

SIT – Center for Counseling, Social Services and Research

Procurement Policy Manual

2020

Introduction

This procurement policy manual contains basic information, rules, and procedures on procurement of goods, work, and services. This document aims to guide all responsible officials who are involved in a direct way on procurement activities. This manual also aims at helping explain the procurement procedures and impact on achieving uniformity on procurement procedures. Rights and duties of the buyer or contractor of goods and work, will be led by tender documents and signed contracts between buyer and seller, not by instructions set in this document.

“Good procurement practice guarantees that an organization will take transparent and reasonable decisions which will reflect value in money, high integrity, and best practices standards”.

The purpose of Procurement Practices Manual

The general purpose of this Procurement Practices Manual is to:

- Establishing legal authority and functioning of procurement within the organization;
- Simplify, clarify, and reflect the laws governing procurement;
- Enable uniformity of procurement policies within the organization;
- Build public confidence in public procurement;
- Ensure fair and equal treatment of all those who deal with the procurement system;
- To influence the increase of efficiency, economy, and flexibility in procurement activities and to

fully maximize the purchasing power of the entity;

- Promote effective broad-based competition from all segments of the supply community;
- Protecting the integrity of the procurement system and protecting against corruption, loss,

fraud, and abuse;

- Ensure proper public access to contracting information.

2) GENERAL RULES

Definitions

The following terminology will be valid for this manual’s purposes:



- "SIT" stands for Center for Counseling, Social Services and Research;
- "Procurement" means the purchase, use or other means of contracting goods, services or works for SIT";
- "Contract" means a written contract between SIT and one or more bidders which has as its object the performance of works, the supply of products and the provision of services;
- "Supply contract" means a contract for the purpose of purchasing, using, renting or committing, with or without the possibility of purchasing products. A contract having as its object the supply of products, and as the case may be, covering maintenance and installation operations shall be regarded as a "supply contract";
- "Service contract" means a contract other than a supply contract or an employment contract for the purpose of providing services. A contract having as its object both products and services will be considered a "service contract" if the estimated value of the services in question exceeds that of the products covered by the contract. A contract whose main object are services, including activities related to works that are secondary to the main object of the contract will be considered to be a service contract;
- "Works contract" will be considered a contract that has as its object the performance of works or design, as well as the performance of works. "Work" means the result of construction or construction work or activities which, taken as a whole, is sufficient to fulfill an economic or technical function;
- "Framework contract" means a written agreement between SIT and one or more suppliers, the purpose of which is to set out the conditions governing contracts to be awarded over a specified period of time, in particular in regards to price and the calculated quantity, as deemed appropriate;
- "Authorized Officer" shall be considered the person authorized by the Executive Director, who has the authority to initiate the procurement activity;
- "Bidder" means the natural or legal person or entity of persons or group of persons / bodies, who submit their bids in the market, respectively who offer the performance of works, products or services. The bidder who has completed an application to participate in the procedure will be considered as an "applicant". The applicant who has submitted the tender will be considered as a "tenderer";
- "Open / public procedure" means the procurement procedure in which any interested bidder may submit a tender;
- "Closed Procedure" shall mean the procurement procedure in which only applicants invited by SIT may submit a bid / tender;
- "Direct Procurement, or from a single source" means a procurement procedure in which SIT, without intending a non-compliance with other procedures, enters sets out a relationship and requests a bid from a single bidder;
- "Invitation to tender" means the invitation inviting bidders to submit a tender, specifying the procedures, requirements of the SIT and the criteria and conditions of the contract;



- "Procurement Evaluation Committee" shall mean the committee appointed to review and evaluate bids and oversee the procurement process under this Manual;
- "Written" means any expression consisting of words and signs which can be read, reproduced and consequently communicated. It may include electronically transmitted and stored information;
- "Day" shall mean calendar days;

Procurement Policies and General Principles

- Any procurement policy must be implemented in accordance with the general principles of transparency and publicity, equal access and equal treatment, as well as the principles of non-discrimination and fair competition.

The following principles must be respected in SIT procurement:

Fair competition

SIT should treat all bidders fairly and ensure that they are given the same level of information when preparing quotations or tenders.

Conflict of interest

Situations of conflict of interest with the business of the organization should be notified to SIT in accordance with internal rules and procedures.

Expenses efficiency

Quotations and tenders should be evaluated not only for competition between prices but also for other factors such as the quality of work, services or supplies as well as past files - bidders' references.

Transparency – integrity and objectivity

Responsible Officers should treat bids and potential bidders fairly and equitably, providing bidders with the same information and avoiding preferential treatment, which consists of an approved procurement process and tender evaluation criteria.

Procurement and Ethics

SIT has a responsibility to promote ethical procurement and business practices. These principles should be observed and followed by all SIT employees in all aspects of the procurement process, including but



not limited to, request identification, bidder / supplier selection, tendering, bid evaluation, contract award, contract management and contract payment / conclusion.

Identifying and Resolving Conflict of Interest

SIT should ensure that procedures are adopted in such a way as to identify, make known and address any potential or existing conflicts of interest throughout the course of the procurement procedure. All SIT staff, including consultants and contractors, must make known in writing to their immediate superior or any other appropriate official any financial or other interest they may have as soon as they become aware that it happened, or that there may rise a potential conflict between their personal interests and official duty, whether real or probable.

Risk Management

Risk management is important in the overall procurement philosophy of SIT, noting that mitigation of general and specific risks forms the basis of its policies, strategies and plans to procure and manage the goods and services provided for customers.

All projects contain a degree of risk, noting that different risks may arise throughout the various stages of the procurement process. However, risks can be identified and managed. Risk management requires risk prevention strategies and planning that will consider the risks that may arise to combat them. The purpose of procurement risk management is to protect and improve the reputation and efficiency of the SIT, avoiding or minimizing the damage that may arise from relationships with potential or existing suppliers.

Risk addressing actions can be used either individually or in combination, and may include:

- Avoiding risk by not proceeding with the risk factor and taking different approaches;
- Elimination of the risk by avoiding the circumstance from which the risk may result;
- Reducing risk by taking adequate measures to reduce the likelihood of risk occurring or to reduce the consequences of risk;
- Risk transfer by allocating risk to the other party which is able to control or manage the risk; and
- Accepting risk by making an informed decision, once a thorough assessment has been made, that risk is inevitable.

Division of duties



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Division of duties is an important fundamental principle of internal control and must be respected throughout SIT procurement.

At least three individuals should be involved in procurement, usually as follows:

- Applicant (i.e. Program / Project Manager);
- Buyer (i.e. Procurement Officer, Office Coordinator);
- Payer (i.e. Finance Manager).

* For some small procurement activities, it may not be possible to achieve full division of the aforementioned tasks, however these cases need to be fully documented. However, the separation between the buyer and the payer must always be respected.

Fraud and Corruption

Definition - This definition includes both monetary and non-monetary corruption, which is manifests as enabling payment, bribery, percentage giving, favoritism, extortion, embezzlement and forms of fraud. There are different definitions of corruption and in practice it can be difficult to distinguish between corruption and similar offenses. Therefore, SIT implements all disciplinary rules and regulations for corruption-related offenses as in other cases involving violations of SIT policies and procedures. SIT employees are required by contract to avoid conflict of interest situations. SIT employees are required to avoid any conflict of interest and if this is unavoidable, then SIT employees should be aware that voluntary non-declaration of the situation when they find themselves in a conflict of interest is a violation of the rules and internal SIT procedures. SIT, like Bidders, Suppliers, Contractors and Consultants, must adhere to the highest ethical standards in the procurement and execution of such contracts. To comply with these policies, for the purposes of this provision, SIT defines the following terms:

"Corrupt Practice" means the provision, acceptance or facilitation, directly or indirectly, of anything of value in order to influence the actions of SIT staff, or applicants / bidders / contractors in the procurement process or contract execution;

"Fraudulent practice" means the misinterpretation or omission of facts in order to influence the procurement process or the execution of a contract;

"Covert practices" means schemes or agreements between two or more bidders, with or without the knowledge of SIT, designed to set bid prices at artificial, non-competitive levels; and

"Coercive practice" means harming or threatening to harm, directly or indirectly, persons or their property, in order to influence their participation in the procurement process or the execution of a contract;





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"Obstructive practices" are: intentional destruction, falsification, alteration or concealment of evidence in investigations or false disclosure to investigators in order to materially obstruct SIT's investigation into allegations of corrupt, fraudulent, coercive or obstructive practices; and threatening, harassing or intimidating any of the parties to prevent them from disclosing any information they may have relevant to the investigation of the case.



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