



The American University of Kurdistan Procurement Policy

Policy Number: BF001

Effective Date: November 30, 2023

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I. INTRODUCTION

- a. **Authority:** The Board of Trustees (herein referred to as “Board”) at The American University of Kurdistan (herein referred to as “AUK” or “University”) is authorized to establish rules and regulations to govern and operate the University and its programs.
- b. **Purpose:** This document defines the specific policy to be followed when purchasing any goods or services in the direct interest of the work; this does not apply to any other goods or services that will not be used for the benefit of the University.
- c. **Scope:** This policy applies to all employees (staff and faculty members) at the University.

II. ROLES AND RESPONSIBILITIES

- a. **Responsible Executive:** Vice-President of Administration and Finance (VPAF)
- b. **Responsible Administrator:** Director of Finance
- c. **Responsible Office:** Office of VPAF
- d. **Policy Contact:** Director of Finance

III. OVERVIEW

It is essential that the University continually tries to ensure that all purchases are cost-effective while acquiring any goods and services. The Office of Finance’s mission in regard to procurement, is to support the University’s financial integrity by maximizing the value and preserving cost savings. To ensure these results, goods and services that the University purchases should be requested, authorized, received, and paid according to the published procedures. Individuals making unauthorized purchases are subject to personal liability for any acquired expenses. The responsibilities and authorization guidelines outlined below are established to align with and support the objectives of the Office of Finance, and they apply universally to all University employees, including both staff and faculty members.

Note: Monetary values mentioned in this document are in line with the University’s functional currency, which is denominated in U.S. dollars (USD). Equivalent value in Iraqi Dinars or any other currency is determined by the exchange rate. Please be aware that exchange rates may fluctuate, and the applicable rate will be based on the specified date of the transaction.

IV. CONFLICT OF INTEREST

The AUK prohibits any conduct or activity that places a staff or faculty member’s personal, professional, financial, familial, proprietary, or other interests in conflict with the University’s best interests or contractual obligations. In addition, the University prohibits any conduct or activity that compromises a staff or faculty member’s decision making in pursuit of the University’s mission, strategies, goals, or objectives. See the [Conflict of Interest & Commitment Policy](#) for more details.

V. THE POLICY

Procurement Review Committee

The Procurement Review Committee (PRC) is responsible for:

- Monitoring, reviewing and verifying procurement actions and ensuring that procurement policies and procedures have been applied properly.
- Reviewing the tenders and available bids presented in the PRC meeting.
- Selecting the vendor/contractor by voting on the best deal. The many areas where the PRC could consider a deal to be better are the price, quality, delivery time, frequency of service, payment methods, payment terms and previous vendor/contractor experience through a procurement rubric.

The committee will be formed depending on the procurement amount. If the procurement amount is equal to or higher than the threshold of \$10,000 for capital improvements, construction or renovation, or \$5,000 for other commodities and services, the Procurement

Officer will contact the chair of the Procurement Review Committee to initiate the procurement committee meeting.

The composition of the PRC, the committee members are the following:

- **Chair:** VPAF (voting member)
- Finance director (voting member)
- General Counsel (voting member)
- Requesting college/unit (voting member)
- Independent individual (voting member) – Appointed by the chair
- Procurement officer (non-voting member) – Initiates the meeting, writes the reports and minutes of meeting, and ensures that all relevant and required documentation is present at the meeting.

Purchase requests

Requesting units/colleges should plan their request at least 10 days in advance, and try to avoid emergency cases as much as possible to ensure consistency in processes and timely process of their request. Also, any incomplete purchasing request will be rejected.

The [purchasing request form](#) must be filled out in case purchasing for capital improvements, construction or renovation with prices between and purchasing for other commodities and services this form needs to include the following:

- i. Requester
- ii. Type and description of the request
- iii. Estimated cost
- iv. Reason of the request
- v. The name of the requester, and signature and approval of the head of the department/unit
- vi. Signature and approval of Director of Finance
- vii. Signature and approval of the VPAF (*for purchases ≥ \$1,000*)
- viii. Signature of the President (*for purchases ≥ \$5,000*)

Procurement Process

For any purchase request with prices less than \$10,000 for capital improvements, construction or renovation, or less than \$5,000 for other commodities and services.

- a) The Procurement Officer will proceed with the request according to the procurement policy, and perform their optimum duty to get the best goods and services at best prices.
- b) The Procurement Officer will contact the requester, when the purchased goods arrive on campus.
- c) The Procurement Officer will submit all the documents to the other Office of Finance employees for accepting and settlement of the procurement process.

Vendor exclusivity: The use of a single vendor throughout an academic year within one procurement category is generally not allowed unless sole/single sourcing is applicable, or the vendor offers a better deal than its competitors. The many areas where you could consider a deal to be better are the price, quality, delivery time, frequency of service, payment methods, payment terms, previous experience etc. The vendor database could be used for this determination. This evaluation should be performed every academic year. An explanation in report format should be provided of:

1. why the vendor has exclusivity within a procurement category
2. how the vendor offers a better deal compared to its competitors

The vendor exclusivity report should be signed and approved by both the Finance Director and VPAF.

Any purchase request with prices equal to or higher than \$10,000 for capital improvements, construction or renovation, or equal to or higher than \$5,000 for other commodities and services.

- a) The Procurement Officer will prepare all the documentation in collaboration with the requester, and submit all the documents to the PRC, to start the procurement process for procurement amounts exceeding the threshold, and require competitive bidding.
- b) The Procurement Officer will proceed with the request, as per the procurement policy. and prepare the documentation.
- c) The Procurement Officer will contact the requester, when the purchased goods arrive on campus.

VI. COMPETITIVE BIDDING

To ensure that the University continues to obtain goods and services at the best value, the following methods of competitive bidding are required for all new contracts or non-contracted purchases. The requesting unit has to inform the Procurement Officer to start the bidding process. As stated above in section “policy”, the PRC will review all the quotes for the procurement amounts equal to or higher than the threshold of \$10,000 for capital improvements-construction/renovation, and \$5,000 for other commodities and services.

Amount	Bidding requirement	Bidding process
(< \$10,000) <i>(capital improvements- construction/renovation)</i>	No written quote is required	No written quote is required, if the pricing is considered reasonable. See the Procurement Manual
(< 5,000) <i>(Other commodities and services)</i>		
(\$10,000) – (\$25,000) <i>(capital improvements- construction/renovation)</i>	At least two written quotes are required	Obtain a quote/proposal from at least 2 qualified sources for goods or services. See the Procurement Manual
(\$5,000) – (\$25,000)		

(Other commodities and services)

(> \$25,000)	At least three written quotes are required	Obtain a quote/proposal from at least 3 qualified sources for supplies or services. See the Procurement Manual
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VII. EXCEPTIONS TO COMPETITIVE BIDDING

There will be a few exceptions to competitive bidding, namely:

- The Procurement amount is less than \$10,000 for capital improvements, construction or renovation, or less than \$5,000 for other commodities and services. If pricing is considered reasonable, there is no requirement to solicit a competitive quote/proposal. However, the Procurement Officer determines the cost to be reasonable, i.e., a "fair market price" and how that conclusion was reached. Examples of such a determination may include a comparison to product catalogs, published price lists, verbal quotes, utilization of the vendor database etc.
- *Sole Sourcing*: Acquisition of unique goods or non-consulting services from the only source of supply available in a given market area. Procurement using this method must be documented in a report format, signed by both the Finance Director and VPAF, and subsequently added to the Procurement Record by the responsible Procurement Officer. This report should provide justifications for the sole sourcing approach, including:
 1. the unique nature of the requirement
 2. the basis upon which it was determined that there is only one known vendor able to meet the need, i.e., the steps taken to identify potential competitors
- *Single Sourcing*: Acquisition of goods or non-consulting services from one vendor without extending the opportunity to others equally qualified to supply the same goods or services in a given market. Single sourcing will be used only in narrowly defined circumstances, such as urgent need, necessity to match existing equipment, or difficulty in or impossibility of obtaining two or more bids. Procurement using this method must be documented in a report format, signed by both the Finance Director and VPAF, and subsequently added to the Procurement Record by the responsible Procurement Officer. This report should provide justifications for the single sourcing approach, including
 1. the circumstances leading to the selection of the vendor, including the alternatives considered
 2. its rationale for selecting the specific vendor
- *Renewals or extension*: When a purchase relates to an existing contract renewal or extension, the purchase is exempt from competitive bidding, when one of the following conditions applies:
 1. The University is satisfied with the provided services/goods, and the price is considered reasonable and in line with the market.
 2. Deeply integrated software, such as an ERP system, licenses, LMS etc.

VIII. POLICY HISTORY

- a. **Approved by:** Board of Trustees
- b. **Adopted:** November 30, 2023

