



CARE INTERNATIONAL PROCUREMENT POLICY

I. PURPOSE

The CARE International Procurement Policy establishes standards and procedures for procuring goods, services and consultancies.¹ The policy provides directives and protocols to ensure that CARE's and donors' needs are met in a cost-effective and efficient manner. This includes identifying what is needed, the best source to meet requirements, ensuring the right quality of goods, services and consultancies are delivered to the right place at the right time and that the overall best value is obtained in a fair and open competition.

CARE is committed to maintaining a good reputation with donors, partners, program participants and vendors/suppliers (used interchangeably from hereon). CARE employees are under the obligation to protect the integrity of the procurement process, should avoid circumstances that may compromise their decisions or actions, and ensure ethical business practices are observed. CARE has a zero tolerance of fraudulent procurement practices such as kickbacks, personal or organizational conflicts of interest, bribes, price collusion and other unethical behaviors.

II. SCOPE

This policy applies to all CARE International Members and Candidates², including all CARE International Implementing Presences and any offices under their management i.e., Regional Management Units (RMUs) and Country Offices. CARE Members and Candidates may add supplemental procedures and adopt modifications as appropriate for their own operations, however the procurement must be compliant with all donor regulations.

III. RESPONSIBILITIES

Procurement includes every activity involved in obtaining the goods, services and consultancies needed to support daily operations, including sourcing/solicitation (referred to as solicitation hereon in this document), negotiating terms, purchasing items, receiving, and inspecting goods as necessary and keeping records of all the steps in the process. The Procurement function at CARE works to obtain competitively priced supplies, services and consultancies that deliver the most value and ensure compliance with CARE policy and donor requirements.

All employees responsible for or involved with procuring goods, services and consultancies must do so according to this policy, CARE Member supplemental procedures, donor policies and applicable laws. Full and open competition must be practiced to the maximum extent practicable to obtain the overall best value. Employees authorized to approve procurement transactions must review the transactions carefully before approving. CARE employees must follow the principles of Segregation of Duties, as discussed in Section VII of this policy, and approval levels, as discussed in Section X, Signature Authorization.

¹ This policy supersedes the CARE International Procurement Policy dated 1 July 2017.

² This policy applies to Affiliates if it is part their individual Affiliation agreement.



IV. POLICY DETAILS

This policy and related procedures should be applied together with the appropriate donor policies and procedures. All resources, forms, charts, and other templates referenced throughout this policy and needed for implementing this policy and its procedures can be found in CARE’s Procurement Manual (see end of policy).

1) Donor Requirements

Employees must obtain and become familiar with the donor agreement and requirements set forth therein. If there is a conflict between CARE’s policy and donor regulations, document the conflict and seek guidance from the respective procurement policy officer at the respective CARE Member or Candidate. Instances of conflict could be between CARE policy and USAID or EU donor regulations, origin, and geographic location. When donor regulations are more restrictive than this policy, those regulations must be followed. *See donor specific requirements in the [Appendix Section](#) of the policy.*

For projects implemented by a CI Implementing Presence on behalf of a CARE Member Partner (CMP) that contain more restrictive requirements than set forth in this policy, those requirements must be incorporated in the Individual Project Implementation Agreements (IPIA). If no summary of donor regulations is included in the IPIA or CARE’s Procurement Manual, the CMP is required to provide such summary separately to the CI Implementing Presence. A procurement policy waiver should be obtained for any deviation or exception to this policy. *See section 4 Procurement Manual*

2) Ethical Standards

CARE staff strive to meet the highest ethical and professional standards and operates in compliance with all laws and regulations. Furthermore, CARE expects, and is legally obliged to ensure that suppliers adopt similar codes of conduct in their business dealings.

- Employees involved in procurement activities must re-affirm awareness of the following relevant CARE International policies:
<https://careinternational.sharepoint.com/sites/Global-CIConfederation/SitePages/Global%20Policies.aspx>
- Employees must avoid any real or perceived conflict between their own individual interest and the interest of CARE (a “conflict of interest”). Employees must disclose any actual or perceived conflicts of interest between CARE and their own personal or financial interest and recuse themselves from the selection or oversight process. Actual conflicts of interest or serious or repeated perceived conflicts of interests may result in disciplinary action up to and including termination.
- Employees must follow protocol on any gifts or offers of entertainment from current or prospective suppliers. Employees must also comply with laws and regulations and refer to the policies and protocols set forth by the applicable CI Implementing Presence.



3) Trade Compliance Requirements

Trade compliance is defined as ensuring that cross-border shipments comply with applicable export and import laws and regulations. Applicable export laws may include the laws of the country where the items are being exported, as well as the country where the items (or embedded software or technology) were developed. For example, US export laws apply to all US-origin items even after the item is outside the US and the item is being shipped between two non-US countries. Trade Compliance protects the organization from shipment disruptions, significant delays, additional customs fees, and costly violations. CARE’s contracts with companies and individuals that CARE procures from should clearly define which party is responsible for different pieces of the export and import obligations and require the other party to comply with applicable export and import laws to avoid the negative consequences of non-compliance. *See section 7.2 Procurement Manual*

4) Procurement Strategies and Requirements

The Procurement function can generate significant value and program impact through consolidated Procurement Plans and preparation of a solicitation strategy prior to engaging with suppliers. The proper planning of supply needs requires that timely and accurate information, including forecasts, volumes, service levels and specifications are provided. Procurement staff must be involved according to the solicitation thresholds defined in Section IV, sub-section 5 below) and prior to engagement with suppliers for new or extended business.

- Procurement plans should be co-created with Procurement to ensure that the supply of goods, services and consultancies can be planned appropriately and to ensure that the cost of goods, services and consultancies are aligned with current market conditions. Employees should support Procurement to develop and implement consolidated plans and solicitation strategies to enable supply objectives to be achieved. *See section 5.1 of the Procurement Manual*
- Split procurement is a single procurement, intentionally divided into two or more purchase orders or contracts to avoid competition, **which is not permitted**. This process circumvents requisition and buyer approver controls in place to prevent out-of-compliance purchases. If determined procurement is split for any reason, it will be considered fraudulent behavior.
- Efforts should be made to maximize support of gender equality and inclusion of marginalized groups by providing solicitation opportunities to small, local, minority, women, or veteran owned businesses and individuals who can provide the required expertise and quality of product and services offered.
- Efforts should also be made to improve the sustainability of CARE’s supply chain by ensuring that environmental, social and economic drivers are included in our procurement requirements with suppliers.
- Procurement will lead the solicitation process to select and contract with a supplier/vendor for goods, services or consultancies valued at \$3,500 and above (or local currency equivalent) through a competitive quotation process as noted in the solicitation



threshold chart. The solicitation and negotiation of supplier contracts are the responsibilities of Procurement and must be documented in writing.

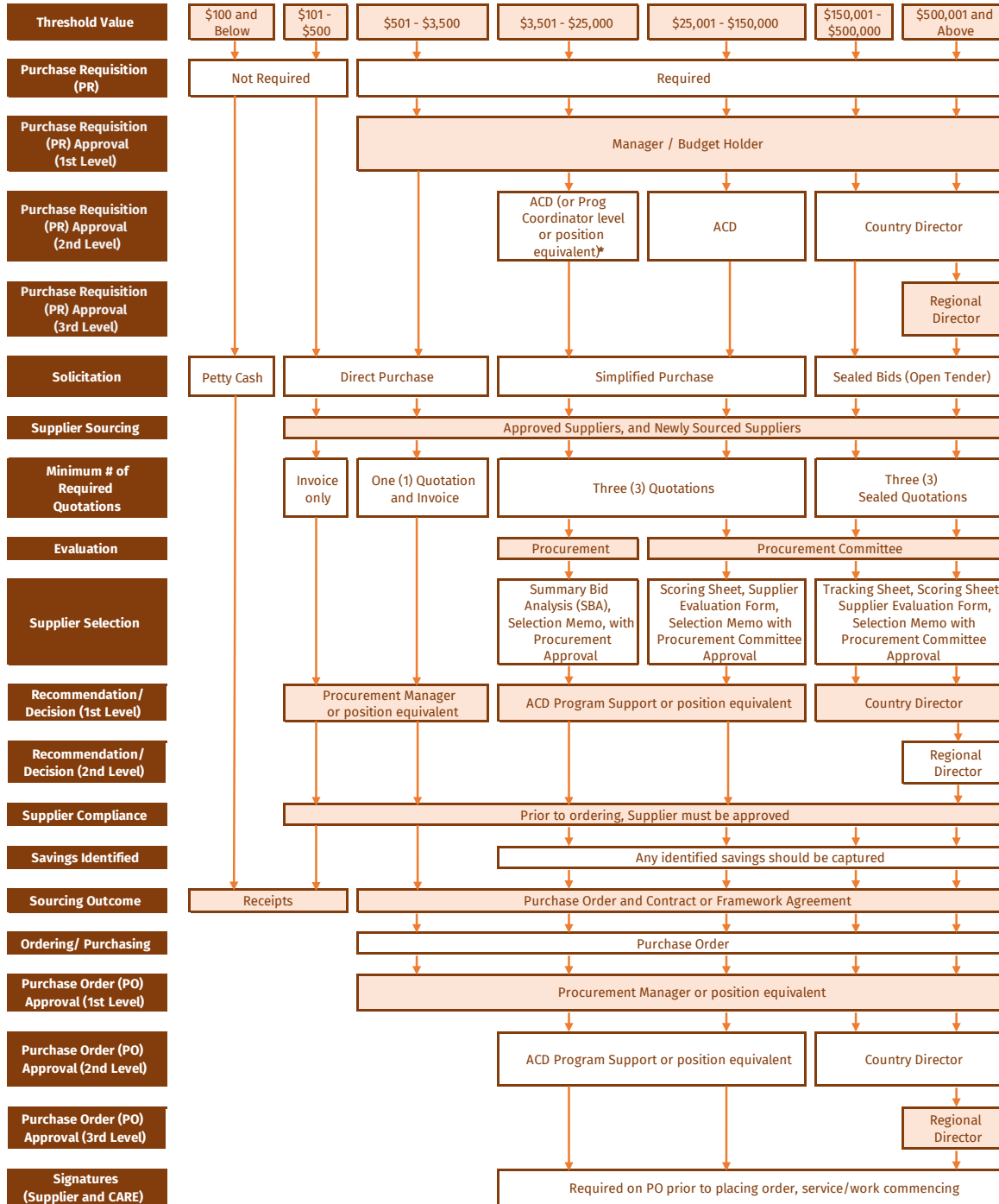
- Procurement will work with the established Procurement Committee to ensure consistent and correct application of procurement practices. *See section 9.3 Procurement Manual*

5) Solicitation Thresholds

The following charts set forth the thresholds and high-level procedures that must be followed for each solicitation threshold. All dollar amounts in this chart and throughout the policy are in US dollars and correspond to the local currency equivalent. *See section 8.2 Procurement Manual*



Applicable to all CARE International Country Offices and Regional Management Offices

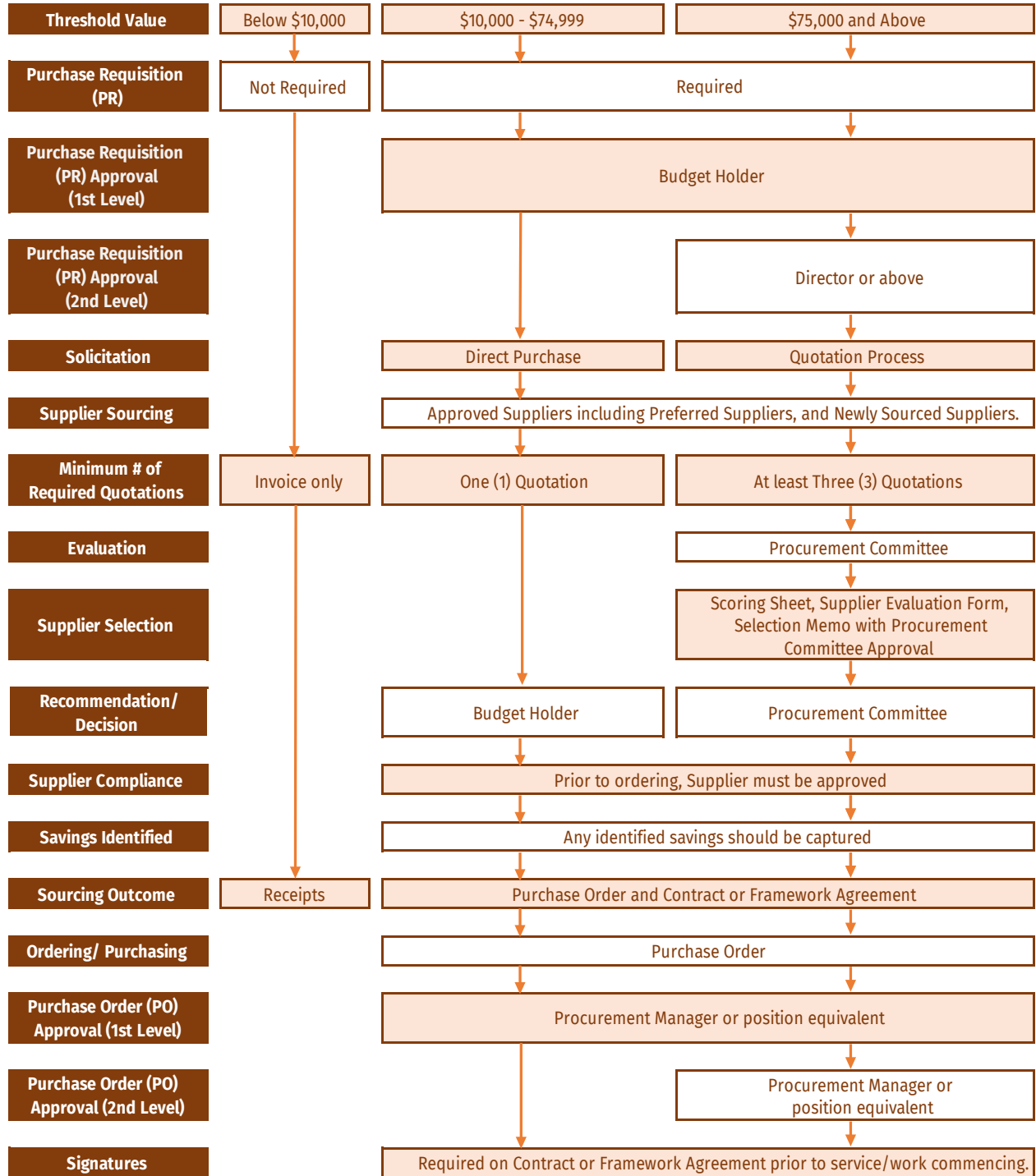


➡Note*: In an effort to streamline approvals, this has been implemented in Ethiopia, Afghanistan, Syria, Yemen, and Jordan. Other COs may adopt this method with CD's approval.



Version: 2
 Approved – August 2023
 Effective USA01 from: 1st November 2023
 Effective all other CARE International Members from: 1st July 2024
 Review date: 3 years from effective date
 Policy Owner: Finance Directors Working Group

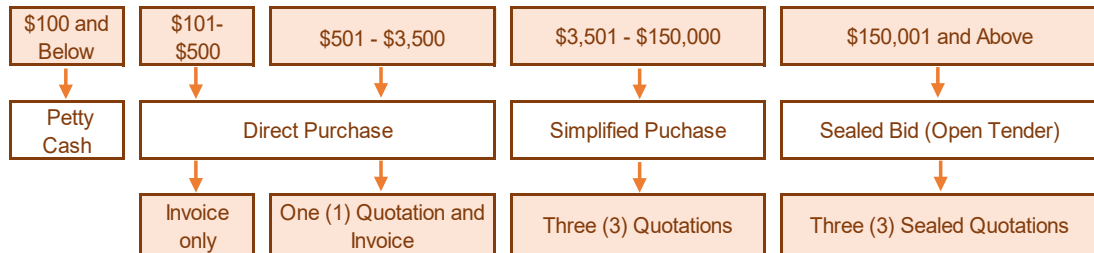
Applicable to CARE USA Headquarters – These thresholds should be followed unless any more stringent donor or CARE Implementing Partner rules take precedent and are agreed for that Member entity.





6. Solicitation Process

The relevant solicitation procedures must be followed based on the total cost of transaction, which includes total cost of ownership (TCO) for the length of the agreement.



- a. **Purchase Requisition (PR)** — Using the thresholds indicated in the chart above, procurement of goods, services or consultancies must be requested through an authorized Purchase Requisition (PR). Once approved, the PR provides Procurement the authorization to move forward with the procurement process. *See section 6 Procurement Manual*
- b. **Purchase Order (PO)** — This is required, as noted in the solicitation threshold chart, and it gives authorization to place the order or to provide services and consultancy support and becomes the commitment for the amount and value of those items/services/consultancies. *See section 12.1 Procurement Manual*
- c. **Procurement Committee** — The Procurement Committee evaluates, selects, adds, and changes information for and discontinues vendors. Prior to beginning a solicitation process, a Procurement Committee must be established according to the solicitation threshold levels to evaluate supplier responses for all formal quotations and open tenders/sealed bidding. Each committee member is required to sign the conflict-of-interest declaration form prior to each solicitation process or will not be permitted to be on committee. The number of committee members involved in the solicitation process must consist of at least three staff i.e., one procurement staff, one finance staff and one technical subject matter expert (SME) with expertise in the solicitation requirements. *See section 9.3 Procurement Manual*
 - i. All goods, services or consultancies over \$501 or local currency equivalent must have a contract with the appropriate terms and conditions. CARE’s standard template including approved terms and conditions must be used. If changes are needed, or there is a deviation from mandatory clauses in the template, prior approval should be obtained from the relevant CARE entity legal department or equivalent.



- ii. For CARE USA managed Implementing Presences, the PR and PO automated functionality of CARE USA’s Financial Management system must be used. For non-CARE USA, a manual form/process may be used for a CI Implementing Presences that do not have a Financial Management system.

- d. **Non-Competitive Procurement** — Non-competitive procurement, sometimes called “sole source” procurement, occurs when a buyer either selects the supplier or restricts the bidding process to certain suppliers. Non-competitive solicitation is highly discouraged and should be avoided, when possible, but may be allowed under specific circumstances once documented. The Non-competitive Procurement Justification Form must be completed and approved prior to transacting whenever there is an instance of a non-competitive process. The form must not be altered. *See procurement manual for standard templates and additional information. See section 8.6 Procurement Manual*

- e. **Framework Agreements / Required Vendors** — A framework agreement establishes the terms governing contracts to be awarded during a given period, regarding price and, where appropriate, quantity, and are dependent on negotiations with that specific vendor. Framework agreements can only be established through a formal solicitation process following the defined thresholds above. When a framework agreement has been established, or there is a required vendor, staff must use that vendor if the good, service or consultancy scope matches the requirements.

The vendor quote/proposal should set forth an expiration date, which will determine the timeframe for the framework agreement. For CARE USA, COs and RMUs, the timeframe may cover up to two years, with the ability to extend for one additional year. For headquarters, framework agreements can be set for a maximum period of five years with a one-time renewal. These decisions must be based on positive performance and that all other material terms remain unchanged. *See section 12.5 Procurement Manual*

- f. **General Receipt Note (GRN)** — To ensure segregation of duties, non-procurement personnel must be responsible for the receipt of goods, services or consultancy deliverables. *See section 15.4 Procurement Manual*
 - i. The GRN entry must be prepared and entered in the financial database/equivalent.
 - ii. The certification of completion section of the GRN must be completed for the receipt of services and consultant outputs.
 - iii. If a detailed packing list or invoice is provided for the receipt of goods, that information must be verified and attached to the GRN; it is not necessary to transcribe all details to the GRN.
 - iv. The recipient of the good/service should monitor delivery and service to ensure contractual terms are met, providing relevant performance feedback to Procurement in a timely manner.



- g. **Offline procurement is not permitted** unless a waiver has been prepared and approved beforehand. Offline payments are also not permitted without prior approval. If the vendor is on the Approved Vendor List (AVL), payment must only be made via the financial systems. A manual process may be used in the absence of a financial management system.
- h. **Advance Payments** are strongly discouraged. When determined to be necessary, good judgement must be used during negotiation and terms should be advantageous to CARE. The maximum amount of an advance should not exceed 40%. Further details can be found in the procurement manual. *See section 10.3 Procurement Manual*

7. Supplier Selection

Good procurement practices and adhering to policy will improve overall value, will include price as a consideration, manage risk, and improve response times. Requirements of supplier selection include:

- Employees must process a background check before engaging with the supplier and conferring an award.
- Employees must first review and use the Approved Vendor List (AVL) and existing framework agreements, contracts, and approved suppliers, where in place. The AVL is location specific.
- Employees must contact Procurement in accordance with the solicitation thresholds prior to any supplier engagement when no ordering procedures or supply agreements (Framework Agreements-FWA, contract, etc.) are in place.
- Employees must follow the guidance and procedures provided by Procurement.
- For services, employees must ensure a contract is used along with the Purchase Order (PO) and that it has been fully executed before work begins.
- Each supplier will be entered in the financial database approved vendor list (AVL) and the vendor status will reflect their use. *See section 11.1 Procurement Manual*

8. Supplier Onboarding/Management

Vendor or supplier onboarding is the process of collecting and reviewing supplier information to set it up in the financial database. The budget holder and Procurement team monitor supplier relationships and performance. *See section 11.1 Procurement Manual*

- Each supplier must submit the appropriate required documents, i.e., Vendor Questionnaire, W-8 (non-US) or W-9 (US) and required local business/tax documents. The supplier must also provide a supporting document from their bank to validate the account instructions to which payment will be made. For more on supplier bank instructions, please see Section 1 of [Supplier Bank Account Setup Instructions](#).
- Procurement must upload properly completed and vendor signed documents into the financial system. *See procurement manual for standard templates and additional information.*



- Each supplier must be screened, cleared, and approved for anti-terrorism prior to conducting any business or committing organizational resources, with results of the Bridger check documented in the vendor file.
- Procurement must proactively review and follow any donor requirements on supplier clearing.
- Procurement will track supplier performance and intervene where required. Procurement will evaluate historic performance to inform future supply decisions and recommendations.
- A review of each supplier of the AVL must be completed by the Procurement Committee by the end of each fiscal year.

V. PETTY CASH

Purchases of less than US \$100 (or local currency equivalent) may be made using the petty cash fund in accordance with established petty cash policy document. *See also section 16 Procurement Manual*

VI. PROCUREMENT FILE RETENTION

Reliable audit trails provide transaction history with evidence of approval and all documents that support the transaction and decisions made. A reliable audit trail is required to demonstrate compliance during internal/external audits and other third-party reviews.

The employee leading the procurement process will create a Procurement File for each solicitation which must include all supporting documents. Procurement will store, via SharePoint site or another similar electronic format, all relevant process documents, and where necessary, provide a copy to the Finance department. All documentation and records should be retained for a period of seven (7) years unless donor regulations, local laws or grant conditions require a longer period. *See section 15.2 Procurement Manual*

VII. SEGREGATION OF DUTIES

Segregation of duties reduces the risk of erroneous and fraudulent actions and is an important internal control. Segregation of duties means that tasks associated with procurement, approval, accounting, goods receipt, and the custody of assets should be performed by different individuals. *See section 3 Procurement Manual*

Specific examples of segregation of duties applicable to procurement include:

- The person or unit who requisitions the purchase of goods or services should not be the person who approves the purchase.
- The person or unit who approves the purchase of goods or services should not be the person who authorizes payment.
- The person or unit that requisitions and approves the purchase of goods or services cannot be the same person or unit responsible for managing the procurement transaction in the accounting system.



- The person who specifies the goods or services should not be the (only) person who selects the bidders.
- The person who opens the bids should not be the (only) person who awards the winning bid (or tender).

VIII. NON-COMPLIANCE

Non-compliance with this policy will be documented, reported, and may lead to disciplinary action.

Concern may be reported via <https://secure.ethicspoint.eu/domain/media/en/gui/100612/index.html>

IX. CHANGES IN POLICY EXCEPTIONS and WAIVERS

Exceptions to any requirements in this policy, procedures, threshold levels and/or processes require the completion and approval of a Waiver Request Form submitted to the designated lead procurement policy officer at the respective CARE Member or Candidate. The Country Office or location maintains all waiver approvals on file. Waivers may not be granted for donor requirements without approval from the donor. *See procurement manual for standard templates and additional information.*

Actions Not Covered in Policy Scope - the following expenditures are covered by other policies and procedures outside of this policy:

- Payroll, health insurance and related expenditures
- Reoccurring rent and utilities, utilities, legal services, tax advisors, periodicals, and subscriptions
- Partner funding agreements
- Individual travel arrangement including hotel accommodation and flights.
- Items controlled by government pricing.
- Financial institutions (i.e., prospective banking partners); please see Section III of New Bank Account and Default Funding Accounts Policy, Version 2 under CARE USA's policy library located [here](#).

X. SIGNATURE AUTHORIZATION

Signature authorizations establish which staff may execute and approve framework agreements, contracts, and purchase orders on behalf of CARE for a specific procurement, period, and amount. The solicitation threshold chart establishes signature delegation and approval authority.

CARE USA staff may temporarily delegate approval in case of vacation, medical or other leave. This change is performed in the system profile "alternate user field" in the financial system.

CARE USA financial transactions approval authority shall be maintained by the financial system documented on an Authorization Signature Form (ASF), maintained by Finance and/or HR. The form must be revised whenever changes in personnel or responsibilities occur. If a revision is necessary, a new ASF must be completed, signed, and approved by the CD or their written authorized delegate. Finance or HR may periodically perform audits comparing a listing of separated employees to the ASF and initiate corrections as necessary. *See standard templates for additional information.*



The signature on the contract should be consistent with the “Signature authorization” maintained in the financial database.

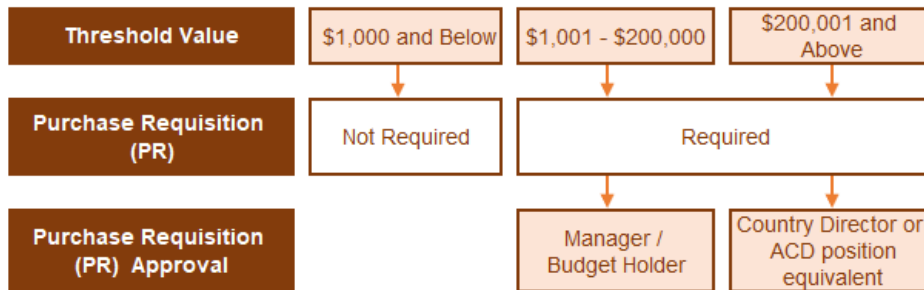
XI. EMERGENCY PROCUREMENT

Once an emergency has been declared the affected Country Office can immediately activate the emergency procurement procedures below for a period not to exceed 90 days. If an extension of an additional 90 days is required, a Waiver Request form is required to be submitted directly to the designated lead policy officer at the respective CARE Member or Candidate prior to the expiry of the initial period.

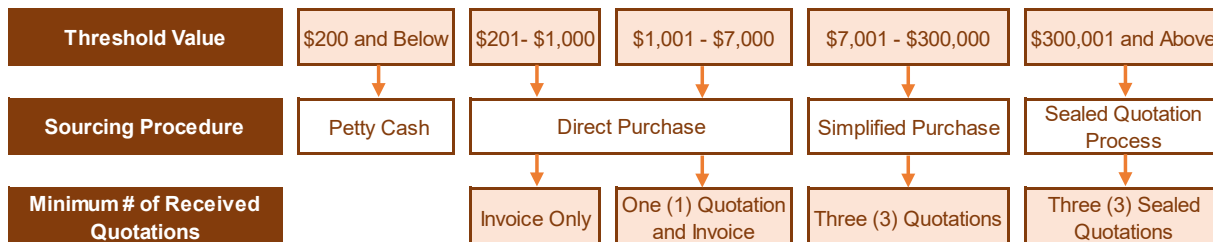
During an emergency response, it is important to provide some flexibility for procurement activity but also essential this speed is balanced with cost efficiency, quality of product, sustainability, risk, and compliance. Therefore, for the first 90 days and if the donor requirements allow, the procurement thresholds have been doubled to provide increased flexibility. In addition, inclusion of alternative personnel to approve Purchase Requisitions or Purchase Orders is permitted. The best effort should be made regarding quotation and solicitation procedures that support the emergency requirement(s). Increases in Purchase Requisition and Purchase Order thresholds are as follows:

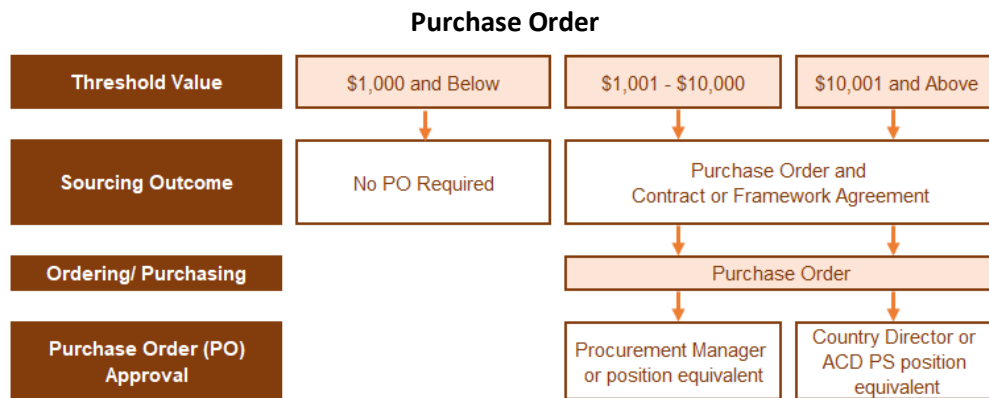
See section 14 Procurement Manual

Purchase Requisition



Solicitation Method





XII. DEFINITIONS

All definitions related to this policy can be found in CARE’s Procurement Manual. See *section 18 Procurement Manual*

XIII. CARE’S PROCUREMENT MANUAL

CARE’s Procurement Manual includes thresholds, donor regulations, templates and charts., [here](#).

All CARE USA staff must use this manual. The manual and associated training is also available to other CARE International Members and Candidates.

All documents can be found on our Global SharePoint [site](#).