



Welcome the stranger.
Protect the refugee.

HIAS PROCUREMENT POLICY

March 2021

Any questions related to this procedure should be referred to:

HIAS' Contracting Manager (CM) in the Office of the General Counsel (OGC) with HIAS' Chief Finance Officer (CFO) in copy.

HIAS
1300 Spring Street, Suite 500, Silver Spring, MD 20910

Note: HIAS reserves the right to make changes and updates to this Policy as required. If modified, the Policy will be communicated to all HIAS Staff and associated personnel and on HIASnet indicating the date of the latest revision. HIAS strives to comply with all applicable laws.

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Purpose

The purpose of the HIAS [Procurement](#) Policy is to ensure honesty and integrity in HIAS' purchasing of goods and services. The Policy sets out processes and sourcing strategies for acquiring goods and services that are cost-effective, transparent, and legally compliant. The solicitation and selection methods prescribed promote an unbiased and objective procurement process and encourage fair and open competition.

This Policy should be followed in conjunction with the relevant procurement procedures. This Policy provides the overarching concepts and guidelines while the HIAS Procurement Procedure document and forms referenced in that document provide step-by-step processes to be followed.

Applicability

This Procurement Policy applies to all HIAS staff, managers, directors, and officers as well as any agent(s) acquiring and/or managing ongoing contractual relationships for the provision of services and/or goods to or on behalf of HIAS. This policy applies to all HIAS operations globally with any exceptions or variants noted for country offices included in the text. Affiliates and Subrecipients are to follow their procurement policies. HIAS' responsibility is to ensure their policies are sufficient and adhere to funder requirements.

Ethics

Ethical business standards shall govern all procurement transactions. HIAS Personnel should be aware that conduct violating this Policy may result in disciplinary action, per applicable HIAS policies, including but not limited to, termination of employment or a contractual relationship. HIAS staff, managers, directors, and officers are expected to follow [HIAS' Code of Conduct, Whistleblowing and Conflict of Interest Policies](#). (Note that compliance with this Policy or other applicable procurement protocols does not excuse a violation of the Conflict of Interest Policy in respect to procurements (e.g., a purchase from a related party or an entity that employs a related party or in which a related party has an interest.) HIAS Personnel may never solicit a gift or accept a significant gift from any HIAS supplier or prospective supplier. If any HIAS Personnel is concerned this Procurement Policy is being ignored or violated, they should follow the steps outlined by HIAS' Whistleblowing Policy.

Compliance

HIAS is committed to ensuring compliance with all applicable laws in the jurisdictions in which it operates. HIAS will comply with all procurement protocols required under the terms of any applicable public or private funder agreement or grant. To streamline the approval process HIAS will strive to pre-identify any procurements that are planned under restricted funding and include those procurements in the budget proposal. The inclusion of the procurements in the agreements and grants reduces risk to HIAS.

Planning

Any planned procurement (whether from restricted or unrestricted sources) should be discussed in advance to ensure the procurement is feasible and to allow enough time for the required procedures to

be followed. As soon as grants and their budgets are approved, project managers and the Contracting Manager (CM) will discuss and plan, setting out a timeline for the procurements.

Vendor Interactions and Considerations

Fair Competition

Solicitations should promote fair competition and, where possible, ensure the inclusion of local, small, minority, and women-owned businesses in the solicitation process. This is true for contracting at all dollar amounts, including at lower levels. In the United States, the Small Business Administration maintains an annually updated register for American businesses, located at https://web.sba.gov/pro-net/search/dsp_dsbs.cfm.

Confidentiality

HIAS will protect proprietary business information of suppliers and subcontractors to ensure their trust in us for procurement purposes. The results of any offer or tender may be shared directly with the applicant only, including a summary as to why the applicant was not selected. HIAS will also protect its information by ensuring information given in solicitations is limited to what is necessary and that confidential information is otherwise properly restricted.

Restricted Sources

HIAS will verify vendors against the suspension, debarment, and other sanctions and watch lists. Any exceptions to working with vendors on these lists or restricted entities must be approved by the funding agency or responsible authority. Preliminary reviews should be conducted during the procurement process by the staff conducting the procurement. The HQ CM (or delegate) is responsible for conducting final verifications once the final choice of vendor/supplier has been chosen.

Supplier Code of Conduct

HIAS has begun the process to become a participant in the United Nations Global Compact (UNGC). HIAS will encourage all contractors and vendors to commit to the UNGC as well.

Segregation of Duties

HIAS employs the principle of segregation of duties to ensure that no one individual can own and/or execute a process end-to-end.

There should be proper separation of duties between:

1. [Requisition](#)
2. Procurement
3. Payment

At a minimum, two (2) staff members should conduct the above activities. If that is not practicable, compensating controls must be in place and documented.

Roles

At the Global level, HIAS' CM in the Office of the General Counsel (OGC) leads/manages and monitors implementation and training on procurement procedures throughout the organization in consultation with HIAS' Finance Department. OGC manages the legal review of contracts and advises as to the contractual provisions and obligations for HIAS. OGC may also provide interpretative guidance on any legal questions or issues that arise in the procurement context.

At the Country Level, this policy shall be adopted along with country-specific procedures and a country-specific Delegation of Authority (Annex A), as described in the following section. These documents, combined, form the Procurement Manual which shall be approved by the CM and Finance. The CM will have oversight of the procurement process to ensure compliance and may adjust procedures when necessary to strengthen the process.

Budget and Approvals

The annual HIAS Board approved budget is the primary document that identifies procurements. The delegation of authority for approval of individual procurements at specific dollar thresholds as well as special types of procurement are included in the Delegation of Authority annex. Country offices may modify the annex to include more (but not less) restrictive thresholds or additional (but not fewer) levels of authority. Any changes need to be approved by HIAS' Contracting Manager.

Competitive Bidding and Pricing

Competitive bidding helps HIAS ensure that prices paid for goods and services are fair and reasonable, i.e., fair market value. To achieve this objective, competitive bids should be solicited whenever the items can be purchased from multiple sources.

Procurement Types and Thresholds

Procurement methods vary based upon monetary thresholds. The thresholds are based on the estimated total purchase transaction price, including shipping and taxes (not unit price). These thresholds (derived from the estimates) must be followed unless a funder requires a lower threshold, or a particular purchase requires a higher level of competitiveness to achieve the best value, or the actual proposal amount pushes the price into a higher threshold. Country offices may add as an annex to their country procurement manual additional controls based on local conditions and types of procurements, but in no case may thresholds exceed the upper limits below.

1. **Under \$5,000:** For procurements under \$5,000, no advertisement or solicitation of competitive bids is required. However, those exercising purchasing authority must ensure that the price is fair and reasonable; thus, it is recommended that quotations are obtained from more than one source before procurement.
2. **From \$5,000-\$40,000:** Procurements from \$5,000 to \$40,000 require a [Request for Quotation](#) (RFQ). For procurements in this range, a minimum of three (3) offers or quotes in writing must be obtained. If fewer than three (3) quotes are obtained, the procedure for Sole Source Procurement, described below, must be followed.

3. **Over \$40,000:** Procurements over \$40,000 require a formal, public, open solicitation for proposals ([Request for Proposals \(RFPs\)](#)). While a formal solicitation may also be issued to vendors with whom HIAS has a relationship, it must be open to all sources and the public, meaning published in a newspaper, posted on the HIAS website, and/or distributed through a list serve appropriate to the particular kind of procurement. For procurements over \$40,000 and up to \$100,000, there should be three (3) voting members. If above \$100,000 there should be five (5) voting members of the selection committee

Selection Committees

RFPs require the use of a [Selection Committee](#). The Committee should contain Program staff, Finance and Administration representatives, as well as the subject matter expert/requisitioning department. The Committee members must rate the proposals based on the Evaluation Factors issued in the RFP. Each member must document their individual ratings before the entire Committee meets. The final decision and reasoning for it must be documented and signed by each Committee member. A strong effort must be made to come to a unanimous decision based upon the Evaluation Factors issued in the RFP. If a unanimous decision cannot be reached, the final decision may be obtained by a majority vote of the entire Committee. All members are expected to participate in the vote unless unable to do so due to an emergency, which should be documented as part of the decision. All members are required to sign the written decision which must include the reasoning behind the minority votes. Disagreements which call into question compliance with the Evaluation Factors issued in the RFP shall be brought to the HQ CM.

Sole Source Procurement

In specific circumstances, a competitive procurement may not be possible or a funder may expressly state that it does not require a competitive procurement. Sole source procurements are justifiable if:

- a. The item is available only from a single source;
- b. An exigency or emergency does not permit a delay resulting from competitive solicitation;
- c. The funding source specifically authorizes the use of noncompetitive proposals; or
- d. After solicitation of several sources, competition is determined to be inadequate.

A sole source procurement may only be approved by the designated approvers per the Delegation of Authority matrix.

Pre-qualified Vendor Lists

Pre-qualified vendor lists can expedite procurements for goods and services that are frequently needed and mostly uniform across vendors and suppliers. Single purchases must be within the Price Reasonableness and Request for Quotation thresholds set out in the HIAS Procurement Procedure. A designated “owner” is responsible for maintaining the list, including recording vendor performance. Vendor lists must be renewed at least once every three years.

Contract Term Length

Most contracts should be no longer than three (3) years in length, inclusive of possible extensions. Some circumstances may require longer-term agreements. These may include professional services (legal

services, auditors, investment management fees) and real estate and building leases. These instances should be discussed with the HQ CM.

Procurement of Select Goods and Services

The following select goods and services are subject to special procurement rules:

- **Airline tickets, hotels and other travel-related expenses.** Subject to HIAS' Travel Policy and the Fly America Act.
- **Consultants.** Subject to HIAS' Human Resources department internal rules and policies, U.S. and local labor laws. The competitive bidding and pricing procedures are to still be followed.
- **Personnel and Temporary Services.** All expenditures for personnel and temporary personnel services must be coordinated with and approved by [Budget holder](#), Human Resources Department [and Finance](#). Any hiring of personnel positions outside of a department's budget requires the additional approval of the President/CEO and Chief Human Resources Officer.
- **Private Individual and Private Institutional Donor-Designated Funds.** Donor-restricted funds are funds that were accepted by HIAS with express terms and conditions designated by the private individual or private institutional donor. The expenditure of such funds shall be coordinated with HIAS' Senior Vice Presidents for both Public Affairs and Programs, and HIAS' Chief Financial and Innovation Officer to ensure compliance with donor intent.
- **IT Equipment** - All IT equipment should comply with agency standards and, therefore, should receive prior approval from the IT department.
- **Safety and Security related purchases** - All Safety and Security services and equipment should comply with agency standards and, therefore, receive prior approval from the Safety and Security department.

The following items are exempt from the Competitive Bidding process:

- Public utilities (including electricity and water)
- Compulsory payments (including taxes and fines)

Procurement Records

HIAS will maintain procurement records at HQ and at the office where the program/project is implemented. The records will be retained for the lifetime of a program/project, plus an additional seven years consistent with the IRS, US Government, and UNHCR audit guidelines. Where applicable law, regulations, or funder/grantor requirements necessitate a different retention period, such period shall be used. Procurement records should be kept electronically, if possible, to facilitate archiving. The procurement package should be filed with Finance, but for RFPs, since they are larger, the files should be kept in a separate procurement file managed by Finance or Administration.

Verification of Products and Services

Goods must be received and verified against the purchase order or contract. The department making the requisition should verify quality and inform Finance of any variances noted. For services, the staff using those services must verify the services were fully performed or note any deficiencies. The payment package is not finalized until verified as received.

Payment

The recipient department is responsible for preparing the payment requisition, which it then forwards to the Finance Department for further review, approval, and authority to pay. All payments must be made following the contractual terms between the vendor and HIAS and consistent with financial policies.

Invoices must be on the letterhead of the supplier. Payments may only be made based on an invoice and, as applicable, a Goods Received Note or Approval of Services, that agrees with the amounts indicated on the invoice. Checks and transfers must be made in the name of the company named on the invoice and Purchase Order/Contract.

Definitions

Procurement:	Procurement is the process of finding and agreeing to terms, and acquiring goods, services, or works from an external source. Procurement concentrates on the strategic process of product or service sourcing, which includes planning, researching, and negotiating.
Requisition:	In procurement, a requisition is made when employees or departments from within a company require additional goods or services to maintain their business operations. These internal company requirements are communicated by submitting a purchase requisition form.
Selection Committee:	An internal committee of staff members established to review and evaluate proposals.
Request for Quotation (RFQ):	An RFQ is a process in which a company solicits select suppliers and contractors to submit price quotes for the chance to fulfill certain tasks or projects.
Request for Proposal (RFP):	An RFP is a detailed request for suppliers and contractors to make offers. It contains specifications and requirements on both the bidding process to be followed as well as the requested services or products. An RFP is used for more complicated and higher value procurements and is issued publicly rather than to just select vendors and consultants.

Additional Resources

[Code of Conduct](#)

[Conflict of Interest Policy](#)

[Whistleblowing Policy](#) (also available in Spanish and French on HIAS.net)

[Finance and Accounting Policies and Procedures](#)

ANNEX A: Delegation of Authority

Special cases:

For each listed type of procurement, the designated Approver must give written authorization.

Type	Approver
Capital Equipment (1)	Chief Financial and Innovation Officer (CFIO)
Real/Leased Property (2)	Chief Operating Officer (COO)
Sole Source Procurement	CFIO and COO

1. *Capital Equipment.* Capital equipment of \$5,000 or more must be approved in advance and writing by the CFIO. Capital equipment is defined as any tangible asset that an organization uses to produce goods or services. Examples that relate to HIAS' work include furniture, technical equipment, vehicles, and building improvements. (Note: Computers are not capital goods; the US Government has classified computers as office supplies.) Exception: Capital equipment over \$5,000 that is pre-approved and paid for by a funder does not need to be approved by the CFIO. The approval by the authorized funder must be in writing.
2. *Real/Leased Property.* All expenditures that involve the purchase of real property or the lease of property for HIAS' principal offices must be approved by HIAS' COO.

Approvals based on total estimated price:

For each dollar value range, written approval is required for each requested procurement that falls in that range.

Dollar value *	Approver
< \$2,500	Budget Holder
≥ \$2,500 and <\$25,000 (except Capital Equipment)	Country Director or CFIO
≥ \$5,000 (Capital Equipment Only)	CFIO
≥ \$5,000	Budget and Fiscal Compliance (BFC)
≥ \$25,000	CFIO

Private Individual and Private Institutional Donor-Designated Funds:

Funds that were accepted by HIAS with express terms and conditions designated by the private individual or private institutional donor are considered donor-restricted funds and the expenditure of such funds shall be coordinated with and approved by both HIAS' Senior Vice Presidents, Public Affairs and Programs, and HIAS' Chief Financial and Innovation Officer, to ensure compliance with donor intent.