

Procurement Policy / Procedures

Policy Statement

The Procurement Services Unit acquires, procures and manages materials, services, resources to satisfy the diverse needs of AUC students, faculty, and staff. Procurement Services is also responsible for procuring materials and/or services for university projects as needed. The Procurement Services Unit offers high quality services while operating in accordance with the University's mission and standards of ethics and integrity. To fulfill its mission, the Procurement Services Unit seeks to attain the following goals:

- Procure all equipment, supplies and services consistent with the quality, quantity and delivery requirements of the requesting university departments.
- Obtain the maximum value for each dollar expended, utilizing open competition and impartial evaluation of alternate products.
- Assist faculty and staff by providing product information, locating sources of supply, and explaining procurement options. By saving time and energies of faculty and staff, they will work more effectively and have more time to do what they are best skilled, trained and educated to do, thereby increasing creativity and productivity.
- Promote good working relationships with all faculty, staff and students seeking procurement assistance, through an understanding of their purpose and objectives.
- Foster fair, ethical and legal trade practices that develop a strong vendor community and promote public trust in AUC.
- Develop and implement operational procedures that provide the highest level of service, while adhering to the governmental regulations, laws, rules, policies and procedures.
- Provide seminars and training sessions -whenever required- on the procurement process, visit departments and seek to improve interdepartmental communication at all times.
- Promote AUC mission as stated in the university mission statement, by emphasizing the need for continuous sound business practices regarding procurement management and administration.

Reason for Policy/Purpose

These policies and procedures are designed to explain and facilitate understanding of the scope of the operations of the Procurement Services Unit by providing information and direction to the various departments of the university.

The primary purpose of these policies and procedures is to communicate clearly the methods the Procurement Services Unit uses and give guidance to Buying personnel.

Who Approved This Policy

Tawfik El-Klisy - Executive Director of SCM Office

Brian MacDougall - Executive Vice President for Administration and Finance

Who Needs to Know This Policy

The policies contained in this document apply to the entire AUC community who have been delegated the authority to commit university funds through the purchasing function.

Web Address for this Policy

AUC Policies: <http://in.aucegypt.edu/university-policies>

Contacts

Responsible University Official: Nada Sultan

Responsible University Office: Procurement Services Unit – SCM office

If there are any questions or concerns relative to either the policies or procedures, you may:

1. Call Nada Sultan – Procurement Services Director at 2259
2. Send an e-mail to nada.sultan@aucegypt.edu, or
3. Call Ahmed Barakat – Assistant Director, Sourcing and Procurement at 1574,
4. Send an e-mail to abarakat@aucegypt.edu, or
5. Call Mohamed Kashaf – Assistant Director, Procurement Services at 2270,
6. Send an e-mail to kashaff@aucegypt.edu

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Policy/Procedures

1. Objectives

The Procurement Services Unit is responsible for the selection of sources of supply and the negotiation and development of purchase orders and contracts. Its objective is to ensure the timely delivery of products of the quality required by departments at prices that are competitive.

To achieve this overall objective, the responsibilities, authorities, and controls set forth in this policy, and related policies, must be adhered to by all employees.

In order for the university to maintain its position, it is imperative that we continually strive to balance cost, delivery, and quality in every area of our activities operations. A large cost element is purchased equipment, supplies and services. These costs provide an excellent opportunity for cost reduction and control.

It is mandatory in purchasing that the responsibility for buying supplies and services be assigned to a group of people skilled in negotiating, value analysis, and other purchasing techniques.

Their primary responsibility is to provide for the purchase of materials, and services with the objectives that they will be available at the time, place, quantity, quality, and price consistent with the needs of the university departments and units. This balancing of several factors is critical to the competitive success of the university.

2. Responsibilities

2.1 Procurement Services Unit

This policy applies to all purchase and purchase-related documents prepared or processed within the university, and in accordance with the [Buying Flowchart](#)

- A. The Procurement Services Unit has the responsibility for the procurement of all goods and services, and are authorized and delegated by the university administration to commit university funds for equipment, materials, supplies, and services.
- B. The Procurement Services Unit has the responsibility for making the final determination of sources of supply, quantities purchased for stock items as defined by PIWC, delivery schedules, and price negotiations, except where items are technically driven. In this case, Procurement decisions will be made in conjunction with other related departments as appropriate.
- C. The Procurement Services Unit is responsible for initiating and maintaining effective and professional relationships with suppliers, current and potential.

- D. The Procurement Services Unit is to serve as the exclusive channel through which all requests regarding prices and products are handled. The Procurement Services Unit will conduct all correspondence with vendors, involving prices or quotations. In cases where additional technical details are necessary, the requesting department may correspond with suppliers regarding technical issues. In such cases, the Procurement Services Unit should be provided with copies of all such correspondence; it may also reserve the right to obtain a second opinion from an outside expert. Close communication and co-ordination between the Procurement Services Unit and the requesting department must occur.
- E. *All* negotiations are to be handled by the appropriate purchasing personnel within their delegated authority.
- F. When suppliers' sales representatives make personal sales calls, they are to be directed to call on the appropriate purchasing staff at that time.
- G. All employees involved in purchasing activities will work to maintain and enhance the university's image by their personal conduct and methods of doing business.
- H. All employees engaged in purchasing activities will recognize and practice good public relations by giving all callers, visitors, and users courteous treatment.
- I. Supplier selection and products purchased are to meet the basic policies and standard practices of the university.
- J. Purchasing personnel are to seek to obtain and purchase all goods at the lowest possible total cost of ownership (TCOW), considering the guidelines of prices, service, quality, and delivery.
- K. End-user(s) has the full authority to assess the quality, and kind of material or/supplies asked for, so that the best interests of the university may be served.
- L. Purchasing personnel are to inform requesting departments whenever the quantity or specifications of the items ordered are inconsistent with market conditions.
- M. Purchasing personnel will work to establish and encourage punctual delivery of specified goods and services in correct quantities.
- N. Purchasing personnel will negotiate the return of rejected equipment and/or supplies to suppliers.
- O. The Executive Director of SCM is to advise the EVP for Finance and Administration of market conditions and changes significant to the university long-and short term interests.
- P. In cases of extreme emergency, direct purchases in the local market are authorized on the understanding that the Department Head assumes full personal responsibility, that the aggregate

value of such items does not exceed **\$500.00 (or equivalent) per cost center**, and that subsequent justification in writing will be made to the Procurement Services Unit using the [Emergency Purchase Authorization form](#) approved by the authorized signatory accompanied by valid invoice related, without the need to create a Purchase Request.

- Q. All items delivered to the requesting departments are for use on the university premises. *Under no circumstances shall items be removed from campus without written approval first having been obtained from the Senior Administrator responsible for the area concerned.* A copy of such approval shall be forwarded to the PIWC unit.

2.2 Requesting Departments and Offices

This policy applies to all purchase and purchase-related documents prepared or processed within the university.

While departments, though subject to budget limitations, are normally free to choose specific brands, models and equipment configurations and may, if they wish, recommend specific suppliers, *it is the role of the Procurement Services Unit on behalf of the university to solicit bids, negotiate prices, and issue purchase orders to suppliers.*

Whenever a department or a unit recommends a specific vendor or brand, the Procurement Services Unit will obtain a signed [Sole Source/Brand Justification Form](#) by the authorized signatory of the requesting department. If no agreement can be reached, the matter may be referred to EVP for Finance and Administration for final adjudication.

If ill-considered commitments continue to be made, the department or unit may face a situation where either the university will refuse to pay for the goods on the basis that it has made no contractual commitment, or the offending vendor, who persists in supplying goods without a properly authorized purchase order from the Procurement Services Unit, may be placed on a “black” list of firms with whom the university refuses to do business.

Departments should avoid any conflict against the Procurement Services Unit responsibilities, mentioned under article 2.1, whenever applicable.

3. Approval Authorities

3.1 Requisitions

This policy applies to all purchase requisitions to define authority for the approval of purchase requisitions.

It is understood that SAP purchase requisitions are approved by the Department / Unit head prior to issuance, and Procurement Services Unit will not require further approvals in this regard.

For unique or unusual items which require approval of NTRA, Pharmaceutical authority, National security or the Laser institute, the requesting departments will need to obtain clearance from the business support unit under SCM office prior to place any purchase requisition.

The purchase requisitions should hold a clear and specific delivery date after consulting with the buyer in charge to ensure a match with procurement lead times, where this date will be the only reference for the Procurement Services Unit to comply with, whenever possible.

3.2 Purchase Orders

This policy applies to all procurement transactions to define approval requirements for purchase commitments.

The following table lists the authorization limits by method of procurement. All designated Buying personnel shall obtain the required approval prior to final commitment.

Purchase Order Type	Procurement Services Assistant Director US \$	Procurement & Sourcing Assistant director US \$	Procurement Director US \$	Executive Director of SCM US \$	EVP for Finance and Administration US \$
Competitive Orders	<5,000	<10,000	<20,000	<100,000	>100,000
Direct Orders	-	<1,000	<5,000	<20,000	>20,000
Cash/Credit Card Orders	-	-	<1,000	<2,000	>2,000

Note:

< : Less than

> : More than

The approximate equivalents of EGP limits are obtained by multiplying the dollar limits by the university's exchange rate used at the time of the transaction in question.

Delegation of authority should not exceed one position level below that of the designated executive.

The notification should include:

- The reason for, and period of, the delegation.
- The name, position and specimen signature of the nominated delegate.

If a purchase order change is issued to correct or supplement an open order or contract and it is apparent that **additional expenditures** (not related to quantity/items increase) will occur and will exceed the previously approved amount, then the change order will be approved by the appropriate approval level identified in the table. It will be accompanied by a signed justification note provided by the buyer in charge, matching with exception(s) set forth in the Procurement Services policy.

Exceptions for accepting an increase of Purchase Order(s) expenditures after release:

- Buyer and/or vendor mistake in indicating in writing that price include/exclude applicable taxes, shipping charges, transportation costs, financial charges and legalization charges.
- Change of specifications/brands by department either after release of the purchase order and/or after delivery of goods.
- Macro-economic conditions change.

3.3 Cash Acquisition**3.3.1 Petty Cash Expenditure**

This policy applies to the exceptional purchases of goods and services with an estimated price not to exceed **\$500.00 per month per cost center**, provided that the single transaction (supplies or services) does not exceed **\$150.00**.

The purpose of this procedure is to facilitate situations where small-purchases are made. This system has the operational advantages of reduced paperwork for small orders and greatly increased operational convenience.

Considering the above; departments may use petty cash imprests for the purchases of goods and services not supplied by the university's auxiliary enterprises or supply stores, provided that:

1. The request for reimbursement is supported by a written justification approved by the department authorized signatory. A written justification for this emergency purchase must be furnished to the Procurement Services Unit using the [Emergency Purchase Authorization form](#) approved by the authorized signatory.
2. The reimbursement request is supported by a valid invoice detailing the quantity and price of items bought, as well as clearly stating the amount of tax withhold, and subject to the requirement that full tax information be supplied to the Controller's Office on the party providing the requested goods or services.
3. Items bought are directly related to the department operations.

In cases of compelling need or unusual urgency, where the University would be seriously damaged, financially or otherwise, were the goods or services required have a deadline which cannot be met by the Procurement Services Unit, departments are authorized to use any and all available petty cash imprest resources at their disposal. The following steps must be taken in all such emergency cases:

1. If the emergency arises during business hours, it must first be referred to the Procurement Services Unit. If the Procurement Services Unit confirms that it cannot act within the required deadline, the requesting department may proceed on a direct order basis using petty cash.
2. A written justification for this emergency purchase must be furnished to the Procurement Services Unit using the [Emergency Purchase Authorization form](#) approved by the authorized signatory.

With careful planning and good administration practices, it should be possible to eliminate emergency purchases. Should the practice persist, it is almost invariably a clear indication of poor and inefficient management.

3.3.2 Petty Cash Imprest at the Procurement Services Unit

This policy applies to purchases of goods and services with an estimate price not to exceed \$1000 as per the custody availability. The re-imprest on actual invoices will take place once approved by Procurement Services Unit Director.

4. Academic Integrity¹

4.1 Statement of Intent

The American University in Cairo affirms its commitment to the guiding principles of academic integrity as set out by the Center for Academic Integrity at Duke University, of which AUC is a member. These principles state that "Academic Integrity is a commitment, even in the face of adversity, to five fundamental values: Honesty, Trust, Fairness, Respect and Responsibility. From these values flow principles of behavior that enable academic communities to translate ideals into action."

Academic integrity matters. It is important not just for an institution of higher education and the members of that community but has an impact on how the institution is perceived by society and how it trains its future citizens and leaders of society, and the global community. The American University in Cairo commits itself to the highest standards of academic integrity.

4.2 Statement of Values

The American University in Cairo consists of a community of students and scholars who are engaged in the enterprise of learning. The process of learning requires an open exchange of ideas between scholars and students, and can only be based on trust in each other. This trust does not necessarily come naturally to everyone engaged in the learning process, and both faculty, students and staff need to constantly re-establish and confirm it. It allows participants to in the academic community to feel that their ideas will be respected, discussed, and evaluated in an atmosphere free of prejudice and bias. It also makes a moral demand on every participant in the academic community: that the ideas which they have expressed verbally, in writing, in papers, books and lectures are their own, or that if they are someone else's, they be honestly, and clearly acknowledged.

By committing ourselves to the highest standards of academic integrity at AUC we also reaffirm our commitment to the larger communities of Egypt and the world, so that it can be said that graduates of AUC are respected for their honesty and integrity in addition to excelling in their fields of work and activity.

¹ Extracted from AUC web page

In order to cultivate such a community founded on trust, academic integrity, and social responsibility, AUC will:

- Promote an atmosphere of academic integrity by constantly reaffirming its value in all the forums of interaction at the university involving students, faculty, administrators, staff, and parents.
- Clarify the responsibilities of each member of that community.
- Promote an understanding of the seriousness of violating the principles of academic integrity as a violation of the AUC community.
- Make it clear that violations of academic integrity will not be tolerated and that the punishment for such infractions will be appropriate to the act committed.
- Clarify exactly what constitutes a violation of academic integrity.

5. Code of Conduct and Ethical Practices

This policy applies to all employees. Its purpose is to provide guidance to all employees engaged in any supplier- related activity concerning ethical practices.

The university espouses the following principles, which are based on those adopted by the National Association of Education Procurement [NAEP] and form the basis for a code of ethics:

1. Give first consideration to university policies and objectives.
2. Obtain the maximum value for each amount expended.
3. Demand honesty in sales representation whether offered through oral or written statements, advertising, or product samples.
4. Grant all competitive bidders equal consideration; regard each transaction on its own merit; promote fair, ethical and legal practices.
5. Cooperate with trade and industrial associations, government, and private agencies engaged in promoting and developing sound business methods.
6. Use only by consent the original ideas and designs devised by one vendor for competitive purchasing purposes.
7. Be willing to submit any major controversy to arbitration where applicable or permissible.
8. Decline personal gifts and gratuities.
9. Accord a prompt and courteous reception to everyone calling on legitimate business.

ETHICAL PRACTICES

The university's suppliers, their products, personnel, and services are natural extension of the university's own resources. It is the responsibility of all employees to work to maintain the good name of the university, to develop and maintain good relations between the university and its suppliers, and to keep in mind that personal contacts form much of the basis for the supplier's opinion of the university.

In personal contacts with suppliers, each employee represents the university and should reflect and present the interests and needs of all departments. In addition to the above policy, the following guidelines are standards of purchasing practice recommended by the National Association of Purchasing Management (NAPM):

1. Avoid the intent and appearance of unethical or uncompromising practice in relationships, actions, and communications.
2. Demonstrate loyalty to the university by diligently following the lawful instructions of the university, using reasonable care and only authority granted.
3. Refrain from any private business or professional activity that would create a conflict between personal interests and the interests of the university.
4. Refrain from soliciting or accepting money, loans, credits, or prejudicial discounts, and the acceptance of gifts, entertainment, favors, or services from present or potential suppliers that might influence, or appear to influence, purchasing decisions.
5. Handle information of a confidential or proprietary nature to the university and/or Suppliers with due care and proper consideration of ethical and legal ramifications and governmental regulations.
6. Know and obey the letter and spirit of laws governing the purchasing function and remain alert to the legal ramifications of purchasing decisions.

6. Confidentiality

This policy applies to all university employees, to identify the confidential nature of purchasing and purchasing-related transactions.

It is recognized that most of the transactions relating to Purchasing are confidential, especially with regard to our suppliers.

It is considered unethical and illegal, as well as damaging to the university's competitive position, to allow university proprietary information about one supplier's quotation to pass to another supplier. This possibility is discussed in this manual under section "Supplier Relations", where the passage of information

of this type is prohibited. Calls, documents on desks during supplier interviews, and conversation between Buyers within hearing of the supplier are some examples. An awareness of this type of situation should be created so that it may be avoided.

Passage of pricing, technologic or strategic information from an employee of the university to an employee of a competitor is not only unethical, but is likely to be in violation of one or more of the various Egyptian laws and should be scrupulously avoided.

All files within the Procurement Services Unit are to be maintained in an up-to-date and confidential manner. Access to these files and any other documentation found within this office shall be restricted to those authorized by the Executive. Director of SCM.

7. Legal Aspects

This policy applies to all the university employees, to provide familiarity with the legal aspect to all Purchasing personnel.

It should be remembered that a purchase order is a legal contract. The Buyer thereby legally obligates the university to take delivery of the goods and/or services requested and may even become personally liable for his acts. Every Buyer should have sufficient knowledge of the current laws to enable him to understand the relationship between himself and the university, and the legal consequences of the acts that the Buyer performs in the university's name. With knowledge of the legal fundamentals of purchasing, the Buyer will be better equipped to recognize the need for legal guidance and seek it when it is necessary.

Due care must therefore be exercised before entering into any purchase commitment. Whenever there is any doubt about the legal aspects of a transaction, it is vital to consult the Legal Affairs Office before a binding commitment is made.

8. Conflict of Interest

This policy applies to all university employees, who participate in any phase of the purchasing process, to provide guidance to employees engaged in any aspect of the purchasing function concerning the avoidance of conflict of interest.

Employees engaged in the purchasing function are expected to be free of interests or relationships that are actually or potentially inimical or detrimental to the best interests of the university, and they shall not engage or participate in any commercial transaction involving the university in which they have a significant undisclosed financial interest.

No employee shall participate in the selection, award or administration of purchasing contracts or orders where, to that individual's knowledge, the individual or the individual's immediate family, partners, or organization has a financial interest or with whom that individual is negotiating.

Any employee engaged in purchasing who has assumed, or is about to assume, a financial or other outside business relationship that might involve a conflict of interest must immediately inform his director of the circumstances involved. This information is to be reviewed at an appropriate level for decision on whether a conflict of interest is present and, if so, what course of action is to be taken. A conflict of interest exists when an employee:

1. Has an outside interest that materially encroaches on time or attention that should be devoted to the affairs of the university.
2. Has a direct or indirect interest in a relationship with an outsider that is inherently unethical or that might be implied or construed to be, or make possible personal gain due to the employee's ability to influence dealings; render the employee partial toward the outsider for personal reasons or otherwise inhibit the impartiality of the employee's business judgment; place the employee or the university in an equivocal, embarrassing, or ethically questionable position; or reflect on the integrity of the university.
3. Takes personal advantage of any opportunity that properly belongs to the university.
4. Uses University property without approval.
5. Discloses information confidential to a proprietary to the university to unauthorized persons.

9. Gifts to the University

This policy applies to all the university community, to provide guidance for the receiving of gifts-in-kind.

Many individuals and companies make gifts to AUC in the form of items, service, and money. We should be certain to give these donors appropriate credit for their donations.

If your unit receives such a gift, the Advancement and Communication Office should be notified. Provide them the name and address of the donor and a description of the gift. If a gift-in-kind has a known value, please indicate that as well. The Development Office will then take the appropriate steps to acknowledge the donation and to make sure the donor is on AUC's mailing list.

Please keep in mind that donors like to know that their generosity is appreciated. If appreciation is communicated to them, they are more likely to donate to the university again.

On the same subject, all requests for funding or gifts-in-kind, made to any external source, should be coordinated in advance with the Advancement and Communication Office.

10. Automated Purchasing System - On-Line Requisition System

The On-line Procurement Requisitions System (SAP-MM module) is designed to use state of the art technology in order to present a new means for submitting purchasing needs online. This is achieved through a universal web-friendly interface.

The system attempts to avoid bottlenecks and problems encountered in the traditional purchasing process. The system focuses, in its first software release, on deploying technology and latest programming techniques to streamline and improve requisition procedures. A common interface present in most desktops is utilized, with no need for specialized software or application interface.

Departments and units are invited to submit all requisitions online through this easy-to-use and convenient application that facilitates the creation of a formal purchase order.

All transactions are carried out in a secure manner, and contain all information and authorizations necessary for correct processing.

Highlights of the system include:

- The ability to electronically submit requisitions through SAP.
- The ability to track the submitted requisition, with current status information throughout the various stages of purchase.
- High level of security, preventing non-authorized personnel from accessing confidential information.
- Simplified and improved administration of the purchase process within the Procurement Services Unit.

OPERATING POLICIES AND PROCEDURES

1. Overview

These procedures apply to all goods and services procurements and related activities, to establish uniform procedures for the procurement of goods and services that are consistent with the policies of the university.

It is the individual responsibility of each employee involved in the procurement process to understand the policies, upon which these procedures are based, and the meaning and intent of the procedures themselves.

If there are any questions or concerns relative to either the policies or procedures, or the ability of the employees to respond effectively to the requirements of the procedures, then it is the responsibility of the employee to bring such matters to the attention of the Procurement Services Director / Assistant Director immediately.

The fundamental purpose of these procedures is not to restrict the effectiveness of the individuals involved in procurement, but to provide a foundation for effective, consistent, and complete consideration of all aspects of the task, with the expected result being a positive, professional relationship between the university employee and the suppliers who serve the university.

2. Acquisition Sources

This policy applies to all the university departments and units, and provides guidelines to all personnel involved in purchasing procurement.

2.1. Internal Sources

Before proceeding with any requisition for the external procurement of goods and services, first check carefully to ensure that your needs cannot be satisfied from within the university. There are three major sources of internal supply:

2.1.1. Interdepartmental transfer of assets

Any department / unit possessing personal property surplus to its foreseeable requirements should forward them to the University's Main Store. Any personal property considered to be potentially of use to other departments will be stored.

If subsequently found suitable by another department, the asset will be added to the new requesting department's inventory and future depreciation expense will be charged to its budget according to the applicable depreciation rates.

2.1.2 Supplies Stores

- The University's Main Supply Stores maintains stock of all frequently used items of stationary, as well as other office requirements and materials used by Facilities and Operations for the operation and maintenance of plant.
- For the specialized requirements of the Science department, the Scientific Supplies Store maintains stocks of frequently used chemicals and laboratory utensils.

2.1.3 Auxiliary Enterprises and Service Departments

- The AUC Printing and Copying Services unit is equipped to handle all normal printing, designing and duplicating requirements subject to capacity and equipment constraints. The Procurement Services Unit will not accept purchase requisitions drawn on outside suppliers for fulfilling the above service.
- Food Services Unit is able to cater for the requirements of all normal social functions on or off campus.

No goods or services which can be supplied from any of the above-mentioned sources will be procured externally. Direct orders will not be placed with external suppliers, and will not be accepted for reimbursement unless internal sources directors confirm in writing their inability to supply requirements within the specified time and quality.

2.2 External Sources

For all goods and services, which can be procured through the local market (i.e. Egypt), the university maintains a list of approved vendors through whom it deals. Additions can be made to this list at any time; however, it should be borne in mind that for a vendor to be accepted, the following criteria must normally be met:

- All orders must be placed by purchase orders through the Procurement Services Unit.
- All goods and services will be paid by bank transfers. In special cases, they may be paid by check.
- Payment will be made against valid invoices identifying in adequate details the goods or services delivered, as well as the purchase order number and copy of delivery note.
- All price quotations must be valid for a period not less than 30 business days except for cases in which severe Macro-economic changes force a shortening of the validity period.

The submission deadline for purchase requisitions is April 1st. All departments are notified far ahead of time on a yearly basis through a notification sent by SCM to the entire AUC community. This includes requests that will be processed through a store reservation or external resource.

3. Budget Preparation

3.1. Budget Availability

This policy applies to all university purchases, to provide guidance for completing a purchase requisition.

The procurement cycle begins when a department submits a procurement requisition to the Procurement Services Unit. Estimated or unknown cost must be entered on the procurement requisition. If the requesting department does not feel confident to estimate cost, the input of the Procurement Services Unit should be requested to obtain budgetary price before the procurement requisition is released to the Purchasing.

Upon receipt of a properly completed procurement requisition, the Procurement Services Unit, at the time of ordering, check the budget availability where the requesting department is immediately notified in writing of any absence of available budget, with the request to take the necessary actions with budget office. Delays will therefore be avoided if the requesting department makes every effort to assure itself in advance that the budget is available to meet the planned commitment of funds.

The requesting department jointly with the budget office holds prime responsibility for resolving any budget errors.

3.2. Budgeting for High and Low Value Assets

After the university's budget is approved, the department is requested to prepare a purchasing plan of all the approved equipment. The same should be submitted to the Procurement Services Unit before the fiscal year start.

- Low value Assets

All non-expandable items having a productive life for two or more years, and whose costs less than **USD 2,500**, should be entered under Low-Value Asset (assets less than **USD 2,500**).

- High value Assets

Major items of equipment and furnishings having a unit value equal or in excess of **USD 2,500** should be entered under Capital Asset. This may include items of unit price less than **USD 2,500** if the total purchase of the same item is greater than or equal to **USD 2,500**.

The Procurement Services Unit, at the time of ordering, will check the assets categorization. The requesting department will be immediately notified in writing of any error. Purchase requisition quantities should be ordered in full by the Buyer in charge.

The prime responsibility for resolving any errors rests with the requesting department jointly with the Controller office.

3.3. Related Expenses for International Procurement

We freight all our supplies by air, and airfreight costs continue to escalate. Goods may be subject to substantial clearing fees and/or customs duties for which provision must be made in the budget planning process. For your guidance, you should allow a minimum of 7% of estimated equipment cost to cover insurance (**All shipments are insured, with no exceptions**) and clearing expenses, where freight cost will be shared on case by case based on actual proposal.

For all overseas orders, the above-mentioned percentage may be substantially higher should the university be unable to import customs/taxes free the items you require. We normally have no customs problems with goods, which are self-evidently required purely for educational purposes imported through Cairo International Airport. Items that can also be put to non-educational uses may well attract customs duties.

Since incidental costs such as freight charges related to the purchase of goods are paid as incurred (i.e. in various steps), only the value of the requested items should be written on the procurement requisition that you send to the Procurement Services Unit. Do not include amounts allocated for freight, forwarding and clearing fees. These amounts should be held in the related budget line item to meet the anticipated costs.

If you are in any doubt as to whether goods you need are liable to customs, please do not hesitate to contact the Procurement Services Unit.

3.4 Cancelled Purchase Orders

This procedure applies to all previous fiscal-years purchase orders, where those purchase orders are still open (i.e. not delivered yet).

Whenever a Purchase Order cancellation request is received, under fund 101 or 1010, the buyer is responsible for obtaining the department authorized personnel confirmation that the related purchase requisition(s) should be cancelled as well. Once obtained, the Procurement Services Unit will cancel both the Purchase Order and the related Purchase requisition(s) and will report the cancelled amounts to the budget office for their actions.

3.5 Rolled over Purchase Orders

This procedure applies to all previous fiscal-years purchase orders, where those purchase orders are still open (i.e. not delivered yet) due to long lead time of the vendor, or have been placed late in the fiscal year after April 1st, based on EVP for Finance and Administration's written approval.

4. SAP Requisition Preparation

This procedure applies to all purchase requisitions, to provide detailed instructions for completing a purchase requisition.

The purchase requisition is designed to contain all of the necessary information and signatures relevant to the processing of the procurement within the university. The completion of the purchase requisition serves to create the formal purchase order that is the contractual commitment between the supplier and the university.

It should be noted that in a number of cases, departments have been acting as their own purchasing departments, directly requesting bids from suppliers for commodities, comparing prices, and then instructing the Procurement Services Unit who to pay when the purchasing decision has been taken. Please review the [Purchase Orders Categorization Chart](#) that provides general criteria for determining whether or not an item needs a Purchase Order and if it should be processed directly through the Controller's Office.

The deadline for receiving purchase requisitions under Fund 101, 1010 will be the first of April of every year. This will enable the Procurement Services Unit to ensure delivery before the closing of fiscal year, as much as is possible.

4.1. SAP Requisition Preparation

For the step-by-step user manual, please visit <http://10.2.17.86/> for a live presentation.

In case the requester wishes to send any attachments, such as an offer from a vendor, a brochure of descriptions, invoices or any other needed documents, he/she must state the requisition code number - given by the system – with any sent attachment, as well as indicate the attachment list on the SAP purchase requisition header.

The Procurement Services Unit will not take any action in processing the requisitions until they receive the attachments.

The default delivery address of all requests is the central warehouses of New Cairo campus, unless stated otherwise in the purchase requisitions header. Requestor location is not a reference for the Procurement Services Unit to act accordingly.

The final delivery date will be shared by the Procurements Services Unit to the requesting department on the offers evaluation sheet in cases of deviation from the set delivery date on the Purchase Requisitions.

4.2. SAP Reservation from Supply Store Preparation

For the step-by-step user manual, please visit <http://10.2.17.86/> for a live presentation.

The SAP Supply Store System allows departments and units to order needed supplies via a user-friendly, easy to use interface. The system makes the University's Main Supply store available online, facilitating the process of ordering frequently used items of stationary and other office supplies, which are submitted instantly to the supply store, guaranteeing a fast, error-free delivery.

Purchase requisitions that will be created for store items will be automatically cancelled, and the Procurement Services Unit will update the requesting department to create a SAP reservation instead.

4.3. Maintenance Contract

The departments are requested to provide a copy of any new maintenance contract or the renewal of an existing contract to the Procurement Services Unit in case the department did those contract(s) previously on their own. A [Sole Source/Brand Justification Form](#) must be submitted to the Procurement Services Unit, approved by the authorized signatory to be able to proceed further with any request, even a contract is exist.

Purchase requisitions should be created covering the different periods of a signed contract, each period in a different line, till contract expiry or end of fiscal year, whichever is sooner.

5. Procurement Procedures

5.1. Direct Orders

This procedure applies to purchases of goods and services with an estimated price not to exceed **\$500**. This system is to facilitate situations where small purchases are made, and has the operational advantages of reduced paperwork for small orders and greatly increased operational convenience, where the Procurement Services Director or the Assistant Director can request from the buyer in charge to obtain more offers as needed.

The Procurement Services Director has the authority to approve direct orders where the amount of purchase order does not exceed **\$500**.

The Procurement Services Unit may place direct orders for all commodities subject to monopoly (irrespective of whether the monopoly is enjoyed by a governmental or private sector supplier), or under other circumstances, up to a value of **\$500**, where sole source supply is deemed unavoidable. The Procurement Services Unit will use its best efforts to obtain the most favorable prices possible for the university, despite unpropitious negotiating circumstances engendered by absence of competition.

For direct purchases of goods and services with an estimated price exceeding **\$500**, a [Sole Source/Brand Justification Form](#) should be submitted to the Procurement Services Unit by the requesting department. It must be approved by the authorized signatory, even if a contract already exists.

In case a purchase order will cover a number of different requests from different departments, where each request –individually- does not exceed **\$500** but the whole consolidated related purchase order will exceed **\$500**, then no [Sole Source/Brand Justification Form](#) is required.

The above applies on the following types of goods:

1. Items effectively subject to monopoly or which are sold through a highly restricted number of suppliers.
2. Specialized items that cannot be adequately specified in a bidding process because of the preeminence of non-quantifiable characteristics (aesthetic, appearance, design, etc.).
3. Items required with great urgency where time does not permit execution of all the steps required in competitive bidding. In all such cases, the requesting department must justify the urgency in writing to the Procurement Services Unit by submitting the [Emergency Purchase Authorization form](#) approved by the authorized signatory.
4. Items – normally replacement parts – for systems where it is desirable for purchase to be made from the original system supplier.

The above applies to all types of direct orders, i.e. local, international, and grants orders, but does not apply on cash/credit cards orders.

5.2. Proprietary Procurement

This procedure applies to all Proprietary Procurement.

Proprietary Procurement, i.e., procurement from a single source and without obtaining quotations or bids from other manufactures or suppliers, is hereby authorized only:

1. to assure compatibility or standardization with existing commodities,
2. when special design requirements are needed and available only from a single source,
3. when a specific commodity has proven to be most economical, dependable or serviceable, and
4. when a specific commodity has only one manufacturer or supplier.

Any decision to procure a commodity on a proprietary basis shall be documented and shall be supported by a statement setting forth the reason(s) justifying why such procurement was advisable and necessary. This will be done by submitting the [Sole Source/Brand Justification Form](#) with approval from the authorized signatory, if related order is with an estimated price exceed **\$500**.

All internal or external giveaways / gifts should be approved by the area head of the requesting department before any related request processing.

5.3. Quotations & Negotiations

This procedure applies to purchases of goods and services concerning solicitations of competitive quotations, with an estimated price not exceeding **\$100,000**, the Executive Director of SCM jointly with the Procurement Services Director have the authority, in consultation with the requesting department, to select the successful quotation where the amount of the offer does not exceed **\$100,000**.

However the standard procedures of tenders when its value exceeds **\$100,000** should be publically done, an exceptional approval of the EVP for Finance and Administration should be obtained in case of using competitive quotations and make the awarding for the successful quotations.

5.3.1 Types of Quotations

- I. **Verbal Quotations** - will be obtained for purchases of standard or noncomplex material with an estimated unit price not to exceed **\$200**. Prices are to be recorded on a [Verbal Quotation Form](#) that will serve as a backup documentation after the order is placed. The [Verbal Quotation Form](#) will be attached to the original requisition/purchase order, signed by the responsible buyer in charge.

As a general rule, solicitation by telephone or personal contact will be used only when a restricted number of items are required up to a value of **\$200**, when identical items have been procured from the same vendor within a period not exceeding one month, or when time constraints will not permit otherwise.

- II. **Written Quotations** - In written requests for quotation which will be sent to the vendor using the [Request for Quotation Form](#), complete information should be provided including, but not limited to, quantity, description, delivery requirement, special conditions, drawings, specifications, deadline date for receiving offers, requested offer validity, etc. If replies are to conform to a certain format, this should be spelled out. Please refer to section "Quotations Contents"

To the extent practicable, as many potential vendors as possible will be contacted and the selection process should not be limited to leading manufactures or distributors of brand names products, but should embrace as wide a segment as feasible of the entire market for the items requested. **Correct and complete quotations, with an estimated price above \$500 and not exceeding \$100,000 should be obtained by the buyer in charge from a minimum of three qualified vendors.**

Offers should be solicited in writing as this reduces the potential for eventual misunderstandings between the university and the vendor.

5.3.2 Quotations Contents

The vendor quotation should include the below, to avoid any delay in the purchase order processing:

1. Proposal Date
2. Proposal validity (Valid at least for 30 business days from submission of a complete/correct order batch date from the buyer in charge, except in the case of a severe Macro-economic change which forces a shortening of the validity period.)
3. Unit price per item
4. Delivery Date / Lead time
5. Delivery Place
6. Payment term
7. Applicable taxes %
8. Discount (if any)
9. Warranty period (for assets)

Signed and stamped quotations should be enclosed if received by fax or the vendor email where the quotation is attached if received by email.

Any change in the vendor quotation should be submitted by the vendor in a revised version, if not, then the change(s) should be indicated by the buyer in charge on the vendor original quotation. The buyer signature and the date of change should be mentioned.

5.3.3 Award Procedure

Awarded vendor should receive a [Vendor Awarding Notice](#) within maximum 24 business hours from the final approved [Evaluation Sheet](#) date by the authorized signatory.

The buyer in charge will be responsible for obtaining the vendor's signature/acceptance on the related Contract/Purchase Order, with all attachments, if any exist.

The final selection of the successful vendor is governed by the following general principles:

- A. Purchasing staff, when purchasing goods or services requiring written requests for quotations, will solicit prices from three or more vendors.
- B. Quotations will be solicited only from vendors whom Purchasing knows are qualified or can be qualified to meet all requirements. Maintaining an approved vendor list is essential. Examination of the financial condition of a vendor, his ability to perform, and his facilities should be part of the criteria for an acceptable vendor.

- C. Answers to technical questions arising during the quotation period should be provided by the requestor. Purchasing must coordinate the reply and ensure that all potential vendors are provided with the same information.
- D. After all quotations have been received and examined for completeness, an [Evaluation Sheet](#) is to be prepared noting all the pertinent data and discrepancies. Determination of the low bidder and award of the order will be made by purchasing only after all aspects, including preference of the requestor, have been considered. The information gathered will be kept with the purchase order as a backup documentation. A copy of each quotation is to be sent to the requestor along with the [Evaluation Sheet](#) for the requesting department authorized signatory approval.
- E. Employees will not reveal to a vendor at any time the prices quoted by or paid to other vendor(s).
- F. In order to ensure that vendors contacted have responded to a request for quotation, the assigned staff will identify on the requisition all vendors solicited and responses.
- G. Termination of business with any vendor has the below relationships should take place once proved through written communications:
 - 1. Is owned, controlled, or actively influenced by an immediate relative of an employee engaged in Purchasing.
 - 2. Employs in management, consulting, or sales capacity any person who is a university employee.
 - 3. Employs in any capacity a university employee who is in position to influence the selection of, or conduct business with, such vendor.
- H. Exceptionally due to current Macro-economic turbulence and the scarce of foreign currency at AUC, the following award procedures for international orders will be applied exceptionally till further notice:
 - 1. Before awarding any international order whose value exceeds USD 3,000, the Procurement Services Unit will obtain the Controller's approval
 - 2. In case of international order total landed value will be less than local purchase value, then the Procurement Services Unit will obtain the Controller approval prior to proceed in case it will exceed USD 3,000.

5.3.4 Non-successful vendor

It is a good practice to notify unsuccessful vendors that the bidding has been closed and a contract was awarded, by sending the [Non-Successful Vendor\(s\) Apology](#) to express our thanks to vendors who exerted efforts but failed receiving the bid. The apology should be sent by the buyer in charge **after receiving awarded vendor acceptance of the same project**. It is not necessary to note the name of the successful bidder.

5.4. Bidding Processes

This procedure applies to purchases of non-proprietary commodities (supplies, equipment, and/or services) concerning solicitations of competitive bids. Purchasing staff should take care not to violate the limits of individual authority as outlined in section “**Approval Authorities - Purchase Orders**”.

Authority and Responsibility:

- The Procurement Services Director has the responsibility for maintaining a uniform set of policies and forms to serve the bid process. Consideration should include the need for mechanisms for supplier notification, bid analysis and summary, bid bonds, bidder mailing-list applications, competitive invitations, instructions to bidders, policy statement of bid award, and sealed-bid envelopes.
- Purchasing staff is responsible for obtaining bids on all goods and/or services for both estimating purposes and purchases.

5.4.1 Types of Competitive Bids

- I. **Unlimited Competitive Bids** (value exceeds \$100,000) - where the university specifies its requirements and solicits bids through an advertisement in one or more of the national newspapers. Bids are submitted in sealed envelopes with interested vendors being given at least fifteen days to respond from the date of placing the advertisement(s).

An exceptional approval of the EVP for Finance and Administration should be obtained through email in case of using competitive quotations and then awarding the successful quotation instead of going into public tendering.

- II. **Limited Competitive Bids**

- a. **Value exceeds \$10,000 up to \$100,000**, where the university invites bids from qualified vendors on its approved vendor list where vendors submit their offers in closed envelopes, if applicable.
- b. **Value less than \$10,000**, where the university obtains offers from qualified vendors where vendors submit their offers in writing; this approach is usually the most suitable and has the advantage of greater speed and simplicity for low value RFQs.

5.4.2 Quotations Contents

In order to simplify the evaluation process and obtain maximum comparability, it is preferred that all vendors' responses to the RFP be organized in the manner and format described below to avoid any delay in the evaluation process:

A. Technical booklet:

Includes a proposed technology, solution, project plan, maintenance and documentary evidence that the proposed products and related services conform to the requirements of the RFP, as well as examples of previously implemented in similar project(s) enjoys same scale and nature which was implemented locally –ideally- or internationally.

B. Commercial and financial booklet:

The prices shall be quoted by the vendor entirely in Egyptian Pounds –for local vendors-, and are considered to include all applicable taxes. Prices specified in the proposal are not subject to change until final payment and independent of any fluctuation that may occur in currency exchange rates or quantity related to any site condition.

Proposals should include documentary evidence establishing the vendor’s schedule for arrival and installation of the products and delivery of the services. They should also include examples of previous work, and provide client references of similar handled projects (products clusters) the firm has served within the past three years and furnish the names and telephone numbers of any references whom AUC may contact without any reservation. A detailed price breakdown (i.e. unit price of each item) for all the proposal items/components is required.

AUC shall not consider any proposal that will be submitted after the deadline. Any proposal received by the AUC after the deadline for submission of proposal shall be declared late and rejected, except for when vendor provide document proves his submission of the offer through courier, where the courier made delay in delivery to AUC.

AUC may, at its discretion, extend the deadline for the submission of proposals, in which case all rights and obligations of the AUC and vendors previously subject to the deadline shall thereafter be subject to the deadline as extended.

Proposals may remain valid for 3 months, or otherwise as specified in tender/RFP documents, starting after the proposals submission deadline date prescribed by the AUC in tender/RFP documents. In exceptional circumstances, prior to the expiration of the proposal validity period, vendors may be requested to extend the period of validity of their proposals. The vendor will not be required or permitted to modify its proposal, but will be required to extend the validity only.

Proposals should include any additional information not specifically requested, but which the vendors believe would be useful in evaluating their proposal.

Vendors’ proposals packages should also include the below:

1. Delivery Date / Lead time
2. Delivery Place
3. Payment term
4. Applicable taxes %
5. Discount (if any)

6. Warranty period (for assets)
7. Bid bond – (Should be submitted in sealed envelope if proposal was originally requested to be submitted in sealed envelope)
8. Authorization letter, showing the authorized contact person, if other than the one mentioned in the company registration.
9. The last 2 years audited financial statements accompanied by an auditor report
10. An updated company profile
11. Commercial registration
12. Tax ID
13. Bank accounts
14. In addition to, any other requirements as specified in tender/RFP documents.

5.4.2.1 Proposals Clarification

To assist in the examination, evaluation, comparison and post-qualification of the proposals, AUC may, at its discretion, ask any vendor for a clarification of its proposal, allowing a reasonable time for response.

The AUC's request for clarification and the response shall be in writing. No change in the prices or substance of the proposal shall be sought, offered, or permitted, except to confirm the correction of arithmetic errors discovered by AUC in the evaluation of the proposal.

No vendors meetings may be held during the proposal preparation period given to the vendors (this applies also on exchanging of information through mails, phone calls, etc. more than the information being mentioned in the RFP). If this has happened, and in the presence of the appropriate stakeholder/s and the project manager, the information shared during the meeting should be shared by the buyer in charge with all other invited vendors for fairness and to allow all vendors to submit a proper complete proposal, as required.

5.4.3 Direct Negotiation

The Procurement Services Unit jointly, and, when needed, with the appropriate stakeholder/s and the project manager, will conduct direct negotiations with best bidders identified based on best price and best technical offer.

5.4.4 Award Procedure

The Procurement Services Unit jointly, when needed, with the appropriate stakeholder/s and the project manager, will evaluate all proposals according to a single unified evaluation matrix.

The awarded vendor should receive the [Vendor Awarding Notice](#) within maximum 24 business hours from the final approved [Evaluation Sheet](#) date by the authorized signatory. The buyer will be responsible to obtain the vendor signature on the related contract/Purchase Order.

All local bids - whether on an unlimited or limited basis - for amounts in excess of **\$50,000** should normally be supported by a bid bond equal to 2% of the value of the bid. The successful bidder is then required to furnish a performance bond equal between 5-10 %, at the discretion of the university. Based on the recommendation of the awarding committee, whenever in place, the EVP for Administration and Finance might waive the successful bidder from this requirement according to his previous performance, the level of his provided services, and the strength of his financial stability.

The successful bid will normally be the lowest which meets all specifications and terms. Exceptions to this general principle must be clearly documented and adequate justification provided whenever the lowest bid is not selected. Please refer to section "Award other than Low Bid".

If two (or more) bids are identical in price and other conditions, the decision may be taken to divide the order between them when applicable.

The following factors in combination, not necessarily listed in their order of importance, will be - *minimally*- considered in reviewing bids and awarding contracts:

1. Prices.
2. Bidder's previous record of performance and service.
3. Ability of bidder to render service in this instance.
4. Availability of bidder's representative to call upon and consult with the requesting departments.
5. Quality and conformance to specifications.
6. Stocks availability.

The university reserves the right to reject any and all bids, to waive informalities, and to contract as the best interests of the university may require. This should be clearly noted on all bid documents.

The final selection of the successful vendor is governed by the following general principles:

- A. Bid requests should be typed, using the [Request for Quotation Form](#), whenever possible. Complete information should be provided including, but not limited to, quantity, descriptions, delivery requirements, special conditions, drawings, specifications, date information required, etc. If replies are to conform to a certain format, this should be spelled out; Purchasing must be thorough and attempt to remove all known variables.
- B. A minimum of three vendors is acceptable, provided that purchasing staff is familiar with the market and prices of the goods in question. In the case of proprietary items, more than one price is often not possible and should be so noted on the requisition.

- C. Bids will be solicited only from vendors whom Purchasing knows are qualified or can be qualified to meet all requirements. Maintenance of an approved vendor list is advisable. Examination of the financial condition of a vendor, his ability to perform, and his facilities should be part of the criteria for an acceptable vendor.
- D. Answers to technical questions arising during the quotation period should be provided by the requestor. Purchasing must coordinate the reply and ensure that all potential vendors are provided with the same information.
- E. After all bids have been received and examined for completeness, an [Evaluation Sheet](#) is to be prepared noting all the pertinent data and discrepancies. Determination of the low bidder and award of the order will be made by purchasing only after all aspects, including preference of the requestor, have been considered. The information gathered will be kept with the purchase order as a backup documentation. A copy of each quotation is to be sent to the requestor along with the [Evaluation Sheet](#) for the requesting department authorized signatory approval.
- F. Employees will not reveal to a vendor at any time the prices quoted by or paid to other vendor(s).
- G. In order to ensure that vendors contacted have responded to a request for quotation, the assigned staff will identify on the requisition all vendors solicited and responses.
- H. Termination of business with any vendor with the below relationships should take place once proved through written communications:
 - a. Is owned, controlled, or actively influenced by an immediate relative of an employee engaged in Purchasing.
 - b. Employs in management, consulting, or sales capacity any person who is a university employee.
 - c. Employs in any capacity a university employee who is in position to influence the selection of, or conduct business with, such vendor.
- I. Exceptionally, due to current Macro-economic turbulence and the scarcity of foreign currency at AUC, the following award procedures for international orders will be applied till further notice:
 - a. Before awarding any international order whose value exceeds USD 3,000, the Procurement Services Unit will obtain the Controller's approval prior to proceeding.
 - b. In cases of international orders where the total landed value will be less than local purchase value, the Procurement Services Unit will obtain the Controller's approval prior to proceeding in case it will exceed USD 3,000.

5.4.5 Rejection and Selection of Proposals

To avoid any doubt, the AUC decision on the choice of tenderers will be final and any application submitted shall be on the basis that the vendor accepts this condition. No liability can be accepted for loss or late delivery of submissions or cancellation of (or part of) the presented scope of work.

Failure to furnish the required information, make a satisfactory response to any question, or supply documentation referred to in responses, within the specified timescale, may mean that parties will not be invited to participate further. The information supplied will be checked for completeness and compliance before responses are evaluated. Issuance of any RFP in no way constitutes a commitment by AUC to award any contract.

AUC reserves the right to:

- Reject any or all proposals or any portion of all proposals received without any need to provide justification for doing so;
- Reject any proposal which is conditional or incomplete;
- Continue the proposal evaluation process and select the proposal which offers the best value to the Client even if all vendors fail to meet one or more of the mandatory requirements;
- Advertise seeking new proposals.

5.4.6 Cancellation of the Project

In the event the required approvals are not obtained, AUC can cancel the project without prior notice. Cancellation may occur where:

- The tender procedure has been unsuccessful, i.e., no qualitatively or financially worthwhile tender has been received.
- The economic or technical data of the project has been fundamentally altered.
- Exceptional circumstances or force majeure render normal performance of the contract impossible.
- There have been irregularities in the procedure, in particular where these have prevented fair competition.
- In no event shall the AUC be liable for any damages whatsoever including, without limitation, damages for loss of profits, in any way connected with the cancellation of a tender procedure even if the AUC has been advised of the possibility of damages.

5.4.7 Non-successful vendor

It is a good practice to notify unsuccessful vendors that the quotations have been closed and a contract was awarded by sending the [Non-Successful Vendor\(s\) Apology](#) to express our thanks to vendors who exerted efforts but failed in awarding. The apology should be sent by the buyer in charge **after receiving awarded vendor acceptance of the same project**. It is not necessary to note the name of the successful bidder.

When the successful bidder has been selected, all other bidders are contacted and requested to submit their deposit receipts for refund. All bid bonds are then mailed directly to the issuing bank.

5.5. Award other than Low Bid

This procedure applies to all procurements, to establish criteria for awarding purchase orders or contracts to other than the low bidder.

It is recognized that the primary objective of the Procurement Services Unit is the timely acquisition of goods and services at the lowest total cost. The elements of total cost, in addition to basic price, include transportation, storage, service, technical assistance, and willingness to stock material for the university's requirements, after-hours availability, and compatible and correct invoicing. The assigned staff/committee evaluates each of these and other criteria to decide which proposal represents greatest value or lowest total cost to the university. Since several of these decisions are subjective, it is important that the reasoning employed in reaching such decisions be carefully documented. In the event that the assigned staff/committee decides to award the order or the contract to a vendor whose price is not low, the assigned personnel shall:

1. Write a brief explanation of those factors that lead to the decision to award to other the low bidder, on the [Award other than Low Bid Form](#).
2. Have the [Award other than Low Bid Form](#) reviewed and approved by the head of the requesting department prior to placement of the order.

5.6. Contracts

This procedure applies to all contracts to provide guidelines to all personnel involved in contracts.

The Procurement Services Unit acquires and manages contracts for materials, resources, computing and other equipment maintenance, and services except for:

1. Acquisition of buildings and lands.
2. Apartment rentals.
3. Utilities.
4. Construction contracts less than \$250,000 according to EVP for Finance and Administration approval in March, 2013.
5. The below "After the event" list which was approved by the controller office in June 2014, where "After the Event" means that the cost center has already consumed services/materials from vendor and only needs payment processing

Governmental Regulated:

- Gas invoices
- Electricity invoices
- Water invoices
- Renewal of Vehicles licenses.
- TE Data & Landline
- Fuel invoices

Non-Governmental Services

- Mobile telecom invoices
- Physicians (Outside- Patient choice)
- Medical Services advances
- Library subscriptions and membership
- General subscriptions
- Catering (external and internal food arrangement invoices)
- Function events special rented needs
- Consultation and Researcher/Instructor Fees and patency fees.

Please review the [Purchase Orders Categorization Chart](#) that provides general criteria for determining whether or not an item needs a Purchase Order and whether it should be processed directly through the Controller's Office.

Before signing a purchase contract managed by the Procurement Services Unit binding the university, the Procurement Services Unit will refer the documentation to the Legal Affairs Office for review and approval.

5.6.1. Equipment Maintenance Agreements

This procedure applies to all equipment maintenance agreements to provide guidelines to all personnel involved in equipment maintenance agreements.

The Procurement Services Unit is responsible for the issuance and administration of related contracts, which relate to the purchase or acquisition goods, computing and other equipment maintenance.

Since it has been noticed that departments and units are signing equipment maintenance contracts with vendors and sending executed contracts to the Procurement Services Unit (or even to the Controller's Office directly) for payment processing. Therefore, it should be noted that **all such contracts are signed under the sole responsibility of the department who signed it.**

In such case, the departments are requested to provide a copy of any new maintenance contract or the renewal of an existing contract to the Procurement Services Unit. A [Sole Source/Brand Justification Form](#) must be submitted to the Procurement Services Unit, approved by the authorized signatory to be able to proceed further with any request, even a contract is exist.

5.7. Purchasing Procedures of Some Critical Clusters

5.7.1. Software

The purchasing or renewal of software is governed by the following procedures and responsibilities.

To enable the Procurement Services Unit to process and issue purchase orders against any deal already approved by IT, the following documents need to be presented to the Procurement Services Unit at SCM office. These documents are based on the EVP for Finance and Administration's approval dated December, 2016:

- A. IT will be responsible for obtaining vendors' offers, and sharing with the Procurement Services Unit the selected and approved signed offer by IT.
- B. **Sole Source/Brand Justification Form** signed by CTO, in case of single software/vendor selected by IT.
- C. An agreement signed by both IT/ other requesting department and vendor regarding selected software, showing the prices, coverage period, payment rate (for foreign currency contracts), ...etc.

All software purchases should be covered by a signed agreement, either for software annual license or a life time license that needs no renewal.

For online software purchases, a copy of the agreement can be signed by the vendor and the authorized representative of cost center who asked for the software.

If it will be impossible to have an agreement, this should be stated clearly in the **Sole Source/Brand Justification Form**

- D. In case of renewal of software license, which has price increase, then the CTO must sign a **Price Increase Justification Form** stating reasons of price increase.

As agreed earlier between the CTO and EVP for Finance and Administration, only the EVP for Finance and Administration will sign on approval form in case of price increase due to currency fluctuation.

Any needed signed document by IT, only CTO is the only authorized signature for the Procurement Services Unit.

Purchase requisitions should be created during the first 10 days of the quarter. Related orders will be placed as early as possible before the end of the same quarter, i.e. the purchase requisitions will be created before the software expiry date with a minimum of 3 months.

Purchase requisitions should clearly state the needed coverage period. It is preferred that this is shared with the Procurement Services Unit if the request is for multiple years, so that SCM can reach a competitive proposal, if possible.

The above arrangements, in terms of deadline/lead times, will not be followed on grants requests.

5.7.2. Computing Equipment

Effective FY18 and onwards, once the budget is approved, expectedly before end of March, the Procurement Services Unit will obtain from the budget office the details of computing equipment needed by each cost center. This will include quantities and budgeted unit price in USD. They will then obtain detailed specifications of each device from the IT department at latest by mid-April so as to be able to proceed further with the tender.

According to the specifications given by the IT, the Procurement Services Unit will issue a tender before end of April, with an estimate delivery during the followed August.

The above arrangements will not be followed on grants requests.

The following points should be carefully noted:

- a. In the interest of fairness, all vendors must be accorded the same treatment. The committee and the departments' representatives should treat all bid data confidentially and should not divulge one bidder's data to another bidder, either before or after the contract has been awarded. All bidders should be advised of the bid closing date, and no bids should be accepted after that date. If, for extraordinary reasons, the bid date is extended to give an interested vendor more time, all bidders should be notified of the new bid closing date.
 - b. The specifications must be generic and clear enough for both buyer and seller to be absolutely certain that they are considering the same thing.
 - c. In addition to achieving clarity, care must be exercised to ensure that specifications are not written around a specific product, so as to limit competition.
 - d. Specification should spell out unambiguously the required design or performance characteristics necessitated by the current operating situation.
 - e. For upgrading, a clear and accurate definition of the items to be upgraded should be listed and to be provided with the requisition.
2. The offers will be forwarded to the Procurement Services Unit. The Procurement Services Unit will appoint a committee to open bidders' envelopes, and a summary will be presented to the IT. IT will then review the offers and give advice regarding the brands, items requested and suitable suppliers, and recommends the selected equipment. The Procurement Services Unit will negotiate with the suppliers for discounted prices.
 3. The Procurement Services Unit award under this tender for this category based on contract only.
 4. IT will inspect 100% of all computing devices once delivered to AUC warehouses to ensure its perfect condition and full compliance to the specifications indicated in the purchase order/contract and approved vendors offer.

In order to expedite the purchasing of all requisitions for all items other than computing equipment (such as upgrading, modems, servers, network accessories, Ethernet cards, hard discs, memory upgrade, spare parts, keyboards, monitors, software and all other components & accessories), they will be processed directly through the Procurement Services Unit as far as the requisition is signed, recommended and approved by the appropriate authority.

5.7.3 Stamps Purchases

The stamps purchases can only be processed after obtaining the communication office's approval from the requesting department. There is no need for this approval in the case that the stamp does not include the university name, school name, department name etc. (i.e. no communication approval is needed for personal signature stamps, URGENT stamps, .etc.)

The authorized person should confirm the contents of the [Stamp receipt confirmation Form](#), by confirming that the required stamp was successfully received in full quantity/ies by the requested department.

Stamps should be received directly by the buyer in charge and delivered to the requesting department after obtaining their complete signed form. Signing on the [Stamp receipt confirmation Form](#) will remove the liability on the office of the supply chain management towards the related request.

The department will be responsible of destroying/destroying any old stamp(s), with no responsibility on the office of the supply chain management.

5.7.4 Uniform Project

The policy outlines the dress code and uniform standards required within the University community to reflect the professional image of the institution.

By adopting this Dress Code and Uniform Policy, the University (i) demonstrates its care for the professional and presentable image of its employees and (ii) establishes a mechanism to safeguard the identity of its employees, their sense of pride in the institution, as well as the safety and security of employees and other members of the AUC community.

The Uniform Policy is applicable to all University employees who are required to wear a uniform.

5.7.4.1 Project Implementation

- The Office of Supply Chain Management manages the process of uniform purchasing and ordering on a centralized basis (i.e. collecting uniform budget from the concerned departments and issuing collective purchase orders.)

- Each eligible employee will receive one complete winter uniform and one complete summer uniform by November and April of each year, respectively. Some more durable items, such as microfiber jackets, hooded jackets, waterproof jackets, rain coats, neck scarfs and trench coats will be replaced every two years.
- The design of the uniform may be modified or changed periodically upon the Uniform Committee review and decision. The Uniform Committee is composed of department heads of uniform assigned departments or their representatives, the Human Resources Office and the Procurement Services Unit.
- All employees are required to attend scheduled fitting sessions to provide their measurements.
- The Procurement Services Unit will not be able to satisfy any imported products requests due to local availability as well as scarce of foreign currency at AUC.
- After receipt of the “*uniform bag*” (that is, a complete new uniform) the employee shall raise any size concerns within two weeks by submitting a repair form to the Inventory and Warehouse Department.
- All alterations to uniforms must be performed by the uniform supplier and only to accommodate fit. No other alterations to the uniform are permitted.

5.7.4.2 Responsibilities

Eligible for uniform departments Directors and Managers/Supervisors:

- It is the responsibility of Directors and Managers/Supervisors to ensure compliance with this policy, ensuring that uniform is worn where required and that the standards of dress set within this policy are observed.

Procurement Services Unit:

As SCM plays both technical and commercial roles in this project, where SCM lack technical expertise required to handle garment making, the role of external technical garment expert is mandatory to ensure successful delivery of uniform.

- Fully authorized to do public tendering, as needed, collecting offers, making technical and financial assessment to select best vendor then document it in form of recommendation to senior management to take the award decision.
- Handle both the uniform vendor, uniform technologist, belts and shoes vendors plus develop drafts of contracts then obtain legal department approval.

- Review and develop all needed contracts on this project, as well as issue related purchase orders and obtain needed authorized signatures.
- Manage, monitor and control fitting sessions to ensure all AUC members entitled for uniform do the needed fittings and ensure perfect accuracy in recording.
- Develop, keep and manage the database of staff entitled for uniform to ensure proper recording of names, items of uniform, costs, and sizes and maintain records of final lists at end of fittings and at end of uniform delivery (winter and summer).
- Lead the process of samples development then ensure obtain written approval of clients' department directors before making any commitment with uniform, shoes, belts vendors.
- The vendor, jointly with AUC technologist, should develop the data, design sheets and matrices needed to produce the uniform as per AUC specifications.
- Do the needed visits to vendor's sites and lead the meetings with both of vendor and technologist to ensure proper project's control is in place.
- Obtain vendor weekly progress report.
- Obtain vendor season production plan.
- There may be no change in items specifications, colors or fabrics without written documentation signed by the buyer in charge, technologist and Directors of departments who are entitled to uniforms. Such a change must not impact cost or time of delivery of this project versus set budget and contract's terms.
- No change of logos, colors or designs without written approval of clients' dept. director(s), communication office and technologist.
- AUC, or whoever may be officially contracted to act on AUC's behalf, should select the sample for the fabrics tests. Tests should be performed by an independent agency and the test fees must be charged to the vendor. This should be included amongst the vendor's obligations stipulated in the contract.

Below are specified test types results that should be submitted by the Contractor at least 30 days before order delivery:

1. Dimension stability to Shrinkage, Growth, Skewing,
2. Color fastness to Washing, Rubbing Wet & dry, Sun light, Sweat is acidic and alkaline,
3. Seam Slippage,
4. Fabric weight & composition,
5. Bursting at seams,

6. Appearance after 3 washes,
7. Pilling random, Safety standard test.

All to be tested in:

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- AUC, or whoever may be officially contracted to act on AUC's behalf, should ensure that all the tests as per the contract are performed prior to the approval of each uniform delivery.
- Should work closely with the purchasing accounts unit to monitor project's budget, and should report to the Executive Director of SCM office on 2 months basis budget status.
- Report on bi-monthly basis (or immediately when crisis is expected) to the Executive Director of SCM office with the progress on project, time schedule update to avoid any delays, budget status and any change in project needs approval.
- Be entrusted on project's budget but will need to obtain Executive Director of SCM office approval in case of any change in budget before making any commitment with vendors on behalf of AUC.
- Return the Old vendor's approved uniform samples after 2 years from contract expiry date.

5.8.Purchase Order

These procedures are applied to all university employees, and provide all purchasing personnel with the information required in purchase orders.

Printed or written forms and documents perform an important business function. Their correct use assures maximum clarity in communications and provides legal protection for all parties.

Purchasing personnel are responsible for acquainting themselves with the standard forms. They must be familiar with all conditions printed on the university forms as well as the vendor's forms.

A **Purchase Order** is a legal document governed by commercial law. It is available to any authorized person and its use is mandatory.

The purchase order constitutes the final and entire agreement between the vendor and the university. It may be either an offer to buy or a confirmation of a verbal agreement between the university buyer and a vendor. Usually it is an instrument containing an offer to buy, and when formal acceptance is received from the supplier it becomes a legal contract. As a legal contract, the purchase order gives the vendor authority to deliver and invoice the ordered goods and, thereby, becomes the university's commitment for the amount and value of those goods.

When a purchase order is issued as an acceptance of the vendor's offer by the requesting department, a contractual relationship arises immediately; in other words, our purchase order constitutes an offer to create a contractual relationship, which can be completed by the vendor's acknowledgement or acceptance.

In case of delays might occurred due to unanticipated change in process or needs, the procurement services director might obtain the approval of Executive Director of SCM to issue a LOA to the vendor, within the approved limits mentioned in this policy, to proceed with urgent supplies provided the budget office approval is obtained on securing of funds needed.

5.8.1 Preparation of a Purchase Order

As a major requirement, the purchase order must contain a precise and clear description of the elements in the order, the terms of the purchase, and the time, manner, and place of delivery.

All the following information is necessary when preparing a purchase order:

- Name and updated address of vendor.
- Requisition number.
- Date goods are required.
- Place of delivery.
- Vendor approved offer, by the requesting department authorized personnel, including –but not limited to- description of goods, quantity per item, and price per unit.
- Discount terms.
- Applicable Taxes.
- Signature of the person authorized to approve the evaluation sheet/offer.

In preparing a purchase order, the following points require special attention:

1. PRICE

A purchase order should state the price, by referring to a price quotation or agreement on which the prices are based.

The requesting department authorized approval should be obtained on the vendor offer/evaluation sheet before processing the related order.

If the offered price includes applicable taxes, the tax percentage should be clearly stated by the vendor.

2. CURRENCY

All local orders should be prepared in EGP, if approval to use another currencies was obtained, then the related purchase order should state that the related payment will be processed at the FX rate of Central Bank of Egypt on the day of delivery. The rate will be identified by the controller's office.

For competitive orders where the international offer is more competitive than the local one, then the controller's office approval should be obtained before processing the purchase order if its value will exceed USD 3,000.

3. PAYMENT TERM

A SAP Purchase order payment term should indicate one of the AUC approved payment terms. In the case that the exact payment term wording is not among the SAP standard list, a new payment term should be added to be able to create the new order.

More details on the selected payment term can be mentioned in the PO header text.

4. DISCOUNT

The purchase order should show the appropriate discount.

5. PURCHASING TERMS AND CONDITIONS

The [Purchasing General Terms and Conditions](#) should be attached to any local purchase order after indicating that on the purchase order header.

6. DELIVERY REQUIREMENTS

The document should show the date materials/assets/services are to be delivered to the destination, and should not use expressions such as "rush", "as soon as possible", or "urgent".

The requesting department authorized approval should be obtained on the given lead time by the vendor before processing the related order if it will deviate the set delivery date on the purchasing request.

Each purchase order should have a UNIQUE delivery address to which the goods should be delivered to by the vendor.

7. SIGNATURES

Signatures mentioned in this policy organizing limits of approvals. Purchase Orders should be stamped by AUC Procurement Services stamp.

5.8.1.1. Purchase Order Checklist form

A complete and correct [Purchase Order Checklist Form](#) is a mandatory document to be submitted by the buyer in charge for purchase order processing, after indicating the justification and recommendation which supporting the vendor offer selection with all its terms and conditions.

The [Purchase Order Checklist Form](#) will be the only reference for the savings achieved by each buyer, where each buyer is requested to provide the proof of the calculated savings amounts for review and acceptance.

By signing a [Purchase Order Checklist Form](#), the buyer and the Assistant director are confirming that all its contents are accurate, correct and for the best utilization of AUC funds.

In case any PO will show remarks under “Orders Remarks” which prevents the purchase order SAP release from taking place, the buyer in charge is requested to finalize the same within maximum one business day, otherwise a justification must be attached showing the reason for delay.

5.8.2 Adding New Vendors

Below are the procedures to add any new vendor to AUC’s approved list:

- The AUC [Vendor Registration Form](#) must be fully completed, signed and stamped by an authorized signatory at the vendor end, with no missing data.
- The following documents should be submitted by the vendor:
 - I. Vendor company profile, along with the products and services that they will be able to provide.
 - II. Recent commercial registry (6 months old max.)
 - III. Tax Card (for local vendors), or AUC provides form 501 C for all American companies to confirm its exemption from Tax in USA.
 - IV. Commercial Registration Card.
 - V. Sales Taxes certificate.
 - VI. Last 3 years audited balance sheets and profit & loss statements
 - VII. List of key clients over the last two years (in the same field of application applied for, and having similar business scale of AUC) with names of contacts there with their mobile number. Copies of their latest purchase orders are mandatory to be provided as evidence of experience.
 - VIII. Vendor's authorization to let SCM of AUC to make all needed communication with clients for reference checks.
 - IX. Copy(ies) of valid foreign Agency Agreement/dealership/distributorship for the products or services that they will be able to provide AUC with, if applicable.

Buyer should define the reasons for seeking to add a new vendor to the approved vendors' database, and defining the source (newspaper, website, word of mouth) that guided/provided this vendor contact, and add this to the related section in the [Vendor Registration Form](#).

The Assistant Director should proceed with contacting at least two reference to check vendor's performance.

Once this request form is endorsed by the Procurement Services Director, the Assistant Director, and the purchasing accounts assistant director, then the vendor will be added to the approved vendor list.

5.8.3 Vendor/Supplier Selections

This applies to all the university purchases, to define the responsibility for, and provide basic guidelines for, Vendors/Suppliers selection, as this is one major decision required during the purchasing process.

The selection of Vendors/Suppliers is the responsibility of the Procurement Services Unit and requires a consideration of several factors. In making the selection, Buyers will co-ordinate closely with other departments to obtain adequate and reasonable specifications. Whenever possible, identification of brand names, or sufficient detail, should be obtained to ensure that the order can be correctly filled.

The Procurement Services Unit staff should endeavor to place orders with regard to the dependability and service record of the Vendor/Supplier, the nature of the guaranty and warranty of the product, its price, and the quality. Preference (no priority is intended) should be given to the following types of Vendors/Suppliers, providing this involves no sacrifice in quality, service, or price:

1. Vendors/Suppliers who are developing new and improved products or equipment, or designing and developing a special product for the university's exclusive use.
2. Vendors/Suppliers with adequate financial strength who also have a reputation for adhering to specifications and delivery schedules.
3. The university's Minority Business Enterprise Program.

5.8.4 Purchase Orders Confirmation

The Vendor acknowledges that the order will be considered as accepted with all its terms and conditions ([Purchasing General Terms and Conditions](#)), in cases in which AUC doesn't receive any feedback or remarks after maximum 2 business days from the order sent date

The buyer in charge will be responsible for obtaining the vendor acknowledgment so as to avoid any negative impact(s) that will be raised in case of the absence of the required acknowledgment.

AUC is not bound by the terms and conditions of the Vendor unless AUC agrees to accept such terms and conditions in writing.

5.8.5 Purchase Orders Delivery

Every delivery shall be accompanied by a vendor delivery note detailing the contents of the shipment as well as the complete PO number for site delivery orders. AUC shall not accept the receipt of goods, unless the delivery note is submitted.

The costs of delivery and packaging shall be borne by the Vendor, unless otherwise agreed in writing by AUC on the related purchase order. The Vendor is responsible to assure that the goods arrive in good condition at the place determined in the purchase order for the delivery of the ordered goods.

Unless the PO indicates otherwise, the goods shall be delivered between 9:00am and 3:00pm (Sunday to Thursday business days) to:

The American University in Cairo
New Cairo Campus
Receiving Unit (Gate 3)
AUC Avenue, P.O. Box 74
New Cairo
11835, Egypt

In case of urgent deliveries, where the vendor is requested to deliver the goods after 3:00pm, the buyer in charge should send a notification, preferred to be 48hrs before the delivery -as a standard deadline- to the Material Management Director to allow him/her to arrange for this exceptional request.

In a case in which the vendor has requested to make an exceptional late delivery after working hours or on weekends, the vendor will assume any cost related to staff overtime and transportation.

Timely delivery is of the essence. Once the PO is received, the Vendor shall inform AUC immediately in writing if a delay in delivery can be anticipated or if the goods cannot be delivered in the quantities requested. AUC has the right to demand from the vendor an expedited delivery to meet the delivery date specified in the PO. Any additional costs incurred by such express delivery are to be paid by the Vendor.

Partial/Excess deliveries are not permitted unless the related PO includes an explicit written consent stating otherwise.

All items must be delivered only to “AUC receiving and delivery unit”, unless the related PO includes an explicit written consent stating otherwise, on or before the delivery date stated in the PO.

AUC reserves the right to cancel the items of a purchase order that are not delivered by the date specified and agreed upon in the PO. In case the delivery is not completed after 3 weeks from the stated PO delivery date, unless stated otherwise in other documents, the Procurement Services Director and the Executive Director of SCM reserve the right to cancel the PO and assign the non-delivered items to another vendor or purchase replacements elsewhere. AUC reserves the right to claim for any excess costs between the new price and the awarded price plus any incidental or consequential damages to be paid by the Vendor.

AUC has the right to request a delivery date(s) that falls after the expiry of any signed agreement, as stated in the agreement between the two parties, but this will be contingent upon the related order(s) will be submitted to vendor before the contract expiry date.

5.8.5.1 Failing to meet PO Delivery Terms

Penalties are commonly applied by most of the organizations –by law- once the vendor failed to meet any of the PO delivery terms.

The “Vendor Notification” mail which was sent on July, 2015 to AUC vendors, was to draw the vendors attention to the need for compliance with AUC purchasing terms and conditions for all purchase orders issued effective August 1st, 2015

This is then followed by a “Warning letter” to give another opportunity to the vendors to improve their processes in order to meet future order delivery terms before applying penalties.

The buyer in charge can still request to waive Penalty/Warning from being deducted/sent to some vendors using the [Request to waive Penalty/Warning form](#), which should be completed by the buyer in charge, and reviewed by Assistant Director of sourcing and procurement. If approved, this exception will be granted once to each vendor and should be considered as the last opportunity which will be given to the vendor in order to meet future order delivery terms, otherwise this vendor should be replaced. Waiving penalty/warning is not the department’s responsibility. Only a complete and signed waiving form must be submitted with all required attachments for a successful and fair review process. This will ensure the best utilization of AUC funds as well as fairness among all vendors.

In case the vendor shall fail to comply with the stated purchase orders delivery date, AUC reserves the right to apply penalty for late delivery calculated as 2% of the total order amount for every week of delay (whether a few days or full week).

In case the purchase order delivery takes place at any other destination other than the delivery place mentioned in the related purchase order, without the mentioned written consent, AUC reserves the right to apply a penalty for wrong delivery place calculated as 2% of the total order amount.

AUC reserves the right to automatically apply the above stated penalty (/ies) without prior notice. In the event that more than one penalty should be applied on the purchase orders, AUC reserves the right to apply both penalties.

For non-delivered orders, where AUC was informed by the vendor that the order in full/part of the order will not be delivered despite vendor acknowledgment of the receipt of the related purchase order, the following scenarios will be considered:

1st undelivered P.O –Replacement Notice

The Procurement Services Unit will cancel the items of a purchase order that are not delivered by the date specified and agreed upon in the purchase order and will assign the non-delivered items to another vendor or purchase replacements elsewhere. Knowing that, AUC reserves the right to claim for any excess costs between the new price and the awarded price plus any incidental or consequential damages to be paid by the original vendor.

2nd undelivered P.O – 6 Months Holding Notice

The Procurement Services Unit will cancel the items of a purchase order that are not delivered by the date specified and agreed upon in the purchase order and will assign the non-delivered items to another vendor or purchase replacements elsewhere, Knowing that, AUC reserves the right to claim for any excess costs

between the new price and the awarded price plus any incidental or consequential damages to be paid by the original vendor.

Moreover, AUC will hold dealing with that vendor for at least 6 months, as this is the 2nd time AUC has been forced to face this situation with the same vendor. Noting that, this should affect the vendor assessment performance.

Black listed notice

The Procurement Services Unit will cancel the items of a purchase order that are not delivered by the date specified and agreed upon in the purchase order and will assign the non-delivered items to another vendor or purchase replacements elsewhere, Knowing that, AUC reserves the right to claim for any excess costs between the new price and the awarded price plus any incidental or consequential damages to be paid by the original vendor. Moreover AUC will black list this vendor and discontinue using them for Procurement needs.

The Assistant Director of Sourcing and Procurement is the only responsible personnel to handle the above process, as well as maintaining all the records and provide any clarification that will be raised through internal or external claim.

5.8.6 Direct purchasing orders

Direct purchasing orders occur where items are already-purchased and delivered directly through the departments, without SCM involvement.

All related purchase orders that will be created to process payment documents should show a unique backdated delivery date –as the first Friday of the related fiscal-year- for reporting purpose.

The Assistant Director will be responsible for sending the related department notification highlighting that the office of Supply Chain Management is always available to serve AUC community with their emergency requests whenever they may arise. The notification will also remind departments that the role of SCM is not merely limited to processing payment documents related to items already-purchased directly through departments. The department will be responsible to ensure that such case of direct purchases that are not processed through SCM will not be repeated.

A written justification for this emergency purchase must be furnished to the Procurement Services Unit using the [Emergency Purchase Authorization form](#) approved by the authorized signatory.

5.8.7 Use of International Sources

This procedure applies to all university purchases, to provide guidance for the use of international sources.

Goods may be procured from abroad in two ways:

1. Direct procurement from foreign countries, i.e. from market sources outside Egypt.

2. Procurement from abroad through a local agent or manufacturer's representative to alleviate the pressure on the foreign currency balance of the AUC could be used as needed, or which are routinely stocked locally.

It should be the basic objective of the Procurement Services Unit to assure continuous supplies of necessary goods and material, when they are needed, at lowest total cost, from the best vendors available, regardless of location.

It is the policy of the university to search for the best available vendors in terms of quality and total cost, regardless of their worldwide location. Exceptions to this principle should be considered only when equipment servicing considerations are paramount or in cases where the manufacturer refuses to deal through other than the local agent.

When purchasing from abroad, either through a purchasing agent or directly from vendors outside Egypt, the following considerations need to be carefully borne in mind by both the requesting department and the Procurement Services Unit:

1. Procurement from abroad is subject to Egyptian import laws, i.e. no commitment must be made for foreign goods until a valid approval has been obtained. Failure to observe this requirement renders the university liable both to a fine and to the cost of reshipping and disposing of the banned item.
2. In the case of unique or unusual items which require approval of NTRA, a Pharmaceutical authority, National Security or Laser Institute, the requesting departments will need to obtain clearance from Business Support Unit under the SCM office prior to placing any purchase requisition.
3. Goods whose shipment is subject to special formalities and restrictions (e.g. dangerous or hazardous chemicals) should be clearly identified so that appropriate measure can be taken with carriers and unnecessary delays are avoided.
4. The buyer in charge should obtain the requesting department's authorized personnel's signature on the "End-User Declaration form" before processing the related purchase order for clearance purpose.
5. Enforcement of warranty provisions is often expensive, difficult, or impossible.
6. Equipment should not be imported unless the requesting department has ascertained to its complete satisfaction that it can be adequately maintained locally. The university's central warehouse is a graveyard of sophisticated equipment that failed at one time or another and could not be repaired locally, because of absence of either the requisite spare parts, or, more frequently, the local expertise.

7. The lead-time between placing an international procurement requisition and receiving goods on campus can be considerable for reasons that are usually beyond the direct control of the university. Meticulous forward planning is therefore essential.

6. Payments and Deliveries

This procedure applies to all university purchases to give guidance for processing payments to vendors, and to establish a uniform method of assuring prompt completion of purchase requests.

6.1 Payment for Local Orders

The current procedure for processing payments for local orders is usually 100% after delivery of the product or other credit facilities. In some rare cases, the vendor may request a down payment; in that event, the letter of guarantee requirement should be taken into consideration in case the advance payment exceeds **LE 5,000**

6.1.1 Payment Against Delivery term

This policy applies for any purchasing order which has a payment term of “Cash against delivery” –which is known to be equivalent to “Check against delivery” -,

The buyers will ensure the acquisition of approval from the department authorized personnel–before the release of the related purchase order - on the below criteria so that the purchase order can be released, showing payment against delivery:

- The vendor warranty period –if applicable- waives any need for inspection and accordingly payment can be released against delivery.
- Goods can be inspected at AUC on-sight once delivered (at the AUC warehouses) or at the vendor site by the nominated personnel of the department at the time of delivery (at the Vendor warehouses). Accordingly, payment can be released against delivery.

6.2 Payment for International Orders

Payment arrangements are more complex when purchase orders are placed outside Egypt. When the vendor may request a down /advance payment; in that event, AUC will accept to furnish this advance under L/C terms only in case exceeding **\$1,000**, on exceptional basis with the approval of EVP for Finance and Administration may waive the vendor from L/C guarantee, the buyer should obtain the needed approval using the [Advance Payment Over the Ceiling Limit Form](#)

The online purchases done by the AUC credit card covering AUC needs will be conducted under the visa regulations.

When payment is effected, costs in dollar terms may differ adversely from the amount expressed on the procurement requisition, because of exchange rate movements between the dollar and the currency of purchase.

7. Delivery Expediting

7.1 Local orders

The Procurement Services Unit is not equipped to give requesting departments an up to the minute progress updates of a specific requisition it handles. For requisitions that can be satisfied in the local market, it should be assumed that delivery of the goods will occur within fifteen business days of the related purchase order release for stock items at the vendor end. Where this time period will be exceeded (e.g. with competitive bids requiring formal advertising or where local stocks of a commodity are temporarily exhausted), the Procurement Services Unit will contact the requesting department and provide a revised estimate of the delivery date upon request.

If goods have not been delivered within the set period or within the revised timetable, the requesting department should, if no further word has been received, contact the Procurement Services Assistant Director and request a status report, which should include the reason(s) for the delay and the “new expected” delivery date.

7.2 International Orders

Bringing goods safely to AUC campus within an acceptable time period requires well-orchestrated teamwork between departments within the university, Government offices in Egypt, vendors, shipper, carrier, and purchasing agent (where applicable). If a problem occurs in any link in this chain, arrival of the goods will be delayed.

Responsibilities of all related parties:

- The clearing unit under Business Support department is responsible for obtaining all necessary import permits, provided that it has been properly notified by the Procurement Services Unit. Support Services Office is also responsible for clearing consignments through customs at Egyptian ports, provided that it is in receipt of properly drawn waybills and invoices and has been duly notified by the carrier.
- The Controller’s Office is responsible, upon instructions received from the Procurement Services Unit, to arrange for issuance of bank guarantees (where applicable) and to effect payment to the vendor.
- The Procurement Services Unit is responsible for placing purchase orders with vendors on a timely basis, for forwarding procurement requisitions, and notifying the requesting department whenever unanticipated delays occur.
- The vendor is responsible for accurately shipping the goods specified in the purchase order within the time period for shipment agreed at the time of placement of the order.

- The freight forwarder is responsible for consolidating all goods ordered –if possible- when needed and ensuring that all documents required for transportation of the goods are drawn correctly and match the contents of the containers shipped. In cases of extreme urgency, the freight forwarder will be requested by the agent not to consolidate goods received but to dispatch them by the fastest means available.
- Last but not least, the freight forwarder is responsible for ensuring that goods are not lost, stolen, damaged or delayed during the shipment process.

Even cursory consideration of the foregoing should be sufficient to demonstrate that, with so many parties to the transaction cycle, the scope for human error, misunderstandings, poor communication etc. is enormous. While the Procurement Services Unit retains overall responsibility for following through on all procurement requisitions, it is important to understand that delays may occur for reasons, which are totally beyond its direct control.

8. Grant Orders

Grants are awarded to the university to assist in implementing its activities, in compliance with the terms of the grant agreement, enhance AUC's ability to stand as a major educational and cultural link with the United States, and to strengthen its ability to contribute to an Egyptian cadre of well-trained professionals. One of the major grantors to AUC is the USAID/ASHA (American Schools and Hospitals Abroad). Please check the [GRANT Buying Flowchart](#) for more details.

The buyers should give priority to all GRANTS requests, bearing in mind the GRANT expiry date.

It must be the direct responsibility of the Principle Investigators in coordination with the Office of Sponsored Program to demonstrate compliance with the USAID/ASHA requirements.

The GRANT administration unit under SCM office will coordinate with the principle investigator to ensure issuance of all purchase requests are completed in a timely manner and well ahead the expiry of the GRANT date.

Please refer to the Material Management unit for any GRANT purchase order required status.

9. Vendor/Supplier Obligations

This applies to all vendor/supplier obligations relating to purchase transactions conducted on behalf of the university.

Vendors/Suppliers are expected to fulfill these basic responsibilities:

1. To handle all written and personal communications with the university through Purchasing unless instructed by the Procurement Services Unit, for technical reasons, to do otherwise; in which case the Procurement Services Unit is to receive copies of all correspondence and be kept informed of any oral communications.

2. To negotiate purchasing contracts and all sales with the Procurement Services Unit only.
3. To conduct negotiations ethically, without attempts to influence through offering valuable personal gifts.
4. To make available through the Procurement Services Unit or other designated university representatives all available technical information, systems, policies, services, and that might improve the university's present or future use of vendor/supplier's products and services.
5. To advise the Procurement Services Unit or other authorized personnel of any new products as soon as such information is available. To inform the Procurement Services Unit of any changes in economic or other conditions what might affect purchasing or operating decisions.

10. Vendor/Supplier Relations

This applies to all purchasing transactions, to state the basic policy concerning Vendor/Supplier relations.

It is our policy to maintain and practice the highest possible standards of business ethics, professional courtesy, and competence in all our dealings. At all times, applicable laws must be scrupulously observed. In this regard, the following should be observed when dealing with Vendors/Suppliers and their representatives:

1. Accord prompt and courteous reception, as well as fair and equal treatment, to all Vendors/Suppliers and their representatives.
2. Provide equal opportunity for all Suppliers to make price and specification quotations.
3. Guarantee the confidentiality of all specifications and price quotations made by the Vendors/Suppliers.
4. Explain as clearly and fully as possible to Vendors/Suppliers the reason for rejection of their bids/proposals.
5. Remain scrupulously free from obligations to any supplier.
6. Keep informed about sources of supply, methods, services materials, and supplies, and encourage their testing.
7. Keep Vendors/Suppliers informed about the university activities and policies.

If, for any reason, one Vendor/Supplier is permitted to re-quote, competing Vendors/Suppliers must be given the same opportunity. Re-quoting should be restricted to an absolute minimum.

Forms/Instructions

- [Buying Flowchart](#)
- [Emergency Purchase Authorization Form](#)
- [Sole Source/Brand Justification Form](#)
- [Verbal Quotation Form](#)
- [Request for Quotation Form](#)
- [Purchase Orders Categorization Chart](#)
- [Evaluation Sheet](#)
- [Vendor Awarding Notice](#)
- [Non-Successful Vendor\(s\) Apology](#)
- [Award other than Low Bid Form](#)
- [Price Increase Justification Form](#)
- [Purchase Order Checklist Form](#)
- [Vendor Registration Form](#)
- [Purchasing General Terms and Conditions](#)
- [Advance Payment Over the Ceiling Limit Form](#)
- [Request to waive Penalty/Warning form](#)
- [1st undelivered P.O –Replacement Notice](#)
- [2nd undelivered P.O – 6 Months Holding Notice](#)
- [Black listed Notice](#)
- [Stamp receipt confirmation Form](#)
- [GRANT Buying Flowchart](#)

History/Revision Dates

Origination Date: February, 2017

Last Amended Date: February, 2017

Next Review Date: July, 2017

This document will be revised and supplemented, as required, to meet new needs and conditions. Revised pages will be sent to all holders who are responsible for keeping the manual current.

An important part of this updating process depends on the constructive comments, information, and suggestions received from you, the users. Your comments are highly encourage.