

American University of Bahrain

Policies and Procedures

Policy Title	Procurement Policy	Policy Number	202
Section	Financial Affairs and Administrative Services	Approval Date	30 May 2024
Subsection	General Financial Policies	Authorizing Entity	BoD
Responsible Office	Finance Department	Effective Date	1 June 2024
Distributed To	AUBH Staff and Faculty	Next Review Date	2 years from the approval date

1.0 PURPOSE

The Procurement Policy (hereinafter referred to as the “Policy”) sets out the policies and practices for the procurement of goods and services necessary to fulfill the American University of Bahrain’s (hereinafter referred to as the “AUBH” or the “Company”) requirements that support its strategic and operational objectives.

The objectives of the policy are to:

- Define the procurement process requirements and methods.
- Achieve best value for money and save transactional time through an efficient and controlled processes.
- Serve as a guideline for AUBH staff for procurement related activities.
- Standardize the procurement processes.

2.0 DEFINITIONS

Budgetary Request for Quotation (BRFQ): a document prepared by the Procurement Officer and submitted to one or more potential suppliers requesting costing estimates for goods or services.

Capital Assets: durable items classified as Fixed Assets, as defined in the FAPPM (e.g., computer equipment, vehicles, machinery, servers).

Contract: a legal agreement between AUBH and an external supplier for the delivery of specific goods or services.

Direct or Preferred Purchase: the purchase of goods or services from a preferred supplier because of its specialized or unique characteristics.

Enterprise Resources Planning system (ERP): system used to order goods or services.

Emergency Purchases: Goods or services that are required immediately to protect the physical safety of AUBH students, employees, or assets.

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Letter of Award (LOA): a formal acceptance of an offer made by a bidder, forming a valid and binding contract between the AUBH and the bidder, when received and acknowledged by the bidder. The Letter of Award includes, but is not limited to, the bidder's name, term of the contract, and price.

Letter of Intent (LOI): a document declaring the preliminary commitment of AUBH to the bidder. The letter outlines the main terms of a prospective deal. It is typically not legally binding, serving instead to facilitate further negotiations.

Procurement Function: a division within the Finance Department that handles the procurement process for AUBH.

Purchase Order (PO): a legally binding document created by the Procurement Officer that authorizes a purchase transaction between AUBH and a specific supplier. It contains the requirements for the goods or services being ordered and the terms and conditions that govern the transaction.

Purchase Requisition (PR): a document which defines the specifications for the goods or services being requested that include item specifications, quantity needed, budget approvals, and suggested potential supplier information.

Quotation: a financial proposal provided by one or more suppliers with proposed prices for specific goods or services in response to a verbal or written quotation request by the Procurement Officer.

Request for Proposal (RFP): a document prepared by the Procurement Officer and submitted to potential suppliers requesting technical and financial proposals according to the approved purchase requisition.

Request for Quotation (RFQ): a document prepared by the Procurement Officer and submitted to one or more potential suppliers requesting quotations in according to the approved purchase requisition.

Single or Sole Source Purchase: the purchase of goods or services from one supplier for being a single source for the goods or services required.

Strategic Procurement: a formal purchasing method for selecting suppliers for high-value, more-complex goods and services following a tender process. These purchases exceed the established threshold for tactical procurement.

Supplier (or Bidder): the party invited to respond to an RFQ/RFP or has the potential of providing the requested goods or services.

Tactical Procurement: a formal purchasing method used for purchasing goods or services that are below the established tactical procurement threshold.

Tender: the process of inviting suppliers to provide a formal written submission for a good or service.

Tender Committee: a committee comprising of voting and non-voting members formed to manage and overlook the tendering process for Strategic Procurement.

Urgent Purchases: Goods or services requiring a Purchase Order to be generated in less time than specified by the Purchase Order Target Times, in order to prevent significant operational or financial impact or property damage.

Procurement Policy Waiver Approver(s): President or COO or VPFA.

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3.0 POLICY

3.1 Scope

The Policy is applicable for the supply of goods and services, except for those specified in section 3.15 – Exclusions from the Procurement Policy. This Policy applies to all AUBH departments and colleges.

3.2 Ownership

The ownership and rights of this policy belong to AUBH. The Policy contains confidential information, therefore copying, distributing, or disseminating the Policy or any part of it is strictly prohibited, unless required by a governing body (e.g. Bahrain law, regulator, accreditor).

It is not permissible to change or amend any part of the Policy without obtaining proper approvals from the relevant governance bodies.

3.3 Abbreviations

AUBH or the University	American University of Bahrain
ARC	Audit and Risk Committee
BOD	Board of Directors
BRFQ	Budgetary Request for Quotation
COO	Chief Operating Officer
ERP	Enterprise Resources Planning system
PO	Purchase Order
PR	Purchase Requisition
RFP	Request for Proposal
RFQ	Request for Quotation
VPFA	Vice President of Finance and Administration

3.4 Roles and Responsibilities

Budget Owner – responsible for approving Purchase Requests created by the Requester and vendor selection for the purchase of goods or services against a budget over which they are responsible for.

Petty Cash Custodian – responsible for approving petty cash requests while ensuring the Policy is followed.

PO Approver – responsible for approving the Purchase Orders as per the Delegation of Authority.

Procurement Officer – responsible for implementing and enforcing the Procurement Policy.

PR Approver – a member of the Finance department responsible for approving Purchase Requisitions.

Requestor – responsible for creating a Purchase Requisition for goods or services.

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Supplier – responsible for providing goods or services according to terms and conditions on the Purchase Order or Contract.

Tender Committee – responsible for reviewing and finalizing the RFP document, receiving and evaluating the RFPs, and selecting the preferred supplier(s).

Vice President of Finance and Administration (VPFA) – responsible for ensuring that the Procurement Policy is implemented effectively, efficiently, and ethically at AUBH.

3.5 Standards of Behavior

Only the Finance Department employees can formally engage Suppliers for quotations or proposals through the issuance of RFPs or RFQs. Any Supplier quotation or proposal received from another Department employee will be considered invalid unless the Finance Department were involved in the process, was informed about it in writing prior to the engagement, or is part of the Exemptions from the Procurement Policy (see section 5.1). In all cases, POs and Contracts are issued by the Finance Department only.

3.5.1 Code of Conduct and Ethics

AUBH is expected to:

- Ensure an ethical basis to business practice.
- Always select and treat all suppliers fairly and objectively.
- Pay suppliers in accordance with the agreed terms and deal with exceptions in a timely manner.
- Seek to ensure that environmental, anti-bribery and, ethical procurement policies are considered in the supplier appraisal process.
- Purchases may not be intentionally split into multiple transactions (e.g., splitting the purchase of many computers in different, smaller requisitions to not exceed the threshold of strategic Procurement – see section 4.1 Methods of Procurement) nor spread across many months (e.g., making separate purchases every month instead of negotiating a contract with a defined term) unless justified and approved by the COO and VPFA.

Suppliers are expected to:

- Conduct business without the payment or receipt of inducements, unlawful incentives, or other benefits that might be considered an attempt to influence decision makers.
- Respect fundamental human rights.
- Treat employees fairly, never abuse or threaten them, and never use forced, bonded, or child labor.
- Always maintain a safe working environment and provide access to protective equipment and safety training for all employees.
- Understand and respect general environmental, anti-bribery, and ethical procurement standards.
- Maintain effective policies, processes, and procedures to manage their environmental impact and to operate their business in a sustainable way.
- Comply with all applicable local, national, regional, and international laws, regulations, and directives always.
- Respect the intellectual property rights of others.

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3.5.2 Conflict of Interest

- A conflict of interest is defined as a situation where an employee involved in the procurement process has a competing interest or loyalty, financial or otherwise, which may unduly influence their decision-making or actions in a way that could compromise the integrity, fairness, and impartiality of the procurement process.
- A conflict of interest can arise in the following forms:
 1. Financial interest: When an employee involved in the procurement process has a financial interest in the outcome of the procurement process.
 2. Personal interest: When an employee involved in the procurement process has a personal interest that may conflict with the best interests of the procurement process, such as a personal relationship with a supplier.
 3. Non-financial interest: When an employee involved in the procurement process has a non-financial interest that may conflict with the best interests of the procurement process, such as a desire to maintain a long-standing relationship with a supplier, even if a better alternative is available.
- Should such a conflict or the perception arise, the employee should declare this to the Procurement Officer as soon as it is detected. The employee making the declaration should disclose the percentage of ownership in the supplier and/or level of control over the supplier, if applicable.
- The Procurement Officer will forward the case for the review and approval of relevant individuals or groups following the table below:

Table 1: Conflict of Interest Approval Party

Purchase Value	Approval Party
BHD 1 – BHD 10,000	VPFA or COO
BHD 10,001 – BHD 20,000	President Council
BHD 20,001 – BHD 100,000	Tender Committee
Above BHD 100,000	Board of Directors

- The Approval Party, as specified in Table 1, should exercise due judgement in disposing of any conflict-of-interest risk. If the risk is estimated to be negligible, due to the role and position of the individual within AUBH, it is possible that no action is necessary. Alternatively, if the risk is significant, the Approval Party must ensure that the employee in question has no role in the procurement process and decisions.
- If it was established that an employee did not disclose a conflict of interest on purpose, that employee should be immediately reported to the HR Department for disciplinary action.

3.5.3 Procurement Complaints

- Complaints that are raised by an employee against a particular part of the Policy and its procedures, decisions, or the Procurement Officer are directed to the VPFA for investigation. If there is a complaint on the VPFA, this will be directed to the COO for investigation.
- All Complaints must be in writing specifying the issues and concerns. Verbal complaints are not accepted and will be rejected.
- The complainant will be contacted and updated with the investigation results.
- If the complainant is not satisfied by the investigation result, the complainant has the option to request for further investigation.

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3.6 Budget and Authority

- All procurement activities, including those exempted from the policy under section 10 – Exemptions from the Procurement Policy, shall be governed by budgetary constraints and the Delegation of Authority.
- All financial commitments or obligations are to be made only after the Finance Department’s verification and approval which is in accordance with the authorities detailed in the Delegation of Authority or as approved by the Board of Directors in the absence of the policy.
- All purchases must be in line with the annual budget approved by the Board of Directors. Any purchases that exceed the budget or were not budgeted for must follow the Delegation of Authority.

Consultancy and Advisory Services

- Contracts for consultancy and advisory services for amounts greater than BHD 5,000 require the approval of the President, COO, or VPFA prior to engagement.

3.7 Methods of Procurement

The table below identifies which method is applicable for each level of expenditures:

Table 1: Methods of Procurement

Value	Method of Procurement	Approval/Verification Workflow
Under BHD 100	Petty Cash*	1. Budget Owner (Requester) 2. Petty Cash Custodian
BHD 101 – BHD 10,000	Tactical (Quotation)	1. Budget Owner (Requester) 2. VPFA
BHD 10,001 – BHD 20,000	Tactical (Quotation)	1. Budget Owner (Requester) 2. VPFA 3. COO
BHD 20,001 – BHD 100,000	Strategic (Tender Process)	Tender Committee
Above BHD 100,000	Strategic (Tender Process)	Board of Directors

* Refer to 4.3 Petty Cash

- The Tender Committee may approve applying the strategic procurement method on purchases less than or equal to BHD 20,000.

3.8 Procurement Requisition

- A Procurement Requisition is issued by the Requestor to notify the Procurement Function of goods and services that need to be procured.
- Requisitions not meeting the requirements outlined in the minimum PR requirements will be returned for correction.
- Depending on the estimated value and nature of the PR, it will either fall under the Petty Cash, Tactical, or Strategic Procurement process.

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- The Procurement Function has the right to cancel PRs open for more than 30 calendar days due to a pending response from the Requester and after exhausting all follow-up efforts.

3.8.1 Minimum PR Requirements

- What is required: The Requestor must describe or provide specification on the required goods or services.
- Quantity required: The Requestor must specify the exact quantity required for the goods or services.
- When is it required: The Requestor must specify the date in which the goods or services are required.
- PR Approval: The Requestor shall obtain the approval of the Budget Owner in order to authorize the purchase.

3.8.2 PR Authorization

- The PR must be approved by the Budget Owner then the PR Approver for budget control purposes before being processed by the Procurement Officer.

3.9 Petty Cash

- Purchases of goods or services may be processed by the Petty Cash Custodian through Petty Cash fund unless indicated otherwise by the Finance Department.
- There are two methods of disbursement for petty cash:
 - Cash reimbursement after the purchase.
 - Cash payment before the purchase.

See the Finance and Accounting Policy for more details.

3.10 Tactical Procurement

The Tactical Procurement process involves the following:

- Request for Quotation
- Quotation Evaluation
- Purchase Order or Contract (refer to section 4.6)

3.10.1 Request for Quotation

- The Procurement Policy requires evaluation of one or more suppliers for purchases of goods and services to:
 - Receive competitive pricing from the marketplace
 - Obtain best value for money
 - Deliver efficient lead times
- The RFQ should contain in principle the following:
 - Goods or Services specifications
 - Quantity required
 - Applicable terms and conditions (e.g. delivery requirements, payment terms)
 - Deadline for submitting Quotations

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- The Procurement Officer must document and maintain copies of all quotes received from suppliers.

3.10.2 Minimum Quotation Requirements

Table 2: Procurement Quotation Requirements

Total Per Purchase Requisition	Minimum Number of Quotes Required
Up to BHD 500	1
BHD 501 – BHD 1000	2
BHD 1,001 – BHD 10,000	3
BHD 10,001 – BHD 20,000	3 Reviewed by the permanent members of the Tender Committee

- The minimum number of quotes established in Table 2 (Procurement Quote Requirements) must be obtained, even when the Requestor has identified and recommended a supplier. Additional quotes above the minimum number required may be obtained if it is determined to be in the best interest of AUBH.

3.10.3 Quotation Evaluations

- A quotation evaluation form will be used by the Procurement Officer to document the evaluation of the quotations received from the Suppliers based on the price and required specifications. In addition to the price quote, various factors may be considered including past supplier performance and quality of goods and services. If the lowest price quotation is not selected, justification for selection is required.

3.11 Strategic Procurement

- Tender is required for all strategic purchases. Tendering refers to the process whereby AUBH invites suppliers through an RFP to submit proposals for goods and services within a predetermined deadline.

3.11.1 Tender Process

- AUBH is committed to a system of tendering that will result in the following:
 - Best value for money
 - Transparency
 - Equal opportunity to all suppliers
 - Best Practices
 - Encouragement of competition
 - Fair evaluation process
- The process involves the following:
 - Establishing the Tender Committee
 - Preparing the tender document
 - Supplier list and prequalification
 - Issuing the tender document
 - Receiving and opening tenders
 - Tender evaluation
 - Post evaluation meetings and negotiation
 - Selecting preferred supplier and acceptance of tender/proposal

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3.11.2 Establishing the Tender Committee

- The Tender Committee shall comprise the following members:

Voting members:

- 1) COO (Chairman) - Permanent
- 2) VPFA (Vice-Chairman) - Permanent
- 3) Associate Provost (or Interim Provost in the absence of the former) - Permanent

Non-voting members:

- 1) Procurement Officer – Permanent
- 2) Budget Owner or someone nominated by Budget Owner
- 3) Optional member(s) nominated by the Committee for quality assurance or to provide expertise in the subject matter.

3.11.3 Preparing the Tender Document

- As best practice, the Finance Department will have an RFP template to be used for all RFPs. This will be shared with the requester prior to drafting the RFP.
- The requestor will draft the RFP document and it will be reviewed and approved by the Tender Committee.
- As a minimum, the RFP must include the following information:
 - Tender reference number – all RFP's must contain an RFP number which will be used on all communications as a reference. The custodian of the RFP numbers is the Finance Department.
 - Purpose of the tender
 - Scope of work
 - Specification
 - Proposal content and format
 - Tender timeline
 - Terms and conditions of the contract
 - Evaluation criteria
 - Submission guidelines
- The Tender Committee at its own discretion will decide if a bid bond is required from the Suppliers.
- The Tender Committee at its own discretion will decide if a tender fee is charged to the Suppliers before receiving the RFP.

3.11.4 Evaluation Criteria

- The evaluation criteria must be defined prior to sending the RFP.
- The evaluation criteria are required for the evaluation of the tender. It is the basis for the buying decision and will assess which bidder provides the best response to the requirements.
- The criteria are defined for both the technical and financial proposals.
- The weighting between the technical and financial criteria depends on the complexity of the tender, the greater the complexity the greater the weight towards the technical scoring.

3.11.5 Supplier List and Prequalification

- The Procurement Officer is responsible for compiling the potential suppliers list with the assistance of the Tender Committee.

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- Depending on the type of request/tender, the Tender Committee may require a supplier prequalification. If this step is required, a prequalification questionnaire and/or procedure and evaluation criteria shall be prepared by the Tender Committee. A deadline for the process will be defined by the committee. The Procurement Officer shall communicate the prequalification procedure and/or documents with the list of potential suppliers. The Tender Committee shall review and evaluate the responses based on the evaluation criteria.

3.11.6 Issuing the Tender Document

- The Procurement Officer will send the RFP document to the suppliers list or prequalified list by email, or any other format decided by the Tender Committee.

3.11.7 Receiving and Opening Tenders

- The suppliers shall submit the tender documents through the procedure outlined in the RFP document.
- At least 3 members of the Tender Committee must be present when opening the tender documents.
- A tender opening form must be completed that includes the following information:
 - RFP title
 - Suppliers' names
 - Proposal amount
 - Signature of the attendees

3.11.8 Tender Evaluation

- The tender evaluation is a process where a Tender Committee identifies which proposal best meets the requirements as per the predefined evaluation criteria.
- The Tender Committee will be allocated a time to review the proposals before the evaluation day. A tender evaluation form will be prepared based on the predefined evaluation criteria. The evaluation will be on the technical and financial proposals. The evaluation form shall be completed and signed by all committee members present in the evaluation meeting.
- Technical Evaluation: The technical evaluation will be based on the predefined evaluation criteria and scores for the technical proposals. As the scoring for this section could be subjective, being generally based on qualitative information, the final scoring for each section must be based on a majority vote.
- Financial Evaluation: Financial evaluation should be based on numerical figures based on the total cost of the proposal.

3.11.9 Post Evaluation Meetings and Negotiation

- The Committee may decide on whether to set up meetings with bidders after the tender evaluation process to:
 - Ask for clarifications
 - Negotiate the terms or price
 - Ask for amendments
 - Visit the bidders' premises

3.11.10 Selecting Preferred Supplier and Acceptance of Tender/Proposal

- After the completion of the tender evaluation process, the Tender Committee will select the preferred supplier with the highest evaluation score. A Letter of Award or Letter of Intent, depending on the nature of the bid, will be sent to the preferred supplier and a letter of regret will be sent to the unsuccessful bidders.

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- The Committee may require a final negotiation meeting with the preferred supplier on the terms and price of the proposal. If an agreement was not reached, the committee may decide to award the tender to the next highest bidder.
- A Contract (refer to section 9.6.2) is required to replace the Letter of Award. The university or the supplier will share their contract template which will include all the terms and conditions for the supply of goods or services.

3.12 Purchase Orders and Contracts

- Once the Tactical or Strategic procurement process/procedure is completed, a PO or a Contract will be issued by the Procurement Officer to govern the relationship between AUBH and the supplier.
- Purchase Orders should be used for single short-term purchases while Contracts should be used to foster long-term buying relationships or where risk and/or complexity warrants additional legal protection.

3.12.1 Purchase Orders

Purchase Order Minimum Content

- Goods or services to be purchased
- Specifications of the goods or services
- Quantity purchased
- Price per unit
- Discounts
- Delivery Location
- Delivery Date
- Supplier Quotation Reference Number
- Requestor's contact details (for delivery purposes)
- Suppliers contact details
- Billing information
- Payment Terms

All purchase orders must include the official stamp of AUBH.

PO Authorization

- The PO must be approved by the PO Approver in line with Section No. 8 Budget and Authority.

No Purchase Order No Pay

- A PO must be issued in advance of receiving goods or services from suppliers and paying an invoice. AUBH shall not issue payment to a supplier without a valid PO, unless the purchase qualifies as an exception (refer to section 10).
- The use of a PO only becomes advantageous if it is issued prior to making a commitment to purchase. Once goods or services have been ordered or delivered, a Purchase Order After-the-Fact does not protect AUBH in the case of any disagreement. In addition, there may not be sufficient budget to pay for the goods or services.
- If the Procurement process indicated in this Policy is not followed and a PO is not issued in advance, the Requestor is required to submit a PR After-the-Fact to obtain a Purchase Order After-the-Fact to allow the supplier to be paid.
- The quarterly report for PO's After-the-Fact will be shared with the VPFA for review, where action will be taken for high recurrence.

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3.12.2 Contracts

Type of Contracts

- Quantity commitment – agree on the purchase of a specific quantity of goods or services.
- Rate commitment – agree on a fixed rate for goods or services.
- Value commitment – agree on the purchase of goods or services at a specific currency amount.
- Contracts with no monetary value – AUBH may enter into contracts with no monetary value. The indirect financial risks or commitments must be assessed by the Finance Department. In the assessment, such risks or commitments are monetized to determine the financial implications on the University.

Contracts Minimum Content

- Effective date of the contract
- Names of the parties and contact details
- Contract value
- Goods or services to be purchased (scope/specifications)
- Payment terms
- Contract duration/term
- Responsibilities of the Supplier
- Responsibilities of the AUBH
- Termination clause
- Delivery terms
- Performance bond if any
- Force majeure clause
- Governing law

All contracts must include the official stamp of AUBH.

Contracts Signing Policy

All Contracts must follow the below signing cycle:

Table 4: Contract Signing Cycle

Responsible Employee	Task	Condition
Requestor	Review	None
Procurement Officer	Review	None
Legal	Review	Contract value \geq BHD 20,000 Contract period $>$ 1 year
VPFA	Review and approval	None
COO / President	Review and approval	Contract value \geq BHD 10,000

A contract signing form will be used to document the above process.

3.13 Delivery of Goods or Services

- Once a PO is issued for goods or services, the Procurement Officer is responsible for ensuring that the goods or services are delivered in the time frame specified in the PO.

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- Once a Contract is signed for goods or services, the Procurement Officer is responsible of informing the Requester of the signed contract. At this stage, the Requester takes the responsibility for ensuring the contract is executed as per its terms.
- A delivery note or service report must be submitted by the Supplier once the goods are delivered, or service is completed. The Requester is responsible for ensuring that the goods or services are delivered as per the PO terms by signing the delivery note or service report. In the absence of a delivery note or service report, the requestor must confirm in writing the receipt of the goods or services as per the specifications outlined in the PO. The Finance Department will not accept an invoice in the absence of the above.

3.14 Exemptions from the Procurement Policy

The purpose of the exemptions from the procurement policy is to set the requirements and conditions for making purchases outside of the procurement process due to special circumstances.

Exemptions may be used for, but not limited to, the following purchasing situations:

- Limited number of suppliers
- Specialized service
- Single or sole source
- Direct or preferred purchase
- Urgent purchase
- Emergency purchase

3.14.1 Exemption Authority Matrix

Exemptions from the procurement policy must be approved as per the below Exemption Authority Matrix:

Table 5: Procurement Policy Exemption Authority Matrix

Value per Purchase	Annual Aggregate	Waiver Authorization
Up to BHD 3,000	BHD 20,000	VPFA
BHD 3,001 – BHD 10,000		Joint authorization: VPFA and COO or President
Over BHD 10,000	Unlimited	Requires Board of Directors approval

3.14.2 Exemption Request

If an exemption is required, a exemption request must be submitted by the Requester providing justification for the requested exemption with any supporting documentation. The request contains, but is not limited to, the following information:

- Description of the goods or services purchased or to be purchased.
- Explanation and any documentation supporting the request.

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3.14.3 Urgent and Emergency Purchases

- Urgent and Emergency purchases do not require a Procurement Policy Waiver Form prior to the purchase. This can be presented after-the-fact due to the urgency of these purchases.
- Urgent Purchases require the approval of the Procurement Policy Exemption approver(s) in line with the Procurement Policy Exemptions Authority Matrix in writing via email or other forms of communication.
- For Emergency Purchases, the Requestor is allowed a budget of up to BHD 500 per incident. If the Requester requires to spend over BHD 500, the Requestor shall seek the approval of the Procurement Policy Exemptions approver(s) in line with the Procurement Policy Exemptions Authority Matrix in writing via email or other forms of communication.

3.14.4 Reporting Exempted Purchase to the Audit and Risk Committee

On quarterly basis, a report summarizing all purchases exempted from the procurement policy during the reporting period will be reported to the Audit and Risk Committee.

3.15 Exclusions from the Procurement Policy

This Policy excludes certain types of purchases from the standard procurement process to ensure compliance with other AUBH policies and guidelines and to facilitate purchases of unique nature.

The approval of these purchases should be within the approved budget and follows the authority limits as set out in the Delegation of Authority policy.

3.15.1 Business Travel Expenses

All expenses relating to business travel, which includes any form of transportation and accommodation, are governed by the Business Expense Policy.

3.15.2 Social Committee

The Policy does not apply to purchases carried out by the Social Committee due to its time-constrained nature and involvement of specialized activities or products sourced from individuals. The involvement of Procurement Function will be towards issuing POs if necessary. The Social Committee purchases are limited to its approved budget.

3.15.3 Library Resources

The Policy does not apply to purchases of Library magazines/ journals/ periodicals/ electronic databases. The involvement of the Procurement Function will be towards issuing POs if necessary.

3.15.4 Sponsorships or Charity

Sponsorships

In the case where a sponsorship is not specifically budgeted for, the VPFA shall seek approvals based on the following table:

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Table 6: Sponsorships Approval Matrix

Value	Authorization
Up to BHD 2,000 for each fiscal year	Joint authorization: COO and President
Above BHD 2,000	Board of Directors

Charity

No funds shall be paid to charity without the approval of the Board of Directors.

3.15.5 Online Suppliers

In the case an online supplier is selected for the provision of goods or services, RFQ and PO will not be required.

3.16 Budgetary Request for Quotation

For budget preparation purposes, the Procurement Officer may seek an estimate of the costs related to goods or services from one or more potential suppliers requesting by issuing a Budgetary Request for Quotation.

3.17 Suppliers

A supplier is a person or business responsible for providing goods or services to AUBH based on agreed terms and conditions. AUBH will not engage suppliers unless a copy of a valid CR or National ID is presented.

3.17.1 Master Suppliers List

The master suppliers list is a compilation of all approved suppliers that AUBH may engage. It contains as a minimum the following information:

- Name of supplier
- Contact details
- Contact person
- Type of service/goods
- Organization or individual
- Copy of CR/CPR (if engaged with)
- VAT number if available

The Procurement Officer is required to update the master suppliers list on an annual basis.

3.17.2 Supplier Evaluation and Performance Monitoring

To maintain the highest standards of procurement and ensure the continuous delivery of quality products and services, a supplier evaluation process will be implemented. The evaluation will vary in depth depending on the method of procurement. This process encompasses:

1. **Initial Evaluation:** Prior to engaging with a new supplier, an assessment will be conducted. The assessment may include examining the supplier's financial stability, reputation, quality standards, delivery capabilities, and

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adherence to regulatory requirements. Only suppliers meeting the established criteria will be considered for partnership.

2. Performance Review: The performance of suppliers will be reviewed against key performance indicators (KPIs) that include product quality, delivery timeliness, cost-effectiveness, and responsiveness to inquiries and issues. These KPIs may be communicated to the suppliers at the start of the engagement.
3. Feedback and Communication: A formal feedback mechanism will be established to provide suppliers with performance evaluations and areas for improvement. Suppliers are encouraged to communicate any potential disruptions, innovations, or changes in their offerings that may affect their service delivery. Suppliers failing to meet performance expectations will be subject to re-evaluation and may result in the termination of the contract or partnership.

4.0 RELATED DOCUMENTS AND REFERENCES

Finance and Accounting Policy

Delegation of Authority Policy

Business Expense Policy

POLICY HISTORY			
Date of Last Action	Action Taken/Changes	Authorizing Entity	Effective Date
30 May 2024	Policy Approved	BoD	1 June 2024