



## KOSOVO CREDIT GUARANTEE FUND

### PROCUREMENT POLICY

#### 1. Introduction

The Kosovo Credit Guarantee Fund (KCGF) shall conduct its activities in a manner that is consistent with the policies of its supporting agencies and, in the case of procurement, will be guided by relevant Kosovo rules and “best practice” as described in this Policy.

The Managing Director and the Board of Directors are ultimately responsible for managing all procurement procedures: solicitations, competition, review of proposals (with the participation of technical staff), analysis of cost proposals, negotiation with vendors and subcontractors, contracts administration, and VAT exemption. The KCGF governance bodies may delegate the actual implementation to other staff members as appropriate, but shall remain accountable to the Board of Directors.

#### 2. Policies and Procedures for KCGF Solicitations

All KCGF procurements will be:

- Open and transparent;
- Fully documented;
- Meet all regulations and requirements;
- Provide maximum value and cost-effectiveness.

In order to achieve these objectives, the following policies and procedures will be followed in all procurements:

- Solicitations will be publicly announced using a template to be reviewed and approved by KCGF’s Board of Directors;
- Detailed solicitation documents must be prepared by the appropriate staff member and approved by the Managing Director. An estimated budget for the service or product to be procured must accompany the request for approval;
- All solicitation announcements must be submitted to the Managing Director. Announcements must be approved by the Managing Director prior to publication;
- After the Managing Director approves the solicitation, it is also his/her responsibility to ensure that it is announced properly (i.e., website, press, e-mail, fax, etc.);
- Technical evaluation will be conducted by a panel of no less than 3 individuals. The Managing Director or his/her designee will Chair all selection panels, except the panel for External auditor.

- Cost evaluations will be conducted by a panel of no less than 3 individuals. The Managing Director or his/her designee will Chair all selection panels, except the panel for External auditor.
- Final selection of the winning proposal will be based on the best combination of technical merit and/or cost as established in the original solicitation;
- The evaluation process will be fully documented in the solicitation's contract file;
- All Purchase Orders (Work Orders) will be executed using KCGF's approved forms and only after completing the appropriate KCGF review and approval process described above.

Formal solicitations and tenders (i.e., RFPs) are not required unless KCGF is procuring services or goods on a competitive basis (as detailed below in the "Simplified Acquisition Procedures" section. Procurements of less than EUR 10,000 do not require RFPs, but may require other procedures to ensure that KCGF receives the best possible value). All other products, services, activities and events should be advertised or announced to a level sufficient to insure that all potential interested parties have been notified. Any criteria for participation should be clearly stated in the advertisement or announcement or made available upon request.

### 3. Sole-Source Procurement Procedures

Sometimes there are compelling reasons not to follow open and competitive procurement procedures. Such instances must be determined by the Managing Director on a case-by-case basis. The Managing Director will manage the sole-source procurement process. Before such procurement can be made, the Managing Director should document the reason(s) to justify the sole-source procurement in a Memorandum, including a procurement budget or cost breakdown with sufficient detail. The memorandum prepared by the Managing Director should be send at least 3 working days in advance to the Board of Directors before any email or phone call is made by the MD requesting their vote on the matter. The memorandum can then be ratified finally at the next meeting of the Board of Directors.

Possible justifications to waive full and open competition can be summarized as below:

- There is only one responsible source and no other supplies or services will satisfy KCGF's requirements;
- When full and open competition is precluded by international agreement;
- A statute expressly authorizes or requires that the acquisition be made through another agency or from a specified source;
- When the Managing Director determines that it is not in the public interest for the particular acquisition concerned.

Failure to plan and allow the necessary time to follow proper procurement procedures is not sufficient reason for KCGF to claim the "compelling urgency" justification for sole-source procurement. The process could take 2-8 weeks from the moment of identifying a procurement need. Time is required to research the market of available suppliers, write a compelling justification for sole-source procurement, and discuss any questions with the Board of Directors, if necessary.

In all cases, the prior approval of the Board of Directors is required for sole-source procurements. If there is “compelling urgency” the Board of Directors Members should be polled by email or telephone and their votes recorded by the Managing Director. The decision, in such cases, should then be ratified by the Board of Directors at their next meeting.

The sole-source justification Memorandum should be kept on file in case of audit or subsequent inquiries.

#### 4. Simplified Acquisition Procedures

Simplified Acquisition Procedures are defined as acquisition or procurement under EUR 10,000.

KCGF cannot solicit quotations based on personal preference or restrict solicitation to suppliers of well-known and widely distributed makes or brands.

KCGF’s simplified acquisition policies are:

- Small purchases for disposable office supplies and equipment that do not exceed EUR 500 may be approved by the Managing Director, or his/her designee;
- All procurement requests must be approved by the Managing Director;
- For all procurements between EUR 500 and EUR 999, a price survey is needed to establish the best offer;
- For procurement between EUR 1,000 and EUR 2,500, obtaining 3 quotes is required, if possible;
- For procurements between EUR 2,500 and EUR 9,999 – selection criteria should be established, obtaining 3 written price quotes is required (if possible), a bid comparison matrix should be created, detailing the reasons for the selection;

#### Other Procurements

For procurements between EUR 10,000 and EUR 24,999 – competitive selection criteria should be established, issuing of a formal request for proposal (RFP) is necessary, a bid matrix should be created, and the proposals should be reviewed by the Board of Directors;

Procurements of EUR 25,000 and above must be managed by KCGF’s Board of Directors, in terms of establishing criteria, advertising, and deciding the winning bid.

#### 5. Documentation Requirements

Extensive paperwork associated with procurement must be kept and properly filed so that it can be easily retrieved for audit purposes.

Standard Documents (internally generated)

- Purchase Requisition (see appendix);
- Local Purchase Order (see appendix);
- Goods Received Notes (see appendix);
- Payment Requisition;

- Payment Voucher, if applicable;
- Purchase Decision Record (or equivalent).

#### Source Documents (from suppliers)

- Quotations and/or pro-forma invoices or records of telephone quotes obtained;
- Proposals (e.g., for consulting services);
- Contracts (e.g., for services);
- Invoices;
- Goods Delivery Notes;
- Receipts.

#### Other Documents Need for Reference

- Budgets;
- Grant Agreements;
- List of Authorized Suppliers;
- Ethical Procurement Policy;
- Minutes of Board of Directors and Tender Committee meetings, if applicable.

## 6. Implementation of this Policy

This Policy is in place to ensure the orderly running of KCGF procurement activities and to set the internal rules of conduct and the professional standards required of KCGF employees and management. In any situation where there is a conflict between the Policy and the applicable law, the applicable law shall prevail.

## 7. Amendments

This Policy shall be reviewed and amended from time to time, and KCGF reserves the right to vary and amend the conditions to meet changing circumstances or remain in accordance with the applicable laws.

## 8. Compliance and Sanctions

Every KCGF employee is individually responsible for understanding and complying with this Policy. Violations of this Policy and the above mentioned rules and prohibitions could subject employees to disciplinary actions.

## 10. Attachments

Attached to this policy are the following Appendixes

- Purchase Requisition
- Purchase Order
- Goods Received Notes
- Comparative Bids Analysis
- Request for Quotations