

Procurement and Stores Policy and Procedures

Policy Owner	Vice-Chancellor for Financial and Administrative Affairs	Responsible Office	Office of Procurement
Approved By	Chancellor	Effective Date	July 2025
		Next Review Date	July 2028

Purpose

This policy and the relevant procedures are stipulated to guide the AU Community in all its procurement activities.

Scope

This policy applies to all AU Colleges and Offices with regard to processing their procurement and stores requirements.

Definitions

Wherever they appear in this policy, the following words and phrases shall have the following denotations unless the context indicates otherwise:

- a) **Office of Procurement:** The organizational unit that carries out the tasks related to procurement and stores.
- b) **Delegation of Authority Guide:** The set of rules and regulations that govern the delegation of authority regarding financial and non-financial matters or equivalent.
- c) **Policy:** The rules and provisions provided for in this policy which are in line with the University's Strategic Plan.
- d) **Methods:** The rules or principles relating to a specific activity that distinguishes it from other activities, as well as the means and technologies in place that could be used to facilitate work.
- e) **Procedures:** The instructions and detailed steps which must be followed in implementing the contracts.
- f) **Supplier:** The external party which supplies various types of material that the University needs.
- g) **Contractor:** The natural or legal person who provides all services needed by the University or carries out works for the University, including the delivery of material deemed as part of the scope of work.
- h) **Requester:** The designated person from College or Office who is responsible for initiating purchase requests.
- i) **Contract:** A legal document which establishes a mutually binding relationship between the University and a supplier or a contractor regarding the provision of services or execution of works or the supply of material and goods.
- j) **Contract Value:** The original value of the contract added to it the value of all variation orders, if any.
- k) **Variation Order:** Any change order relating to any paragraph or article or provision or condition provided for in the contract issued by the Office of Procurement or a legally competent entity authorized thereof.
- l) **Purchase Order:** An agreement between the University and a supplier to deliver goods, material or services that explicitly specifies financial limit, payment terms and method, and delivery time, issued directly by the Office of Procurement.

Suppliers and Contractors

A. Register of Suppliers and Contractors

The following rules shall be observed:

1. The Office of Procurement shall maintain an updated register for the prequalified suppliers and contractors to engage them in all types of services and material contracts.
2. The Office of Procurement shall set pre-qualification and registration standards for suppliers and contractors, depending on the nature of the business.
3. The Office of Procurement shall deal with reputable suppliers who meet and promote ethical trading standards and behavior throughout its supply chain.
4. The register of suppliers and contractors shall include the business activity profile, information on the business registration with the Chamber of Commerce and Industry, any licenses required for carrying out the activity, ownership particulars, full addresses and any other necessary business-related information.
5. The Office of Procurement shall finalize the process of registering suppliers and contractors, including the screening of electronic registration applications and supporting documents. The office shall also finalize the pre-qualification process of the suppliers and contractors according to the applicable approved standards and conditions and shall ensure regular updating of the Register of Suppliers and Contractors.
6. The names of suppliers and contractors shall accurately match the particulars of the trade licenses or any other alternative equivalent credible documents. Particular attention shall be given to the acronyms attached to the legal personality of the business, whether a company or an establishment or a corporation, etc.
7. Companies and establishments willing to register shall complete a registration application form specially designed to that end and submit it to the Office of Procurement. The Office shall then scrutinize the licenses and certificates submitted by the applicant to ensure that they meet the conditions and legal requirements.

B. Pre-qualifying Suppliers and Contractors

1. The Office of Procurement shall ensure that all suppliers and contractors registered with the University are qualified to perform their respective business activity. However, it should be noted that pre-qualification for a certain activity does not necessarily mean pre-qualification for other activities.
2. Suppliers and contractors may not be registered or have their registration renewed if they fail to meet the pre-qualification requirements.
3. Pre-qualification standards and conditions shall be recorded in a standard checklist which should address all legal, commercial, financial, technical and **sustainability aspects**, as well as the track record of suppliers and contractors as follows:
 - a. The legal aspects referred to in the previous paragraph shall include all the licenses required to practice the business activity, whether from the Economic Development Department, the Chamber of Commerce and Industry or any other regulatory bodies. All documents shall be valid upon registration with the University.
 - b. The financial aspects shall include a sound financial standing which could be verified by a certificate of financial ability from a bank.
 - c. The technical aspects shall include the availability of highly skilled workers, appropriate and sufficient equipment, workshops and stores.
 - d. The **sustainability aspects shall include the corporate social responsibility statements.**

thereof and hence the delivery of goods and services and execution of works shall be done accordingly.

10. The tender participants may submit more than one bid. However, they shall submit a separate set of original tender documents for each bid and shall clearly indicate in writing that each set of documents represents an independent bid.
11. The bid documents shall include a notarized copy of the company's articles of association along with a document containing the names of the persons who have the authority to enter into contracts on behalf of the company or the firm and the names of the persons who are in charge of the contract performance along with clear samples of their signatures. This condition shall apply to suppliers and contractors who are not registered with the university, provided that their prequalification and registration procedures be completed before opening the tender envelopes.
12. All tender documents shall be regarded as personal to the tender participant and may not be passed to others.
13. The University's Procurement Committee shall meet at the place and time specified in the tender notice. The committee shall record the bids in official minutes which must include the names of bidders, all substantial details of the tender, as well as taking note of samples, if any. Samples shall then be officially handed over to the concerned bodies at the University for the purpose of analysis.

D. Tender Amendment

1. When it is necessary to make changes in the tender invitation documents with regards to matters related to the contract terms, quantities, technical specifications, delivery schedule, date of tender submission or to clarify any ambiguity or correct errors in the tender documents, the tender shall be amended and all bidders be notified thereof.
2. Amendments shall not be made to the technical specifications nor shall the tender floating or execution period be extended without approval of the end user unit and the Office of Procurement.
3. It is strictly prohibited to make any amendments to the tender package after the tender envelopes are opened.

E. Cancellation of Tender

1. With the approval of the Office of Procurement and the end user unit, the invitation to tender may be cancelled when there is a substantial change of circumstances that requires floating a new tender or when the required material or services are no longer needed.
2. All participants in a restricted tender shall be notified in writing of the cancellation of the tender. Reasons for the cancellation shall be explained and all bids which have not been opened shall be returned.
3. The cancellation of a public tender shall be announced in the same way in which the tender invitation notice is publicized.
4. In case of the cancellation of the tender, the tender documents' fees shall be refunded to the tenderers.

F. Evaluation of Tenders

1. Sealed bids shall be opened by the Procurement Committee.
2. The end user unit shall evaluate the technical aspects of the submitted bids and provide the Office of Procurement with a technical report.
3. The best offers shall be selected, taking into consideration that the offer with the least price shall be amongst the technically acceptable offers and ensuring that it is meeting the requirements of the



end user unit and achieving value for money. The best offers may be selected by giving some weight to the aspects of their technical viability, financial feasibility and social/ environmental sustainability.

4. The best offer may be selected even though it is not of a lesser price, provided that convincing arguments are put forward thereto.
5. If the prices of two bids or more are equal, the Procurement Committee upon a recommendation from the Office of Procurement and in coordination with the end user unit may split the amounts or quantities of the tender subject matter amongst the bidders offering similar prices as long as such split will not harm the business interests.
6. The Office of Procurement shall notify the successful bidder of the award in the form of Purchase Order within a maximum period of one week from the date of the Procurement Committee's and the Vice-Chancellor for Financial and Administrative Affairs' approval on the minutes of meeting. The successful bidder shall be asked to submit a performance bond and sign the contract.
7. Should the successful bidder fail to sign the contract without any acceptable excuse, the bidder shall be deemed as having withdrawn the bid. And consequently, the bid bond shall be seized and the University shall also have the right to seize all or some of the bidder's receivables in addition to reserving the right to demand compensation for incurred losses.

G. Bank Performance Bonds:

1. The supplier or contractor shall submit an unconditional and irreversible performance bond issued by a bank operating in the country if the value of the successful bid exceeds AED 5,000,000 (five million dirhams).
2. The value of the bond shall be determined by the Office of Procurement. The bond amount, however, shall be no less than 10% of the bid value, provided that no bank interest is imposed on the value of the performance bond letter.
3. The supplier may be relieved of submitting a performance bond letter for purchase orders or contracts whose value is less than AED 5,000,000 (five million dirhams) in the following cases:
 - a. If the period of supply or performance of work in the contract does not exceed 90 (ninety) days. However, the Office of Procurement can hold 5% of the order value payable to the supplier which shall only be released after three months from the date of final delivery or as per the terms and conditions of the contract.
 - b. If the material has already been delivered and the contracted work has been performed.
 - c. If the supplier or contractor has monetary entitlements with the University equivalent to or more than the value of the performance bond. In such case, an amount equivalent to the value of the performance bond shall be held from said entitlements provided that the supplier or contractor submits a request to the Office of Procurement to that effect.
4. The performance bond shall be valid throughout the contract period, in addition to a required three more months of validity of the bond.
5. A contractor with the University from any government departments, public establishments and corporations or other government bodies shall be fully relieved from submitting a performance bond and shall also be relieved of advance payment bond for any advance amounts paid by the University to the contractor.
6. If the successful bidder fails to submit the value of the performance bond within 30 days as of the date of notifying the bidder of acceptance or from the effective date of the contract, the University may:
 - a. Seize the bid bond