:

The default method is through AEHDA's solicitation system. Suppliers may also be notified by email.

b) Open Solicitation Period:

The solicitation must remain open for a minimum of two weeks. For low-value (less than \$15,000) or non-complex processes, this period may be reduced to two weeks with proper justification.

c) Solicitation Documents:

- Include specifications, requirements (quality, delivery terms, dates, quality assurance), quantity estimates, payment terms, and evaluation criteria.
- Define technical specifications, terms of reference, and supplier qualification requirements.

d) Sample Requirements:

- If applicable, request samples in the solicitation documents with details on deadlines, submission, and return processes.
- Send samples separately from proposals to avoid customs issues.

e) Proposal Submission Details:

- Specify the deadline, date, time, time zone, place, and method(s) for proposal submission.
- Indicate required proposal validity and necessary markings.
- Adhere strictly to the submission deadline.

f) Communications:

- Use email for issuing information and clarifying queries to bidders simultaneously.
- Communicate all questions from bidders and AEHDA's clarifications to all bidders.
- Revisions and Cancellations:
- Communicate any revisions or cancellations using the same method as the initial solicitation.

g) Proposal Submission Format:

- Submit proposals with price and technical information in sealed envelopes marked "sealed bid" or via a secure email address or internet site.
- Submissions by fax are not allowed.

h) Proposal Handling:

- Proposals must be received by personnel not involved in the procurement process and kept in a secure, confidential location until the opening.
- Electronic proposals must be stored in a secure electronic location.

i) Late Proposals:

- Proposals received after the deadline will not be considered.

j) Record Keeping:

- All proposals must be archived and kept for auditing purposes according to AEHDA's Archives and Records Management policy.

10.10.5. Opening Proposals:

Follow the steps and considerations for the Bid Opening Panel.

k) Evaluating Proposals:

If fewer than three responsive proposals are received, check the reasonableness of prices through market surveys or comparisons with previous prices for similar services.

l) Exemptions to Competitive Bidding

Certain situations allow for exemptions from competitive bidding:

i. Low-Value Contracts:

Direct Single Source procurement applies for contracts below \$200. Value for money must be ensured.

ii. Monopoly or Fixed Prices:

When no competitive market exists, such as monopolies or fixed prices by law or regulation. Justify by naming the regulatory body or law and providing the current price schedule.

iii. Standardization:

When standardization makes competition impractical. Additional supplies must be compatible with existing goods, equipment, or technology. Consider the effectiveness of the original procurement, the limited size of the new procurement, reasonable pricing, and the lack of suitable alternatives.

iv. Failed Competitive Solicitation:

When a formal solicitation within six months did not produce satisfactory results despite market research and adequate response time. Provide evidence showing why previous efforts failed and why a new solicitation would not be effective.

v. Real Property:

When market conditions prevent effective competition for purchasing or leasing real property. Provide evidence of such conditions.

vi. Urgent Requirements:

In emergencies or force majeure situations where delays from issuing solicitation documents are not feasible. Situations must be beyond AEHDA's control and not due to poor planning or administrative delays.

vii. Specialized Services:

When services cannot be objectively evaluated and competitive criteria are hard to establish (e.g., artwork or film production). Provide evidence that formal solicitation would not yield satisfactory results.

10.11. Transparency in bidding process

At AEHDA, we adhere to the principles of transparency to foster trust and fairness in our procurement activities. Transparency in the bidding process is fundamental to achieving these goals and is upheld through the following practices:

- 1. Publication of Tender Notices:** All procurement opportunities are announced through widely accessible channels, including our official website, recognized industry publications, and relevant procurement portals.
- 2. Clear and Comprehensive Bid Documents:** Detailed bid documents are prepared and made available to all interested parties. These documents include specifications, terms, evaluation criteria, and any other pertinent information to ensure clarity and equal understanding among bidders.
- 3. Open Communication:** Throughout the bidding process, clear channels of communication are maintained to address inquiries and provide necessary clarifications promptly. All communications are documented to ensure transparency and consistency.
- 4. Fair Evaluation Process:** Bids are evaluated based on pre-established criteria and procedures that are communicated to all bidders in advance. Evaluation committees are formed with diverse expertise to ensure impartial assessment.
- 5. Confidentiality and Data Security:** Information submitted by bidders is treated with the utmost confidentiality and stored securely in compliance with applicable data protection

regulations. Only authorized personnel involved in the evaluation process have access to sensitive information.

6. Disclosure of Results: Upon completion of the evaluation process, the results are communicated promptly and transparently to all participating bidders. Feedback may be provided upon request to facilitate continuous improvement in future bids.

7. Monitoring and Compliance: We continuously monitor our procurement processes to ensure compliance with internal policies, regulatory requirements, and industry best practices. Any deviations from established procedures are promptly addressed and documented.

8. Feedback Mechanism: We encourage feedback from bidders regarding their experience with our bidding process. This input is used to refine our procedures and enhance transparency in future procurements.

By adhering to these principles of transparency, AEHDA aims to uphold the highest standards of integrity, fairness, and accountability in all our procurement activities.

10.12. Bid Protest Procedure

At AEHDA, we recognize the importance of providing a fair and accessible process for bid protests. A bid protest may be initiated by a bidder who believes that they have been unfairly treated or disadvantaged during the bidding process. Our bid protest procedure ensures transparency and fairness in handling such disputes:

1. Initiating a Protest:

- **Timing:** Bid protests must be submitted in writing within a specified period after the basis for the protest is known or should have been known, typically within five calendar days from the date of Announcement of winner.
- **Content:** Protests should clearly state the grounds for the protest, supported by relevant facts and documentation.

2. Review and Evaluation:

- **Designated Review Body:** A designated review body, independent of the procurement process under dispute, will be assigned to evaluate the protest.
- **Confidentiality:** All information related to the protest will be treated confidentially to protect the interests of all parties involved.

3. Protest Decision:

- **Timely Resolution:** Every effort will be made to resolve the protest promptly, typically within 10 calendar days of receipt of protest.
- **Communicating Decisions:** Decisions on bid protests will be communicated in writing to the protesting party and other relevant stakeholders involved in the procurement process.

4. Appeal Process:

- **Appeal Option:** If dissatisfied with the decision, the protesting party may have the option to appeal through a designated appeals process within [specify number] calendar days of receipt of the decision.

- **Finality of Decision:** The decision of the appeals process will be final and binding.

5. Documentation and Lessons Learned:

- Documentation: All bid protests, decisions, and related actions will be documented and maintained for future reference.
- Continuous Improvement: Insights gained from bid protests will be used to improve our procurement processes and enhance transparency and fairness.

6. Costs and Fees:

- Fees: There may be provisions for reimbursement of reasonable costs incurred by the protesting party in pursuing a bid protest, subject to certain conditions and limitations.
- By establishing clear procedures for bid protests, AEHDA demonstrates its commitment to upholding transparency, fairness, and accountability in the bidding process, fostering trust among stakeholders and ensuring equitable treatment of all participants.

10.13. Emergency Procurement Procedures

During emergencies, procurement officials may adjust regular procedures as follows:

a. Backward Planning:

Plan procurement activities starting from the delivery date, working backwards to determine the timeline for each step (solicitation, evaluation, award, contract issuance, etc.).

b. Team Availability:

Proactively ensure the availability of team members for evaluation.

c. Urgent Notifications:

- Issue urgent notifications to relevant stakeholders to expedite the process.
- Emergency procurement procedures (EPP) are more flexible and less formal than regular procedures. However, the Committee may impose stricter measures through written instructions. This might include requiring the receipt of offers via a secure email address or fax number if available.

10.14. Post-procurement

In the post-procurement phase, contract management is crucial for ensuring that both purchase orders and service contracts are effectively tracked and expedited. Staff should review active files weekly, proactively managing delivery schedules to avoid delays, and maintain shipment tracking records to monitor progress through each stage—arrival, discharge, storage, customs clearance, and transport. Service contracts are overseen by the Procurement Unit, with requestors monitoring services directly. Regular vendor visits and performance evaluations, using forms and checklists, help appraise vendor performance and document findings for resolving disputes, guiding future vendor selection, and supporting development programs.

For contract delivery status, it is essential to review contracts with missed delivery dates, verify with requestors whether goods or services have been received, and follow up with vendors for realistic delivery estimates. If necessary, vendors should be asked to investigate and provide

current status updates. For receiving, rejection, and claims, promptly examine received goods or services for conformity with the contract, use the Receiving Report to initiate payments, and retain copies for follow-up. Non-conforming deliveries should be reported immediately, with actions including noting objections on relevant documents and requesting replacements or repairs if the vendor is responsible until acceptance. If necessary, contracts with alternate vendors may be used to cover additional costs incurred due to default.

11. Shortlisting and selection of contractors

The evaluation process for shortlisting and selecting contractors is divided into two main components: technical and financial evaluations, totaling 100%. The technical evaluation accounts for 60% of the total score and includes criteria such as business license (20%), bank account (20%), working experience with AEHDA (10%), and company declaration (10%). Financial evaluation constitutes the remaining 40% of the total score. For instance, if three suppliers are assessed, Supplier A might score 90% in the technical evaluation, resulting in a technical score of 54 ($90 \times 60\% = 54$), while Supplier B scores 85%, translating to 51 points, and Supplier C scores 75%, resulting in 45 points. Financial evaluation is based on quotes, where Supplier A quotes 80,000 AFN, Supplier B 100,000 AFN, and Supplier C 120,000 AFN. The financial score is calculated proportionately, with Supplier A receiving 40%, Supplier B 32%, and Supplier C 26.67%. Combining the technical and financial scores, Supplier A achieves a total score of 94%, Supplier B 83%, and Supplier C 71.67%. Therefore, Supplier A, with the highest total score, is selected as the winner of the bidding process.

The total percentage of evaluation process is 100%, which divided as follows:

a) Technical evaluation	60%
b) Financial evaluation	40%
Total evaluation	100%

The technical evaluation comprises the following items, but it could be changeable based on the goods or services provided.

For example: the suppliers must have the following documents.

Business license	20%
Bank account	20%
Working experience with AEHDA	10%
Company Declaration	10%
Total percentage of Technical evaluation	60%

Let's consider three suppliers:

	Supplier (A)	Supplier (B)	Supplier (C)
A. Business license	40%	35%	30%
B. Bank account	30%	30%	30%
C. Working Experience with AEHDA	10%	10%	10%
D. Company declaration	10%	10%	5%

Total	90%	85%	75%
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Then out of 60% each supplier might get the following score as per the following calculations:

Supplier (A)	$90 \times 60 / 100 = 54$
Supplier (B)	$85 \times 60 / 100 = 51$
Supplier (C)	$75 \times 60 / 100 = 45$

Total percentage of Financial Evaluation:

Let's assume that the financial quotes are as follows:

Supplier (A)	80000 AFN
Supplier (B)	100000 AFN
Supplier (C)	120000 AFN

Total calculation of technical and financial evaluation:

Supplier (A)	$54\% + 40\% = 94\%$
Supplier (B)	$80000 / 100000 = 0.8 \times 40 = 32 + 51\% = 83\%$
Supplier ©	$80000 / 120000 = 0.6666 \times 40\% = 26.6666 + 45\% = 71.6666\%$

In conclusion:

Supplier (A) with gaining 94 scoring is the winner of the bidding process.

12. Payment of the contractors

Maintaining trust and efficiency in vendor relationships is paramount, and adhering to prompt payment terms is essential. The Finance Unit, separate from the purchaser, is responsible for examining, verifying, and certifying vendor invoices. This examination includes verifying unit and total prices, contract quantities, previous payments, any applicable deductions, and the presence of a signed Receiving or Hand-over Report. Additionally, any other contractually specified obligations, such as installation or training, are checked.

To ensure timely payment, the Finance Unit expedites the examination and verification of invoices within the agreed payment period. Any discrepancies or deficiencies are referred to the purchaser for resolution. For progress payments, the requestor must certify the progress before payment can be processed. The Finance Unit then prepares and certifies the invoice for the Accounts Payable Unit, with only the certified amount being paid, excluding any discounts. Any cash discounts taken or lost are reported, and justifications for lost discounts are documented in the file.

Payment options include bank transfers, which are controlled and processed with comprehensive documentation, including a letter to the bank specifying account details, transfer amount, currency, contract reference, invoice number, beneficiary information, and authorization signatories. Checks are drawn from AEHDA's account and handed directly to the vendor. Letters of Credit (L/C) are generally not used due to their cost and complexity. All payment conditions should be clearly detailed in the contract to avoid any misunderstandings.

13. Approved list of contractors

The Approved List of Contractors is a critical component of AEHDA's procurement process, ensuring that all selected vendors meet the organization's standards for quality, reliability, and compliance. This list includes contractors who have undergone rigorous evaluation and have been vetted based on their performance, financial stability, and adherence to contract terms. Contractors are assessed through a detailed review process that evaluates their past performance, capacity to meet project requirements, and ability to adhere to agreed-upon standards. Inclusion on this list signifies that a contractor has demonstrated the capability to deliver goods or services effectively and reliably. Maintaining an up-to-date and accurate approved list helps streamline procurement activities, promotes consistency in vendor selection, and supports efficient management of supplier relationships.

14. Procurement of consultancy services

The procurement of consultancy services at AEHDA is guided by specific criteria and procedures to ensure a fair and transparent selection process. Main Criteria for Proposal Evaluation include a thorough review of the background information provided by the consultant, a detailed description of the services to be delivered as outlined in the Terms of Reference, the proposed implementation and payment schedules, as well as customer and staff references if applicable.

The procedure for procurement involves distributing solicitation documents simultaneously to all potential bidders to ensure equal opportunity. Any requests for additional information by bidders should be submitted in writing, and responses must be provided to all bidders simultaneously to maintain fairness. If a meeting with bidders is necessary, it should be documented and shared with all potential bidders. To manage deadlines, prompt action is required to meet the bid submission deadline, but extensions may be granted if justified by exceptional circumstances and requested in writing by more than one bidder. In such cases, all bidders must be informed immediately and simultaneously of any extension granted, with bid openings occurring only after the new deadline.

15. Grievance procedures

Maintaining a positive and effective vendor relationship is crucial throughout the contract lifecycle and beyond, ensuring satisfaction even after contract termination. In cases of claims, such as for insured contracts, actions should be initiated with the carrier, vendor, or insurance company as necessary. If a claim involves potential fault on the carrier's part, a Protest Letter should be sent to the last carrier. For claims where the expected loss or damage exceeds \$500, a Short Landing Certificate and/or an independent Survey Report should be obtained to support the insurance claim.

For issues related to non-performance, exceptional circumstances may warrant contract performance after obtaining necessary consideration and approval from the requestor, with an equitable adjustment and Change Order issued as appropriate. When it comes to returning goods, a memo should be prepared for the Procurement Unit, detailing each item and referencing the original contract. The Procurement Unit will then negotiate the return options

with the vendor, which may include receiving a suitable replacement at no charge, returning goods for a full credit with freight collect, or scrapping goods with vendor and/or insurance company approval. This comprehensive approach ensures that grievances are addressed systematically, maintaining fairness and transparency throughout the procurement process.

16. Document retention

The AEHDA procurement unit will maintain a file for each procurement. The file will include the following, organized and separated by dividers for easy reference:

- Requisition
- Company names and contact persons for solicited vendors
- Copy of the request for written offer (RFQ, ITB, RFP)
- Original offers or proposals from responsive vendors, including all related correspondence
- Evaluation of offers or proposals, or approved waiver justifying vendor selection and award price
- Tabulation of offers
- Justification for lack of competition if fewer than the specified number of bids were received
- Partner committee minutes and decisions, if appropriate
- Copy of the Purchase Order or Service Contract, including orders for inspection and insurance, if applicable
- Expedition documents
- Customs clearance documents (for international procurement)
- Copy of the Receiving Report (for goods) or Handover Report (for services)
- Copy of the vendor invoice
- Payment vouchers/receipts
- Other documents and correspondence related to the contract

Any anomalies or deviations from policy or procedure in a purchase will be documented with a signed explanatory note. Full supporting documentation will be maintained to address future questions from reviewers or auditors.

17. Annexures

- Annex A: Purchase Requisition Form
- Annex B: Quotation Form/Request for Quotation-RFQ/RFP
- Annex-C Bid Analyze/Tabulation Form/Bid Comparison Form
- Annex D: Purchase Order
- Annex E: Goods Received Note GRN
- Annex F: Service Contract
- Annex E: Contract
- Annex F: Long Term Agreement

Annex (A) Purchase Requisition

Requisition Date
Req. #

Supplier _____ Address _____

City _____ State _____ Zip Code _____ Phone # _____

Ship to Address	Payment Terms:	Project	Task
Organization Name (Department)	Supplier Notes: Confirming (Yes/No) _____		
Building		Expenditure Type	
Room Number			
Attention		Organization Name (Department)	
Need by Date:		Requisitioner Telephone #	
		Authorized Signature Date	

Type	Item Category	Item Catalog & Complete Description (including notes & buyer notes)	Quantity	Unit	Unit Price	Total

Quotation: ___ Written ___ Verbal By _____ Date _____ Total: \$ _____

Annex (A) Purchase Requisition

Requisition Date
Req. #

Type	Item Category	Item Catalog & Complete Description (including notes & buyer notes)	Quantity	Unit	Unit Price	Total

Quotation: Written Verbal By _____ Date _____ Total: \$ _____

Prepared By: Name: _____ Designation: Signature: _____	Verified By: Name: _____ Designation: Signature: _____	Approved By: Name: _____ Designation: _____ Signature: _____
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Annex 3- Quotation

Address:

Phone:

Email Id:

QUOTE #	DATE
CUSTOMER ID	VALID UNTIL

CUSTOMER INFO

Name:

Address:

Phone No.:

Email Id:

DESCRIPTION OF WORK

S.No.	ITEMS	QTY	UNIT PRICE	Price/unit	AMOUNT
1	Item 1	1	Hour	763	763
2	Item 2	1	KG	780	780
3	Item 3	5	KG	667	3335
4	Item 4	4	Hour	778	3112
SUBTOTAL					7,990.00
SGST @					9% 719.10
CGST @					9% 719.10
TOTAL					9,428.20

Terms & Conditions

Authors Signature

Annex (B) REQUEST FOR QUOTATION (RFQ)

Date: [Date]

RFQ Number: [RFQ Number]

To:

[Supplier's Name]

[Supplier's Address]

[City, State, Zip
Code]

[Count
ry]

[Contact Person's
Name]

[Contact Person's
Email]

[Contact Person's Phone Number]

From:

[Your Company's
Name]

[Your Company's Address]
[City, State, Zip
Code]

[Count
ry]

[Contact Person's
Name]

[Contact Person's
Email]

[Contact Person's Phone Number]

1. Purpose of RFQ

We are seeking quotations for the supply of [Goods/Services] as described in this RFQ. The objective is to evaluate and select a supplier who offers the best value in terms of cost, quality, and service.

2. Description of Goods/Services

Please provide a quotation for the following:

Description: [Detailed Description of Goods/Services]

Specifications: [Detailed Specifications, if applicable]

Quantity: [Required Quantity]

Delivery Date: [Required Delivery Date]

Delivery Location: [Delivery Address]

3. Quotation Requirements

Price: Provide a detailed breakdown of costs, including unit price, total price, and any applicable taxes or discounts.

Payment Terms: Specify your payment terms and conditions.

Validity Period: The quotation should be valid for a minimum of [Validity Period] days from the date of submission.

Warranty and Support: Include information about warranty and after-sales support.

4. Submission Instructions

Quotation Submission: Please submit your quotation by [Submission Deadline Date] to the following email address: [Submission Email Address], or by mail to [Mailing Address].

Format: Quotations should be submitted in [preferred format, e.g., PDF, Excel].

Additional Documents: Include any relevant documentation such as product brochures, certifications, and references.

5. Evaluation Criteria

Quotations will be evaluated based on the following criteria:

Price: Cost of goods/services.

Quality: Compliance with specifications and quality standards.

Delivery Time: Ability to meet the required delivery date.

Supplier Reputation: Track record and reliability of the supplier.

Terms and Conditions: Payment terms, warranty, and support.

6. Contact Information

For any questions or clarifications regarding this RFQ, please contact:

[Your Contact Person's Name]

[Your Position]

[Your Phone Number]

[Your Email Address]

7. Additional Information

Confidentiality: All information provided in response to this RFQ shall be considered confidential and shall not be disclosed to any third party without prior written consent.

Right to Reject: [Your Company's Name] reserves the right to reject any or all quotations and to negotiate with suppliers to obtain the best value.

Thank you for your interest in this RFQ. We look forward to receiving your quotation.

Sincerely,

[Your Name]
[Your Position]
[Your Company's
Name]
[Your Phone
Number]
[Your Email
Address]

Annex (D) - Purchase Order

PO Number	PO-001
Date	8/11/2024

Vendor Name
Vendor Contact

ABC Supplies
Mr. (.....)

Ship To

XYZ Corporation
123 Main St
City, State, ZIP

Bill To

XYZ Corporation
123 Main St
City, State, ZIP

Item Number	Description	Quantity	Unit Price	Total Price
1	Widget A	100	\$10.00	\$1,000.00
2	Widget B	50	\$20.00	\$1,000.00
Subtotal				\$2,000.00
Tax (8%)				\$160.00
Shipping				\$50.00
Total Amount				<u>\$2,210.00</u>

Payment Terms	Delivery Date	Authorized By
Net 30	8/25/2024	Mr. (.....)

Notes

Please deliver to the main office. Contact Mr. (.....) at (123) 456-7890 for any inquiries.

Annex (E) - Good/Service Received Note (GRN-SRN)

Company Name (Your Company Name)

Address (Company Address)

Date	(Date)
GRN Number	(GRN No.)

Supplier Name (Supplier Name)

Supplier Add: (Supplier Address)

Item Code	Description	Quantity Ordered	Quantity Received	Unit	Unit Price	Total Price
Item Code 1	Description 1	Qty Ordered 1	Qty Received 1	Unit	Unit Price 1	Total Price 1
Item Code 2	Description 2	Qty Ordered 2	Qty Received 2	Unit	Unit Price 2	Total Price 2
Item Code 3	Description 3	Qty Ordered 3	Qty Received 3	Unit	Unit Price 3	Total Price 3
Total						Total Price

Remarks (Any Additional Remarks)

Received By

(Name)

Signature

(Signature)

Date

(Date)

Annex (F) SERVICE CONTRACT

This Service Contract ("Contract") is made and entered into as of [Effective Date], by and between:

[Client's Name]

[Client's Address]

[City, State, Zip Code]

[Country]

(Hereinafter referred to as "Client")

AND

[Service Provider's Name]

[Service Provider's Address]

[City, State, Zip Code]

[Country]

(Hereinafter referred to as "Service Provider")

RECITALS

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WHEREAS, Client desires to obtain certain services from Service Provider, and Service Provider agrees to provide such services to Client under the terms and conditions set forth in this Contract;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:

1. Scope of Services

1.1 **Services Provided:** Service Provider agrees to provide the following services to Client:

Description of Services: [Detailed Description of Services]

Service Specifications:
[Specifications, if applicable]

Deliverables: [List of Deliverables, if applicable]

1.2 Performance Standards: Service Provider agrees to perform the services in accordance with the standards outlined in Exhibit A attached hereto.

2. Compensation

2.1 Payment Amount: Client agrees to pay Service Provider [Payment Amount] for the services provided.

2.2 Payment Schedule: Payments shall be made according to the following schedule:

[e.g., Monthly, Upon Completion, Milestone-Based Payments]

2.3 Payment Method: Payments shall be made by [Payment Method, e.g., Bank Transfer, Check].

2.4 Invoices: Service Provider shall submit invoices to Client on [Invoice Issuance Terms]. Each invoice shall include a detailed description of the services performed and any applicable expenses.

3. Term and Termination

3.1 Contract Term: This Contract shall commence on [Start Date] and shall continue in effect until [End Date] or until the completion of the services, whichever comes first.

3.2 Termination for Convenience: Either party may terminate this Contract for convenience by providing [Notice Period] written notice to the other party.

3.3 Termination for Cause: Either party may terminate this Contract immediately if the other party:

Breaches any material term of this Contract and fails to cure such breach within [Cure Period] days of receiving written notice. Becomes insolvent, bankrupt, or enters into any form of financial distress.

4. Confidentiality

4.1 Confidential Information: Both parties agree to keep confidential any proprietary or sensitive information exchanged during the term of this Contract.

4.2 Non-Disclosure: Neither party shall disclose any confidential information to third parties without prior written consent from the other party.

5. Intellectual Property

5.1 Ownership: Any intellectual property developed by Service Provider in the course of performing the services shall be the property of [Party, usually Client].

5.2 License: Service Provider grants Client a [Non-exclusive/Exclusive] license to use any intellectual property that is provided as part of the services.

6. Warranties and Representations

6.1 Service Provider's Warranties: Service Provider warrants that the services will be performed in a professional and workmanlike manner and in accordance with industry standards.

6.2 Client's Warranties: Client warrants that it has the authority to enter into this Contract and that any materials or information provided to Service Provider do not infringe on any third-party rights.

7. Indemnity and Liability

7.1 Indemnification: Each party agrees to indemnify and hold harmless the other party against any claims, damages, or liabilities arising out of the indemnifying party's breach of this Contract or negligence.

7.2 Limitation of Liability: Except for claims arising from gross negligence or willful misconduct, neither party shall be liable for any indirect, consequential, or punitive damages.

8. Governing Law and Dispute Resolution

8.1 Governing Law: This Contract shall be governed by and construed in accordance with the laws of [State/Country].

8.2 Dispute Resolution: Any disputes arising under this Contract shall be resolved through [Arbitration/Mediation] in [Location].

9. Miscellaneous

9.1 Amendments: This Contract may only be amended in writing, signed by authorized representatives of both parties.

9.2 Entire Agreement: This Contract constitutes the entire agreement between the parties and supersedes all prior agreements and understandings.

9.3 Severability: If any provision of this Contract is found to be invalid or unenforceable, the remaining provisions shall continue in full force and effect.

9.4 Assignment: Neither party may assign this Contract without the prior written consent of the other party.

IN WITNESS WHEREOF, the parties hereto have executed this Service Contract as of the day and year first above written.

**[Client's
Name]**

By:

Name:

[Name]

Title:

[Title]

[Service Provider's Name]

By:

Name:

[Name]

Title:

[Title]

Exhibits:

Exhibit A: Performance
Standards

Annex (G) - Contract

This Procurement Contract ("Contract") is made and entered into as of (Date), by and between:

Purchaser:

Name: Purchaser's Name
Company: Purchaser's Company Name
Address: Purchaser's Address
Purchaser's Phone Number
Phone: Purchaser's Email Address
Email:

Supplier:

Name: Supplier's Name
Company: Supplier's Company Name
Address: Supplier's Address
Phone: Supplier's Phone Number
Email: Supplier's Email Address

1.

DEFINITIONS

For the purposes of this Contract, the following terms shall have the meanings specified below:

"Goods" refers to the items specified in Section 2.

"Services" refers to the services specified in Section 2.

"Contract Price" refers to the total price specified in Section 4.

2. SCOPE OF WORK

The Supplier agrees to provide the following Goods and/or Services:

Description of Goods/Services: (Detailed description of the Goods and/or Services to be provided)

Specifications: (Detailed specifications, if applicable)

Delivery Date/Service Completion Date: (Date or timeframe)

3. DELIVERY AND PERFORMANCE

Delivery Terms: (Specify delivery terms, e.g., FOB, CIF, DDP)

Delivery Location: (Delivery address or location)

Performance Requirements: (Any performance standards or requirements)

4. CONTRACT PRICE AND PAYMENT TERMS

Total Contract Price: (Total amount)

Payment Terms: (e.g., Net 30 days, 50% upfront, 50% upon delivery)

Payment Method: (e.g., Bank transfer, Check)

5. WARRANTIES AND REPRESENTATIONS

Warranty: The Supplier warrants that the Goods and/or Services will meet the specifications and be free from defects for (warranty period).

Representations: The Supplier represents and warrants that it has the right to enter into this Contract and perform its obligations.

6. TERMINATION

Termination for Convenience: Either party may terminate this Contract with [number] days' written notice to the other party.

Termination for Cause: Either party may terminate this Contract for cause if the other party breaches any material term of the Contract.

7. CONFIDENTIALITY

The Supplier agrees to keep confidential any information received from the Purchaser and not to disclose it to any third party without the Purchaser's prior written consent.

8. INDEMNIFICATION

The Supplier agrees to indemnify, defend, and hold harmless the Purchaser from any claims, damages, or liabilities arising out of the Supplier's performance of this Contract.

9. GOVERNING LAW

This Contract shall be governed by and construed in accordance with the laws of (State/Country).

10. DISPUTE RESOLUTION

Any disputes arising out of or in connection with this Contract shall be resolved through (mediation/arbitration/competent court), in (Location).

11. ENTIRE AGREEMENT

This Contract constitutes the entire agreement between the parties and supersedes all prior agreements and understandings, whether written or oral, relating to the subject matter of this Contract.

12. AMENDMENTS

Any amendments or modifications to this Contract must be in writing and signed by both parties.

IN WITNESS WHEREOF, the parties hereto have executed this Procurement Contract as of the day and year first above written.

Purchaser:

Name: Purchaser's Name

Title: Purchaser's Title
Signature: _____
re: _____
Date: Date

Supplier:
Name: Supplier's Name
Title: Supplier's Title
Signature: _____
re: _____
Date: Date

Annex (H) Long-Term Procurement Agreement

This Long-Term Procurement Agreement ("Agreement") is made and entered into as of [Effective Date], by and between:

[Buyer's Name]

[Buyer's Address]

[City, State, Zip Code]

[Country]

(Hereinafter referred to as "Buyer")

AND

[Supplier's Name]

[Supplier's Address]

[City, State, Zip Code]

[Country]

(Hereinafter referred to as "Supplier")

RECITALS

WHEREAS, Buyer desires to procure [Goods/Services] from Supplier on a long-term basis, and Supplier agrees to supply such [Goods/Services] to Buyer under the terms and conditions set forth in this Agreement; NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:

1. Scope of Agreement

1.1 **Products/Services Provided:** Supplier agrees to provide the following goods and/or services to Buyer:

Description of Goods/Services:

[Detailed Description]

Specifications:

[Specifications, if applicable]

Quantity: [Estimated Quantity]

1.2 **Duration:** This Agreement shall commence on [Start Date] and shall continue in

effect for [Term], unless terminated earlier in accordance with the provisions of this Agreement.

2. Pricing and Payment

2.1 **Pricing:** The price for the goods/services shall be as follows:

[Price Details, including any applicable discounts or adjustments]

2.2 **Payment Terms:** Payments shall be made according to the following terms:

Payment Schedule: [e.g., Monthly, Quarterly]

Payment Method: [e.g., Bank Transfer, Credit Terms]

Invoices: Supplier shall issue invoices to Buyer on [Invoice Issuance Terms].

2.3 **Adjustments:** Prices may be adjusted periodically based on [Conditions for Adjustment], subject to written agreement by both parties.

3. Delivery and Performance

3.1 **Delivery Terms:** Supplier shall deliver the goods/services in accordance with the following terms:

Delivery Schedule:
[Delivery Dates or Frequency]

Delivery Location:
[Delivery Address]

Delivery Method: [e.g., FOB, DDP]

3.2 **Performance Standards:** Supplier agrees to meet the performance standards specified in Exhibit A attached hereto.

4. Quality Assurance

4.1 **Quality Standards:** Supplier shall ensure that all goods/services meet the quality standards outlined in Exhibit B.

4.2 **Inspection and Acceptance:** Buyer reserves the right to inspect and test the goods/services upon delivery and may reject any that do not meet the agreed-upon specifications.

5. Confidentiality

5.1 **Confidential Information:** Both parties agree to keep confidential any proprietary or sensitive information exchanged during the term of this Agreement.

5.2 **Non-Disclosure:** Neither party shall disclose any confidential information to third

parties without prior written consent from the other party.

6. Termination

6.1 Termination for Convenience: Either party may terminate this Agreement for convenience by providing [Notice Period] written notice to the other party.

6.2 Termination for Cause: Either party may terminate this Agreement immediately if the other party:
Breaches any material term of this Agreement and fails to cure such breach within [Cure Period] days of receiving written notice. Becomes insolvent, bankrupt, or enters into any form of financial distress.

7. Indemnity and Liability

7.1 Indemnification: Each party agrees to indemnify and hold harmless the other party against any claims, damages, or liabilities arising out of the indemnifying party's breach of this Agreement or negligence.

7.2 Limitation of Liability: Except for claims arising from gross negligence or willful misconduct, neither party shall be liable for any indirect, consequential, or punitive damages.

8. Governing Law and Dispute Resolution

8.1 Governing Law: This Agreement shall be governed by and construed in accordance with the laws of [State/Country].

8.2 Dispute Resolution: Any disputes arising under this Agreement shall be resolved through [Arbitration/Mediation] in [Location].

9. Miscellaneous

9.1 Amendments: This Agreement may only be amended in writing, signed by authorized representatives of both parties.

9.2 Entire Agreement: This Agreement constitutes the entire agreement between the parties and supersedes all prior agreements and understandings.

9.3 Severability: If any provision of this Agreement is found to be invalid or unenforceable, the remaining provisions shall continue in full force and effect.

9.4 Assignment: Neither party may assign this Agreement without the prior written consent of the other party.

IN WITNESS WHEREOF, the parties hereto have executed this Long-Term Procurement Agreement as of the day and year first above written.

[Buyer's Name]

By:

Name: [Name]
Title: [Title]

**[Supplier's
Name]**

By:

Name: [Name]
Title: [Title]

**Exhibi
ts:**

Exhibit A: Performance
Standards
Exhibit B: Quality
Standards