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Order No. 8

on the procurement policy of the organization

June 10, 2024

1. GENERAL PROVISIONS

This Procurement Policy (hereinafter referred to as the "Policy") for projects funded in whole or in part by Donors, as well as through fundraising, establishes: principles and rules for procurement; procurement procedures, procedure and conditions for their application; procedures for monitoring procurement, as well as the responsibility of recipients and participants in procurement for violation of established procurement procedures. required ethics and behavior of all participants in the procurement process.

Procurement is carried out to ensure that the necessary support for its operations is provided by the required quality and quantity of goods and services at the right time and place, in the most economical and efficient manner. The Organization procures goods and services based on the following established

The Policy of Principles and Procedures. All processes related to the procurement and delivery of goods and services must remain simple, efficient, transparent, fair, reliable and in accordance with the Policy.

2. MAIN POLICY OBJECTIVES.

Formation of interaction practices based on the principles of good faith in the conclusion and execution of contracts between the Supplier and the organization.

Setting common standards and improving the efficiency of interaction throughout the supply chain of goods and services.

Ensuring transparency of cooperation aimed at protecting the rights of the Parties, the absence of fraud, equality and equal opportunities, and ensuring gender equality during the procurement procedure.

3. BASIC PRINCIPLES OF PROCUREMENT.

The Policy is based on the following basic principles: the principle of competition, the principle of equality, the principle of efficiency, the principle of responsibility and confidentiality.

4. PROCUREMENT PROCEDURES.

4.1 All planned procurements, in the form of a detailed procurement plan and budget, should be agreed upon as part of the project work planning process during the identification, quantification and planning of beneficiary needs.

4.2. Procurement with a value of less than EUR 3,000 (converted at the exchange rate at the time of the procurement decision): such procurement does not require a formal supplier selection process; a review of the application by the accountant and a memo from the project manager is sufficient to select the supplier. It is mainly used for one-time small purchases. After the application is approved, the customer signs a framework agreement with the supplier and receives the goods or services.

4.3. Procurement with a value of more than EUR 3,000 but less than EUR 10,000 (converted at the exchange rate at the time of the decision to announce a tender for the selection of a supplier): such procurement requires a more detailed market analysis and price or commercial offers. The project manager creates a procurement request, sends out invitations to participate (submit a price offer) to suppliers from the organization's client base, and also places an announcement about the selection on open resources. Each supplier submits its price or commercial offer, which is analyzed by the project manager together with the executive director. At least three price offers are required for the selection to take place. The selection of the supplier is approved by drawing up a selection form. After approval, the customer signs a contract with the supplier and receives the goods or services.

4.4. Procurements exceeding EUR 10,000 (converted at the exchange rate at the time of the decision to announce a tender for the selection of a supplier) require a tender for the selection of a supplier through open bidding using specialized platforms and the establishment of a Tender Committee.

4.5. Sole source. Circumstances when competition is not possible/necessary are the exception, not the rule. If a decision is made to use sole source procurement and the expected value of the transaction is more than EUR 3,000 (converted at the exchange rate at the time of the decision), the responsible person must complete the Sole Source Procurement Justification Form.

The sole source procurement exception may be applied in the following situations:

- valid offers for goods and services are available: if the procurement procedure resulted in the selection of a supplier that turned out to be unable to fulfill the terms of the contract, a new procurement procedure may not be conducted if there are other offers under the initial procurement procedure. It is possible to select the next supplier that meets the tender conditions.

- pre-existing arrangements for project implementation: if potential suppliers have been identified at the stage of preparation of the project proposal as part of the proposal itself and included in the project budget.

- Utilities: standard procurement procedures may not be possible for the procurement of utilities (e.g., water, sewerage, electricity, gas, waste collection) due to natural monopolies on services. If there is only one utility provider, procurement procedures are not required.

- Patented or copyrighted materials or services: The required goods or services can only be produced by one supplier because they are protected by a patent, copyright or data rights provision. The responsible officer must document that the specific protected goods or services are required and that there is no general alternative.

- Specific technical requirements: due to the technical specification of the services or goods, there may be only one supplier capable of fully meeting the requirements. This situation can be determined by the responsible person by conducting a preliminary analysis of suppliers in the relevant market and, if

necessary, initial consultations with prospective suppliers to determine whether the technical requirements can be met.

4.6. If the terms of the agreement between the Organization and the Donor provide for additional requirements to the procurement procedure than those specified in this Procedure, these additional requirements shall be taken into account.

5. ORGANIZATIONAL STRUCTURE AND RESPONSIBILITIES

5.1. An appropriate segregation of duties has been drawn up to ensure the procurement procedure, obtaining details, receiving proposals, authorizing invoices and making expenditures.

5.2. Stages of the tender for the selection of a supplier:

5.2.1 Needs assessment

5.2.2 Procurement planning

5.2.3 Requirements development

5.2.4 Selection of procurement method

5.2.5 Preparation of documentation

5.2.6 Tender

5.2.7 Obtaining proposals

5.2.8 Evaluation of proposals

5.2.9 Announcement of the winner

5.2.10 Signing the contract

5.3. This procedure is valid for goods, works, and services above EUR 10,000 in terms of the exchange rate at the time of the decision to announce a tender for the selection of a supplier.

5.4. All procurements above EUR 10,000 must be entered in the Procurement Register by the responsible person. The register shall contain the following information: record number, period of the procurement,

term of performance of works (provision of services), procurement amount, list of submitted proposals, information about the winner, date of signing the contract, contract amount. The register is maintained in an ascending order throughout the year, with the numbering of entries starting anew in the new year.

5.5. A tender committee may be established to organize the procurement process and select a supplier for purchases above EUR 10,000.

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6. THE PROCEDURE FOR ESTABLISHING AND ORGANIZING THE ACTIVITIES OF THE TENDER COMMITTEE

6.1. Tender Committee

6.1.1. The Tender Committee shall be established by the decision of the Management Board of the Organization consisting of at least three persons on the basis of collegiality in decision-making, absence of conflicts of interest of the members of the Tender Committee and their impartiality.

6.1.2. In cases where the Organization's staff is not sufficient to form the Tender Committee, the Organization may engage third parties who must meet the following requirements.

Committee members must have sufficient competence, experience or knowledge of the subject matter of the procurement.

Persons who are close relatives or representatives of the tenderers may not be members of the tender committee, as well as experts on compliance with the procurement procedure. The tender committee may not include the Contractor for the procurement of these goods/works/services.

6.1.3. The Tender Committee shall be headed by a chairman appointed by the decision of the Management Board of the Organization. The chairman of the tender committee shall organize its work and shall be personally responsible for the performance of the functions assigned to the committee.

6.1.4. The tender committee shall conduct the procedure for opening the tender proposals of the tenderers in accordance with the requirements of the tender documentation and draw up a protocol on the results of the tender proposal opening.

6.1.5. Decisions on the issues considered at the meetings of the tender committee shall be made by a simple majority of votes in the presence of at least two-thirds of the committee members. In case of equal distribution of votes of the tender committee members participating in the voting, the vote of the chairman of the committee is decisive.

6.1.6. The decision of the committee shall be formalized by a protocol signed by all members of the tender committee who participated in the voting.

6.2. Conducting a tender

6.2.1. The tender announcement shall be placed on the Organization's website and other information resources by means of targeted mailing to at least five potential suppliers. The announcement may also be placed in printed media or published in another way.

6.2.2. The period for submission of documents by the Tenderers from the date of the Tender announcement shall be at least 10 calendar days. In some cases (for example, a complex individual project), by the decision of the Contractor, the deadline for submission of documents by bidders may be extended, but not more than 40 calendar days.

The deadline for submission of documents for participation in the Tender is specified in the announcement of the call for proposals.

6.2.3 Tender proposals with the date, details of the participant and the source of information may be submitted exclusively in electronic form to the Organization's e-mail by the deadline for submission of tender proposals to the address specified in the announcement of the call for proposals.

6.2.4. If changes are made to the technical characteristics of an individual item within the procurement, but this does not affect the total procurement volume (i.e. the volume does not decrease), and the amount for the relevant procurement item does not change, an additional tender shall not be announced.

The procurement procedure for such an item is carried out in accordance with clause 4.3 of this policy and negotiations with the supplier.

6.3. Determination of the tender results and signing of the contract

6.3.1 The Contractor shall, within three working days after the deadline for submission of bids, submit all submitted bids to the Chairman of the Tender Committee.

6.3.2. The Tender Committee may accept for consideration proposals that meet the requirements of the tender documents and are accompanied by a complete package of documents.

6.3.3 The Tender Committee shall review the proposals, analyze the tender documents, and, if necessary, verify the accuracy of the prices and conditions provided, within three business days from the date of receipt of timely submitted documents from all participants. The evaluation of the submitted proposals will take place in 2 stages in accordance with the Procurement Policy:

Stage 1 - assessment of qualification criteria,

Stage 2 - cost estimation (commercial offer).

The evaluation of qualification criteria by the Customer's Tender Committee will be carried out by the method of cumulative analysis, namely, scoring of the defined criteria.

The selection criteria, documents, and maximum number of points are prescribed in accordance with the requirements for the procurement contractor.

Table of evaluation of qualification criteria for the Winner selection

(for further evaluation by the Customer's tender committee)

Selection criterion	Confirmation document	Maximum number of points

6.3.4. In case two or more companies with identical offers in terms of price (commercial offer) are pre-selected as winners, a person authorized by the Tender Committee shall negotiate with the management of the selected companies to determine the specific terms of the future contract, clarify the relative advantages of future cooperation, final price terms and obtain additional individual discounts.

6.3.5. The final decision of the Tender Committee shall be documented in the Minutes of the Tender Committee meeting.

6.3.6. The minutes shall contain the following information:

- date of the tender;

- a list of submitted proposals;

- a list of participants whose proposals meet the requirements;

- list of disqualified participants and reasons for disqualification, if any;

- a table comparing the participants' proposals by score;

- justification of the winner's selection.

6.3.7. Based on the results of the tender, a contract is signed with the legal entity or individual entrepreneur (hereinafter referred to as the "IE") that won the tender. The Contractor shall notify other participants of the decision.

6.3.8. Information on the results of the tender may be posted on the Organization's website after the results are approved by the Tender Committee.

6.4. Responsibility

6.4.1 The Contractor shall be personally responsible for the quality of the tender, completeness of the study of the data available on the market of offers obtained as a result of the procurement from one participant or analysis of price offers.

6.4.2 The tender committee shall be responsible for the quality of the tender, completeness of the study of the offers available on the market and the data obtained as a result of the tender.

7. CONCLUSION OF THE CONTRACT

7.1 The contract for the procurement of goods or services will be awarded to the qualified Tenderer whose proposal meets the requirements and provides the best value for money.

Purchase orders and contracts for goods or services are legally binding documents consisting of an offer made by one party and accepted by the other.

7.2 The procurement agreement shall be signed by the Chairman of the Board or an authorized person of the organization and the supplier.

7.3 The Agreement may provide for penalties for untimely fulfillment of the terms and conditions in the amount of 20% of the contract price.

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8. PREVENTION AND COUNTERACTION TO LEGALIZATION (LAUNDERING)

PROCEEDS OF CRIME, FINANCING

TERRORISM AND PROLIFERATION FINANCING

MASS DESTRUCTION

8.1. All employees, including, but not limited to, employees, volunteers, interns, when providing Services to the NGO, shall comply with the current legislation in the field of prevention and counteraction to legalization (laundering) of proceeds of crime, financing of terrorism and financing of proliferation of weapons of mass destruction (hereinafter referred to as prevention and counteraction).

8.2. All employees of the CSO confirm their refusal to establish (maintain) business relations and to conduct suspicious financial transactions in cases provided for by the legislation on prevention and counteraction.

8.3. Each employee of the CSO shall be liable for violation of the requirements of regulatory legal acts in the field of prevention and counteraction as established by the Law.

9. ETHICAL POLICY

9.1. Within the framework of each project, all employees of the NGO, including, but not limited to, employees, volunteers, interns, undertake to respect human dignity and human rights, respect others and their opinions, demonstrating honesty, integrity, impartiality, and avoiding cases of aggression and rudeness in any interaction.

9.2. Each agrees to adhere to the highest standards of business ethical partnership behavior, applicable laws, including laws on the protection of children and adults, as well as the Policies of the NGO, and confirms that it has reviewed all of these Policies as of the date of the Agreement.

9.3. Violation of the requirements of the Policy by employees shall entail criminal, administrative or civil liability.

10. PAYMENT

10.1. A representative of the organization shall inform suppliers of the non-profit status and VAT non-payer status.

10.2. Payments to suppliers shall be made only upon satisfactory fulfillment of all obligations under the supply contract. Advance payments may be considered for specific situations in accordance with established criteria.

11. CONFLICT OF INTEREST

11.1. A conflict of interest means that an employee who is responsible for or influences a decision or procurement benefits from it or benefits a close relative.

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11.2. The signing of contracts for the provision of consulting services or contracts for the purchase of goods or services is allowed with close relatives of employees of the Organization or other persons with whom a conflict of interest arises, only in case of a relevant decision of the Management Board of the Organization.

11.3. In case of detection of signs of a conflict of interest, the Chairman of the Management Board shall suspend the procurement procedure and submit a Statement of Conflict of Interest to the Management Board of the Organization. The Statement shall contain detailed information about the circumstances that may result in a conflict of interest. The Chairman of the Management Board shall include this issue in the agenda of the next (extraordinary) meeting of the Management Board.

11.4. If the Management Board decides that there is a conflict of interest, the procurement procedure shall be started anew without consideration of proposals of the person in respect of whom the conflict of interest is established.

11.5. If the Management Board decides that there is no conflict of interest, the procurement procedure shall continue in the general manner.

12. AUDIT AND CONTROL OF PROCUREMENT

12.1. Control over the implementation of the provisions of this Policy by all employees involved in the procurement process and monitoring of its compliance shall be exercised by the Chairman of the Management Board, who may delegate responsibility for this function to employees, as appropriate.

12.2. Control over the correctness of procurement (in accordance with this Procedure) shall be exercised by the Chairman of the Management Board.

12.3. The Grantor (Donor) has the right to inspect the procurement carried out by the Organization at any time.

President **Magdalena Makarewicz**

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