



PROCUREMENT POLICIES AND PROCEDURES

The processes in this document were taken by the Board of Directors of the Sınırlı Sorumlu İnogar Sosyal Kalkınma Yardımlaşma İnovasyon ve Proje Danışmanlığı İşletme Kooperatifi on 01.03.2021. Unless a different decision is taken by the Board of Directors, the processes in the document are valid.

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1. DEFINITIONS

- a. **Accounting Specialist:** Responsible for monitoring and archiving the invoices and receipts of the procurements approved and paid by the finance director.
- b. **Bidding Commission:** Responsible for the purpose of opening, examination, evaluation, comparison of and giving recommendations with respect to the Tender
- c. **Finance Director:** Responsible for approval and carrying out the financial operations regarding purchase requests approved by the project coordinator.
- d. **Procurement Specialist:** Responsible for carrying out the procedures related to the purchase requests approved by the project coordinator and finance director.
- e. **Project Coordinator - Budget Holder:** is the person or persons in charge of execution of projects and budget tracking.
- f. **Request for Proposal:** These are the official documents specifying the technical characteristics of the goods and services to be procured and showing their legal, commercial, financial principles and procedures during the procurement process.

2. INTRODUCTION

a. Objective

The general purpose of the procurement arrangements of INOGAR, is to ensure that the highest quality of the goods and services to be purchased at the best possible prices. In addition, INOGAR's procurement arrangements aim to facilitate the procurement process while maintaining adequate controls. These procurement processes and procedures hereby shall apply for all INOGAR staff and for all types of procurement.

b. Scope

The basis of implementation of procurement principles and ethical rules is essential in all procurement operations required by INOGAR within the scope of all business, projects and activities. The procurement principles of INOGAR are based on the efficient use, reporting and following the money. Fair competition, transparency, non-discrimination and prevention of conflict of interest are our primary goals in this process.

3. ROLES AND RESPONSIBILITIES

The roles and responsibilities of each function involved in the procurement process are detailed below. The personnel assigned to certain functions are expected to perform their duties in coordination and cooperation with other functions.

Segregation of tasks in the purchasing process is implemented as an internal control function to reduce the risk of fraud and error. During the procurement process, INOGAR staff shall only be authorized to carry out one of the following functions in order to segregate tasks and create appropriate internal controls:

a. Requesting Unit: INOGAR Program Staff

Each insured staff of INOGAR is obliged to inform the procurement team based on the procurement requirements of their related projects. Accordingly, each unit creates a **purchase request** for their demands within the scope of the project/program and submits it to the procurement specialist for starting the procurement procedure.

The personnel who prepare the purchase request form can support the procurement team during market researching and agreement procedures of contracts, if deemed necessary.

b. Project Coordinator - Budget Holder

It is the person or persons responsible for the implementation of the projects and budget tracking. The duties of the project coordinator - budget holder are as follows:

- Evaluation of the *purchase request forms* provided by the relevant unit, project or program staff, approval of the list and management of the project budgets to carry out the procurement process,
- Selection and evaluation of suppliers for the procurement operations,
- Determination of the needs related to the products or services to be procured.

In the absence of a project coordinator, the project director can evaluate and approve purchase request forms on behalf of the project coordinator. The project director is also responsible for the coordination and supervision of the procurement team, budget holders and others. He/she can also sing in place of the project coordinator - budget holder in case of emergency situations.

c. Procurement Specialist

The person who is responsible for carrying out the procedures related to the purchase requests approved by the project coordinator and finance director. The duties of the procurement specialist are as follows:

- Adding the purchase request to the procurement plan,
- Conducting market research for the products/services to be procured,
- Determining potential tenderers and exchanging correspondence with potential tenderers/suppliers,
 - Preparing the Request for Proposal with the requiring unit and relevant project coordinator to be shared with the potential tenderers/suppliers,
- Receiving proposals from at least three different suppliers for each product/services to be procured, if it is deemed necessary.
- After the proposals are received, they are submitted to the budget holder to select the supplier in order to supply the goods/services,
- Notification of the result to all tenderers/suppliers regardless of they are selected or not selected,
- Conducting pre-contract processes for long-term service procurements or service procurements of 15.000 Turkish Liras and above,
- Conducting security checks of supplier/tenderers and their companies where the products/services shall be procured,
 - The name of the company and all company partners shall be screened.
- Preparing the supplier list and updating it regularly.

d. Finance Director

The person who is in charge of approval and carrying out the financial operations regarding purchase requests approved by the project coordinator. The duties of the finance director are as follows:

- Evaluation of purchase requests approved by the project coordinator-budget holder in terms of financial compliance,
- Approval and implementation of the financial activities of purchase requests up to 30.000 Turkish Liras,

- All purchase requests of 30.000 Turkish Liras and above must be approved by designated Executive Board Members.

Approval processes are carried out through the online banking system. Finance Director has been appointed as the approver for the payments up to 30.000 Turkish Liras. Executive Board Members have been appointed as the approver for the payments of 30.000 Turkish Liras and above.

e. Accounting Specialist

The person who monitors and archives the invoices and receipts of the procurements approved and paid by the finance director.

4. PROCUREMENT PRINCIPLES

INOGAR procures appropriate and necessary products/services under the terms and conditions that protect the interests of beneficiaries, stakeholders and INOGAR.

Procurements are carried out in accordance with the principle of full impartiality based on the tender's bidding principles and process planning.

The mandatory principles of any INOGAR procurement process are as follows:

a. Code of Conduct (Ethical Rules):

- i. **Principle of Equality:** Any kind of discrimination during the tender or procurement process shall harm INOGAR's competitive tendering principles. Therefore, neither discrimination regarding religion, language or race can be allowed among potential tenderers, suppliers or contractors from the beginning to the end of the tender or procurement processes and nor favoritism can be made. In all purchasing processes, suppliers/contractors are determined according to the job description, request for proposal, competence and cost of the given offer.
- ii. **Principle of Fair Competition:** No distinction is made on any basis except for the cost effectiveness of the proposal and the quality they suggest against the suppliers, services, products, service providers. In cases where fair competition environment cannot be provided or in case of due diligence, the procurement process is canceled or repeated at any stage.

Officers who act in a way that violates the fair competition environment in procurement processes are restricted from procurement operations then by.

In order to create a fair competitive environment below steps should be followed:

- **Preparation of Requests for Proposal (RFP)**

If the bidding companies do not know their customers' needs clearly, they cannot compete with each other. Requests for proposals should secure legal assurances accepted by everyone, and be prepared in accordance with the quality assurance standards and certification requirements.

- **Effective Announcement**

Tender notices should be announced through appropriate media channels. It should be ensured that tender announcements are published in national, local media organs and on the internet. The entity should place the tender advertisements on the website where the visitors can easily see them.

- **Giving Sufficient Time**

While the procurement works are being carried out; there should be sufficient time (at least 10 working days) between the procurement announcement and the deadline for submitting proposals in order to give equal opportunity to suppliers to prepare the tender.

- **Keeping Appropriate Objective Criteria**

INOGAR's evaluation criteria do not include any discrimination in favor of any person, company, institution/organization or brand that may create a conflict of interest. Criteria to be used in the evaluation process should be objective for suppliers to compete in a neutral environment, under equal and competitive conditions. The criterias should be developed clearly in RFPs.

- **Keeping Records**

Procurement activities should be recorded in tender processes and kept open to review for authorized persons during audits to be carried out by the enterprise and other relevant institutions. All correspondence, invoices and reports related to the purchasing activities as well as all financial documents should be recorded in full and the records should be kept for at least 5 years from the beginning of the due date.

- **Using Standard Documents**

INOGAR uses standard documents and forms for product specific procurements in tenders and contracts to be signed.

- **Principle of Transparency**

All stages of the procurement process must be documented rightfully and accurately. Supply transparency means good management and improves internal controls. The procurement supervisor and accounting supervisor are obliged to keep records of all reference transactions in the files accordingly. It is important that the relevant documents are clear and accountable with regard to the transactions carried out throughout the procurement processes.

5. PROCUREMENT METHODS

a. Direct Supply

Direct supply is the procedure that is performed in exchange for a receipt or invoice with the eligible tenderers who will perform the work during the procurement process for a business, project or program up to 30.000 Turkish Lira, by negotiating in line with the needs and agreeing on the technical terms and price.

In direct supply method:

1. INOGAR staff fill in the Purchase Request Form within the scope of purchasing needs of the relevant projects and submit them to the approval of the project coordinator - budget holder.
 - a. Written approval of the delegated authority will be obtained for the procurements which are above project coordinators approval limits.
2. The Purchase Request Form with the approval of the project coordinator or delegated authority will be sent to the procurement specialist for market research,
3. The procurement specialist conducts market research for each item to be procured in order to carry out transactions in accordance with the purchasing principles,
4. Potential suppliers are determined after the market research conducted,
5. The procurement specialist and the project coordinator prepare detailed and sufficient report of market research and make recommendation for supplier (Request for Proposal)
6. The relevant project coordinator or delegated authority approves the supplier and the work/products/services are procured,
7. After the related procurement process is completed, a **Work Delivery Report** is prepared and signed by the project coordinator which shall be then approved by the project director.
8. Evaluation of purchasing requests approved by the project coordinator in terms of eligibility and related payments are carried out by the Finance Director.
9. Accounting Specialist monitors and archives invoices and receipts related to purchases that have been approved and paid by the finance director.

b. Procurement through Proposal

It is the process of obtaining a written proposal from **at least three suppliers** selected among the potential providers to fulfill the work in the procurement process for a work, project or program and selecting the supplier who submitted the most economic proposal in terms of price, quality and performance. This process applies for the purchases above 30.000 Turkish Liras.

The procurement specialist primarily conducts the market research and negotiates with the requesting unit and/or project coordinator, and prepares the technical request for proposal for the work/product/service to be procured. According to the relevant request of proposal and market research, the **technical request of proposal** is sent to the tenderers whose eligibility has been determined by the procurement specialist and they are asked to submit a written offer based on the requested requirements.

1. In the procurement through the proposal method, the potential tenderers are given at least three (3) working days to submit an offer/quote,

2. After the offers are received, the procurement specialist checks whether the offers are in accordance with the request for proposal requirements and eliminates the ones that are not eligible,
3. The procurement specialist submits the suitable offers with a comparison report for approval of delegated authority,
4. The bidder who provides the most appropriate work quality and price balance for the procurement and supply of services is selected among the suitable offers,
 - a. The criteria to consider when choosing the most suitable tenderer;
 - i. Price range,
 - ii. Payment term,
 - iii. Supplier's accessibility,
 - iv. Delivery time,
 - v. After-sales services.
5. The contract process with the eligible supplier is carried out by the procurement specialist with the help of the relevant project coordinator,
6. After signing the contract with the supplier, the other suppliers who submitted offer are kindly informed in writing that the process is finalized and they are not selected,
7. Contract is prepared and signed by selected supplier,
8. Payment terms are specified within contract,
9. Final payment of the service fee is carried out after the work is completed and the *work delivery report* is signed by the project coordinator.

In the procurement through the proposal procedure, the procurement specialist files technical specifications, market research, bids received; proforma invoices and all documents related to the contract and s/he delivers them to the finance specialist and accounting specialist. Finally, the accounting specialist files the payment documents along with the invoices and payment receipts, and keeps them for archiving.

c. Procurement through Tendering

Procurement through Tendering is the process of announcement of the procurement process to be made for a work, project or program, the collection of bids within the period specified in the announcement and the determination of the bidders/suppliers in the open session. The announcement can be made via the newspaper or the internet, or a written call for proposals can be made to potential bidders identified during the market research.

In processes that require **300,000 Turkish Liras** and above, the tender procedure is followed. In the procurement processes to be made between **30.000 Turkish Liras and 300.000 Turkish Liras**, Procurement through Proposal may be preferred instead of the open bidding method.

It is required to make the tender announcement in writing to the people/institutions identified as potential tenderers. During the tender announcement, a fair competition environment should be ensured by increasing the participation in the tender and the principle of transparency should be taken as a basis. For this reason, attention should be paid not to provide information to potential bidders other than the information in the announcement.

It is also required to give clear, transparent and accurate information in the tender announcement. In addition to the tender announcement, calls for tender must be submitted to at least 4 potential tenderers. As in other procurement procedures, it is essential to get at least three offers in the tender procedure. In the event that the number of tenderers is fewer than three, the tender period is extended or a record is kept to justify this exceptional situation.

Implementation of Procurement through Tendering:

1. Market research is carried out by the procurement specialist,
 - a. Potential bidders identified to be invited for the tender after market research must prove their competencies in their field.
 - b. Information and documents that provide evidence of the qualifications of potential tenderers invited to the tender should be recorded in the tender dossier, together with the minutes.
2. Procurement specialist prepares technical request for proposal for the work/product/service to be procured by negotiating with the requesting unit/project coordinator,
3. Then, following the technical request for proposal, who prepares the tender file and the tender announcement,
4. An invitation letter, if any, will be shared with the potential tenderers who shall be sent the request for proposal in writing,
5. Any local, national or international individuals or institutions that can meet the requirements in the technical request for proposal can bid on the tender,
6. In the procurement through tendering, the potential tenderers are given ten (10) working days to submit their offers,
7. Among the eligible bids received, the tenderer who ensures the optimum work quality and price balance for the procurement and supply of services is selected by the Tender Committee,
8. All tenderers are given positive or negative feedback in writing by the procurement specialist.

In the procurement processes realized through the tendering, the procurement specialist files technical requests of proposal, market research, bids received; proforma invoices and all documents related to the contract and who delivers them to the finance director and accounting specialist. Finally, the accounting specialist files the payment documents along with the invoices and payment receipts, and keeps them for archiving.

d. Procurement through Tendering

In the following emergency and/or exceptional cases specified below, procurement can be made without the tendering procedure. A record is prepared in order to justify the emergency or exceptional situation for the implementation of the process and the request shall be sent to the **Executive Board Members** for approval.

1. It is the case of having an emergency situation that will require the purchasing process to be carried out for a work, project or program as soon as possible,
2. Having only one person or institution capable of performing the relevant work,
3. The requirement to give the job to a specific person or institution by stating the reason,
4. Proving the related goods only by one person or institution,

5. When the relevant work is protected by copyright and/or patent rights of a person or institution,
6. Only certain individuals or institutions are authorized by public institutions to carry out the related work.

Time constraint is the case of re-procurement from the suppliers based on previous purchases due to force majeure.

For procurements in case of emergency or exceptional situations, related “**Note to File**” should be prepared by delegated authority and filed in archive explaining the reason behind the procurement decisions.

e. Contracting of Eligible Suppliers

Pre-contract processes in long-term service procurements are carried out by the Procurement Specialist and the project coordinator,

Security checks of the supplier and its company information from which the product/service will be purchased are carried out before the contract and procurement of the service,

1. Company name and all company partners will be screened.

Evaluation of purchasing requests approved by the project coordinator in terms of eligibility and making payments are carried out by the Finance Director.

1. Payments can be made as advance payments. In such cases, records related to payments are kept by the Accounting Specialist as a list with their statement of accounts,
2. No payment can be made for the purchase of any service/goods if the Work/Product/Service Delivery report has not been signed by the delegated authority

Accounting Specialist monitors and archives invoices and receipts related to purchases that have been approved and paid by the finance director.

7. Delegated Authorities of Procurement and Supply Chain Management

Procurement Item / Expense Item (TBD)	Limits	Purchase Requester	Purchase Request Approval	Purchase Order Approval
Office General Supplies	0 - 30.000 TL	INO GAR Staff and Procurement Specialist	Project Coordinator - Budget Holder	Finance Director
	30.000 TL -	INO GAR Staff and Procurement Specialist	Project Coordinator - Budget Holder	Finance Director and Executive Board Member

Office Equipment	0 - 30.000 TL	INOGAR Staff and Procurement Specialist	Project Coordinator - Budget Holder	Finance Director
	30.000 TL -	INOGAR Staff and Procurement Specialist	Project Coordinator - Budget Holder	Finance Director and Executive Board Member
Kitchen supplies, equipment (i.e. required for cooking, test kitchens, events)(FECs)	0- \$500	Kitchen Staff	Project Coordinator - Budget Holder	Finance Director
	\$500 -	Kitchen Staff	Project Coordinator - Budget Holder	Finance Director and Executive Board Member
Cooking goods (FEC)	All	Kitchen Staff	Project Coordinator - Budget Holder	Finance Director and Executive Board Member
Catering Services	0 - 15.000 TL	Kitchen Staff	Project Coordinator - Budget Holder	Finance Director
	15.000 TL -	Kitchen Staff	Project Coordinator - Budget Holder	Finance Director and Executive Board Member
Travel Expenses	Lunch – 30 TL Dinner – 50 TL Taxi – 150 TL Car Rental- 200 TL	Travelling Staff	Project Coordinator/Related Manager	Finance Director
Travel Advances	Per diem local – 150 TL Per diem international – UK – 60 Pound Europe – 40 Euros US – 40 US Dollars	Travelling Staff	Project Coordinator/Related Manager	Finance Director
	0 - 15.000 TL	Travelling	Project	Finance Director

Travel Request (hotel, flight, rent)	15.000 TL -	Staff Travelling Staff	Coordinator/Related Manager Project Coordinator/Related Manager	Finance Director and Executive Board Member
Use of Funds (Sponsorships, Awards etc)	All	Project Coordinator	Project Director	Finance Director and Executive Board Member
Advertisement for Budgeted Project	All	Project Coordinator	Project Director	Finance Director
Advertisement for INOGAR	All	Project Coordinator	Finance Director Executive Board Member	Finance Director Executive Board Member
Consulting Fees (including audit, Lawyers)	All	Project Coordinator	Finance Director Executive Board Member	Executive Board
Subcontracting	All	Project Coordinator	Finance Director CEO	Executive Board
Printing Supplies	0 - 8.000 TL 8.000 TL -	INO GAR Staff and Procurement Specialist	Project Coordinator/Related Manager Project Coordinator/Related Manager	Finance Director Finance Director and Executive Board Member
Logistics	0 - 15.000 TL 15.000 TL -	INO GAR Staff and Procurement Specialist	Project Coordinator/Related Manager	
Insurance	0 - 15.000 TL	Project Coordinator	Finance Director	Finance Director

	15.000 TL -		CEO	Finance Director and Executive Board Members
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