

RHU

PURCHASING MANUAL

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Chapter I - Mission, Vision, Strategy

Section 1 – Purpose

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Section 1 – Purpose

This manual has been prepared for the staff of the purchasing Department. It identifies the policies and procedures to be followed when purchasing goods and services at Rafik Hariri University (RHU). It was developed to promote the purchase of goods and services in a competitive manner, with the goal of buying goods and services at the best prices and quality required, through the use of the best business practices and to limit RHU's risk and liability exposure. It is important that all purchasing agents and committees understand the policies and procedures set forth in this manual. For this reason, all purchasing agents and purchasing committee members are required to sign a statement that they have received and agreed on to abide by the policies and procedures set forth in this Purchasing Manual.

This Purchasing Manual was revised in September 2021 to encourage the purchase of goods that include, where possible, some recycled products and it replaces earlier versions of the Purchasing Manual.

Section 2 - Mission Statement

The Purchasing Department's mission is to purchase goods and services required by, and acceptable to, RHU at the best possible prices to support the University's goals of providing **'Affordable Excellence in Education and Research'**. By purchasing goods and services, of quality acceptable to RHU's faculty and staff, at the best price available in a timely manner, the Purchasing Department helps RHU control costs and allocate funds so that the savings can be utilized to meet RHU's goals and to allow RHU to provide education at affordable prices. RHU will also cooperate with its customers or users to attain this goal.

Section 3 - Vision Statement

Our vision is to provide the spectrum of purchasing practices and expertise necessary to accomplish our mission statement as follows:

1. Work to continuously procure goods and services of the quality required by RHU at the best prices available in the market place. **Whenever possible, the purchasing committee is directed to buy goods that include some level of recycling provided that the recycled product meets or exceeds the user requirements. Examples of this include printer and copier paper and ink cartilages, etc.**

2. Create a work environment where the Purchasing Department has the mindset, skills, and experience to negotiate and attain the best deal in the marketplace and ensure that goods and services acquired are the quality required and arrive in a timely manner.

Section 4 – Purchasing Strategy: Competition

1. The RHU purchasing strategy is to increase competitive advantage in the purchasing process by making sure that it is procuring goods and services from as large a field of competitive bidders as possible. RHU and its purchasing committee will constantly be looking for ways to increase competition in order to improve its ability to acquire goods and services at the best price available for the quality required. This will be done by having the Purchasing department and the members of the RHU community making requisitions as follows:
 - a. Ensure that all products have at least three alternative brands or competitors to choose from, so suppliers have to provide the lowest market price to be selected;
 - b. **Ensure that standardization of equipment, products, and goods is done in a way that considers all competitive products and brands in the analysis before finalizing on a product for standardization, and that the analysis is redone annually to ensure that it is still economically justified or that a new product will become the standardized product. This practice will ensure that spare parts re exchangeable and minimize the need to store parts for various brands;**
 - c. **Ensure that products manufactured using “recycled materials” are indeed as stated and that recycled material content along with cost considerations are factored in comparing products;**
2. The Purchasing Department will categorize its suppliers as “Approved suppliers” who can be shortlisted on purchases according to nature of commodity.
3. The purchasing Department will be responsible for maintaining in the department a file on each supplier used by RHU.
4. The Purchasing Department shall analyze orders from time to time and determine the major suppliers and enter a dialogue with major suppliers on how to reduce the total cost of supply.
5. The Purchasing Department shall increase the purchases made through Purchasing against purchase orders to have better control over cost, quality, supplier and contractor performance and inventory.

Section 5 - Definitions

1. **Approved Suppliers:** a reputable supplier that provides goods, products, equipment, or services that have been pre-approved by way of a pre-qualification tender or in connection with past bids and purchases.
2. **RHU:** The Rafik Hariri University.
3. **Conflict-of-Interest Disclosure Form:** an agreement, signed by a purchasing agent or any one that commits funds of the University or makes requisitions or is involved on a bid committee or in the bid approval process, to adhere to the University's Conflict-of-Interest Policy when executing their duties as authorized purchasing agents of the University, a form of which is attached to this manual as [Appendix I](#). Each purchasing agent will sign a Conflict-of-Interest Disclosure Form annually.
4. **Purchase Order:** a form within the University's purchasing system, used to formally document the agreement between RHU and the respective supplier with respect to the purchase of goods and services.
5. **Purchasing Agent:** a person appointed by the University Purchasing Department and authorized by the Director of Administration to procure goods and services in the name of the departments, faculty, and staff, and has been trained to initiate and administer purchase orders in the Navision system, and has signed a letter acknowledging receipt of the Purchasing Manual and that s/he has read the manual and agrees with its contents and will abide by the provisions set forth in the manual, in particular the Ethical Considerations set forth in Chapter II of the Purchasing Manual.
6. **Purchasing Committee:**
7. **Request for Quote (RFQ):** a method used to have suppliers offer, for a set period and for specific items of service, prices, quantities, and delivery factors to be used in selecting the supplier.
8. **Supplier:** means an entity that supplies or can supply goods and/or services to RHU.
9. **Supplier File:** a file maintained on each supplier that sells goods and/or services or provides quotations or has competitive products to those purchased by RHU.
10. **Zero Dollar Purchase Orders:** purchase orders used for transaction where there is no cost to RHU, but there is a need to document the transaction for ownership, risk of loss, responsibility, and liability concerns, and to track the goods and their use and location.

1. Chapter II - Ethical Considerations

Section 1 – Purpose

Section 2 – Code of Ethics

Section 3 – Conflict-of-Interest Policy

Section 4 – Gifts and Gratuities

Section 5 – Buying for Employees or Third Parties

Section 6 – Anti-Collusion

Section 7 – Confidential and Proprietary Information

Section 8 – Purchasing Department Relations with the RHU Community, Suppliers and the Public

Section 1- Purpose

1. The purpose of this chapter is to remove or limit the possibility of personal influence that might bear upon an employee's decision in his or her capacity as a university employee, and to remove the possibility of direct or indirect benefit to a supplier of university goods or services. All faculty, staff, and students must avoid conflicts of interest between their obligations to RHU and their personal affairs. No faculty, staff member, or student should have an economic interest in, or relationship with, any firm, person, or corporation doing business with RHU if there is a chance it could influence the employee's or student's actions on behalf of RHU.
2. RHU's code of ethics, conflicts of interest policy, gift guidelines for employees, anti-collusion policy, and treatment of confidential information policy set forth in this Chapter are reaffirmed by the purchasing committee members and agents annually by having each of them receive a copy of this Manual and the Conflicts of Interest Disclosure Form set forth in Appendix I of this manual and sign an acknowledgement of receipt and agreement of the Purchasing Manual and policies set forth in this Chapter, and the Conflicts of Interest Disclosure Form on an annual basis.

Section 2 - Code of Ethics

1. Give first consideration to the mission and the objectives.
2. Seek the best price for the product that meets the technical and quality and delivery requirements of the University and strive to obtain the maximum value for each dollar of expenditure.
3. Grant competitive suppliers equal consideration.
4. Conduct business with potential and current suppliers in an atmosphere of good faith, devoid of intentional misrepresentation.
5. Demand honesty in sales representation whether offered through the medium of a verbal or written statement, an advertisement, or a sample of the product.

6. Make every reasonable effort to negotiate an equitable and mutually agreeable settlement of any controversy with a supplier while being a strong advocate of the University's contractual rights and other legal rights.
7. To foster fair, ethical, and legal trade practices.
8. Work on behalf of the interests of RHU solely and avoid situations that may result in personal benefit or gain to the buyer, requestor, or any member of a bid committee.

Section 3 – Conflict-of-Interests Policy

1. RHU's Conflict-of-Interest Policy is to ensure that RHU is represented in a professional manner that brings the best value to RHU in all acquisitions.
2. Any university employee who has, or whose relative has an interest in any contract with, sale to, purchase from, or service for RHU shall make that interest known to RHU and shall refrain from participating in any manner in such contract, sale, procurement, or service. Any employee who is related to any owner, officer, partner, director, manager, or member or holder of more than five percent of the fair market value of the supplier or its affiliates shall make this relationship known to RHU and shall refrain from participating in any manner in any transaction in connection with such supplier. This information must be recorded in the supplier File.
3. In the event an award is made to an individual or firm in which an "interest" or "relationship" notification has been given, the purchasing committee will normally require the following documentation (all of which shall be recorded in the supplier file for such supplier, and, in the event of an award, in the purchase order file):
 - a. A written notice of interest signed by the employee.
 - b. A detailed explanation from the bid committee why the award was appropriate.
 - c. Any other documentation that is deemed to be appropriate to show that the award was not "tainted".
4. No individuals or firms, including, but not limited to, consultants, engineers, designers, and other drafters preparing specifications or plans under a contract shall receive any direct or indirect benefit from the utilization of such specifications or plans.
5. University employees and purchasing committee members must inform their supervisors if they know or suspect that a supplier is an RHU employee, an RHU employee has a substantial ownership interest in the supplier's firm, or an RHU employee is likely to receive a financial benefit from a purchase.

Section 4 - Anti-Collusion

All procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, open and free competition. The purchasing agent shall be alert to organizational conflicts of interest as well as noncompetitive practices among contractors that may restrict or eliminate competition or otherwise restrain trade.

To ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, invitations for bids, and/or requests for proposals shall be excluded from competing for such procurements.

Section 5 - Confidential and Proprietary Information

The purchasing agents and end users in contact with suppliers must be sensitive to issues of confidentiality. It is improper and prohibited to discuss and/or share pricing information, trade secrets, or proprietary information with or among suppliers.

All information submitted by suppliers should be considered privileged information and should not be disclosed to the public or any other supplier. The Purchasing Department will maintain sufficient information and adequate documentation to demonstrate to auditors and others that transactions are accomplished on a legal basis and that university policies are adhered to, but this information should not be made available to the general public or other suppliers.

Section 6 - Purchasing Department Relations with RHU Community, Suppliers, and the Public

- 1. Purpose:** the purpose of this procedure is to ensure that RHU receives the best price for goods and services available in the market place while maintaining proper relations with the RHU community to ensure the goals of receiving the quality required at the best available price within the schedule required. Relationships with suppliers should be proper for the purpose of creating a competitive environment and ensuring these goals are met. Contacts through purchasing are the only relationship many people have with RHU. Purchasing department personnel must ensure that their contacts with the public are professional and reflect credit upon RHU. Honesty, fairness, and courtesy within the framework of getting the best possible deal for RHU are essential qualities that must be evident in negotiations with faculty, staff, salespeople, and other visitors to RHU. Relationships with suppliers should be for the purpose of receiving the best deal for RHU in a framework that is tough but fair, honest, competitive, and courteous.
- 2. RHU Community:** Purchasing is in contact with all departments of the University. Every effort must be made to establish and maintain effective relationships with the personnel in these departments for the purpose of purchasing goods of a quality required in a timely fashion within a competitive atmosphere. Cooperation, trust, and mutual confidence are essential. The most effective procurement can be achieved through the coordinated effort of Purchasing and the user department to the extent that the goal of attaining the best prices for the product required are not compromised. purchasing personnel must have an understanding

of the requirements of the users, and the users must understand that purchases have to be made at the best prices available within a competitive selection process with the goal of saving funds of RHU. Adequate communication is essential in meeting faculty and staff's needs satisfactorily, including but not limited to the goods ordered, the timing of deliver, and any delays in delivery. However, this is a two-way process, and end-users will be expected to do their due diligence to ensure that every request has alternative suppliers in order to ensure a competitive selection process.

- 3. Suppliers:** Purchasing should approach all relationships with suppliers with the view to creating a competitive atmosphere for the purchase of products and with the goal of receiving the best prices available in the marketplace for the goods and the quality of goods required. Suppliers should be treated in an equal manner, and those with the best goods and services at the best prices will receive the business. To this end, purchasing agents should grant suppliers a free and full hearing. Purchasing agents shall allow sales representatives a prompt and courteous interview scheduled in advance at the Purchasing Department in a businesslike manner under conditions of as much privacy as can reasonably be afforded, and without numerous interruptions and delays. Departmental staff must be honest in their representations to potential suppliers. To the extent of not providing proprietary information of RHU and not providing information that would reduce the competitive advantage of RHU or provide any supplier an advantage over any other supplier, information on expected quantities to be purchased, payment terms, and other department service requirements should be as accurate as possible. Any information shared with one supplier must be shared with all suppliers, unless they are not short listed for approved products.
- 4. General Public:** Confidence in the integrity of the University procurement functions is achieved by tough but fair, honest, and competitive purchasing with a clear mission of attaining the best deal for required products available in the marketplace. In discussions or other dealings with the general public, purchasing personnel should make known the University's purchasing philosophy of picking the product and service that meet its technical and commercial requirements at the best available price, except in certain rare exceptions where approval is required from the highest levels of the administration.

CHAPTER III – Purchasing REGULATIONS AND AUTHORITY

Section 1 – Purpose

Section 2 – Purchasing Authority

Section 3 – Purchasing Members

Section 1 - Purpose

The purpose of this chapter is to define the overall regulations that govern purchasing; define the authority for committing RHU funds to the procurement of goods and services.

Section 2 - Purchasing Authority

Only individuals who are authorized to commit university entrusted funds can make purchases on behalf of RHU.

Tools for making purchasing commitments are: (a) purchase orders processed through Navision, prepared by purchasing agents; (b) petty cash funds to buy goods less than or equal \$300 per invoice.

The Purchasing agent has the responsibility for establishing procedures and guidelines that will assist users in complying with these requirements. Any material changes to the Purchasing Manual shall be proposed by the Purchasing agent and approved by the Director of Administration, with a clear indication of what has been revised and the rationale for doing so.

The Purchasing Department is the central authority for the procurement of goods and services required by any university department. Purchases or other commitments made by unauthorized personnel are not legal and not binding upon RHU and may result in a personal obligation for the individual making the purchase or commitment. The purchasing Committee must not act as a “buyer”.

Section 3 – Purchasing Agents

The purchasing agents are the personnel to whom buying authority has been delegated. Purchasing agents are responsible for reviewing the procurement requisitions and ensuring that similar orders from different parts of the University are consolidated in order to get the best value and best prices available in the market place.

Purchasing agents are expected to abide by the policies and procedures in this manual in making commitments of RHU funds in the purchasing of goods and services.

Purchasing agents must sign a form of acknowledgement and agreement with the policies and procedures set forth in this Purchasing Manual including the code of ethics, conflicts of interest policy.

CHAPTER IV – Requisitioning and PURCHASING PROCEDURES

Section 1 – Requisitions

Section 2 – Orders for Requisitions Estimated to Be Less Than \$5,000

Section 3 – Orders for Requisitions Estimated to Exceed \$5,000

Section 4 – Purchasing Bid Summary Form

Section 5 – Bid, Quote, or Proposal Extension

Section 6 – No Split Purchases

Section 1 – Requisitions

1. Requirement Definition

Requirement definition is the process of defining and describing what is required and will be procured. Requirements need to be defined with the aim of opening competition. No specification of brands or other restrictions shall be used unless a valid technical justification exists. Requirements should describe the exact need (technical and qualitative) while avoiding over specifications (as costs might increase) and under specifications (as requirements might not be met). Additionally, the need by dates must be included to avoid progress delays.

Specifications and functional/physical aspects of commodities must provide detailed descriptions of the needed requirements. They should also be generic to the extent possible to enable the widest possible competition. Specifications need to be stated as one or a combination of the following:

Functional: Focuses on what a product is intended to do rather than materials and dimensions.

Example: Printer, Colored, Inkjet

Performance: Focuses on what is to be achieved rather than having a fixed description of how it is to be done. *Example:* Printer, Colored, 16 black pages/minute, 20 colored pages/minute, resolution 1200dpi

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Technical: Describes the exact design and details of the requirements including manufacturing process or the working methods to be used. In this case and due to the uniqueness of the requirement, competition is often limited.

While all three types can be combined, it is recommended to use to the extent possible performance and functional specifications to open up competition. This way, suppliers might be able to offer alternative solutions that turn out to be more cost effective. Furthermore, the use of brand names should be avoided as much as possible. If a reference to a brand name is deemed essential, the requisitioner should:

Specify the essential and critical requirements without having the supplier to guess on which characteristics of the goods are required and which are not.

Use the words “or equivalent”. Example: Multifunctional printer equivalent in performance to Brand X model Y.

Specify that no preference to a certain brand will be given.

2. Materials Requisition (**MR**)

Items that are needed by RHU colleges and departments and that are already defined as being store items, must be requested from the store by filling a material requisition form (MR) which should be approved by the responsible authorities (Head of Departments or Colleges) before being sent for processing. Once the form is filled and approved, it will be sent to the RHU warehouse. If materials are available, it would be delivered to requested faculty or department; otherwise, the warehouse will issue a Purchase Request (PR). Best practices dictate that warehouse has a clear forecast of purchases, to reduce time and ensure items are not out of stock. Whenever there is a need to replenish items, warehouse should create a Purchase Requisition (PR).

End users should have access to a list of warehouse items categories in order to define the necessary request form (i.e. either MR or PR).

The Materials Requisition (MR) Form is attached as Appendix III.

3. Purchase Requisition (**PR**)

A purchase requisition is a form used to request the purchase of goods, not defined as store items categories, and services. The agent will check the requisition to make sure it has enough information to allow the purchase to be made in an efficient manner.

The Purchase Requisition (PR) Form is attached as Appendix IV.

The purchasing agent will also analyze the requisition and process the order based on the estimated cost and nature of the order, along the lines of the following categories:

- (a) requisitions with an estimated expenditure between \$300 and \$1000;
- (b) \$1000 and \$5,000; and
- (d) requisitions with an estimated expenditure of more than \$5,000.

All bids and Request for Quotations (RFQ) must have clear specifications to assist suppliers in formulating their proposals.

4. Requisitions for IT categories, Maintenance Categories, and Printing material

Any item or service that can be rendered by the IT Department should be requested from the IT Department directly. The IT Department, which is now the end-user, will communicate the request to the Purchasing Department. This applies to items and services provided by the Support Services Department.

For Publication services, these services are requested from the Office of Communication and Alumni Relations. If the publication needs to be printed, the Office is required to fill a PR form and submit it to the Purchasing Department. This office will act as the end user.

Section 2 - Orders for Requisitions Estimated between \$300 and \$1000

1. The purchasing agent will secure written quotations from at least two (2) qualified suppliers, a written record of the bidders and bid amount shall be maintained in the PO file.
2. The award shall be given to the lowest acceptable bidder meeting the required delivery date and quality requirements. The price of the lowest acceptable bidder may be negotiated in the most advantageous way to RHU, in accordance with the ethical considerations set forth in this Purchasing Manual.
3. If the same item is purchased during the same academic year, one quotation is enough and the purchase order shall be prepared based on it.
4. Once a PO is placed and approved, the person submitting the requisition, whether an end user or store, receives an e-mail notification with the PO number.

In case of urgent rushed requests, the purchasing agent may seek one bidder or quotation by first-hand approval from the Purchasing Committee and final approval of the Director of Administration. President's approval supersedes all these approval requirements.

Section 3 - Orders for Requisitions Estimated between \$1000 and \$5,000

1. The purchasing agent will secure written quotations from at least three (3) qualified suppliers, a written record of the bidders and bid amount shall be maintained in the PO file.
2. The award shall be given to the lowest acceptable bidder meeting the required delivery date and quality requirements. The price of the lowest acceptable bidder may be negotiated in the most advantageous way to RHU, in accordance with the ethical considerations set forth in this Purchasing Manual.
3. Once a PO is placed and approved, the person submitting the requisition, whether an end user or store, receives an e-mail notification with the PO number .
4. It is the responsibility of the purchasing agent to maintain a log to record the suppliers who were contacted (including name of contact and contact information) and the price given, in addition to any other data provided. It is the responsibility of the purchasing agent to maintain a purchase order file with the log, the quotations, the analysis of the quotations, the purchasing bid summary form, and any justification for not selecting the lowest bidder or for selecting a bidder when less than three bids were received.

5. Quotations should be requested by fax or e-mail. Transactions will be monitored to ensure that requests and the purchasing process comply with RHU policies and procedures.

In case of urgent rushed requests, the purchasing agent may seek one bidder or quotation by first-hand approval from the Purchasing Committee and final approval of the Director of Administration. President's approval supersedes all these approval requirements.

Section 3 - Orders for Requisitions Estimated to exceed \$5,000

1. The purchasing agent shall issue an Invitation to Bid (ITB) or a Request for Proposal (RFP) requesting written sealed quotes from **at least** three (3) qualified suppliers. The ITB/RFP should include clear instructions to suppliers to submit the sealed quotations directly to the bid administrator (independent of the purchasing process). The ITB/RFP should be made according to the requirements of the end user and generic specifications received from the applicable engineering or technical department and shall be reviewed by the purchasing committee.
2. Sealed quotes are opened after the submission deadline by the purchasing committee. The bid administrator sends the offers to the purchasing committee; making sure the bid log file coincides with the number of offers received. If the end user reports to one of the Purchasing Committee members, then that member should not be present at the bid opening.
3. Financial offers are signed by one of the Purchasing Committee members, and bid tabulation (Bid Summary Form) is prepared showing the names of the suppliers, their prices, apologies, members attending the opening as well as their signatures. Technical offers are then forwarded to the end user for evaluation (prices and suppliers' names are omitted).
4. The award shall be given to the lowest acceptable responsible bidder meeting the requirements for delivery, quality, and price. The justification for not selecting the lowest in price should be documented as an attachment in the Purchasing Bid Summary Form as part of the purchase order file. The price of the lowest acceptable bidder may be negotiated in the manner most advantageous to the University. The purchasing committee may recommend negotiating with the two lowest bidders when the price difference is within the five percent range. Negotiations must be documented and records maintained in the bid file.
5. Once a PO is placed and approved, the person submitting the requisition receives an e-mail notification with the PO number which can be viewed on-line via Navision.

6. A log of all the invited suppliers must be kept in the purchase order file with all quotations and documents supporting the quotation attached. Quotations received should be tabulated on the Purchasing Bid Summary Form with any and all excel spreadsheets and other work sheets attached. The quotations, apologies, the analysis of the quotations, and all other related data should be recorded and kept in the purchase order file .
7. The local suppliers shall be advised in the RFQ not to accept quotations sent by fax.

In case of urgent rushed requests, the purchasing agent may seek one bidder or quotation by first-hand approval from the Purchasing Committee and final approval of the Director of Administration. President's approval supersedes all these approval requirements.

Section 4 - Bid, Quote, or Proposal Extension

The purchasing committee shall extend the bid deadline if (a) one or more suppliers request an extension for valid reasons, (b) an insufficient number of quotations has been received, or (c) revisions to the requirements or specifications are warranted.

Any extensions to the bid deadline must be approved by the purchasing committee.

Section 5 - Split Purchases

It is the responsibility of the purchasing committee with knowledge of the purchases for a commodity to monitor orders and to determine when orders for certain products should be bundled or be purchased through a blanket purchase order with a fixed price with a preferred supplier.

It is the responsibility of the purchasing committee and the purchasing agent with knowledge of a commodity to ensure that no purchase shall be divided in amounts for the purpose of bringing it within certain dollar limits that would affect how the product or good is tendered, such as a split of goods that would result in quotations and selection of a good below or above \$5,000. Failure to combine orders when this logically should be done in the interest of economy is circumventing the university policy and, therefore, will not be approved. Orders may be split only in cases of utmost necessity and should be properly justified in writing and approved by the finance director.

CHAPTER V - SPECIAL PROCUREMENT POLICIES AND PROCEDURES

Section 1 – Standardization of Common-Use Items, Equipment, Products, and Devices

Section 2 – Petty Cash Purchases

Section 1 - Standardization of Common Use Items, Equipment, Products, and Devices

1. The purpose of this procedure is to permit standardization of common use items purchased for RHU to the extent suppliers and products are selected in a competitive process. The purchasing Committee has the responsibility and authority to question the quality and kind of materials requested to ensure that the best interests of the University may be served. Common use items will be standardized to the extent justifiable after a cost benefit analysis to take advantage of quantity discounts, to avoid numerous small orders, minimize the quantity of stored parts, and to alleviate having numerous brands of the same item in stock in various stores.
2. Common items used by many departments may be stocked in the University stores. The purchasing agent with knowledge of orders for specific commodities analyzes and selects common use commodities that could be purchased in a more cost effective manner if standardized.
3. Standardization of equipment may be recommended by the requesting department, the technical department, and the Purchasing Department. The recommendations should include (a) a description of the experience with the currently used proposed technology; (b) a description of preferably at least three similar technologies or brands of the same technology in competition with the proposed technology (if available) that could be standardized upon if competitive bidding results in a more cost effective alternative; (c) whether the supplies used with the proposed equipment are non-generic; (d) whether supplies in stock are usable and replaceable; and (e) a cost benefit analysis describing the economic justification for standardization. If the recommendation for equipment is approved by the dean of the applicable school, the proposal will be sent to the purchasing committee.
4. Based on such recommendations, the purchasing Committee will determine the priorities for standardization based on cost benefit analysis and the purchasing Committee's understanding of the market and university consumption.
5. Once the purchasing committee has selected common use items for standardization, the manager will then determine the approved suppliers and other suppliers that provide such products or their equivalents and issue an RFQ/IRB/RFP for such common use items or equipment.
6. Once an item has been standardized, the purchase of non-standard items will require a justification from the requestor indicating why the standard item is not suitable for the purpose intended. It is the responsibility of the purchasing agent to ensure that requisitions

for non-standard items are questioned before accepting the requisition and following through on the order.

7. Purchase orders for standardized items must be clearly marked as single source purchase orders on the purchase order.

Section 5 - Petty Cash Purchases

Petty cash purchases are purchases needed by the end user and are only available at suppliers that require cash payment. Petty cash purchases follow the same policies and procedures detailed in this manual. The purchasing agent should arrange to hand carry the items from the supplier's location and deliver to the end user through the Receiving Area. The petty cash purchases should not exceed the \$300 limit per purchase order/Invoice.

CHAPTER VI - PURCHASING CONSIDERATIONS FOR CERTAIN PRODUCTS AND EQUIPMENT

Section 1 – Free of Charge Goods

Section 2 – Equipment Purchases and Leases

Section 1 - Free of Charge Goods (FOCs)

1. Various suppliers offer free of charge products, goods, devices, and equipment as part of marketing campaigns for new products and as an incentive to purchase products and a means to deal with excess inventories, older models, or product nearing expiration dates. RHU benefits from the use of such goods, products, devices, and equipment offered to it, as long as the products are within expiration periods, in good condition, and properly accounted for in its inventory.
2. Free of charge goods that are offered in conjunction with an order of other goods from a supplier should be stated as a separate line item on the purchase order at zero value.
3. Free of charge goods offered as part of a promotion or otherwise that are not connected to an existing order should be recorded through the issuance of a Zero Dollar purchase order with a “zero” value in the price of the product, so that the order, terms and conditions, and delivery of the products are reflected in the system.

Section 2 - Equipment Purchases and Leases

All equipment leases must be coordinated, reviewed, and follow the procedures for the purchase of equipment set forth in this Purchasing Manual. This coordination will ensure that the lease is more cost effective than a purchase of equipment, that the lease is made in a competitive manner, and that the terms and conditions of the lease are reasonable, follow those for other equipment leases made by RHU and don't create undue risk for RHU, and that the financial commitments are approved in accordance with a purchase of equipment.

All equipment leases will have lease agreements, and such lease agreements should be related to a purchase order number, and should be posted in the Navision system.

CHAPTER VII - SUPPLIERS AND PRODUCTS MANAGEMENT

Section 1 – Supplier Qualifications

Section 2 – Supplier File

Section 1 - Supplier Qualification

1. RHU will only conduct business with reputable suppliers who can provide the goods and services required. All suppliers must complete a Supplier Information Form indicating business type, size, classification, and product lines.
2. As determined by the purchasing Committee, RHU will remove suppliers from its approved supplier lists and refrain from soliciting business from them and sending them RFQ/ITB/RFPs, if:
 - a. Unsatisfactory performance (i.e., poor performance, delivery, or default on contractual or purchase order terms and conditions, including but not limited to, providing damaged or defective goods, making unauthorized substitutions, billing errors, unallowable billings, service deficiencies, or poor workmanship), unless cause by acts beyond the control of the business, such as acts of God, acts of war, terrorism, fires, or strikes.
 - b. Conviction of the business or an officer or principal shareholder for commission of a criminal offense in connection with obtaining, attempting to obtain, or performing a contract or subcontract.
 - c. Violation of an anti-trust or anti-collusion or other laws relating to the submission of bids.
 - d. Bankruptcy or pending bankruptcy.
 - e. Unethical practices or violation of RHU's policies.
3. The purchasing Committee has the authority to suspend a supplier from participating in the RHU solicitation process. A supplier may be reinstated if it can show a bona fide change in the ownership or management of the business and/or eliminate or mitigate the cause for which the suspension occurred.
4. It is the duty of the requesting department to notify the purchasing Committee in writing with complaints in supplier performance, with specific details and reasons for its dissatisfaction. The purchasing Committee will ensure that the complaint is recorded in the supplier file and contact the department and discuss the proper course of action.

Section 2- Supplier Files

1. A supplier file must be maintained for each supplier used by RHU, and each supplier that has been approved to be on the list of companies to receive tenders or quotations with respect to certain products, and each supplier that receives requests for tenders or request for quotations.
2. The supplier file must have a function that allows the Purchasing Department to run queries on key commodity groups in order to ensure approved suppliers and qualified suppliers are contacted for quotations and receive RFQs.
3. Supplier files will be maintained on a regular basis, with all relevant information about a supplier, including all comments and performance related information received as outlined below.
4. The supplier file will include any and all information obtained about a supplier, including the following:
 - a. Reputation of the firm, its owners, and references.
 - b. Information about products and goods being sold.
 - c. Financial information including bank account numbers.
 - d. Company commercial and VAT registration.
 - e. Pricing information.
 - f. History of product recall notifications and information.
 - g. Promptness in delivery, delays in delivery, level of communication with respect to delays in delivery.
 - h. End user complaints about the products or services of supplier and the quality of the products or goods.
 - i. Record of goods returned to supplier due to damage, age, or noncompliance with purchase order.
 - j. Complaints of end users and Receiving Department with respect to goods and products..
 - k. Vendor complaints about RHU and RHU staff.
 - l. Other relevant comments, facts, or data regarding supplier and products.
 - m. Catalogue information.
 - n. Positive feedback about a supplier, supplier's services or products from end users.
 - o. Suppliers who decline to bid or submit quotations, and the reasons, if any.
5. Purchasing agents should record in the supplier file any time a supplier declines to bid on the business in order to monitor the reasons for not bidding or whether a supplier is not interested in receiving bids from RHU.
6. The University depends on the user's comments to ensure users receive products with the quality required by the RHU community. Users of purchased goods are requested, and should be encouraged, to provide any complaints, comments, or constructive feedback about a supplier or a supplier product or service. User's feedback with respect to the supplier is

important for determining the quality of the products and services provided and for evaluating the supplier on a going forward basis.

7. The Receiving Department is also obliged to input information related to the receipt of supplies directly into the Navision system and inform the Purchasing Department of any problems with deliveries, damaged goods, noncompliance with the order, or late deliveries so that the Purchasing Department can record the complaint or information in the supplier file.
8. Approved suppliers lists must be created and maintained, preferably through the same database, for the purpose of short listing approved suppliers with respect to specific commodity categories, in order to ensure all approved suppliers are included in the bidding process, in order to have competitive bidding process to the extent feasible for urgent purchases and emergency purchases, and in order to better manage RHU's approved suppliers and to better evaluate those suppliers not considered approved suppliers.

CHAPTER VIII - PURCHASE ORDERS

Section 1 – General Purchase Order Requirements

Section 2 – Standard Purchase Order

Section 3 – Blanket Purchase Order

Section 4 – Zero Purchase Order

Section 5 – Signature Authority and Approvals

Section 6 – Revising and Changing a Purchase Order

Section 7– Cancellation of a Purchase Order

Section 8 – Legal Review

Section 9 – Purchase Order Receipt Confirmation

Section 10 – Purchase Order Delivery Date and Delivery Status

Section 11 – Purchase Order Files

Section 1 - General Purchase Order Requirements

1. All purchases processed through the Purchasing Department will have been processed by placing a purchase order.
2. There should only be one original purchase order generated. The suppliers should be notified when the original purchase order is issued. All issuances of the original purchase orders to suppliers should be recorded, and a log should be maintained at the purchasing department recording receipt of the purchase orders by the suppliers, the attachment of the standard terms and conditions, and the means of delivery. The acknowledgement of receipt of the purchase order should be kept on file evidencing delivery by RHU or receipt by the applicable supplier. Any order initiated by faxing the purchase order to a supplier should include instructions for the supplier to retrieve the original purchase order from the Purchasing Department. Any faxed purchase order should include the standard terms and conditions faxed, with a record of the fax.
3. All purchase orders must have the standard terms and conditions, and have prices fixed either in terms of unit price or lump sum price, or such price should be based on an agreed upon price formula.

Section 2 - Standard Purchase Order

1. A purchase order is placed when the quotation/bidding process is completed. The purchase order is generated electronically on the system with a system generated serial number.
2. Each PO reflects the following information:
 - a. PO number, the requisition number, and PO date.
 - b. Supplier Name.
 - c. Delivery Site: Warehouse.

- d. Item description; specifications or requirements.
 - e. Unit of purchase: piece, box, dozen.
 - f. Unit price.
 - g. Total price per item.
 - h. Delivery date.
 - i. Total PO value.
 - j. Any terms and conditions meant to supplement the terms and conditions to be attached to the purchase order.
3. The standard terms and conditions must be attached and made part of the purchase order.
 4. The supplier is requested, in the purchase order, to deliver the items to the warehouse and send the invoice to the Finance Department for payment. The supplier should be notified that any payment time period will not commence until the product or good has been received, inspected, and accepted by RHU.

Section 3 - Blanket Purchase Order

Blanket purchase orders are purchase orders placed with a supplier for goods that cover a predetermined time period. A blanket purchase order must have pre-negotiated fixed unit prices or discounts off of regulated unit prices, or catalogue unit prices for a catalogue of a fixed date. The blanket purchase order must specify specific products covered in the purchase order for such time period.

Blanket purchase orders must state the term or expiration date of such purchase order. The blanket purchase orders must set a maximum limit in terms of quantity or US dollars/Lebanese pounds.

Section 4 - Zero Purchase Order

All free of charge goods transactions must be documented in the Navision system through a zero purchase order.

A zero purchase order is used for transactions where there is no cost to RHU, but there is a need to document the transaction for ownership, responsibility, or liability reasons and in order to track the goods, their location, and their use.

Section 5 - Signature Authority and Approvals

Purchase orders are prepared after the decision to purchase has been made in accordance with the Purchasing Departments' rules and regulations set forth in this manual. All purchase orders must be prepared by purchasing agents and follow the following signatory authority:

1. Purchase orders with amounts up to \$2,500 must be approved by the Director of Administration.

2. Purchase orders with amounts in excess of \$2,500 must be approved by the President of the RHU.

Section 6 - Revising and Changing a Purchase Order

1. A purchase order is a contract between RHU and the supplier that is effective upon delivery of the supplier product to the extent it conforms with the requirements of the purchase order. Any change, modification, revision, or supplement to the purchase order is an amendment to the terms and conditions of the agreement with the supplier, and such revised purchase order must be approved in accordance with the same approval hierarchy as the original purchase order and any additional approvals that may be required as an increase in the monetary amount of the revised purchase order. The revised purchase order, once approved, must be reissued to the end user and the supplier in accordance with the same requirement that the delivery of the original purchase order, that being, it must be issued to the supplier and the supplier's receipt of the revised purchase order must be recorded in the log at the Purchasing Department. The revised purchase order must have the revision number next to the purchase order number to track the number of revisions and to ensure the supplier has the correct order and delivers goods conforming to the correct revised purchase order. The revised purchase order shall state on the front of the purchase order the reasons for the revised purchase order (what was changed and why) and that it replaces and supersedes the original (or previously revised) purchase order and the original purchase or the previous revised purchase order is null and void. Because the revised purchase order is a restatement of the purchase order, the reason for the revision should be clearly specified in the new purchase order.
2. Revised/changed purchase orders must have revision numbers right beside the purchase order number to track the revisions and to ensure that the supplier has the correct purchase order for delivery and payment purposes.
3. A purchase order should not be revised or amended in order to accommodate a change in delivery date or a change in Free Of Charge amounts or other quantities at the time of delivery. Delivery dates should remain as agreed. If a supplier is unable to meet the delivery date, it is in breach of its obligation, and RHU may decide in its discretion to waive the obligation or not, but there is no need to change the purchase order. A purchase order may be revised to account for any offer of FOC goods accepted by RHU prior to delivery as long as such revision is approved in accordance with this section of the Purchasing Manual. Purchase orders should not be amended to take into account receipt of an amount of goods exceeding what has been ordered, unless the additional amount has been agreed to by RHU before delivery by means of a change order. In such case, the amount in excess of the orders in the system should be rejected by Receiving and returned to supplier.

Section 7 - Cancellation of a Purchase Order

A purchase order is a contract reflecting the agreement between the parties for the delivery of goods within a certain time period at a specified price. Any cancellation of a purchase order should be coordinated and approved by the requestor. The end user who made the requisition and is expecting delivery of the goods must be notified of the intention to cancel a purchase order before cancellation of a purchase order is made.

Section 8 - Legal Review

Purchase orders will be reviewed by legal counsel at the purchasing committee's discretion, taking into consideration any terms not conforming to the standard terms and conditions. The purchasing committee is advised to check with counsel when a bid or negotiation leads to terms and conditions that are in conflict with the RHU General Terms and Conditions that are incorporated by reference in the purchase order.

Section 9 - Purchase Order Receipt Confirmation

All suppliers should be informed by telephone or fax that the purchase orders are ready to be picked up at the Purchasing Department. The suppliers' representative must sign a copy of the purchase orders to acknowledge receipt of the purchase orders when they are given to them or hand delivered to them. A purchase order may be sent by fax with instructions for the supplier to pick up the original at the RHU Purchasing Department. If sent by fax, the RHU general terms and conditions must be faxed as part of the purchase order.

Section 10 - Purchase Order Delivery Date and Delivery Status

The purchase order will include the last acceptable delivery date for the arrival of the goods at the RHU Receiving Dock. Purchase orders should not be amended due to delays in delivery, and Receiving must be kept abreast of the status of delivery and any delays in delivery, and any changes in delivery date must be communicated to the end user making the requisition by e-mail. For delays in delivery, especially of urgently needed equipment and supplies, the director/chairperson of the requesting department should be informed by e-mail. Efforts should in turn be made to insure delivery soonest possible.

Section 11 - Purchase Order Files

A file for each purchase order shall be maintained by the Purchasing Department. All information in connection with the purchase order must be included in the file, including but not limited to, a copy of the requisition, the RFQ, a list of the companies that received the RFQ, a log recording the quotations received with an analysis of all the related quotations on a supplier's quotation form, the quotations and all letters, faxes, and communications supporting the quotations, and a copy of the purchase order and any amendments to the purchase order and any all justification required for such amendments. Each purchase order file must have a log of the companies that have submitted proposals and a suppliers quotation form, even if the quotations are verbal quotations. The file should also include any companies that declined to bid and the reasons for declining to bid, if provided.

CHAPTER I X - RECEIVING AND PAYMENT

Section 1 – Receiving

Section 2 – Payments

Section 1 - Receiving

1. The purpose of this procedure is to ensure that RHU receives the merchandise that is ordered and that the necessary reporting on the receipt of goods is done in a timely manner so that the goods are received and inspected by the end user with assistance of the applicable technical committee or department representative, if applicable.
2. The standard terms and conditions attached to and made part of the purchase order state that all goods must be delivered to the Receiving Area and suppliers must deliver the requested items as specified on the purchase order. Any goods not delivered to the Receiving Area will not be posted as “Received” in the Navision system and any invoices for such goods will not be paid
3. Upon delivery, the store receiving clerk counts the goods delivered, matches the quantity for each item on the PO against the quantity delivered by the supplier, and checks the condition of the delivered goods. If the quantities do not match the order or the goods are visibly damaged, the receiving clerk should reject the items and record the rejection. Any amounts in excess of quantities ordered must be rejected and returned to the supplier.
4. Once the goods are delivered to the end-user requesting the goods, the end user must inspect the goods for quantity, condition and quality, operability, and to ensure that the goods conform to the specifications of the purchase order. If the goods require assistance from a technical department, then, the end user that requested the goods should request a representative from such department to assist with the inspection of the product, device, or equipment or good delivered. This is important since RHU’s legal rights to return the product and other contractual rights will be triggered upon receipt and acceptance of the goods. If such inspection and acceptance or rejection does not take place in a timely manner, RHU may waive certain legal rights in connection with such goods.
5. If the goods are rejected by the end user, the receiving clerk will inform the purchasing agent of the rejection in order to instruct the supplier to pick up the rejected goods at the receiving dock within 24 hours of such notice.
6. Partial receiving is allowed, if acceptable to the requesting department (partial orders should not be accepted if not functional without the entire order of goods and parts until all equipment, goods, or parts have been received and inspected).

7. All discrepancies, problems, damage to goods, nonconformity with the order should be reported to the purchasing agent, and the purchasing agent should rectify the situation and also post the problems, complaint, or performance of the product or supplier in the appropriate supplier file.

Section 2 - Payments

Payment will be made in accordance with accounts payable policies and procedures and specific payment terms set forth in the purchase order. Upon the delivery of goods and confirmation by the Receiving Department that goods have been “Received, Inspected and Accepted,” suppliers submit their invoices to the finance Office for payment. The purchase order number should be indicated by the supplier on the invoice.

**APPENDIX I
CONFIDENTIAL**

CONFLICT-OF-INTEREST/COMMITMENT DISCLOSURE FORM

Name _____

Office/Department _____

I have read the above referenced Conflict-of-Interest Policy and I am filing this form in accordance with the Policy.

1. Offices and Positions

Are you, your spouse, a dependent child, an officer, director, trustee, partner (general or limited), employee or regularly retained agent of any organization* with which (a) the University (or an organization closely affiliated with the University) has had business dealings during the past year; or (b) there is a reasonable possibility the University (or an organization closely affiliated with the University) may in the next year have business dealings? (A list of such closely affiliated organizations will be updated periodically) YES ___ NO ___.

If "YES," please provide the following information:

Organization _____

Position _____

You or Name of Family Member _____

Nature of Organization's Business _____

2. Ownership Interests

Do you, your spouse, your registered domestic partner or a dependent child, individually or in the aggregate, have the actual or beneficial ownership of stock, equity, debt, or any other financial interest (other than a permitted interest as defined below**) in any organization with which (a) the University (or an organization closely affiliated with the University) has had business dealings during the past year; or (b) there is a reasonable possibility the University (or an organization closely affiliated with the University) may in the next year have business dealings? YES ___ NO ___.

If "YES," please provide the following information:

Organization _____

Nature of Organization's Business _____

Location _____

3. Remunerative Activities

Do you, your spouse, your registered domestic partner or a dependent child, either individually or in the aggregate, expect to receive in the current or a future year, remuneration for services (other than salary as an employee) in excess of \$500 from an organization with which (a) RHU (or an organization closely affiliated with RHUB) has had business dealings during the past year; or (b) there is a reasonable possibility RHU (or an organization closely affiliated with the RHU) may in the next year have business dealings? YES ____ NO ____.

If "YES," please provide the following information:

Organization _____
Nature of Organization's Business _____
Location _____

4. Other Transactions

Please briefly describe any other interest, relationship, or transaction that has in the past year created, or reasonably could in the next year create, a real, apparent, or potential conflict-of-interest contrary to the spirit or general principles set forth in the RHU's Conflict-of-Interest Policy.

5. Certification

I understand and accept my obligation to disclose in a timely fashion any interest, a related person or I may have in a proposed RHU transaction, as required by the Conflict-of-Interest Policy.

The above is an accurate and current statement of all my reportable outside interests and activities, to the best of my knowledge.

Date _____ **Signature** _____

Please return this form to the next higher administrator in your supervisory line that is at least at the level of director or department chairperson, by _____.

REVIEWING ADMINISTRATOR'S STATEMENT

I certify, to the best of my knowledge, that the person named above does not have any impermissible conflict-of-interest or has reported them and resolved them.

Date _____ Signature _____

** **Organization**" includes any corporation, partnership, proprietorship, association, trust, government agency, or other entity.

** **Permitted Interest**" means the ownership of (a) shares of stock listed on the New York Stock Exchange, the American Stock Exchange, or any other recognized stock exchange, so long as the amount of such stock of any one issuer is less than 5 percent of the outstanding voting shares; (b) shares of mutual funds; (c) an interest in a blind trust; or (d) any debt instruments of publicly held companies.

