

Procurement and Inventory Manual

Red Crescent Society for Gaza Strip

Technical Support by:

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Chapter 1: General Terms

In this manual, the following words and sentences refer to specific meanings stated below, unless stated otherwise in the manual.

- **The Association:** The Red Crescent Society for Gaza Strip
- **The General Committee:** The General Committee of the Red Crescent Society for Gaza Strip
- **Board of Directors:** The Board of Directors of the Red Crescent Society for Gaza Strip
- **Chairman:** Chairman of the Board of Directors of the Red Crescent Society for Gaza Strip
- **Deputy Chairman:** Deputy Chairman of the Board of Directors of the Red Crescent Society for Gaza Strip
- **Treasurer:** the person who fills the position of the treasurer, selected from the Board of Directors of the Red Crescent Society for Gaza Strip
- **Cashier:** the income accountant in the Red Crescent Society for Gaza Strip
- **The Director General:** the director appointed by the Board of Directors of the Red Crescent Society of Gaza Strip.
- **Administrative Manager:** manager of administrative department and responsible for the procurement section in the Red Crescent Society for Gaza Strip.
- **Head of the Procurement Section:** Head of procurement section in the Red Crescent Society for Gaza Strip.
- **Inventory Superintendent:** The person responsible for the Inventory in the Red Crescent Society for Gaza Strip.

Introduction

This manual is considered a system to be applied in the Association to guarantee the highest national and global human resources standards and best practices for non-profit organizations and unions.

This manual has been tailored to the Association's size, and is considered a system to be applied in the Association to guarantee the highest national and global procurement standards and best practices for non-profit organizations and unions.

This manual covers four chapters as follows:

Chapter One covers the general terms mentioned in this manual and their definitions, as well as the purpose of this manual and the importance of utilizing it.

Chapter Two covers the Association's overview by highlighting the Association's vision, mission and goals, in addition to the organizational structure which shows all the administrative levels and communication channels between the different level of commands. It also specifies the job descriptions as per the organizational structure.

Chapter Three covers the policies and procedures related to inventories and storages including the mechanisms for establishing procurement committees and specifying their mandate. Moreover, it highlights the procedures for application, receiving, and awarding of tenders in addition to the policies related the specifications, qualifications and criteria of tenders. It also stipulates the policies regarding conflict of interest and single source supplier.

Purpose of this manual:

- The manual aims at setting the policies and procedures of procurement and inventory management approved by the Board of Directors.
- Organizing and supervising the procurement process.
- Linking the procurement processes with the financial system of the Association.
- Achieving the highest levels of economic efficiency.
- Protecting the Association's funds from conflicts of interest during the procurement procedures.
- Ensuring fair treatment of suppliers and contractors.
- Storing materials in a manner that keeps them in good condition, ready for use, and in sufficient quantities.
- Preventing loss, ravaging, or theft of stored materials through establishing an elaborate system for receiving, keeping and discharging of stored materials.

Use of the Manual:

- This manual is used as a reference for the work of the Association. In this regard, the relevant part of it is referred to for guidance.
- This manual has been developed to suit the specific capacity and size of the Red Crescent Society - Gaza Strip.
- The Association should periodically review this manual to assess its appropriateness, applicability, or need for modification in accordance with changes that may occur in the Association or the surrounding local environment.
- This manual is divided into several parts. Each part covers the necessary general procedures and requirements necessary to ensure the effectiveness of the Association's policies. It also includes detailed procedures for each activity and the person responsible for implementing them.
- This manual targets the Association's staff in general and the procurement department in particular.

The scope of implementation:

- The policies and procedures in this manual are complementary to the provisions of the existing work regulations.
- The provisions of these policies apply to all financial matters related to inventories and storages, procurement and materials of the Red Crescent Society for Gaza Strip.
- The management of the Association may, at any time, introduce any amendments to the provisions of this manual, including the addition and cancellation of any of the items or benefits or the rights stated in it, as development occurs in the Association's systems and within the regulations and bylaws of the Association.

Chapter 2: Organizational Structure and Introduction of the Association

Article (1): The Association

The Red Crescent Society (RCS) – Gaza Strip, is a civil society, non-governmental, non-profit, independent Association that works in development and relief and contributes to improving the health, cultural, educational and humanitarian conditions of the citizens of Gaza Strip with a democratic work environment.

Vision:

RCS – Gaza Strip aspires to be a leading Palestinian national Association in a society that enjoys sustainable development.

Mission:

RCS – Gaza Strip is a civil society Association that seeks to contribute to improving the health, cultural, educational, and humanitarian conditions of the local community through quality, comprehensive programs based on justice and equality.

Values of the Association:

Professional values:

Independence, decentralization, the promotion of democratic values, maintaining the privacy and rights of beneficiaries, adherence to work ethics, quality, professionalism, specialization, discipline, commitment, development and transparency.

Moral Values:

Respect for the values and traditions of the society, humanity, social responsibility, volunteerism, loyalty, equality, equity and non-discrimination.

Article (2): The strategic objectives of the Association

Strategic Objective One: Enhance the capacity of the Association and its partners

Strategic Objective Two: Contribute to the improvement of the health conditions in Gaza Strip

Strategic Objective Three: Contribute to the empowerment of the Palestinian women through high quality integrated services

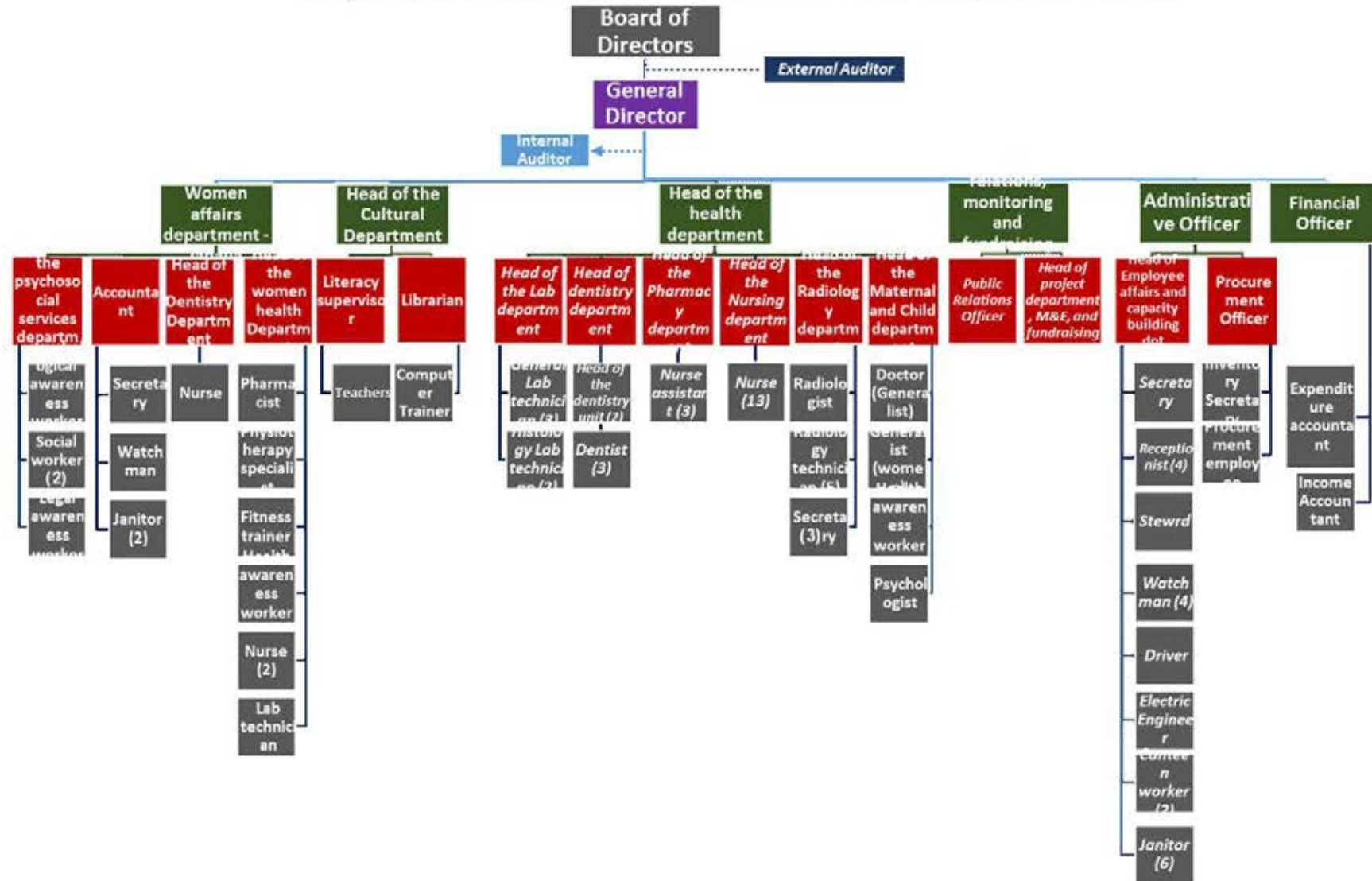
Strategic Objective Four: Contribute to the promotion of the Palestinian identity and community culture in Gaza Strip

Article (3): The structure of the Association

The Association's structure consists of main departments headed by the Director General of the Association. The Director General is accountable to the Board of Directors and is responsible for all the work carried out by the Association at the program level, to ensure that the programs are in accordance with the plans and the general policies of the Association. Moreover, the General Director of the Association places the utmost importance regarding administrative and financial matters on compliance with the accounting standards, documentation and all logistical matters necessary for the progress of work.

The diagram below illustrates the organizational structure of the Association in details and the main departments:

Organizational Structure of the Red Crescent Society for Gaza Strip:



Chapter 3: Inventories and Stores:

Article (1): General Rules

- The Association must adhere to the following:
 - a. The Association must adhere to the policies and procedures stipulated in this manual.
 - b. The Association must categorize the inventory materials into “storage materials” and “consumable materials”.
- The procurement division must prepare and design the inventory forms. The procurement department must consult the Director General and prepare the documentary cycle of inventories to allow adding, deducting, return, and transfer of inventory materials as stipulated in the cycle, and in accordance with the specified forms for that purpose.
- General Instructions:
 - a. Inventories follow the first-in-first-out method (FIFO method).
 - b. The Association must reduce storing the inventories as much as possible, following the best practiced approaches, in order to reduce the storage cost and the risk of wearing out the inventory.
 - c. Inventory documents must be issued along with two copies. The original is kept by the procurement staff, a copy is sent to the supplier/beneficiary, and another copy is kept in the inventory file.

Article (2): Inventory Storage Materials:

- In order to fall under the inventory storage material category, the materials must be purchased or discharged from inventories at least three times during the past twelve months, regardless of the amount discharged or purchased each time. However, some material that do not fulfil this requirement may be categorized as inventory storage materials upon approval of the Director General in special cases, such as safety materials, or materials that have very long reorder periods, etc.
- Only material categorized as “inventory storage materials” may be kept in the inventories. Direct use materials may not be kept in the inventories.
- Fixed assets may not be kept in the inventories. The value of the fixed assets is documented in the fixed assets record upon purchase, in addition to all associated transaction costs.
- Inventory storage material purchases are recorded in the inventory records and accounting records as custody upon purchase. Its purchasing value must

not be deducted from the relevant spending item until it is discharged for use and consumption.

Article (3): Direct use materials

- These materials may not be kept in the inventory. Instead, direct use materials are added to the inventory custody and recorded accordingly.
- The purchasing value of the direct usage material is deducted from the relevant spending item immediately upon purchase.

Article (4): Receipt and examination:

- This paragraph is related to examining of inventory materials provided by suppliers, ensuring the supplied materials are consistent with the supply orders issued, and recording them in their respective records with supporting documents, and in accordance with the Association's procedures.
 - a. **Category No.:** Each item has a category number that is written on a card and placed on a visible place at the item category storing space. The item category number replaces the item category name and must be used in all its specific transactions.
 - b. **Item Category Card:** is a card which records the minimum and maximum amount allowed in the storage, and the supplier of the inventory material. It also includes the item category number, received and discharged items, and date of each transaction.
 - c. **Receipt voucher:** a form via which items are received, the form includes all the required data on its specific items.
 - d. **Purchase invoice:** after verifying fulfilment of all documents, signature and approval required by the relevant parties in the Association, it must then be sent to the Financial Department to complete the payment process.

Article (5): Categorizing and Coding Inventory

- This entails establishing a system for identifying and describing categories of the inventory materials, and developing a manual or a list to identify these items, their specifications and features/attributes. The level of specification details may vary depending on the type of items and their use within the Association, as well as the goal of the description process. A description of physical attributes, such as height, size, or weight may suit for certain items, while others may require more detailed and comprehensive descriptions.

- Coding refers to giving a number or a code to each category of the inventory items that identifies and facilitates its use and inventory processes.

Article (6): Storing and Arranging Inventory Items

- Inventory items must be stored in appropriate places to remain usable, and to maximise the utility of the storing space, tools and equipment. It is worth to mention that proper arranging and placement of the inventory items depends on several considerations, the most important of which are: weight and size of the item in question, the frequency of revolving use of the item in the association, and the nature specification of the item.

Article (7) Ensuring Safety and Security of the Inventory

- This is related to the required measures to avail the proper work environment for the inventory staff, and providing safety and security equipment, tools and instruction to ensure the safety of staff, inventory items and the facility itself. Moreover, this requires making necessary corrections and adjustment to the work methodology to prevent accidents and create preventive awareness among the staff that comes to frequent and regular contact with the inventory storages and their items.

Article (8): Discharging Items

- This is done via a discharge request issued from the respective book along with two copies. The original request form is kept in the book counterfoil, which is kept in a special kit after all its forms are used. The department requesting the item usually submits the original discharge request to the inventory secretary or the treasurer, or a person who is delegated in case of purchase request. The first copy is sent to the Financial Department, and the second copy is kept by the store keeper as a discharge document after approving the request and completing the discharge procedures, and registering it accordingly in the item category card. This task may include packaging and shipping processes when necessary. These additional processes must be entered and registered in the accounting records.

The Red Crescent Society for Gaza Strip
Request for Medication and Items

Request No.:

Infirmery:

Clinic:

Department:

Request Date:

The Items stated below are requested:

.....

No.	Item	Unit	Available Quantity	Requested Quantity	Discharged Quantity	Notes
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						

Date of Discharge:

Requesting Person's Signature:

.....

Inventory Secretary Signature:

Inventory Manager Signature:

.....

.....

Recipient's Signature:

Director General's Approval:

.....

.....

Article (9): Inventory Accounts

- This task addresses the entry and registration processes which clarify the movement of the inventory items and its balance in the respective accounts, along with the relevant documents or forms as an integral part of the administrative and financial accountability process.

Article (10) Storage Policies

- Accounting records are held by the Procurement Department using “Al Aseel” accounting software to monitor and control the inventory quantities. Detailed inventory books and records of each item category are held by the store keeper. A monthly matching between the accounting records and the inventory books is conducted by the Administrative Manager, who examines the reasons behind any discrepancy immediately, and takes the appropriate measures to set the responsibility. Moreover, a quarterly matching is conducted by the Administrative Manager between the Accounting records, the inventory books, and the actual quantities of the inventories, examining the reasons behind any discrepancy immediately, and taking the appropriate measures to set the responsibility.
- The different department in the Association must prepare estimates of their inventory item needs for the fiscal year at least six months before the start of the fiscal year in accordance to the work tasks of the association as per the planned outputs. These estimates are submitted to the accounts department to be taken in consideration when developing the estimated budget of the Association.
- Each department suggests the inventory supply policy which should be taken into consideration availing all of the Association’s needs in terms of the inventory items, to meet the running, maintenance, and activity needs, factoring in the required period to meet the demand.
- With decision from the Director General in special cases, reserves of strategic items that are classified as “direct consumption materials”, or excess quantities of “inventory items” may be kept.
- The number of items categorized as “inventory items” must be reduced as possible, either by categorizing them as “direct consumption materials” and purchasing them as needed instead of storing them, or via establishing supply contracts or purchase order as appropriate.
- Each inventory item category must have a minimum and maximum level of quantities allowed in the inventory, as well as a re-ordering point. These limits

must be documented in the accounting records “Al Aseel Software”, taking the following issues into consideration:

- a. When setting the minimum inventory level, the time required for supplying the items locally or overseas must be accounted for, as well as the purchase procedures, rate of consumption, and maintenance required.
- b. The maximum inventory level should not exceed the average consumption of the item for one year when possible, taking into consideration the item’s suitability for storage, possibility of wasting and depreciation, availability in the market, the rate of change in specifications and prices, supply requests that have not be fulfilled, and supply contracts that have yet to be fulfilled.
- c. Re-order point takes into consideration adding the minimum level of quantities allowed to operational needs over the period between preparing the repurchase request and the time of receiving the items, considering purchase requests the procedures of which have not been conducted, and outstanding supply orders.

Article (11) Inventory Secretary and their Duties

- One Store keeper is appointed to all the inventory stores, in accordance with the Association’s organizational structure
- The store keeper is personally responsible for safekeeping and maintaining the items in his custody as well as ensuring accurate records of the inventory’s weight, number, specifications, type. he is held responsible for any damage or loss unless it is proven to the Board of Directors that the damage or loss incurred are due to circumstances beyond his control and cannot be mitigated.
- Upon transfer or end of service of the store, or his absence from work due to vacation or any other reason, another staff member must be commissioned to perform his duties.
- The store keeper must provide regular reports to the Procurement Manager, who in turn submits them to the Administrative Manager in the Association in order to take the appropriate measures regarding the following issues:
 - Excess items
 - Unneeded items
 - Expired items
 - Unusable items
 - Items prone to wearing
 - Items with limited expiration date

Article (12) Slow-Moving Items, Excess Items, and Unused Items

- Materials which have not been received or discharged according to the inventory records for 24 consecutive months must be either sold in auction or discharged in any other way in accordance with the systems and policies of the Association.

Red Crescent Society for Gaza Strip**Fixed Asset Ravage Request**

No	Description	Quantity	Purchase Date	Cost	No.

Ravage Details

Date of Ravage	
Reasons	1. 2. 3.
Method of Ravage	
Notes	1. 2. 3.

**Name and stamp of the
requesting party**

Approval

Approval

Article (13) Annual Comprehensive Inventory check up

- The Association must conduct an inventory check up at least once a year, without violating the irregular partial inventory check up protocol during the year.
- The annual inventory check up starts no later than the first working day (January 2nd of each year), and ends before the end of January of the same year. Inventory item circulation must stop during the check up period to facilitate the process.
- The counting committee consists of:
 - Member of the Board of Directors Head of Committee
 - Administrative Manager Member
 - Health manager Member
 - Lab Technician Member
 - Pharmacist Member
 - Engineer Member
- The stock control committee must issue statements of the checked up items, including the actual balances and then match it with the records in the accounting system and the inventory books in order to examine and document potential surplus or deficit. If such was the case, the committee must document it in the statement sheets.
- The statements of the checked up stock are prepared in accordance with the form approved by the Administrative Department that serve that purpose.
- A copy of the prepared statements is sent to the Director General for his feedback. In case of a financial or administrative violation, the Director General reports it to the Chairman of the Board of Directors to take the appropriate measures and disciplinary actions against the responsible party in accordance with the systems of the Association.
- The Stock Control Committee must issue a report on the inventory check up, including all discovered violations or discrepancies during the check up process, especially:
 - a. Errors in describing or categorizing items
 - b. Items of poor condition or in poor safekeeping conditions
 - c. Errors in entries in the accounting records (Al Aseel Software)
 - d. Categories in need of special protection measures
 - e. Expired items
 - f. Recommendations to reduce errors and address problems

- g. All records of the annual inventory check up statement are kept in a special file to be referred to as needed.

Red Crescent Society for Gaza Strip

Fixed Assets Record

Branch:

No.	Description	Date of Purchase	Cost	Supplier	Model	Person in charge	Notes

Notes:

-
-

Red Crescent Society for Gaza Strip

Fixed Assets check List

Description	Amount	Location	Record Balance	Count Balance	Discrepancy

Counting Committee

- 1.
- 2.
- 3.

Signature

Custodian

Article (14): Partial Irregular Inventory Check up

- Partial Irregular inventory check is performed by the Administrative Manager, as a monitoring process to verify the inventory records and matching them against the actual storage and ensure proper storing process.
- In case of a deficit or surplus, the Administrative Manager must report to the Director General, stating the cause of any discrepancy. The Director General then takes the proper disciplinary or administrative actions.
- A report on the partial irregular count is issued, including any violations or discrepancy in counts.

- Provide all needed materials, medicine, tools and equipment to ensure achievement of the Association's goals and objectives.
- Ensure the procurement process is based on economic and scientific principles, to guarantee the highest quality, best prices and financial terms and conditions (time, term of payment, discounts, etc.).
- Decide on the approved list of contractors and suppliers to ensure a suitable source of supply.
- Participate in assigning inventory levels (highest and lowest limits, and the re-purchase limit).

Article (5): The Procurement Cycle

- The procurement process is initiated via an internal procurement request issued from the department that requests procurement to the Financial Department, which in turn discusses the possibility of performing the procurement in light of the annual budget.
- After approval of the purchase request by the Financial Department, it is then sent to the Procurement Department in the Association for further actions.
- After approval of the purchase request by the procurement committee, the procurement process is initiated in accordance to the system.

The Red Crescent Society for Gaza Strip

Internal Procurement Request

Request No.:

Date:

To the Administration of the Procurement Department

Kindly provide us with the following items

No.	Item Name	Unit	Quantity	Notes

Name and signature of the requesting party:

Head of the section/department:

Approval by the Director General

Red Crescent Society for Gaza Strip

Direct Procurement Request

Request No.:

Date:

To:

Kindly Provide us with the following items alongside with tax invoices.

[illegible]

Thank you for your cooperation

Director General

Financial Manager

Administrative Manager

Approval by Member of the Board of Directors:

Treasurer:

Article (6): Levels of Authorization for the Procurement Process

Procurement processes are carried out as follows:

No.	Value of Procurement	Method of Procurement	Managerial level for approval
1.	Up to 2000 ILS	Direct Procurement	Director General
2.	2000 TO 10,000 ILS	Three Proposals	Procurement Committee Director General, Administrative Manager, Chairman/Deputy Chairman of the Board.
3.	More than 10,000 ILS	Public tender, to be announced in newspapers for at least two days.	Procurement Committee Director General, Chairman/Deputy Chairman of the Board, Treasurer/Deputy Treasurer
4.	More than 50,000 ILS	Public tender, to be announced in newspapers for at least two days.	Procurement Committee, Director General, Approval of the Board of Directors.

Article (7): Price Quotation

- The Price quotation is done by contacting a limited number of suppliers (no less than three, selected by the procurement committee), and requesting them to submit written proposal as long as the value of the procurement does not exceed the amount of 10,000 NIS. In case of procurements requiring public tenders, the tenders are announced through media outlets (newspapers, magazines, radio, etc.).

Article (8): Confidentiality of Information

- All the procurement committee transactions and its sub-committees are confidential, and all committee members must maintain that confidentiality and not reveal any information without written approval by their direct supervisor. The committee transactions are kept in special files for each procurement transaction separately.

Article (9): Conflict of interests

- All members of the Board of Directors, committees, or any staff tasked to participate in the tendering processes must not participate in any transaction of

the procurement committee in which he might have a conflict of interest. A conflict of interest refers to the case being that a member of the procurement committee/sub-committee or any of their relatives (first, second and third degree) have submitted or co-submitted a proposal for the tender, or if they are a board member/staff/agent of the party that submitted the proposal.

Article (10): Instructions for proposal submission

- Members of the Board of Directors and the Association's staff are prohibited to submit proposals and tenders to the Association personally or through a third party. Moreover, the Association may not purchase any item from them or assign any commercial tasks to them.

Article (11): Tenders Safe Box

- Procurement proposals are kept in a secure safe box, placed in the office of the Administrative Affairs (Procurement and Inventory Manager), under his supervision and responsibility.
-

Article (12): Tender requirements

- Suppliers and contractors who wish to participate in tenders must submit proof of qualification, by fulfilling the criteria set by the procurement committee.
- The procurement committee must set accurate descriptions and specifications for the item/service required before announcing any tender. It must also specify the documents required to be submitted for the tender, any adjustment conditions and further relevant information. (Tender Form is attached.)

Article (13): Announcing Tenders

- For announcing a tender, the announcement must specify the tender subject, purchasing party, how it would obtain the item/service, the guarantee payment, submission deadline, and any documents deemed necessary by the committee.

Article (14): Receiving Proposals

- The procurement committee must specify how to receive the proposals in each tender (in person, via mail with prior notification, or e-mail)

Article (15): Conditions of Receiving the Proposals

- The Association will not accept any proposals after the announced deadline under any conditions.

Article (16): Proposal Submission Period

- The procurement committee specifies the proposal submission deadline. The committee may extend the deadline after consulting with the Board of Directors and provide justifications for extension.

Article (17): Initial Guarantee Amount

- The procurement committee sets the guarantee amount, form, and source of the initial guarantees (good faith payment) to be submitted in each proposal.

Article (18): Initial Guarantee Terms

- Each proposal merits an initial guarantee payment. The committee sets the amount, form, and source of the guarantee in the terms of the tender announcements. The proposal documents must include the guarantee terms, and the terms for claiming the amount. The committee must set a schedule for the amount and percentage of the initial guarantee based on the type and value of the tender. The guarantee must be returned to the suppliers and contractors upon their request once the procurement process is completed.

Article (19): Opening Proposals/tenders:

- The procurement committee must open the proposal envelopes at the time and place specified in the tender announcement, in presence of the parties that submitted proposals or their representatives. The name and address of each party is announced upon opening their proposal, as well as the financial proposal. The results are recorded in the “Minutes of Opening Proposal” and signed by the committee members.

Article (20): Referring Proposals

- The Procurement committee refers the proposal after opening them to a judging committee, which may re-evaluate the proposals. The committee may require the proposal owners to clarify some points without impacting the substance or proposed price. The committee may fix any accounting errors that show when examining the proposals, provided that it informs the submitting party.

Red Crescent Society for Gaza Strip
Minutes of Opening Tender Envelops
Proposal No. /

On the day.....date....., at the Association's headquarters, after the tender announced in the Newspaper of Palestine, issued on and frequently,

In the presence of the procurement committee members, tasked with opening the proposal envelopes for the tender No., for procurement of At, the committee found the following:

- 1- The number of parties that requested the purchase /tender is ()
- 2- The number of parties that submitted proposals is ()
- 3- The Number of cancelled and invalid proposals is ()
- 4- The committee made sure that no proposals were received after the deadline set in the announcement mentioned above.

Therefore, the committee found the following:

No.	Company Name	Amount before discount (USD)	Amount after discount (USD)	Discount percentage	type of Guarantee	Value of the guarantee (USD)	Notes

Head of the committee member member member member

Article (21): Administrative Evaluation of the Proposals

- The procurement committee must evaluate the administrative aspect of the submitted proposals in accordance with the criteria stipulated in the tender documents. The proposal is rejected in the following cases:
 1. If the bidder is not qualified
 2. If the proposal does not meet the qualifications criteria for acceptance
 3. If the bidder attempted to bribe a staff member or provide any form of incentives to staff.
- The proposal may be rejected if its bidder refused to correct an accounting error in it.
- The procurement committee may cancel the tender if the proposed prices by all suppliers exceeded the amount allocated to the tender either by the Association or the donor.

Article (22): Proposal Information

- Information regarding the proposal evaluation process must not be disclosed before awarding the proposal. Relevant parties may be shown the purchase record in cases where the bylaws allow that.
- The purchasing party may not engage in negotiations with any supplier or contractor regarding their proposal.

Article (23): Proposal Criteria

- The procurement committee must design a set of criteria that govern the comparison process of the submitted proposals. The criteria must be objective and quantifiable. The financial aspect of the proposal must be the main criterion once all technical and other criteria are met. The tender document must include all the proposal criteria for selection of the best proposal, and the relative weight of each criterion, including timeframe of implementation, maintenance, terms of payment, among other guarantees. The tender must be awarded to the proposal with best terms and low price after unifying the comparison criteria in accordance with the relevant regulations. The procurement committee may require the bidder of the winning proposal to prove his qualification or be rejected.

Article (24): The Deciding Committee

- The deciding committee is established annually and tasked to recommend on selection of the submitted proposals. The committee consists of:
 - a. Treasurer Chairman of the committee
 - b. Administrative Manager Deputy Chairman of the committee
 - c. Procurement supervisor Member
 - d. Director of the relevant department Member
 - e. Specialized Technical Expert Member
- The procurement committee is considered official with the presence of the chairman, deputy chairman, and two members.

Article (25): Mandate of the Judging Committee

- The mandate of the judging committee is as follows:
 - a. Approving the technical specifications proposed by the suppliers, receiving tender proposals and opening them, verifying existence of all required documents, and deciding on acceptance or rejection of the proposal.
 - b. Provide recommendation to award proposals
 - c. Deciding on supplier and contractor grievances with regard to shortlisting and tendering procedures, and other contracting methods.

Article (26): Awarding Decision

- The procurement committee issues the awarding decision to the confirmed winning proposal based on the evaluation criteria and recommendation from the deciding committee. All awarding decisions are announced to the suppliers. The Association sends an official letter to the owner of the winning proposal so he may provide the required financial guarantee for implementation as per the tender terms, provided that the Association informs him of the awarding decision within three days from issuing the letter.
- Justifications of awarding decision in public and limited tenders, or cancellation/elimination of any proposals and tenders.

Article (27): The Financial Guarantee of Implementation

- Owner of the winning proposal must provide the financial guarantee of implementation. The amount of the guarantee is set by the Board of Directors in accordance with the rules set by the executive regulation.

Form: Work Commencement

Date:

To:

Subject: Supply and Instalment Order

Reference is made to the above mentioned subject, and referring to the signed contract with your company on, for procurement, supply and installing In the Red Crescent Society for Gaza Strip, we ask you to commence the mentioned work tasks in the contract and complete the supply and installation process by

Best Regards

The Director General

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Article (28): Purpose of the Financial Guarantee of Implementation

The financial guarantee of implementation ensures proper fulfilment of the contract. The financial guarantee amount must be returned after completing the implementation per the terms of contract. The financial guarantee payment may be ignored if the supplier has provided all the items required, and the process was approved by the Association within the time period required to submit the guarantee.

Article (29): Supply Agreement

- A contract is considered effective upon issuing the award decision to the winning proposal. The contract must be written based on the standard contract forms that approved by the procurement committees whenever possible. The contract is signed between the procuring party and the owner of the winning proposal within a maximum period of 30 days from issuing the award decision. The effectiveness of implementation of the contract starts from the date of issuing the supply, or the implementation order, or from any date set by these orders.

Article (30): Violating the Terms of Contract:

- If a contractor violates any terms of the contract, any of the following penalties may be imposed:
 - a. Rejection of proposal
 - b. Warning of rejecting the proposal
 - c. Reducing the proposal's score
 - d. Temporary or permanent denying participation in the submitting tenders.
 - e. Stopping or cancelling the procurement contract.

In all cases, the supplier or contractor is notified with the decision taken against his company with an official letter sent to the address included in his proposal or the contract.

Article (31): Reconsideration

- With regard to best practices, any supplier or contractor, prior to the execution of the contract, claiming that he may have suffered loss or damage due to a violation by the procuring party, may request to reconsider any part of the tendering procedure or any decision in that regard within ten days from the date of being informed of the decision.

- The party to which the request is issued must issue its decision within thirty days from the date of request. In case of rejection, the decision of the rejection must be justified. Failure to issue the decision on the submitted request during the specified period constitutes an implicit refusal.
- The regulations specify cases that don't qualify for reconsideration.

Article (32): Supplier grievance

- The supplier or contractor may appeal to the committee in any of the following cases:
 - a. If it is impossible to submit a request for reconsideration or acceptance of the contract, due to the ending of executing the contract.
 - b. If a decision is made to explicitly or implicitly reject the request for reconsideration.
 - c. If any decision or procedure concerning the tender has been issued and the supplier or contractor has not been informed of it the end of executing the contract.
- Grievance is submitted within 10 days of knowledge of the decision for local tenders, and within 20 days for international tenders.

Article (33): Grievance Decision

- The Procurement committee issues a justified decision on the grievance within 30 days of submitting it. It may decide on one measure to be taken regarding the grievance, and the supplier or contractor may appeal the decision to the Board of Directors within 30 days from being notified of the decision.

Article (34): Direct Purchase

- Direct purchase method is used for procurement of regular daily items, such as fuels, hospitality, cleaning materials, etc. the procurement takes place without requesting proposals as long as the purchase is less than 2000 ILS. The procurement department shall be aware of not dividing the quantities of the purchased item, contracting in the direct purchase method may be done in the following cases:
 - a. If the required items, establishments or services were only available from one source, without any acceptable alternatives.
 - b. Urgent cases where there is no time to follow the proper procedures.
 - c. In cases of disasters that create a dire need for items or services, with no time to follow the public tender procedures.
 - d. Purchases made for research, trial, or development purposes.

- e. Immateriality, if time and cost of tender evaluation are not justified by the value of the required services.
- In these cases, the Association may conduct Direct Purchase, documenting reasons in a memo signed by the Director General, to be attached with the transaction and approved by the Board of Directors.

Article (35): Single Supplier

- The Association may face instances where the procurement value exceeds the direct purchase limit, at the same time, they're unable to request for tenders or quotations due to reasons including:
 - a. The service is very professional and there are no competitors
 - b. The nature of service/items required or the nature of the geographic area.
 - c. Cases where the supplier is the official agent of a certain item, and an alternative item may not be procured due to technical reasons.
- In these cases, the Association may carry out the procurement through direct purchase. Justification must be written in a memo signed by the Director General of the Association and attached with the transaction document upon the approval of the Board of Directors.

Article (36): Procurement via Practice

- Procurement via practice is done through requesting, verifying and approving proposals from multiple suppliers by the procurement committee. The proposals are then evaluated and compared in order to select the most suitable one. Most of the Association's procurement processes must follow the procurement via practice method.

Article (37): Competitive Negotiation

- Contracting through the competitive negotiation method may be applied in the following cases:
 - a. Items for which accurate specifications cannot be set.
 - b. The Nature of implementing technical tasks, may require technical experts.
 - c. The nature of certain services and items, may require to be procured directly from the place of production.
 - d. Procurements for which no proposals were submitted, or proposals with unacceptable prices were submitted, and the need of the Association did not allow for re-announcing it in a public or limited tender.

- e. In case of disasters or very urgent cases that cause an urgent need for the items/services, which does not allow for following the proper procedures.

Article (38): Submitting Price Quotations in Procurement via Practice.

- The request for price quotations in procurement via practice is sent to the largest possible number of suppliers working within the scope of the tender's specific activity, as determined by the procurement committee.

Article (39): Terms of the Procurement Process:

- When conducting the procurement processes, the following steps must be followed:
 - a. The party requesting procurement must fill the procurement form and accurately specify the beneficiary and specifications of the items.
 - b. Required quantity and weight (if necessary) are specified, and the request is signed by the director of the section who is requesting the items.
 - c. The procurement request is referred to the director of the department of the section requesting the items, who then refers it to the Human Resource department.

Article (40): Prohibited Actions

- The supplier or contractor is prohibited from performing the following actions:
 - a. Affect the results of the tender and proposal selection decision to eliminate competition through acts such as bribery or incentives to any staff member, board member or governmental entity.
 - b. Obtain inside information about the tender illegally.
 - c. Conspire with other suppliers or contractors participating in the tender.
 - d. Perform any actions that lead to monopoly.