



Procurement Manual

Procurement of Supplies,

Services and Works

Edition no. 1

Approval Statement

This manual has undergone comprehensive review by the Caritas Jerusalem Executive Committee on February 13, 2024, and has been officially approved by the President of Caritas Jerusalem his Beatitude Cardinal Pierbattista Pizzaballa on February 19, 2024.

The effective date of this manual is the 1st of April 2024.


President's Signature:



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Chapter 1: Introduction

1.1 Purpose of Procurement Policies and Procedures

The procurement manual shall be referred to as the Caritas Jerusalem procurement manual which is based on the Caritas International Management Standards (CIMS), donors’ requirements, and international best practices. This manual describes how to implement appropriate procedures in all procurement activities to ensure efficient use of money and quality in all procurement activities.

The purpose of this manual is to build procurement knowledge, ensure procurement planning and quality in procurement. The procedures of this manual ensure that Caritas Jerusalem practice procurement with transparency, equal opportunities, ethics, best quality and value of money, support project community and preventing conflict of interest and corruption as fundamental principles.

This manual also provides practical mechanisms and procedures that can be used as instructions according to the type of contracts to be concluded with suppliers, contractor, and service providers to carry out the required supplies, works and services.

As a basic principle must be taken into account that all contracts that are awarded are prepared on a competitive basis and to the greatest extent economically efficient. The procedures in place result from their implementation of these Safeguarding & protection is a basic principle and should be adhered to when procuring.

The procurement manual is dynamic and updated based on donor requirements, user experience and best practices. The manual content is based on the below definition of procurement.

Definition of Procurement

The strategic process of acquiring supplies, service and works. The process covers the purchase or rent of the required resources and includes all functions from identification of needs, market analysis, planning purchases, sourcing of candidates, obtaining and evaluation of quotes, award of contracts, contract administration, and ensuring the delivery and receipt of the resources.

The overall aim of procurement is to acquire resources in an efficient and transparent manner which meets the needs at a best quality and price ratio. The procurement process starts at the planning phase of a project and ends once the required resources have been received or tasks are completed, and all documentation is properly filed.

1.2 Applicability

The procurement manual serves as guidance to Caritas Jerusalem and its partners and is applicable to all stages of procurement process by describing procurement (and related) processes and procedures.

Chapter 1: Introduction

1.2 Applicability (continued)

The guidelines in this manual are minimum requirements and are applicable to all procurement activities. If a donor stipulates strict procurement rules and procedures, those rules and procedures shall prevail. If a donor stipulates less strict procurement rules and procedures, this manual shall be applicable to the process. Any exceptions granted (use of donor more strict procurement policies and procedures) shall be documented in writing.

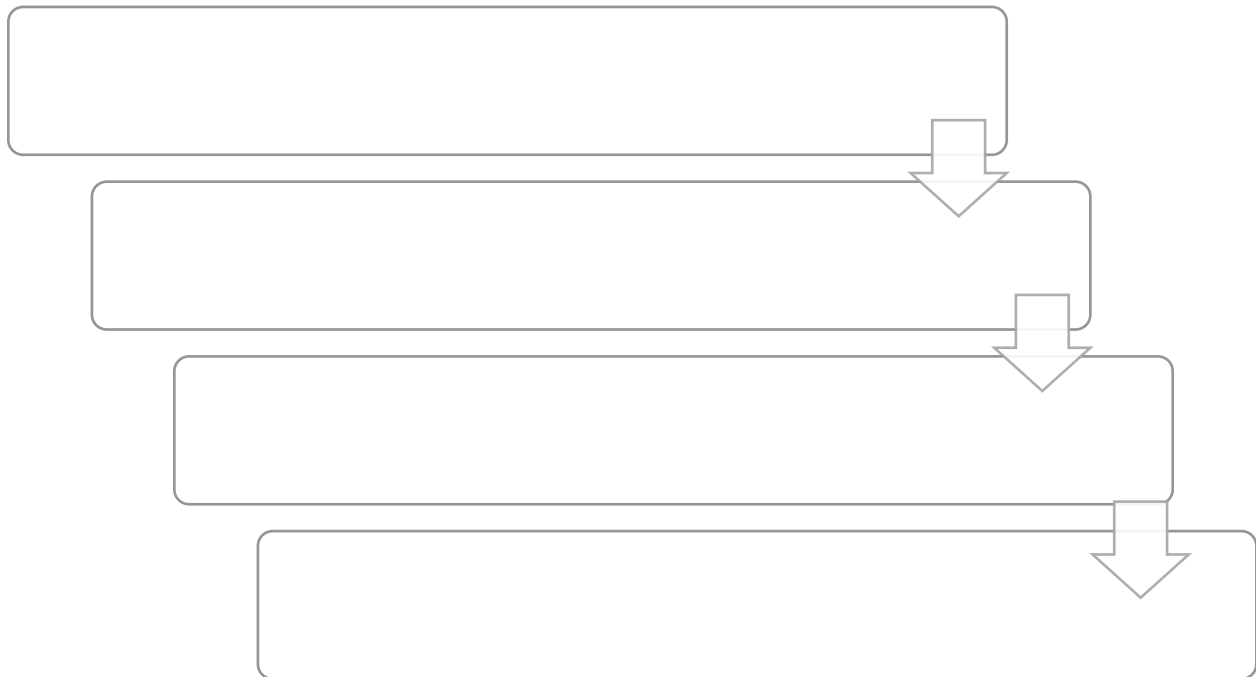
1.3 Directory terms

This manual is a document that can be implemented and developed after the approval of the Board of Directors and Executive Committee. This manual target all those who are involved in the procurement process of the Caritas Jerusalem in particular, in addition to the concerned employees and administrators.

1.4 Manual Updates

The procurement manual is dynamic and can be updated annually based on donor requirements, user experience and best practices to ensure its relevance. suggested alteration or modification of the policies must be approved in writing by Executive Committee. Furthermore, the organization may change, delete, suspend or discontinue any part or parts of the policies in this Manual at any time provided that proper employees' notifications are done on a timely manner.

Any updates and changes to the manual must be approved in writing by Executive Committee. The below table summarizes the process.



Chapter 1: Introduction

1.5 Terminology and Abbreviations

The terms listed below have the following definitions:

CJ	Caritas Jerusalem
The Organization	Caritas Jerusalem
Board of Directors (BoD)	Caritas Jerusalem Board of Executive Directors
Executive Committee (ExCom)	Caritas Jerusalem Executive Committee
Chairperson	Chairperson of Board of Directors
Secretary General / CEO / Executive Director	Caritas Jerusalem Secretary General
Procurement Officer	Caritas Jerusalem Procurement Officer
Head of Finance / Finance Manager (HoF)	Caritas Jerusalem Financial Manager
Procurement Manual	The Procurement Policies and Procedures
Procurement Function	The Function Within the Administrative Department for Performing the Procurement Activities
Senior Management Team (SMT)	Head of Departments
Procurement Committee	Tender/ quotation committee who opens bids, refers bids to technical evaluation, makes a cancellation/ or an awarding decision for Caritas Jerusalem procurements
Receiving Committee	A committee of two persons (at least) that is appointed for the purpose of receiving supplies, works or/and services.
Tenderer	Supplier/ contractor/ consultant who participates in the bidding process
Quotation	Any offer/ proposal with an estimated value of equal or less than ILS 10,000
Tender	Any bid with an estimated value of more than ILS 10,000.
Purchase Request Form	An internal document used to inform Caritas Jerusalem financial manager, Procurement officer, and the Secretary General about a need to make a purchase.
Purchase Order	The procurement department will generate a purchase order that is sent to the vendors after a purchase requisition form is made. This legally binding document outlines exactly what the organization intends to purchase (including specifications, quantities, prices, implementation period, and other relevant terms).

1.6 Receipt and Acknowledgment of the Manual

(To be placed in the employee personal file)

All Administrative and senior management team with no exception noted shall read the following statements, sign below, and return to the Human Resources Officer within Administrative Department.

Understanding and Acknowledging Receipt of the Organization Procurement Manual

I have received and read a copy of the Organization Procurement Manual. I understand that the policies and procedures described within are applicable to all procurement transactions with no exceptions noted. I understand that adherence to those policies and procedures will be utilized. In part, to assess my work performance evaluation. I also understand that the manual is subject to change at the sole discretion of the Organization at any time provided that a notice of change will be timely communicated to me.

Confidential Information

I am aware that during the course of my employment confidential financial information will be made available to me. I understand that this information is proprietary critical to the successful implementation of Caritas Jerusalem objectives and therefore must not be given out or used outside the Organization premises. In the event of termination of employment, whether voluntary or involuntary, I hereby agree not to utilize, exploit or discuss this information with any other individuals or entities.

Employee Name

Position

Employee Signature

Date

Chapter 2: Procurement Principles

Chapter 2: Procurement Principles

The procurement process is guided by a set of procurement principles; the principles represent a way of thinking with associated actions. They are the backbone of the procurement decisions and the foundation and compass for every person involved with procurement. The following procurement principles contribute the basis for sound administration of all procurement related activities.

2.1 Transparency

Transparency is a strong tool in preventing fraud and corruption, displaying hidden and visible conflicts of interest, ensuring equal access to information, and enforcing genuine competition among bidders. It supports integrity in the process by ensuring that procurement is conducted in the open and that nothing is hidden or taking place in secret. Consequently, transparency in the procurement process makes it easier to detect irregularities and ensures that funds are being honestly spent and accounted for. It is one element in ensuring best value for money.

This is practically done by establishing a procurement committee where procedures and decisions are documented. In addition, we ensure that all relevant procurement information is shared with the suppliers or candidates. This means that the business opportunities are published in a way that makes the opportunities visible and accessible to the relevant suppliers or candidates, the award criteria are communicated to the suppliers or candidates in the procurement documents and the result of the procurement process is communicated to bidders and to the general market.

2.2 Equal Opportunity

Promoting equal opportunity is pivotal in ensuring a fair competition within the procurement process. It prevents bias, discrimination, or unwarranted favoritism among suppliers or candidates. The procurement committee plays a crucial role in achieving this by:

1. Transparency: Publishing business opportunities openly.
2. Market Knowledge: Having a deep understanding of the market.
3. Inclusivity: Inviting a diverse range of relevant suppliers or candidates.
4. Uniform Response Time: Providing all suppliers or candidates with the same amount of time to respond.
5. Accurate Specifications: Developing precise specifications and Terms of Reference (TOR) that genuinely reflect market offerings while remaining true to the actual requirements.

Important Note: In cases where a supplier or candidate has contributed to the technical specifications or tender materials, they are not eligible to submit an offer for that procurement.

2.3 Accountability

Those responsible for procurement decisions should be accountable for their actions, ensuring that the process is fair and free from corruption.

Chapter 2: Procurement Principles

2.4 Proportionality and Competition

Proportionality in procurement ensures that the chosen procurement process matches the value of the contract being awarded. It's about aligning what is being purchased with how it's procured. The essence of this principle is captured by the phrase, "Use the right tool for the job." Proportionality is practical, meaning simpler procedures apply to smaller procurements, while more complex ones are used for higher-value contracts. This approach aims to ensure cost-effectiveness and efficiency.

When a procurement is divided into sub-lots, the total value of all lots determines the applicable procurement procedure, even if each lot has its individual contract. This rule stems from the concept of proportionality. It's essential to note that estimated contract values cannot be manipulated to evade the principle of proportionality, nor should procurement procedures be split artificially.

Competition is closely tied to proportionality, with higher-value contracts requiring a higher degree of competition. This manual specifies minimum requirements for inviting suppliers or candidates for various procedures. The goal of competition is to achieve the best combination of quality, price, and delivery for Supplies, Services, and Works contracts. To achieve this, it's crucial to invite a sufficient number of suppliers or candidates within the specified procedure to ensure market competition and, ultimately, obtain the best quality, delivery time, and price.

2.5 No Conflict of Interest and Corruption

No conflict of interest and anti-corruption are two sides of the same coin.

No Conflict of Interest

A conflict of interest arises when an individual's professional judgment is compromised or appears to be biased, and they exploit their professional role for personal, financial, or third-party gain, such as benefiting family, friends, or colleagues.

The Contracting Authority also plays a critical role in vigilantly identifying conflicts of interest and non-competitive practices involving suppliers or candidates. Procurement processes cannot proceed if it is known that a supplier or candidate has a financial interest linked to an employee. This ensures transparency and fairness throughout the procurement process, safeguarding the organization's integrity.

Anti-corruption

Corruption is the abuse of entrusted power for personal gain, and it can manifest at various levels and in diverse forms. What defines corrupt practices is their involvement in conflicts of interest, which compromise impartiality and objectivity, particularly during the selection process and contract execution. Prohibited actions include the misuse of power, extortion, fraud, embezzlement, and bribery, which are not only discouraged but also illegal in most jurisdictions.

Chapter 2: Procurement Principles

2.5 No Conflict of Interest and Corruption (continued)

Anti-corruption (continued)

To maintain integrity, staff members are strictly prohibited from giving or receiving gifts, services, or favors that could influence their professional judgment and performance. However, recognizing cultural norms and professional intentions, minor gifts or modest hospitality may be accepted, but only if their purpose remains professional. It's essential that even these small gestures do not compromise good judgment and are transparently shared with colleagues to prevent partiality. Cash gifts are strictly forbidden. The acceptability of a minor gift depends on the context, good judgment, and professionalism, and when in doubt, seeking guidance from a superior is advised.

Unacceptable gifts are those with a value exceeding NIS 350, and substantial hospitality, such as accommodation and holidays, is never permissible. Staff members must refrain from engaging in any corrupt practices. To further prevent corruption and financial misuse and safeguard the integrity of the process, a clear segregation of procurement and payment responsibilities is mandated as outlined in the organization's authorization schedule. This means that the same individual cannot handle both procurement and payment processes.

2.6 Ethics

All procurement transactions must be conducted in a professional manner and in accordance with the highest ethical standards. When fraudulent and corrupt practices occur, the damage extends far beyond financial losses, posing serious threats to the Organization's credibility and to its ability to achieve its operational and programmatic objectives.

2.6.1 Standards of Conduct

- Staff members must demonstrate the highest standards of efficiency, competence, and integrity. Integrity includes, but is not limited to probity, impartiality, fairness, honesty, and truthfulness in all matters.
- Staff members should refrain from any action, which might adversely reflect on their status in the Civil Society or on the integrity, independence, and impartiality that are required by that status.
- Staff members must exercise in all loyalty, discretion, and conscience the functions entrusted.
- Staff members must observe the highest ethical standards throughout the procurement process. The process must allow all bidders to compete on an equal and transparent basis. All employees that are associated with the acquisition process are responsible for protecting the integrity and fairness of the process.
- Staff members must mitigate the risks of conflicts of interest, fraud, and corrupt practices at all stages of the acquisition process.
- Staff members may not disclose proprietary and source selection information, directly or indirectly, to any individual who is not authorized to receive such information at any time prior to or after the selection and contracting process.

2.6 Ethics (continued)

1. Standards of Conduct

Chapter 2: Procurement Principles

- Proper standards of conduct must be enforced during emergency situations, where the pressure to achieve rapid results may increase the risks of actual or possible conflicts of interest, fraud, or corruption.
 - Kickbacks are not allowed.
2. Code of Ethics – Tenderers
- Tenderers must comply with Human and Labor Laws and Regulations.
 - When different tenders have the same owners or are otherwise associated, competition may not be meaningful or fair. Therefore, bidders may only participate independently in the tendering process (Cannot participate under different company names).
 - Tenders must disclose any actual or potential conflict of interest in their bid submissions, which renders them ineligible for that procurement process unless the conflict of interest is resolved in a manner acceptable to Caritas Jerusalem.
 - Tenderers must refrain from corrupt, fraudulent, collusive and coercive practices.
 - Tenderers must at all the times act impartially and as a faithful adviser in accordance with the code of conduct of their profession.
 - Caritas Jerusalem has the right to Blacklist any tenderer who has been involved in proscribed practices such as fraud, corruption, collusion, coercion, and unethical practices.

2.7 Support the Project Community

Procurement can be a tool to empower and sustain the economy in the project area and potentially assist and support the project objectives. Therefore, whenever possible and appropriate, seek to procure human and material resources in the project implementation area. This can be accomplished by taking care in drafting sub-lots matching the capacity of the available suppliers or candidates in the project area.

2.8 Best Value of Money

Best value for money is the overall goal for the procurement process and is achieved by fulfilling the above principles of transparency, equal opportunity, no conflict of interest and anti-corruption, proportionality and competition, ethics and when relevant, support the project community. Best value for money means efficiency, effectiveness and economy in procurement.

Efficiency in procurement is about the best relationship between the goods and service selected and the results achieved. In other words, it is about getting to the results in a cost-efficient manner. This is a result of proportionality, selecting the correct procedure and conducting a compliant process.

Chapter 2: Procurement Principles

Procurement Principles		
Principle	Outcome	How
Transparency	<ul style="list-style-type: none"> - Fraud prevention - No Conflict of Interest - Competition 	<ul style="list-style-type: none"> - Procurement Committee - Advertise Business Opportunities - Clearly Inform Bidders of Evaluation Criteria. - Document procedures followed and decisions made.
Equal Opportunities	<ul style="list-style-type: none"> - Equality - Fair Competition - No-discrimination 	<ul style="list-style-type: none"> - Advertise Business Opportunities. - Provide simultaneous information to bidders. - Don't Discriminate. - Know the market
Accountability	<ul style="list-style-type: none"> - No-corruption - Fair Process 	<ul style="list-style-type: none"> - Procurement Committee - Document procedures followed and decisions made.
Proportionality and Competition	<ul style="list-style-type: none"> - Cost Efficiency - Effectiveness - Satisfactory Quality - Timely Delivery - Best Price (technical and financial) 	<ul style="list-style-type: none"> - Different procurement procedures based on thresholds. - Emergency policies. - Invite and attract suppliers
No Conflict of Interest and Corruption	<ul style="list-style-type: none"> - Transparency - No-discrimination 	<ul style="list-style-type: none"> - Sign Confidentiality Form - Don't work with relatives and friends. - Don't work with suppliers where there is financial interest. - Segregation of duties.
Ethics	<ul style="list-style-type: none"> - Code of Ethics – employees and bidders. 	<ul style="list-style-type: none"> - Implement the Code of Conducts. -
Support the Project Community	<ul style="list-style-type: none"> - Sustainability 	<ul style="list-style-type: none"> - Market Survey. - Contact Experts. - Split into manageable lots.
Best Value of Money		

Chapter 3: Procurement Planning

Chapter 3: Procurement Planning

3.1 Procurement Plan

In Caritas Jerusalem Procurement Planning is divided between Senior Management from all departments with coordination of Resources Development Department, Procurement Officer, and Finance.

Procurement planning is an essential process that aims to proactively anticipate the organization's resource requirements. This forecasting is primarily guided by per project plans developed collaboratively by the Senior Management and the Procurement Officer. This collaboration takes place at the outset of each fiscal year, ensuring timely preparation. The procurement plans are initially submitted during the early stages of the forthcoming project budget and are subject to periodic updates, typically on a quarterly basis, as necessary.

The procurement plan serves as a comprehensive document that outlines key elements of the procurement process. It delineates the specific activities to be undertaken, their respective implementation timelines, the contract type, the procurement method to be employed, the estimated value of the procurement, and the stipulated delivery date. This strategic document plays a pivotal role in ensuring the timely and successful execution of project activities while adhering to established procurement procedures and staying within the confines of the allocated budget.

It is acknowledged that not all procurement needs or activities can be foreseen, and as such, there may be instances where the plans do not align perfectly with the evolving circumstances. Nevertheless, the organization is expected to provide the most accurate estimates possible, based on the information available at the time of reporting. This commitment to diligent planning remains essential in supporting the organization's objectives and its overarching commitment to sound fiscal management.

Benefits of Procurement Plan

- Procurement and logistics costs are included in the budget.
- Projects inputs and resources are grouped into lots based on market.
- Procurement time constraints are considered in the project activity.
- Human resources requirements and timing for the procurement procedures become evident.
- Project implementation can begin without any delay when the process is planned.
- the plan supports a smooth, timely and effective project without compromising principles of accountability and transparency.
- the plan helps demonstrate that procurement takes time and creates real expectations among project staff who might expect their requests to be met on a short notice.

In addition to the above, the Procurement Plan provides management with a quick and easy overview of the status of the procurement implementation, functions as a reporting tool and creates a link to procurement and finance files.

The following are the steps that Caritas Jerusalem follows to develop procurement plan:

Chapter 3: Procurement Planning

Step 1: Determining Procurement Needs

The first element of procurement planning is to identify Organization's needs. Caritas staff involved in procurement activities must conduct a comprehensive review of the specific requirements of the organization. This includes engaging of each department head with project coordinators to identify what supplies, services and works needed for department to implement project plan and budget.

The need identification shall be specified and should align with the mission and objectives of Caritas, ensuring that they ultimately benefit the community. Specify the exact quality, quantity, specifications, and performance standards for the required supplies, services, or works. The clearer these requirements are, the better the procurement process can meet the organization's needs. In need assessment and identification, it is important to establish a precise timeline for when the supplies, services, or works are required take into consideration project deadline.

Step 2: Budgeting and Funding

Procurement budgets should be aligned with the organization's strategic goals and objectives. The procurement plan must support the broader mission and vision of the organization. The procurement budget should be prepared as part of the overall annual budgeting process. It should be developed in collaboration between the procurement department, head of departments, and finance team.

Budget Alignment

Caritas Procurement plan is prepared in compliance with overall organization's budget, encompass all associated costs, including not only the purchase cost but also other related expenses such as delivery, installation, and maintenance.

Before commencing any procurement activities, it is imperative to confirm that the procurement plan has received formal approval within the context of Caritas's established budgetary procedures.

Cost Estimation and Resource Allocation

Prepare accurate cost estimates for the procurement, encompassing a detailed breakdown of all relevant costs. These estimates should be based on thorough market research, insights from prior procurement activities, and consultations with suppliers.

Once costs are estimated, allocate financial resources for procurement in a manner that ensures the timely execution of procurement activities.

Funding

Clearly identify the sources of funding for the procurement. Transparency in funding is critical to ensure that the procurement process aligns with the terms and conditions of these sources. Transparency in funding is critical to ensure that the procurement process aligns with the terms and conditions of these sources. Ensure that the procurement plan and subsequent processes comply with the specific requirements set forth by the funding sources.

Step 3: Know the Donor Requirements

For each project it is important to know the specific donor requirements for procurement. This manual provides the minimum mandatory requirements of Caritas Jerusalem.

Step 4: Market Analysis

Chapter 3: Procurement Planning

Market analysis plays a pivotal role within the procurement process, serving as a critical component in making well-informed and strategic procurement decisions. This process involves a comprehensive assessment of the external business environment, providing valuable intelligence to guide procurement strategies and activities.

Perform Market Research

Caritas staff must engage in extensive market research to understand the local and international markets for the required supplies, services, or works. This includes the identification of potential suppliers, assessment of their capabilities, and a review of prevailing market conditions.

The organization should aim to establish a diverse and reliable supplier base that can meet the needs of various projects and programs.

Supplier Prequalification

Maintain a comprehensive list of prequalified suppliers. These suppliers should be evaluated based on their reliability, historical performance, and adherence to procurement regulations. Annually review and update this list. The process for selection of prequalified suppliers shall be documented in writing, reviewed, and approved.

Market Trends

Staff involved in procurement should stay vigilant regarding market trends, price fluctuations, and changes in the availability of supplies or services. Continuous monitoring enables Caritas to adapt to dynamic market conditions.

Ensure that procurement plans can be adjusted timely to account for market changes that might impact pricing, availability, or supplier reliability.

Step 5: Grouping of Lots

Based on information obtained from the market analysis and budget, group the required supplies or resources into lots that can potentially be purchased from one supplier or candidate to obtain the best quality and prices.

Step 6: Assigning Procurement Procedures

Each supply/ service/ work is assigned a procurement procedure. The procurement procedure is determined by the category and total estimated value. Please refer to Chapter 5 for procurement methods and procedures.

Step 7: Timeframe Confederation

For the overall duration of the project, the timeframe for carrying out each procurement procedure shall be considered. This includes time for preparing technical specifications, terms of reference, request for quotations, request for proposal and tender dossier and evaluation process.

Chapter 3: Procurement Planning

Timing and careful planning can help preventing last minute contracts or changes to existing contracts, which may influence the contractor's ability to deliver on time to comply with the principles and standards agreed on before.

Step 8: Apply Derogation/s

Based on all information collected during the planning steps, it may be necessary to apply one of the blanket derogations (Refer to chapter 6) or it may be necessary to request a written approval to derogate from a rule or procurement procedures in this manual.

Chapter 4: Overview of Procurement Process

4.1 Technical Specifications and Terms of Reference

It is the responsibility of the Project Coordinator and Head of Department to prepare the technical specifications stated in the terms of reference. To define the technical specifications, there should be an analysis of the supplies, works and/or services that are to be procured and their purpose, performance requirements, characteristics, objectives, and expected output.

4.1.1 Technical Specifications

To ensure the cost-effective utilization of funds and promote competition, it is imperative that procurement requirements define essential minimum standards in a manner that provides clarity to potential suppliers/bidders. Specifications should be designed with a focus on fostering competition, and they should avoid specific brand references, unless such references are vital for standardization or other legitimate reasons. When brand names are deemed necessary to specify functional, performance, or conformance requirements, they should exclusively serve to define the required product standard. Moreover, the use of brand names must always be accompanied by a clear articulation of the minimum brand requirements.

In addition, our specifications should actively encourage the submission of offers for equivalent products, i.e., products that deliver comparable functionality, performance, and technical standards. In cases where a particular brand is stipulated for the purposes of standardization or for compatibility with existing equipment, the rationale behind this requirement should be succinctly explained in the solicitation document. This practice is essential to prevent any perceptions of bias on the part of the organization and to uphold the principles of fairness and transparency in our procurement processes.

Three types of defining needs (or a combination of the three) can be included in the specification:

1. Functional specifications: defining what the supplies, works or/and services are required to do;
2. Performance specifications: defining the output of the supplies, works or/and services; and/or
3. Conformance specifications: defining the physical characteristics and dimensions of the supplies, works or/and services.

To design technical specifications for work contracts, head of the department and project coordinator are recommended to use internal or external expertise with experience in the field. If an external engineer is chosen to supervise the work, its beneficial to involve the same engineer in the design of the technical specifications.

Chapter 4: Overview of Procurement Process

4.1.2 Terms of Reference (TOR)

Head of departments with the collaboration of project coordinators are usually responsible for drafting the TOR. The TOR includes all the requirements related to the service needed, to receive proposals which can fulfil the task and provide best price and quality needed.

The TOR aim to ensure that all key factors related to clarity of objectives and sustainability are considered. The minimum content of a TOR for services includes the following:

- Background information for requesting the service.
- Contract purpose and expected results.
- Scope of the services and activities.
- Deliverables.
- Timing and logistics.

TOR must be flexible and not detailed which will allow consultants to suggest their methodology. This will generate fair competition.

4.3 Market Lots

Making the lots is the process of grouping resources, potentially sourced from a single supplier or contractor, into distinct lots. The primary objective is to enhance efficiency and secure optimal quality and value for money. The method of grouping resources into lots is primarily influenced by the prevailing market structure. As such, there are no fixed prescriptions for lot composition, underscoring the importance of gathering market insights through assessment. Depending on market dynamics, it may be feasible to aggregate diverse resources into a single lot for procurement from a sole contractor. Conversely, in contexts where suppliers specialize in more specific product groups, the same resources may need to be procured in multiple lots to align with the market's inherent structure, reflecting the suppliers' limitations in delivering a broad range of resources.

Lots are formulated for the entire project duration and are not influenced by project activities, geography, or the number of project donors and implementing partners. This means that lots are organized in a consistent manner, irrespective of whether a project involves multiple donors, spans several months or years, and encompasses diverse geographical locations. For instance, if two laptops are funded by different donors, they are treated as a single lot, and procurement procedures are based on the total value of both computers. It's important to note that the inclusion of multiple items in a lot does not necessarily lead to a single contract.

Chapter 4: Overview of Procurement Process

4.3 Market Lots (continued)

While a lot is typically associated with one Request for Offer/Proposal/Tender Dossier, suppliers or candidates may bid on one, several, or all items within that lot. This flexibility allows for the possibility of contracting with multiple suppliers to achieve the best quality and value for each item. While lots can contribute to cost savings, they may also result in increased administrative complexities due to multiple contracts.

Utilizing lots in procurement offers multiple benefits. It encourages suppliers or candidates to offer more competitive prices based on quantity, streamlines the purchasing process, and minimizes associated costs and time requirements. Despite these advantages, it is essential to acknowledge and incorporate the potential drawbacks into the budget and Procurement Plan. These disadvantages encompass heightened demands for storage space, increased liquidity requirements, and the necessity for meticulous planning.

4.4 Suppliers Master List (Accredited Suppliers List)/ Pre-qualified List/ Whitelisting

Caritas Jerusalem shall have a comprehensive list of accredited suppliers that the organization usually requires to purchase supplies, services and works from during its business operations.

Suppliers are included in this list following a pre-qualification process.

The master list shall contain as a minimum the following information:

1. Supplier name.
2. Supplier address.
3. Contact information.
4. Items usually procured from supplier.
5. Date of last procurement transaction from supplier.

Suppliers master list is a dynamic list and shall be updated regularly to include new items or new suppliers to the list. The list can be updated annually, or as needed, to ensure adaptation to dynamic market conditions, such as changes in prices, availability and supplier reliability.

Procurement officer shall prepare and update suppliers master list, share it with senior officers and secretary general and/or Administrative Support Manager for review and approval.

4.5 Framework Contract/ Blanket Agreement

A Framework Contract is a type of procurement arrangements between Caritas and suppliers or contractors. It is used to define the general terms and conditions such as subject, technical specifications, price(s), duration, procedure for the award of specific contracts over a specific period, etc. for future procurement of a series of supplies or services for which the precise quantity or scope and time of delivery cannot be defined at the outset of the contract. The specific conditions, quantity, date of delivery, etc. of a given purchase shall only be laid down in a Purchase Order or Contract when the goods or services are needed.

Purchase Orders and Contracts under a Framework Contract shall be placed in accordance with the terms laid down in the Framework Contract.

4.5 Framework Contract/ Blanket Agreement (continued)

Contracts can be used for the purchase of services or supplies and do not need to be tied to a specific project or action. It is not possible to have Framework Contract for works.

Chapter 4: Overview of Procurement Process

The Framework Contract helps reduce costs, improve efficiency in supply chain management improves relations with reliable contractors. Framework Contracts may never be used in such a way as to prevent, restrict or distort competition.

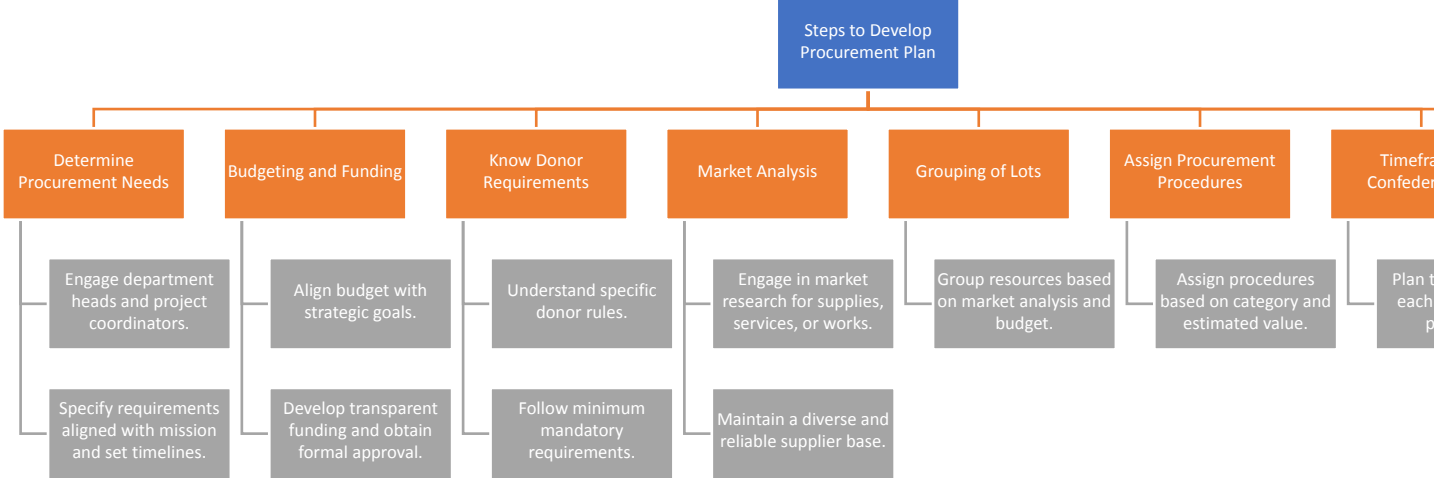
The decision to establish or apply the Framework Contract to a series of purchases shall be made during the project proposal stage and integrated into the Procurement Plan.

Please ensure availability of an updated list of all Framework Contracts in force. Purchase Orders or Contracts placed based on a Framework Contract shall be archived in the procurement file.

When Framework Contract are used: Framework contracts shall be used for recurring office expenses and purchases from same supplier such as running costs, stationary, cleaning, refreshments, medicines, hall rental, audits ... etc.

Chapter 4: Overview of Procurement Process

To summarize Procurement Plan Development Process



Chapter 5: Procurement Methods

In the realm of procurement, it's vital to select the most suitable method for each unique situation. Caritas employs several procurement methods, each with distinct features and ideal use cases. Below, we detail these methods, including their specific characteristics, including sealed envelopes procedures, and offer guidance on when to utilize them.

The definition of the procurement procedures to be applied for each process shall be carried out in line with the following reference Table for Caritas Jerusalem procedures:

Type of Procedure	Type of Contract		
	Supplies	Services	Works
Direct purchase	Less than or equal ILS 500	Less than or equal ILS 500	ILS Less than or equal ILS 500
Single Offer	ILS 501 – 4,000	ILS 501 – 4,000	ILS 501 – 4,000
Negotiated Procedure (RFQ)	ILS 4,001 – 10,000	ILS 4,001 – 10,000	ILS 4,001 – 10,000
Selective Tendering Procedure	Above ILS 10,000	Above ILS 10,000	Above ILS 10,000

5.1 Supply Contracts

This chapter provides a step-by-step guide for procurement procedures applicable to procuring of supplies based on total estimate value of supplies.

Supplies contracts covers the purchases of goods, materials, or tangible items necessary for an organization to support its operations or fulfill its mission. These purchases typically involve obtaining items such as office supplies, equipment, machinery, spare parts, raw materials, and any other physical assets that are required to maintain and enhance the organization's functions.

5.1.1 The Direct Purchase Procedure

The direct purchase procedure is applicable to low value purchases where the purchase transaction is of little economic importance. This procedure is applicable within the threshold of less than or equal to ILS 500.

This direct purchase does not require a quotation and shall be authorized and approved by the Financial Manager.

When this method is applicable: The direct purchase procedure is applicable to low value purchases where the unit being purchased is of little economic importance.

Chapter 5: Procurement Methods

5.1 Supply Contracts (continued)

5.1.2 The Single Offer Procedure

The single offer purchase procedure (Direct Purchase Method). This procedure is applicable within the threshold of ILS 501 – 4,000.

A single offer is a direct form of purchasing undertaken by the Procurement Officer. For the single offer purchase procedure, it shall be documented that the price of the procured corresponds with or is lower than the market price while meeting the required technical specifications. To establish this, several methods exist. It is possible to collect written quotations or refer to recent contracts from the past 12 months. The advantages of written quotations are many. They evidence what has been offered, thereby reducing misunderstandings and are easy to document. Alternatively, the method can be verbally collected quotations documented in a note to file with supplier name, contact person, description of the procured item, documentation of offered price, time, and date of obtaining the offer.

Step by step guide:

1. Purchase Request: Prepare purchase request with technical specifications by procuring department, review and approve from head of department.
2. Supplier Selection: Identify supplier from pre-qualified suppliers list to procure the supplies from.
3. Collect Quotations: Approach selected supplier from the pre-qualified list, check availability of procuring supplies and ask for written or verbal quotation.
4. Issue Purchase Order: After selecting the supplier that best meets technical specifications, a purchase order shall be prepared and issued by procurement officer, reviewed, and approved by head of procuring department.

When this method is applicable: A single offer is a direct form of purchasing undertaken by the Procurement Officer. When the organization receives only one bid or proposal from a single supplier. This method can be used for administrative costs efficiency by depending on prior organizational procurement experience. This method shall not be used if donor requires three competitive quotations.

5.1.3 The Negotiated Procurement Procedure

The negotiated procurement procedure is a more formal process than the simple procurement procedure. This procedure is applicable within the threshold of ILS 4,001 – 10,000. It requires that a minimum of three suppliers to give 3 price offers. The negotiated procedure is less formal than tendering.

Chapter 5: Procurement Methods

5.1 Supply Contracts (continued)

5.1.3 The Negotiated Procurement Procedure (continued)

Step-by-step guide:

1. Purchase Request: Prepare purchase request with technical specifications by procuring department, review and approve from head of department.
2. Suppliers Selection and Shortlisting: Identify suppliers from pre-qualified suppliers list to procure the supplies from. Prepare a short list with minimum three suppliers, it is recommended to include from 4 – 8 suppliers to ensure that minimum of three quotations are collected.
3. Prepare Request for Quotation: Prepare request for quotation per Caritas Jerusalem template. When preparing RFQ consider the following:
 - Delivery terms.
 - Technical specifications.
 - Installation, spare parts and after sale maintenance terms.
 - Deadline for receiving quotation.
 - Payment terms.
 - Special contract terms and conditions.
 - Evaluation criteria.
4. Select Supplier and Issue Purchase order: Procurement Committee shall review and evaluate received offers, finalize evaluation and select the best and most compliant supplier to the RFQ terms, technical specifications and has offered the necessary quality, in addition to the capacity and resources to meet contract requirements.
After selecting the supplier that best meets technical specifications, a purchase order shall be prepared and issued by procurement officer, reviewed, and approved by head of procuring department and financial manager.
5. Expiry of Price offers from Unsuccessful Suppliers: Once supplier accepted the order, the unsuccessful suppliers price offers are held to expiry.

For the negotiated procedure, procurement committee is formed of three to five members as follows:

1. Procurement Officer.
2. Financial Manager/ Senior Accountant.
3. Head of Requesting Department
4. Project Coordinator.
5. Expert, when needed.

When this method is applicable: The negotiated procedure is a less formal than open tender and selective tendering procedure and gives the option to negotiate the terms of contract. The negotiated procedure in procurement method involves direct negotiations with potential suppliers for highly complex or specialized projects. It allows flexibility but still follows rules to maintain fairness and transparency.

5.1.4 The Selective Tendering Procurement Procedure

Chapter 5: Procurement Methods

The selective tendering procurement procedure is a more formal process than the negotiated procurement procedure. It is applicable for high value with limited number of qualified suppliers above ILS 10,000.

The tender shall be drafted and forwarded to suppliers from the pre-qualified list, who can then submit a tender in a sealed envelope. It requires that a minimum of three suppliers are invited to submit a tender based on a written Tender Drossier.

Step-by-step guide:

1. Purchase Request: The purchase request identifies the technical specifications of the suppliers, ensure budget availability, and request the procurement officer to procure the supplies. Prepare purchase request with well- defined technical specifications by project coordinator of procuring department and head of the department.
Clear, adequate technical specifications are a prerequisite for receiving quotations matching the requirements and the budget.
2. Draft Tender Drossier: Carefully prepare the tender drossier, and consider the following:
 - Deadline for submission of tender drossier.
 - Award criteria for the contract.
 - Timetable for tender procedure.
 - Supplies to be procured with technical specifications.
 - Inspection.
 - Payment terms.
 - Special contract terms and conditions.
3. Share Tender Drossier with Pre-qualified Suppliers: Share tender drossier with suppliers, with a minimum of three suppliers.
4. Tenders Questions and Clarifications: In the tender drossier, suppliers should be given a deadline to contact Caritas for any additional information and questions regarding specifications. Information regarding tender drossier shall be in writing.
5. Receive Tenders: All tenders shall be received in sealed envelopes to Caritas Jerusalem, Within the sealed envelope, there should be two separate sealed envelopes—one for technical aspects and another for financial details. Time and date with signature of suppliers shall be documented on tenders' log kept with administrative assistant or designated staff at Caritas offices. All received tenders shall be kept in safe place until the tender opening session.
6. Tender Opening Session: Conduct tender opening session where all tenderers may be invited to participate in the opening session.
7. Evaluate and Select Tenderer: After tender opening session, each member of the procurement committee must review, evaluate and analyze tenderers received offers. After the individual evaluation an evaluation meeting is carried out where the procurement committee discusses their individual evaluation, draft a combined evaluation, and recommend the winning tenderer. The combined evaluation shall clearly document why the winning tenderer was recommended and all procurement committee shall sign the form.

5.1 Supply Contracts (continued)

5.1.4 Selective Tendering Procedure (continued)

Chapter 5: Procurement Methods

8. Issue Purchase Order After the procurement committee selects the winning tenderer, the procurement officer sends an awarding letter along purchase order or/and sign a contract.

For the selective tendering procedure, Caritas Jerusalem will have a single committee responsible for both the opening and evaluation of tenders, streamlining the process. This single committee is sufficient for the formation of the tendering session.

Procurement committee is formed of three to five members for procuring of supplies with the threshold of ILS 10,000 – 200,000:

1. Procurement Officer.
2. Financial Manager/ Senior Accountant.
3. Head of Requesting Department.
4. Project Coordinator.
5. Expert, if needed.

For above ILS 200,000 procurements, procurement committee is formed of five to seven members as follows:

1. Administrative Support Manager/Secretary General.
2. Procurement Officer.
3. Financial Manager.
4. Head of Requesting Department.
5. Project Coordinator.
6. Expert, if needed
7. Member of Executive Committee, if needed.

When this method is applicable: Selective tendering in procurement policy means inviting a limited number of pre-qualified suppliers to submit tender based on their qualifications and experience. It ensures that capable and qualified suppliers are considered.

5.1.5 Receiving Supplies

Caritas Staff shall follow up on timely delivery and quality of received supplies, unpackage them, inspect and match to the purchase order. Sign and file a goods/ delivery note.

In case of damaged supplies or mismatch to original purchase order, supplier shall be contacted directly and not paid until damaged supplies are replaced.

5.2 Service Contracts

This chapter provides a step-by-step guide for procurement procedures applicable to service contracts based on total estimate value of the contract.

Service contracts covers the procurement of intangible services rather than tangible supplies. These purchases typically involve obtaining services such as professional consultancy, maintenance, IT support, advisory services, training and education services, engineering, and healthcare services ... etc.

5.2.1 The Direct Purchase Procedure

Chapter 5: Procurement Methods

The direct purchase procedure is applicable to low value purchases where the procured service is of little economic value. This procedure is applicable within the threshold of less than or equal to ILS 500.

This direct purchase does not require a quotation and shall be authorized and approved by the Financial Manager.

When this method is applicable: The direct purchase procedure is applicable to low value services.

5.2.2 The Single Offer Procurement Procedure

The single offer purchase procedure. This procedure is applicable within the threshold of ILS 501 – 4,000.

A single offer is a direct form of purchasing undertaken by the Procurement Officer. For the single offer purchase procedure, it shall be documented that the price of the procured corresponds with or is lower than the market price while meeting the required terms of reference. To establish this, several methods exist. It is possible to collect written quotations or refer to recent contracts from the past 12 months. The advantages of written quotations are many. They evidence what has been offered, thereby reducing misunderstandings and are easy to document. Alternatively, the method can be verbally collected quotations documented in a note to file with service provider name, contact person, description of the service, documentation of offered price, time, and date of obtaining the offer.

Step by step guide:

1. Purchase Request and Terms of Reference: Identify the service/es to be procured, draft the Terms of Reference (TOR) by procuring department project coordinator and head of department. Authorized purchase request by head of department with TOR is then shared with Procurement Officer to start procurement process.
2. Service Provider Selection: Identify candidates from pre-qualified list to procure the service from them. Based on previous experience select the candidate with the required qualifications and quality of service.
3. Collect Proposal: Approach selected candidate from the pre-qualified list, check availability ask for written or no-written quotation.

5.2 Service Contracts

5.1.2.Single Offer Procurement Procedure (continued)

4. Issue Purchase Order and Contract: After selecting service provider, collecting of proposal that best meets TOR specifications, a purchase order shall be prepared and issued by procurement officer, reviewed, and approved by head of procuring department, along with service agreement shared unsigned to service provider and returned signed for the signature of secretary general.

When this method is applicable: A single offer is a direct form of purchasing undertaken by the Procurement Officer. When the organization receives only one proposal from a single service provider. This method can be used for administrative costs efficiency by depending on prior organizational

Chapter 5: Procurement Methods

procurement experience. This method shall not be used if donor requires three competitive quotations.

5.2.3 Negotiated Procurement Procedure

The negotiated procurement procedure is a more formal process than the single procurement procedure. This procedure is applicable within the threshold of ILS 4,001 – 10,000.

It requires that a minimum of three service providers are invited to submit proposal based on a written Request for Proposal (RFP). The contract shall be awarded to the most compliant candidate.

The negotiated procedure is less formal than tendering and gives the opportunity to negotiate the terms of the contract.

Step-by-step guide:

1. Purchase Request and Terms of Reference: Identify the service/es to be procured, draft the Terms of Reference (TOR) by procuring department project coordinator and head of department. Authorized purchase request by head of department with TOR is then shared with Procurement Officer to start procurement process.
2. Shortlisting: Identify candidates from the pre-qualified list to procure the service from. Prepare a short list with minimum three candidates, it is recommended to include from 4 – 8 candidates to ensure that minimum of three proposals are collected.
3. Prepare Request for Proposal: Prepare request for proposal per Caritas Jerusalem template and share it for the review and approval of Administrative Support Manager (Currently Secretary General since the position not occupied). When preparing Request for Proposal (RFP) consider the following:
 - Service Timeframe.
 - TOR specifications.
 - Deadline for receiving proposal.
 - Payment terms.
 - Special contract terms and conditions.
 - Evaluation criteria.

5.2 Service Contracts (Continued)

5.2.3 Negotiated Procurement Procedure (continued)

4. Receiving and Registering RFP: All RFP shall be received to Caritas Jerusalem. Time and date with signature of candidate representative shall be documented on proposals log kept with administrative assistant or designated staff at Caritas offices.
5. Opening and Evaluation: Upon receiving all RFP, procurement committee meets, evaluate the received RFP and select the candidate offering the best price meeting specifications outlined in the RFP. RFP received after deadline shall not be considered. The procurement committee has the option to negotiate the terms of the proposal and it is a recommended procedure. The main purpose of negotiation is to obtain better conditions in term of delivery, technical quality, price, payment conditions and any other RFQ terms. Negotiations may however have the purpose of reducing the scope of the service or revising other terms in order to reduce the total price. This may be necessary when the prices proposed exceed the limits of the funds available.

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6. Select Service Provider: Finalize evaluation and select the best and most compliant candidate to the RFP terms, specifications and has offered the necessary quality, in addition to the knowledge and experience to meet contract requirements.
7. Award Notice: An Award Notice shall be prepared and shared with successor service provider, the award notice may contain details such as, brief description of the proposal, RFP reference number, total proposal amount ... etc.
8. Issue Purchase order: After selecting the service provider that deemed to be substantially responsive to the requirements, an authorized purchase order shall be prepared and issued by procurement officer, reviewed, and approved by head of procuring department and financial manager.
9. Expiry of Price offers from Unsuccessful Suppliers: Once supplier accepted the order, the unsuccessful suppliers price offers are held to expiry.

For the negotiated procedure, procurement committee is formed of three to five members as follows:

1. Procurement Officer.
2. Financial Manager/ Senior Accountant.
3. Head of Requesting Department
4. Project Coordinator.
5. Expert, when needed.

When this method is applicable: The negotiated procedure is a less formal than selective tendering procedure and gives the option to negotiate the terms of contract. The negotiated procedure in procurement method involves direct negotiations with potential candidates for is highly complex or specialized projects. It allows flexibility but still follows rules to maintain fairness and transparency.

5.2 Service Contracts (Continued)

5.2.4 The Selective Tendering Procurement Procedure

The selective tendering procurement procedure is a more formal process than the negotiated procurement procedure. It is applicable for high value with limited number of qualified service providers with contract value above ILS 10,000.

The tender dossier shall be drafted and forwarded to candidates from the pre-qualified list, who can then submit a tender in a sealed envelope. It requires that a minimum of three candidates are invited to submit a tender based on a written Tender Dossier.

Step-by-step guide:

1. Purchase Request with Terms of Reference: Identify the service/es to be procured, draft the Terms of Reference (TOR) by procuring department project coordinator and head of department. Authorized purchase request by head of department with TOR is then shared with Procurement Officer to start procurement process.
2. Draft Tender Dossier: Carefully prepare the tender dossier, and consider the following:
 - Deadline for submission of tender dossier.

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- Award criteria for the contract.
 - Timetable for tender procedure.
 - Supplies to be procured with technical specifications.
 - Inspection.
 - Payment terms.
 - Special contract terms and conditions.
3. Share Tender Drossier with Pre-qualified Service Providers: Share tender drossier with candidates from the pre-qualified list, with a minimum of three suppliers.
 4. Tenders Questions and Clarifications: In the tender drossier, candidates should be given a deadline to contact Caritas for any additional information and questions regarding specifications and terms of the TOR. Information regarding tender drossier shall be in writing.
 5. Receive Tenders: All tenders shall be received in sealed envelopes to Caritas Jerusalem. Time and date with signature of service provider shall be documented on tenders' log kept with administrative assistant or designated staff at Caritas offices. All received tenders shall be kept in safe place until the tender opening session.
 6. Tender Opening Session: Conduct tender opening session where all tenderers may be invited to participate in the opening session.
 7. Evaluate and Select Tenderer: After tender opening session, each member of the procurement committee must review, evaluate and analyze tenderers received proposal. After the individual evaluation an evaluation meeting is carried out where the procurement committee discusses their individual evaluation, draft a combined evaluation, give ranking per tenderer and select the winning tenderer. The combined evaluation shall clearly document why the winning tenderer was selected and all procurement committee shall sign the form.

5.2 Service Contracts (Continued)

5.2.4 The Selective Tendering Procurement Procedure

8. Issue Contract and Send Letter of Acceptance: After procurement department selects the winning tenderer, the procurement officer sends a letter of acceptance and issue contract. A contract must be prepared and shared with winning supplier not signed, until the acceptance of service provider.
9. Expiry of offers from Unsuccessful Suppliers: Once supplier accepted the order, the unsuccessful suppliers price offers are held to expiry.

For the selective tendering procedure, Caritas Jerusalem will have a single committee responsible for both the tender opening session and the evaluation and selection of suppliers.

Procurement committee is formed of four to five members for procuring of supplies with the threshold of ILS 10,000 – 200,000:

1. Procurement Officer.
2. Financial Manager/
3. Head of Requesting Department.
4. Project Coordinator.
5. Expert, if needed.

For above ILS 200,000 procurements, procurement committee is formed of five to seven members as follows:

1. Executive Director/Secretary General.

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2. Procurement Officer.
3. Financial Manager.
4. Head of Requesting Department.
5. Project Coordinator.
6. Expert, when needed.
7. Member of Executive Committee, if needed.

When this method is applicable: Selective tendering in procurement policy means inviting a limited number of pre-qualified candidates to submit tender based on their qualifications and experience. It ensures that capable and qualified suppliers are considered.

5.3 Works Contracts

This chapter provides a step-by-step guide for procurement procedures applicable to works contracts based on total estimate value of contracts.

Works Contracts cover either the execution or both execution and design of works or the realization of a work corresponding to the requirements specified by Caritas Jerusalem. It is a Works Contract when an entrepreneur or construction company has the obligation of delivering works and is responsible for hiring or buying the necessary resources to fulfil this obligation i.e., the entrepreneur hires the labor, brings all equipment, and buys the construction materials and resources. Examples of Works Contracts are construction, reconstruction, demolition, repair or renovation of a building, structure or works, such as site preparation, excavation, erection, building, drilling, etc.

As a rule, the technical evaluation for works is laid down in the design (including plans, drawings, and material-specifications). A site visit may be conducted as well.

A Site Visit may be conducted upon the recommendation of Project Coordinator and Site Responsible Engineer, if applicable. The purpose of site visits is to enhance the understanding of the tender document requirements by allowing tenderers to examine the physical sites where they are being asked to provide works. Site visits are non-mandatory; therefore, in case the tenderer chooses not to attend, the tenderer is implicitly renouncing all the benefits of a better knowledge of the physical conditions on the ground. For that reason, lack of knowledge of such conditions will not be accepted as grounds not to comply with any of the contractual obligations of the resulting contract. After completing the site visit, the Project Coordinator must prepare the visit report in which then the Procurement Officer must share it among all participating tenderers.

5.3.1 The Direct Purchase Procedure

Chapter 5: Procurement Methods

The direct purchase procedure is applicable to low value works where the procured service is of little economic value. This procedure is applicable within the threshold of less than or equal to ILS 500.

This direct purchase does not require a quotation and shall be authorized and approved by the Financial Manager.

When this method is applicable: The direct purchase procedure is applicable to low value services.

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5.3 Works Contracts (continued)

5.3.2 The Single Offer Procurement Procedure

The single offer purchase procedure. This procedure is applicable within the threshold of ILS 501 – 4,000.

A single offer is a direct form of purchasing undertaken by the Procurement Officer. For the single offer purchase procedure, it shall be documented that the price of the procured corresponds with or is lower than the market price while meeting the required terms of reference. To establish this, several methods exist. It is possible to collect written quotations or refer to recent contracts from the past 12 months. The advantages of written quotations are many. They evidence what has been offered, thereby reducing misunderstandings and are easy to document. Alternatively, the method can be verbally collected quotations documented in a note to file with contractor name, contact person, description of the work, documentation of offered price, time, and date of obtaining the offer.

Step by step guide:

1. Purchase Request and Terms of Reference: Identify the work/es to be procured, draft the Terms of Reference (TOR) by procuring department project coordinator and head of department. Authorized purchase request by head of department with TOR is then shared with Procurement Officer to start procurement process.
2. Selection: Identify workers/contractors from pre-qualified list to procure the work from them. Based on previous experience select the candidate with the required qualifications and quality.
3. Collect Proposal: Approach selected candidate from the pre-qualified list, check availability ask for written or verbal quotation.
4. Issue Purchase Order and Contract: After selecting service provider, collecting of proposal that best meets TOR specifications, a purchase order shall be prepared and issued by procurement officer, reviewed, and approved by head of procuring department.

When this method is applicable: A single offer is a direct form of purchasing undertaken by the Procurement Officer. When the organization receives only one proposal from a single worker/contractor. This method can be used for costs efficiency by depending on prior organizational procurement experience. This method shall not be used if donor requires three competitive quotations.

5.3 Works Contracts (continued)

Chapter 5: Procurement Methods

5.3.3 Negotiated Procurement Procedure

The negotiated procurement procedure is a more formal process than the single procurement procedure. This procedure is applicable within the threshold of ILS 4,001 – 10,000.

It requires that a minimum of three workers/contractors are invited to submit proposal based on a written Request for Proposal (RFP). The contract shall be awarded to the most compliant candidate.

The negotiated procedure is less formal than tendering and gives the opportunity to negotiate the terms of the contract.

Step-by-step guide:

1. Purchase Request and Terms of Reference: Identify the work/es to be procured, draft the Terms of Reference (TOR) by procuring department project coordinator and head of department. Authorized purchase request by head of department with TOR is then shared with Procurement Officer to start procurement process.
2. Shortlisting: Identify candidates from the pre-qualified list to procure from. Prepare a short list with minimum three candidates, it is recommended to include from 4 – 8 candidates to ensure that minimum of three proposals are collected.
3. Prepare Request for Proposal: Prepare request for proposal per Caritas Jerusalem template. When preparing Request for Proposal (RFP) consider the following:
 - Timeframe.
 - Specifications.
 - Deadline for receiving proposal.
 - Payment terms.
 - Special contract terms and conditions.
 - Evaluation criteria.
4. Receiving and Registering RFP: All RFP shall be received to Caritas Jerusalem. Time and date with signature of candidate representative shall be documented on proposals log kept with administrative assistant or designated staff at Caritas offices.
5. Opening and Evaluation: Upon receiving all RFP, procurement committee meets, evaluate the received RFP and select the candidate offering the best price meeting specifications outlined in the RFP. RFP received after deadline shall not be considered. The procurement committee has the option to negotiate the terms of the proposal and it is a recommended procedure. The main purpose of negotiation is to obtain better conditions in term of delivery, technical quality, price, payment conditions and any other RFQ terms. Negotiations may however have the purpose of reducing the scope of the service or revising other terms in order to reduce the total price. This may be necessary when the prices proposed exceed the limits of the funds available.
6. Select Worker/Contractor: Finalize evaluation and select the best and most compliant candidate to the RFP terms, specifications and has offered the necessary quality, in addition to the knowledge and experience to meet contract requirements.

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5.3 Works Contracts (continued)

5.3.3 Negotiated Procurement Procedure

7. Award Notice: An Award Notice shall be prepared and shared with successor service provider, the award notice may contain details such as, brief description of the proposal, RFP reference number, total proposal amount ... etc.
8. Issue Purchase order: After selecting the contractor that deemed to be substantially responsive to the requirements, an authorized purchase order shall be prepared and issued by procurement officer, reviewed, and approved by head of procuring department and financial manager.
9. Expiry of Price offers from Unsuccessful Suppliers: Once contractor accepted the order, the unsuccessful contractors price offers are held to expiry.

For the negotiated procedure, procurement committee is formed of three to five members as follows:

6. Procurement Officer.
7. Financial Manager/ Senior Accountant.
8. Head of Requesting Department
9. Project Coordinator.
10. Expert, when needed.

When this method is applicable: The negotiated procedure is a less formal than selective tendering procedure and gives the option to negotiate the terms of contract. The negotiated procedure in procurement method involves direct negotiations with potential candidates for is highly complex or specialized projects. It allows flexibility but still follows rules to maintain fairness and transparency.

5.3.4 The Selective Tendering Procurement Procedure

The selective tendering procurement procedure is the only procurement procedure used for works contracts by Caritas Jerusalem. It is applicable for high value with limited number of qualified service providers with contract value above ILS 10,000.

The tender dossier shall be drafted and forwarded to candidates from the pre-qualified list, who can then submit a tender in a sealed envelope. It requires that a minimum of three candidates are invited to submit a tender based on a written Tender Dossier.

Step-by-step guide:

1. Purchase Request with Technical Specifications: Identify the work to be procured and draft technical specifications. Procurement starts with the authorization of purchase request by head of department and finance manager. The purchase request with specifications shall be drafted by engineer, architect, or a specialist in coordination with project coordinator and head of department. The purchase request identifies the technical specifications of the works, ensure budget availability, and request the procurement officer to procure the work.
Clear, adequate technical specifications are a prerequisite for receiving quotations matching the requirements and the budget.

Chapter 5: Procurement Methods

5.3 Works Contracts (continued)

5.3.4 The Selective Tendering Procurement Procedure(continued)

2. Draft Tender Drossier: Carefully prepare the tender drossier, and consider the following:
 - Deadline for submission of tender drossier.
 - Award criteria for the contract.
 - Timetable for tender procedure.
 - Technical specifications.
 - Performance guarantee.
 - Inspection.
 - Payment terms.
 - Special contract terms and conditions.
 - Sub-contracting, if applicable.
 - Site visits and follow ups.
3. Share Tender Drossier with Pre-qualified Workers: Share tender drossier with workers, with a minimum of three.
4. Tenders Questions and Clarifications: In the tender drossier, workers should be given a deadline to contact Caritas for any additional information and questions regarding specifications. Information regarding tender drossier shall be in writing.
5. Receive Tenders: All tenders shall be received in sealed envelopes to Caritas Jerusalem. Time and date with signature of suppliers shall be documented on tenders' log kept with administrative assistant or designated staff at Caritas offices. All received tenders shall be kept in safe place until the tender opening session.
6. Tender Opening Session: Conduct tender opening session where all tenderers may be invited to participate in the opening session.
7. Evaluate and Select Tenderer: After tender opening session, each member of the procurement committee must review, evaluate and analyze tenderers received offers. After the individual evaluation an evaluation meeting is carried out where the procurement committee discusses their individual evaluation, draft a combined evaluation, give ranking per tenderer and select the winning tenderer. The combined evaluation shall clearly document why the winning tenderer was selected and all procurement committee shall sign the form.
8. Issue Contract and Send Letter of Acceptance: After procurement department selects the winning tenderer, the procurement officer sends a letter of acceptance and issue contract. A contract must be prepared and shared with winning worker/contractor not signed, forward back signed for the signature of secretary general.
9. Letters to Unsuccessful Tenderers: Once winning tenderer accepted the order and dully sign the contract, a letter shall be sent to the unsuccessful tenderers to inform them of the process result.

5.3 Works Contracts (continued)

Chapter 5: Procurement Methods

5.3.4 The Selective Tendering Procurement Procedure (continued)

For the selective tendering procedure, Caritas Jerusalem will have a single committee responsible for both the tender opening session and the evaluation and selection of workers/contractors.

Procurement committee is formed of three to five members for procuring of supplies with the threshold of ILS 10,000 – 200,000:

1. Procurement Officer.
2. Financial Manager.
3. Head of Requesting Department.
4. Project Coordinator.
5. Expert/ Engineer.

For above ILS 200,000 procurements, procurement committee is formed of five to seven members as follows:

1. Administrative Support Manager/Secretary General.
2. Procurement Officer.
3. Financial Manager.
4. Head of Requesting Department.
5. Project Coordinator.
6. Expert/ Engineer.
7. Member of Executive Committee, if needed.

When this method is applicable: Selective tendering in procurement policy means inviting a limited number of pre-qualified work/contractures to submit tender based on their qualifications and experience. It ensures that capable and qualified work providers are considered.

Chapter 5: Procurement Methods

5.4 Bids Evaluation

1. Evaluation Criteria:

1.1 The Technical Evaluation Committee (TEC) is tasked with assessing the technical and financial aspects of each bid.

1.2 Technical evaluation holds a significant weightage (recommended around 70%), emphasizing the importance of quality and capability. The remaining weight (recommended around 30%) is designated for financial evaluation.

2. Technical Evaluation:

2.1 TEC members evaluate technical proposals based on predefined criteria: - Compliance with technical specifications - Past performance and experience - Qualifications and expertise of personnel - Methodology and approach - Quality assurance measures.

2.2 Each criterion is scored on a predetermined scale, and scores are documented for transparency.

3. Financial Evaluation:

3.1 The Financial Evaluation Committee (FEC) reviews financial proposals using criteria such as: - Cost competitiveness - Clarity and reasonableness of the pricing structure - Financial stability and solvency.

3.2 Scores for financial evaluation are assigned based on the clarity and feasibility of the financial aspects of each bid.

4. Combined Evaluation:

4.1 The total score for each bid is the sum of the technical and financial scores, ensuring a holistic assessment.

4.2 The score(weight) for each offer can be calculated using the formula = (Best offer price (Lowest price)/ Offer price under evaluation)* designated weight (e.g. 100).

4.3 Bids are ranked based on their total scores, facilitating a straightforward comparison for decision-making.

5. Evaluation Committees:

5.1 TEC and FEC members consist of qualified individuals selected based on their expertise and impartiality.

5.2 TEC evaluates technical aspects, while FEC focuses on financial evaluation. Both committees work independently to maintain objectivity.

6. Re-evaluation and Clarifications:

6.1 If uncertainties or discrepancies arise in bid submissions, the respective committees may seek clarifications from bidders.

6.2 Re-evaluation may occur after obtaining clarifications or considering adjustments, ensuring a fair and accurate assessment.

5.4 Bids Evaluation (continued)

7. Documentation:

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7.1 Detailed documentation of the evaluation process, including scores and justifications, is maintained for each bid.

7.2 The documentation serves as a transparent record, providing insight into the decision-making process and facilitating audits.

8. Steps Needed for Bids Evaluation:

8.1 Bid Submission Review: - Review all submitted bids for completeness and adherence to submission requirements.

8.2 TEC Technical Evaluation: - TEC members conduct a thorough assessment of technical proposals. - Scores are assigned for each technical criterion. - Documentation of TEC proceedings and scores.

8.3 FEC Financial Evaluation: - FEC reviews the financial aspects of each bid. - Scores are assigned based on financial criteria. - Documentation of FEC proceedings and scores.

8.4 Combined Evaluation: - Combine technical and financial scores to determine the overall ranking.

8.5 Ranking and Shortlisting: - Rank bids based on total scores. - Shortlist top-scoring bids for further consideration.

8.6 Negotiation or Award: - Engage in negotiations with top-ranked bidders if necessary. - Award the contract to the successful bidder.

8.7 Documentation and Reporting: - Prepare comprehensive documentation of the evaluation process. - Generate reports for internal and external stakeholders as required.

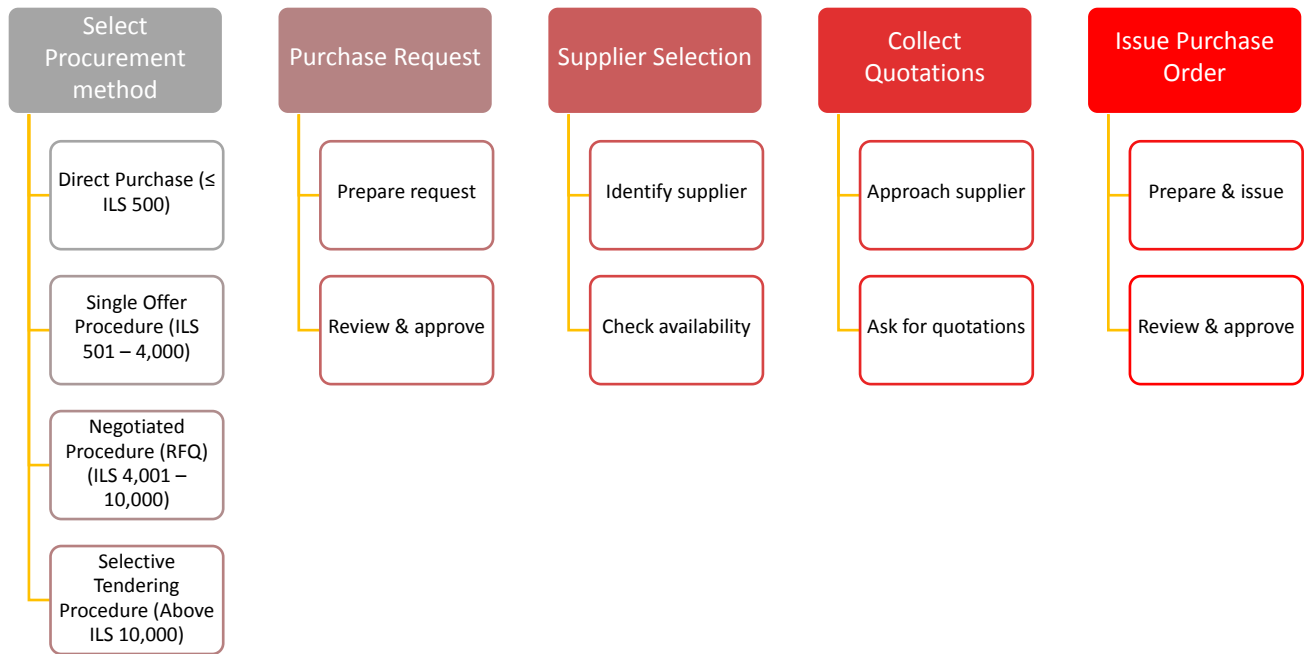
8.8 Appeals Process: - Communicate the appeals process to bidders. - Address appeals in a timely and fair manner.

8.9 Record Keeping: - Maintain records of the entire evaluation process for auditing purposes.

8.10 Continuous Improvement: - Conduct a post-evaluation review to identify areas for improvement in the evaluation process. - Implement changes and updates to enhance future evaluations.

The following diagram summarizes procurement process from selecting method to issuance of the purchase order.

Chapter 5: Procurement Methods



5.5 Bids Bonds Management

Procurement Process Bonds

Bidding documents, particularly for capital works, requires the establishment of guarantee to protect Caritas in the event of a Contractor's violation of contracting terms. This form of guarantee, known as a "bid entry bond," must be furnished in a manner and amount specified within the bidding document.

There are three essential types of bonds, each serving specific purposes:

1. Bid Entry Bond:

Chapter 5: Procurement Methods

Bid Entry Bond is a form of security assuring that the bidder will not withdraw a Bid within the bid validity period and will execute a contract and furnish required guarantees and insurance within the time specified in the bid.

The Bid Entry Bond is normally to be in the form of an unconditional and irrevocable on-demand bank guarantee or a certified bank cheque, presented for bids with a value of NIS 40,000 or more. It is recommended that the total value of the Bid Entry Bond should be five percent (5%) of the bid's estimated value.

Bid guarantees shall be returned to all bidders after the award decision is published.

2. Performance Bond:

The performance bond is requested as a requirement to be provided, following an award decision, in order to mitigate the risk of non-performance and breach of contractual obligations (such as the delivery of all goods, services rendered, and works completed as per the contract).

The performance bond is normally to be in the form of an unconditional and irrevocable on-demand bank guarantee or a certified bank cheque, usually presented for bids with a value of NIS 40,000 or more.

The value of the performance bond may vary, depending on the nature, risk, and magnitude of the services or goods to be provided under the contract. It is recommended that the total value of the performance guarantee should be ten percent (10%) of the contract value.

Bids of a value less than NIS 40,000 does not require a performance bond unless the Project Manager recommends listing it as a requirement.

Return: Released upon successful project completion, in accordance with the terms of the contract.

3. Maintenance Bond:

The maintenance bond is issued based on the recommendation from the Project Manager and shall reflect the value of the assessed risk and subsequent loss to the Organization in case defects arise after completion and operation under the respective contract.

The value of the maintenance bond should be five percent (5%) of the actual contract value upon completion, preferably valid for one year.

5.5 Bids Bonds Management (Continued)

Upon the conclusion of the project, the project/engineering department requests the contractor to provide a maintenance bond before the release of the performance bond. The final payment reconciliation, signed by the Technical or Project Manager with witnesses, is an integral step in this process.

The custody and release of both the performance and maintenance bonds are the responsibility of the AP Accountant/Treasurer. Their release is subject to a written recommendation from the technical/project department and approval from the Procurement Officer/Head of Procurement. The AP Accountant/Treasurer is tasked with meticulous recording and monitoring of these bonds.

Chapter 5: Procurement Methods

5.6 Fixed Assets Acquisition

Purchases of fixed asset are called “capital purchases” that follow the procurement manual of policies and procedures. In addition, the asset purchased should be tagged as a method of identification.

1) Receiving and Inspection:

Upon the delivery of fixed assets from the vendor, a thorough inspection will be conducted to ensure alignment with specified requirements and specifications, and to verify that the assets are free from defects.

Assigned personnel from projects/technical team will perform a detailed inspection, documenting findings and promptly notifying relevant parties of any discrepancies. Acceptance or rejection of delivered assets will be based on adherence to predetermined quality standards.

2) Installation and Testing:

Fixed assets will be installed in designated locations as per predefined guidelines. (When Applicable) Trained personnel will undertake the installation process, followed by testing to ensure proper functionality and seamless integration with existing systems. A formal sign-off will be required to confirm successful installation and testing.

3) Documentation and Recordkeeping:

Comprehensive records of fixed assets, including purchase orders, invoices, delivery receipts, and warranty information, should be systematically maintained.

The procurement and finance personnel will be responsible for organizing and archiving all relevant documents in a secure and easily accessible manner. Regular audits will be conducted to ensure completeness and accuracy of records.

4) Asset Tagging: -

Fixed assets should be marked with an identifying number during the receiving process. Tagging assets in this manner allows for an accurate physical count to be taken regularly.

The procurement department is to assign an identification number to each item of fixed assets received; this number should be attached to each item as a label. Fixed assets are also recorded in the “Fixed Assets Register”.

5.6 Fixed Assets Acquisition (Continued)

Chapter 5: Procurement Methods

5) Fixed Assets Register

Fixed assets register should be maintained and updated to enhance control over fixed assets. The following information should be maintained, for each asset:

- Identification number
- Description
- Location
- Date of acquisition/ date placed into operation
- Original cost
- Accumulated depreciation
- Custodian
- Depreciation method to be applied
- Depreciation rate
- Estimated surrender value

The fixed assets register should reflect the current value of each item of the fixed assets and reconciled with fixed assets in the accounting system.

The finance and administrative departments are responsible for maintaining and updating the fixed assets registry.

Chapter 6: Derogations/ Exceptions

Chapter 6: Derogations/ Exceptions

All Caritas Jerusalem Organization or project procurement must comply with the guidelines of this Manual unless there are exceptional circumstances preventing this. For those circumstances it is possible to obtain an exemption or waiver from the guidelines. This can happen by way of a Blanket Derogation or by approval.

All derogations shall always be properly justified and documented. If the justifications are not valid, then procurement must be undertaken and documented according to the rules and guidelines in this Manual.

6.1 Blanket Derogations

In exceptional circumstances it may not be possible to meet the requirements of this manual and for the predefined situations outlined below, a blanket derogation is available.

It must be documented in the file justification on why blanket derogation is relevant.

Procurement from Single Supplier/ Direct Contracting

A blanket derogation is available to negotiate with and procure from a single supplier, irrespective of contract value. The procurement shall always be documented by a purchase order and a contract with complete technical specifications, TOR, proof of receipt of the supplies/service/work and an invoice.

This can be initiated by the approval of the Secretary General up to contract value of ILS 400,000, for contract value above ILS 400,000 it needs the approval of the treasurer or the executive committee.

The following outlines the cases under which the Organization can use single supplier:

1. For emergency operations meeting immediate and unforeseeable humanitarian requirements generated by sudden natural or man-made disasters, such as floods, earthquakes, wars, and outbreaks of fighting or comparable situations. The concept of emergency also includes any situation, in which the implementation of the humanitarian aid operation must start immediately, and the delay incurred by sending Procurement Contracts out to tender would put lives at risk. If possible and pertinent, it is though always recommended to conduct a competitive Procurement Procedure to obtain better quality and value for money. (Refer to Emergency Chapter)
2. Whenever, due to a monopoly situation, the contract can only be awarded to a particular supplier or service provider.
3. For additional contracts repeating services, works or supplies given to a contractor awarded an earlier contract in the same region provided that the terms of the original contract are not substantially altered. The period since the award of the first contract shall not be longer than one year.
4. If it is for the best interest of Caritas with appropriate justification.
5. For property rental contracts.

Chapter 6: Derogations/ Exceptions

6.2 Derogation by approval

In addition to the Blanket Derogations described above, situations may arise where it is necessary to request a derogation to depart from the procurement guidelines of this Manual. Such derogations are subject to a written approval and formal request from Secretary General and Financial Manager up to the value of ILS 200,000, in excess of this amount approval shall be requested by full description and justification for the case from the treasurer or the executive committee.

Examples of such circumstances:

- Security reasons.
- Operational reasons.
- Technical reasons.
- Ethical reasons.
- Cost or delays due to transport.
- Legislation.

Similarly, donors may have provisions for granting derogations to their guidelines, which should be requested directly from the donor. To avoid delays, please identify and plan for derogations during the project planning phase and include these in the project application.

Process of single offer/ direct contracting

Although Direct Contracting waives the competitive process, this method does not diminish the responsibilities and accountabilities of personnel involved in the procurement process. Under the direct contracting, a contract must still be awarded to a supplier who offers substantially and conforms to the requirements at a reasonable price.

Step-by-step procedures:

1. Prepare purchase request and technical specifications/TOR.
2. Obtain written approval from secretary general / executive committee.
3. Share request for quotation/ request for proposal/ Tender Dossier with supplier/candidate.
4. Collect the offer from supplier/ candidate.
5. Procurement committee review the collected offer and confirm compliance of the technical aspect of the offer and the reasonableness and fairness of the financial offer. The procurement committee reserve the right to negotiate the tenderer on any of the technical or/and financial terms.
6. Procurement committee document the process and send documents for secretary general review and approval.

Chapter 7: Emergency Procurement

7.1 Definition of Emergency Procurement

Emergency procurement is a pivotal component of Caritas's procurement framework, allowing the organization to respond swiftly and effectively to critical situations and unforeseen events. It is essential for addressing immediate needs, mitigating risks, protecting lives, and ensuring the continuity of essential services during emergencies. This section defines the nature, scope, and principles that guide emergency procurement within the organization.

Scope:

Emergency procurement refers to procurement activities initiated under exceptional circumstances, where immediate and extraordinary measures are required. These circumstances encompass a wide range of situations, including but not limited to natural disasters (e.g., earthquakes, floods), armed conflicts, public health crises, and other urgent scenarios. Such situations demand an immediate response to alleviate suffering, protect the vulnerable, and provide essential relief services.

Urgency Assessment:

Central to emergency procurement is the assessment of urgency. Caritas must conduct a thorough evaluation to determine the urgency, scope, and potential impact of the emergency. This involves assessing the immediate and longer-term needs of the affected population. The urgency assessment serves as a foundation for the subsequent procurement plan, enabling the organization to prioritize actions that mitigate risks and alleviate suffering effectively.

Budget Estimation:

Effective emergency procurement necessitates sound financial planning. The organization must determine an estimated budget specifically allocated for addressing the emergency. This budget should be flexible, enabling timely allocation of financial resources to meet immediate needs. A well-considered budget ensures that necessary funding is available to respond adequately to the crisis, and it serves as a financial roadmap throughout the emergency response.

Procurement Plan:

The development of a comprehensive procurement plan is the linchpin of emergency procurement. This plan outlines specific requirements, including detailed specifications, criteria for supplier selection, and procurement methodologies tailored to the unique demands of the emergency. The procurement plan is both practical and flexible, enabling rapid adaptation to the evolving situation. It ensures that Caritas Jerusalem can swiftly and effectively address the immediate and subsequent needs of those affected by the emergency.

Chapter 7: Emergency Procurement

7.2 Procurement Authority

In cases of emergency procurement, the ultimate authority to approve and initiate these actions is vested in the Secretary General of Caritas and Executive Committee. The approval thresholds for emergency procurement are as follows:

- For emergency procurement actions involving amounts up to ILS 200,000, the approval of either the Secretary General or the Treasurer is sufficient.
- For emergency procurement actions involving amounts exceeding ILS 200,000, the approval of both the Secretary General and the Executive Committee is required.

This high-level delegation ensures that decision-making can occur rapidly and decisively when faced with critical situations that require immediate attention.

Modification of Procedures: Acknowledging the urgency of emergency situations, authorized personnel, including the Secretary General and the Executive Committee, may temporarily modify or suspend standard procurement procedures. This is done with the primary goal of expediting the response to the emergency. However, it is imperative that any such modifications are made judiciously, in compliance with established protocols, and thoroughly documented to maintain transparency and accountability.

7.3 Emergency Procurement Planning

Procurement planning is a foundational step in emergency procurement procedures that plays a pivotal role in ensuring a swift, organized, and effective response to crises. This section outlines the critical processes and considerations involved in planning procurement activities during emergencies, emphasizing the need for flexibility, clear objectives, and responsible allocation of resources.

- **Situation Identification:** Procurement planning begins with the identification and understanding of an emergency. This involves conducting an initial assessment by head of health and emergency department to determine the nature, extent, and immediate impact of the crisis. Clear identification of the emergency's characteristics and requirements is essential for subsequent planning.
- **Budget Determination:**
 - **Step 1: Team Formation - Finance Manager and Procurement Officers:** Caritas Jerusalem forms a specialized budget team led by the Finance Manager and supported by Procurement Officer and the Emergency Response Manager and related personnel. The Finance Manager leads the team and is responsible for determining the estimated budget for addressing the emergency.
 - **Step 2: Resource Assessment:** The Finance Manager, in collaboration with the Procurement Officer and the Emergency Response Manager and related personnel, assesses available financial resources. This includes funds allocated for emergency response and potential fundraising efforts.
 - **Step 3: Budget Calculation:** The Finance Manager and Procurement Officer and the Emergency Response Manager calculate the estimated budget, ensuring it is both realistic and flexible to respond to dynamic needs. The budget is designed to cover immediate requirements and allow for the prompt allocation of funds.
- **Procurement Plan:** Develop a comprehensive procurement plan that clearly outlines the specific requirements, including detailed specifications, and the criteria for supplier selection. The plan should be practical and flexible, enabling rapid adaptation as the situation evolves.

Chapter 7: Emergency Procurement

7.4 Supplier Selection

- Identification of Available Suppliers:
 - Step 1: Procurement Team's Responsibility: During emergencies, the procurement team, led by the Procurement Officer and supported by Procurement Officers and related personnel, identifies available suppliers from a limited pool. They gather essential information about potential suppliers.
 - Step 2: Pre-Qualification: The team pre-qualifies suppliers from the limited pool based on criteria like their ability to deliver, financial stability, and adherence to ethical standards. It's important to note that during emergencies, formal offers or proposals from suppliers are optional due to the urgency of the situation.
- Supplier Selection:
 - Step 3: Invitation and Informal Communication: The procurement team reaches out to pre-qualified suppliers with a clear description of the organization's needs and requirements. Suppliers are encouraged to communicate their capacity to meet these needs through informal channels.
 - Step 4: Assessment and Evaluation: The procurement team, in collaboration with the suppliers who have expressed their capacity and willingness to provide support, assesses the available options based on criteria like cost, quality, and delivery time.
- Supplier Selection and Award:
 - Step 5: Supplier Selection: The procurement team selects the most suitable suppliers from the available options, ensuring transparency and documentation.
 - Step 6: Award Notification: Chosen suppliers are officially notified with the contract terms and other requirements. The award notification acknowledges the unique circumstances of emergency procurement.
 - Step 7: Contract Finalization: Contracts are finalized with the selected suppliers, detailing the terms, delivery schedules, and payment arrangements, recognizing the limited supplier choices and the optional nature of formal offers or proposals.

This streamlined process considers the urgency of emergencies, where formal offers or proposals from suppliers may not always be feasible and focuses on encouraging informal communication and collaboration to meet immediate needs while maintaining transparency and fairness in supplier selection and contract finalization.

Chapter 7: Emergency Procurement

7.5 Documentation and Reporting

- **Comprehensive Records:**
 - **Maintain Detailed Records:** Throughout the emergency procurement process, Caritas places a strong emphasis on maintaining comprehensive records. These records serve as a vital documentary trail of every action taken during emergency procurement. They include all forms of communication, evaluation reports, approval records, and the rationale behind key decisions. The goal is to create a clear and thorough account of the entire procurement process.
- **Rationale Documentation:**
 - **Clearly State Reasons:** It is imperative that the reasons for selecting a particular supplier within the context of the emergency are documented in a clear and unambiguous manner. This documentation is more than a mere formality; it should provide compelling and well-reasoned justifications for supplier selection. The documentation serves as a safeguard, ensuring that the decision-making process can withstand scrutiny and providing an essential record of why a specific supplier was chosen in the midst of the emergency.
- **Reporting:**
 - **Internal and External Reporting:** Caritas recognizes the importance of open and transparent reporting. Therefore, the organization is committed to reporting the emergency procurement activities to relevant authorities, both internal and external. This reporting aligns with internal policies and external regulations and serves several crucial purposes. It keeps internal stakeholders informed and engaged in the process, fostering trust and accountability. Externally, it ensures that regulatory compliance is upheld, and any necessary oversight is maintained. Transparency in reporting is a cornerstone of Caritas Jerusalem's commitment to ethical and accountable procurement practices.
- **Post-Emergency Audit:**
 - **Audit and Verification Procedures:** The commitment to accountability and transparency extends to the post-emergency phase. Caritas diligently complies with post-emergency audit and verification procedures. These procedures are far from a mere formality; they are critical for several reasons. They ensure that all actions taken during the emergency procurement align with organizational policies and external regulations. Post-emergency audits are essential for assessing the performance of the emergency procurement process, identifying areas for improvement, and capturing valuable lessons learned. These lessons are then applied to enhance future emergency responses. The audit process is a dynamic tool for continuous improvement and adaptation.

Chapter 7: Emergency Procurement

7.6 Transparency and Accountability

- **Transparency Emphasis:**
 - **Foundational Principle:** Caritas places transparency as a foundational principle in all facets of emergency procurement. Transparency is not just a desirable feature but an essential element in the organization's approach to responding to emergencies. By being transparent, Caritas ensures that its actions, decisions, and processes are open and understandable to all stakeholders. This emphasis on transparency is fundamental in building trust and confidence in the organization's response to emergencies.
- **Periodic Review:**
 - **Continuous Assessment:** Caritas understands that the effectiveness and appropriateness of its emergency procurement process need to be continuously assessed. Therefore, the organization conducts periodic reviews to evaluate how well the process is functioning. These reviews are essential to identify both the strengths and areas that require improvement. The periodic review process allows for a comprehensive examination of the emergency procurement practices.
- **Corrective Measures:**
 - **Continuous Improvement:** The commitment to transparency and accountability also extends to the proactive implementation of corrective measures. If the reviews identify areas where improvements are needed, Caritas Jerusalem takes immediate and thoughtful corrective actions. These measures are designed to enhance the emergency procurement process, making it more effective, efficient, and in line with best practices. The organization's unwavering dedication to continuous improvement is vital in ensuring that its response to emergencies is as robust and efficient as possible.

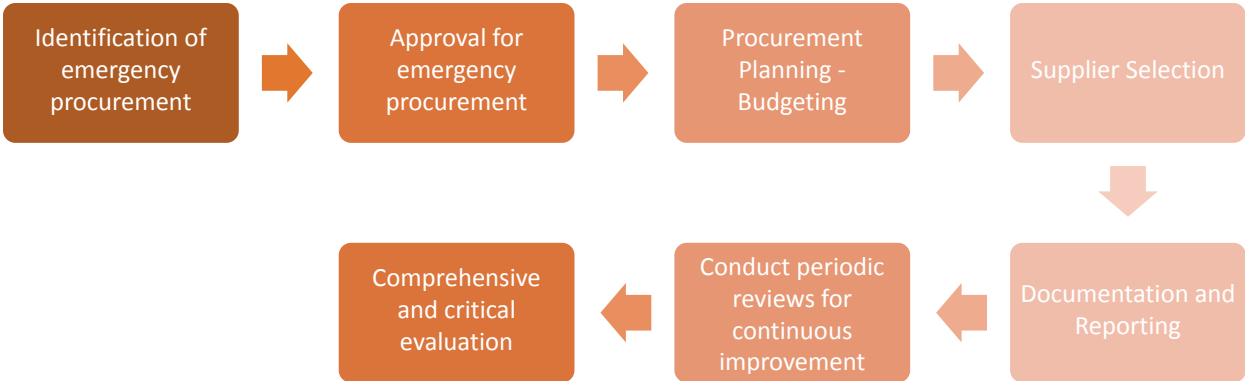
7.7 Post-Emergency Evaluation

- **Evaluation:** After the emergency has been addressed, conduct a thorough evaluation of the effectiveness of the emergency procurement actions taken during the crisis. This evaluation should be comprehensive and critical.
- **Outcome Assessment:** Review and assess the outcomes of the emergency response, considering whether immediate needs were met, and whether there were any unanticipated consequences.
- **Lessons Learned:** Use the evaluation to identify lessons learned and develop strategies for more effective handling of future emergencies. This proactive approach to improvement ensures a higher level of readiness and response effectiveness in the face of subsequent crises.

These detailed Emergency Procurement Procedures are vital in enabling Caritas Jerusalem to respond rapidly and effectively to unforeseen emergencies while upholding the organization's values of transparency, accountability, and ethical conduct. All staff members must be familiar with and prepared to act upon these procedures in the event of an emergency, ensuring the organization's mission of providing humanitarian assistance is upheld, even in the face of critical challenges.

Chapter 7: Emergency Procurement

The following diagram summarizes emergency procurement process.



Chapter 8: Blacklist

Caritas Jerusalem reserves the right to suspend or blacklist tenderers who commit any corrupt, fraudulent, collusive, coercive practices or unsatisfactory performance of any kind at any stage of the procurement process. For the purposes of this provision:

- Corrupt practice is defined as is the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the activities of Caritas;
- Fraudulent practice is any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, Caritas to obtain a financial or other benefit or to avoid an obligation;
- Collusive practice is an undisclosed arrangement between two or more tenderers or candidates designed to artificially alter the results of the tender procedure to obtain a financial or other benefit;
- Coercive practice is impairing or harming, or threatening to impair or harm, directly or indirectly, any participant in the tender process to influence improperly its activities; or
- Unsatisfactory performance happens when tenderer fail to perform in accordance with the terms and conditions of their contract(s) with Caritas to the extent that it would warrant suspension.

Upon approval by Caritas's secretary general and/or executive Committee Member, the Procurement Department may impose any of the following:

- Flagged: A warning in relation to a tenderer's conduct. Being flagged does not affect the tenderer's eligibility, but its existence will be an aggravating factor for imposing a suspension/blacklist in future proceedings.
- Suspension: A decision that a tenderer has become ineligible to be awarded any contracts, for a period determined by Caritas. At the conclusion of the set period, the tenderer's status will be reviewed and a recommendation that the tenderer either be reinstated (with or without conditions), the suspension period be extended, or put on the blacklist.
- Blacklist: A decision that a tenderer shall be removed from the register and rendered ineligible to participate in any aspect of Caritas procurement.

A tenderer that has been on the blacklist may apply for reinstatement if the conditions giving rise to the removal have materially changed. It is within Caritas's sole view to determine the validity of such a claim and determine the action to be taken.

Chapter 9: Supplier Evaluation

Chapter 9: Supplier Evaluation

1. Introduction:

1.1 Supplier evaluation is a fundamental component of Caritas' procurement strategy, strategically aligning our values with supplier contributions to the success of our initiatives. This section delineates a comprehensive guide, outlining detailed procedures for effective supplier evaluation.

2. Evaluation Criteria:

2.1 The Supplier Evaluation Committee (SEC) undertakes a thorough assessment of suppliers, focusing on three key dimensions: performance, reliability, and ethical considerations.

3. Performance Evaluation:

3.1 Data Collection: - Collect pertinent data on supplier performance metrics, encompassing on-time delivery, product or service quality, responsiveness, and contractual adherence.

3.2 Quantitative Assessment: - Assign numerical scores to performance criteria, utilizing predefined scales and metrics. - Employ Key Performance Indicators (KPIs) for an objective measurement of supplier performance.

4. Ethical Considerations:

4.1 Ethical Assessment: - Evaluate suppliers based on their commitment to social responsibility, environmental sustainability, and ethical business practices. - Criteria include environmental impact, labor practices, and ethical sourcing.

4.2 Scoring: - Assign scores to each ethical consideration, reflecting the degree of alignment with Caritas' ethical standards.

5. Combined Evaluation:

5.1 Total Score Calculation: - Sum the scores from both performance and ethical evaluations to derive the overall score for each supplier.

5.2 Ranking: - Rank suppliers based on their total scores, streamlining decision-making processes.

6. Evaluation Committees:

6.1 Committee Formation: - The Secretary General assembles the SEC with members possessing expertise in supplier management and ethical considerations. - Ensure committee members are impartial and free from conflicts of interest.

6.2 Independent Assessment: - Empower the SEC to work independently, fostering objectivity in the supplier evaluation process. A vendor's pool or accredited suppliers list is recommended by the SEC and approved by the Secretary General.

7. Re-evaluation and Clarifications:

7.1 Concern Identification: - Identify any concerns or discrepancies in supplier performance or ethical considerations.

Chapter 9: Supplier Evaluation

7.2 Clarification Process: - Seek clarifications or additional information from suppliers to address identified concerns. - Re-evaluate suppliers as necessary based on obtained clarifications, ensuring a fair and accurate assessment.

8. Elimination of Supplier:

8.1 Criteria-Based Decision: - If a supplier consistently fails to meet established criteria and improvement efforts prove unsuccessful, the SEC may consider the elimination of the supplier from the vendor pool or accredited suppliers list.

8.2 Communication and Documentation: - Communicate the decision to eliminate a supplier clearly and transparently, providing reasons for the decision. - Maintain detailed documentation of the decision-making process and communications related to the elimination.

9. Documentation:

9.1 Detailed Records: - Maintain comprehensive documentation of the supplier evaluation process, including scores, justifications, and any clarifications obtained. - Document all committee proceedings to ensure transparency in decision-making.

9.2 Audit Trail: - Establish an audit trail for internal and external audits, providing a thorough insight into the decision-making process.

10. Continuous Monitoring:

10.1 Monitoring System Implementation: - Implement a robust continuous monitoring system to track supplier performance over time. - Conduct periodic reviews to ensure suppliers consistently meet established criteria.

11. Supplier Improvement Plans:

11.1 Collaborative Planning: - Collaborate with suppliers falling below performance standards to develop improvement plans. - Reach mutual agreement on improvement strategies and timelines.

11.2 Implementation Oversight: - Monitor and assess the implementation of improvement plans to ensure effectiveness. - Provide ongoing support and guidance to suppliers in their improvement efforts.

Steps	Description
Evaluation Criteria	SEC assesses suppliers based on performance, reliability, and ethical considerations.
Performance Evaluation	- Data collection on performance metrics. - Quantitative assessment using predefined scales and Key Performance Indicators (KPIs).

Chapter 9: Supplier Evaluation

Ethical Considerations	<ul style="list-style-type: none">- Ethical assessment based on social responsibility, environmental sustainability, and ethical business practices.- Scoring for each ethical consideration.
Combined Evaluation	<ul style="list-style-type: none">- Total score calculation by summing performance and ethical scores.- Ranking suppliers based on total scores.
Evaluation Committees	<ul style="list-style-type: none">- Formation of SEC with expertise in supplier management and ethical considerations.- Empowerment of SEC for independent assessment.
Re-evaluation and Clarifications	<ul style="list-style-type: none">- Identification of concerns or discrepancies.- Clarification process involving feedback from suppliers.
Elimination of Supplier	<ul style="list-style-type: none">- Criteria-based decision for consistent underperformance.- Clear communication and documentation of the elimination decision.
Documentation	<ul style="list-style-type: none">- Detailed record-keeping of the evaluation process, including scores, justifications, and clarifications.- Establishment of an audit trail for transparency.
Continuous Monitoring	<ul style="list-style-type: none">- Implementation of a monitoring system to track supplier performance over time.- Periodic reviews to ensure suppliers consistently meet established criteria.
Supplier Improvement Plans	<ul style="list-style-type: none">- Collaborative planning with underperforming suppliers to develop improvement plans.- Ongoing oversight to monitor and assess the implementation of improvement plans.

Chapter 10: Procurement Log

Chapter 10: Procurement Log

The procurement log serves as a comprehensive record of the entire procurement process, aiding in audits, performance evaluations, and future decision-making. It also helps in identifying areas for improvement in the procurement process and ensuring that the organization adheres to its procurement policies and procedures.

These policies and procedures apply to all procurement activities conducted by Caritas Jerusalem, encompassing the acquisition of supplies, services, and works. All procurement activities must be recorded in the log promptly and within one week of process initiation.

Access to the procurement log is restricted to authorized personnel only, such as procurement officers and head of management team, have the responsibility to update and maintain the log.

The log shall contain the following details as a minimum:

- Procurement method used.
- Procurement reference number.
- Total estimated value.
- Selected supplier, service provider or contractor.
- Requesting department.
- Project name.
- Purchase order number.
- Status of the process.
- Authorization and approval of committees responsible for approving procurement requests.
- Process start date and end date.

Chapter 11: Anti-Money Laundering (AML) and Counter-Terrorism Financing (CTF)

Chapter 11: Anti-Money Laundering (AML) and Counter-Terrorism Financing (CTF)

1. Introduction:

1.1 Caritas is committed to upholding the highest standards of ethical conduct, including the prevention of money laundering and counter-terrorism financing. This section outlines the procedures and protocols to be followed to ensure compliance with Anti-Money Laundering (AML) and Counter-Terrorism Financing (CTF) regulations.

2. Risk Assessment:

2.1 Conduct a comprehensive risk assessment to identify and understand potential money laundering and terrorism financing risks associated with Caritas' procurement activities.

2.2 Regularly update the risk assessment to adapt to evolving threats and changes in the operating environment.

3. Due Diligence on Suppliers:

3.1 Prior to engaging with new suppliers, conduct thorough due diligence to assess their legitimacy and integrity.

3.2 Verify the identity of suppliers, scrutinizing business registrations, ownership structures, and other relevant documentation.

3.3 Perform ongoing due diligence on existing suppliers, especially when there are significant changes in business operations or ownership.

4. Transaction Monitoring:

4.1 Implement a robust system for monitoring financial transactions associated with procurement activities.

4.2 Utilize automated tools to flag and investigate any transactions that raise suspicions of money laundering or terrorism financing.

4.3 Conduct regular reviews of transaction monitoring processes to ensure effectiveness and responsiveness to emerging risks.

5. Reporting Suspicious Activities:

5.1 Establish clear reporting mechanisms for employees to report any suspicions of money laundering or terrorism financing.

5.2 Designate a compliance officer responsible for receiving and assessing reports of suspicious activities.

5.3 Ensure that employees are aware of their responsibility to report any concerns promptly and without fear of reprisal.

6. Training and Awareness:

Chapter 11: Anti-Money Laundering (AML) and Counter-Terrorism Financing (CTF)

6.1 Provide regular training sessions for employees involved in procurement activities on AML and CTF regulations, risks, and detection methods.

6.2 Foster a culture of awareness and vigilance, emphasizing the importance of reporting any suspicious activities.

7. Compliance Monitoring:

7.1 Establish a compliance monitoring program to regularly review and assess adherence to AML and CTF policies and procedures.

7.2 Conduct internal audits to ensure that the organization is compliant with relevant regulations and identify areas for improvement.

8. Cooperation with Authorities:

8.1 Collaborate with law enforcement agencies and relevant authorities to share information on potential money laundering or terrorism financing activities.

8.2 Respond promptly to requests for information and cooperate fully with investigations.

9. Record Keeping:

9.1 Maintain detailed records of all transactions, due diligence processes, and risk assessments.

9.2 Retain records for the prescribed period as per regulatory requirements and ensure they are readily accessible for audits or investigations.

10. Whistleblower Protection:

10.1 Implement measures to protect whistleblowers who report concerns related to money laundering or terrorism financing.

10.2 Ensure confidentiality and non-retaliation for individuals reporting suspicious activities.

11. Continuous Improvement:

11.1 Regularly review and update AML and CTF policies and procedures to align with evolving regulatory requirements.

11.2 Learn from any identified weaknesses or incidents to enhance the effectiveness of AML and CTF measures within Caritas' procurement activities.

Chapter 12: Green Procurement Policy

A Green Procurement Policy (GPP) is a fundamental instrument for CJ to make environmentally responsible and socially conscious purchasing decisions, aligning with the growing demand for sustainable practices.

CJ commits to adopting specific practices for procuring goods and services that minimize harm to the environment. In the procurement process and selection criteria, CJ will address the following key issues:

- I. **Transportation and Pollution Risks:** CJ will carefully assess the choice of transportation, considering associated pollution risks.
- II. **Environmentally Friendly Products and Efficient Resource Use:** CJ will prioritize the purchase of environmentally friendly products, materials, or recycled items whenever feasible. The efficient use of resources is a guiding principle.

Green Checklist

In adherence to the 4 Rs (Reduce, Reuse, Recover and Recycle), CJ commits to the following, when possible:

- **Direct Procurement:** CJ will source directly from primary producers or with a limited number of intermediaries.
- **Local Priority:** CJ will prioritize locally produced items. If the required quality is unavailable locally, exploration of regional and global options will be conducted.
- **Reusable and Repairable Products:** CJ will prioritize products that are reusable or contain reusable parts. Continuous maintenance and repair of assets and equipment will be ensured.
- **Waste Reduction:** CJ will strive to reduce the amount of waste generated. Proper maintenance not only results in cost efficiency but also contributes to environmentally friendly practices.
- **Recycled Materials:** Prioritization of products made from recycled materials is a key consideration.
- **Recyclability:** CJ will prioritize items that can be recycled at the end of their life cycle.
- **Renewable Resources:** A preference will be given to products derived from renewable resources and nature-based solutions.
- **Resource and Energy Efficiency:** CJ will prioritize products that make efficient use of resources and energy.
- **Minimal Packaging:** CJ will aim to use less packaging and evaluate the necessity of packaging for product protection.
- **Environmentally Conscious Design:** CJ will prioritize visibility designs that do not rely on color and consider the use of organic ink.
- **Transportation Preferences:** CJ will prioritize land and sea freight and minimize the use of airlines. In unavoidable situations, there will be a preference for direct flights with the lowest emissions.

Chapter 12: Green Procurement Policy

- Reduced Shipments: CJ will prioritize the reduction in the number of shipments, promoting efficiency and reducing environmental impact.

By adhering to this Green Procurement Policy, CJ aims not only to enhance cost efficiency but also to contribute significantly to environmental sustainability and the broader adoption of green practices in our procurement processes.

Chapter 13: Procurement Matrix

Chapter 13: Procurement Matrix

13.1 Procurement Authorization Matrix

Procurement activities will be conducted in accordance with this manual chapters and as approved by the following:

	Amount			
Document	ILS 501 – ILS 4,000	ILS 4,001 – ILS 10,000	ILS 10,001-200,000	ILS 201,000-400,000
Purchase request	Head of Requesting Department	Head of Requesting Department	Head of Requesting Department	Head of Requesting Department
RFQ/ RFP/Tender Drossier	N/A	Head of Requesting Department And Procurement Officer	Head of Requesting Department And procurement Officer	Head of Requesting Department And Procurement Officer and shared/Approved by Secretary General
Purchase Order	Head of Requesting Department and Head of Finance and Procurement Officer	Head of Requesting Department and Head of Finance and Procurement Officer	Secretary General And Head of Finance	Secretary General And Head of Finance

13.2 Authorization Matrix for Contract Signing at Caritas Jerusalem

This matrix outlines the levels of authority for contract signing within Caritas Jerusalem. It specifies the contract amount thresholds and corresponding authorization levels.

Contract Amount	Authorization Level	Approval Process
Less or equal to ILS 40,000	Secretary General	Single Signature
From ILS 40,001 to ILS 400,000	Secretary General Head of Finance	Dual Signature
Above NIS 400,000	Secretary General Treasurer	Dual Signature

Chapter 14: Procurement Process Forms

Chapter 14: Procurement Process Forms

Attached to this procurement manual, the following forms used in procurement process: -

- Purchase Request
- Committee Formation
- Request for Quotation
- Bids Evaluation Report
- Awarding Letter Form
- Agreement Form
- Purchase Order
- Goods/Service/Work Received Form