

Decision No. (36) of 2021

Regarding Abu Dhabi Procurement Standards

The Chairman of the Department of Government Support

Having reviewed Law No. (1) of 1974 on the Reorganization of the Governmental Body in the Emirate of Abu Dhabi and its amendments,

And Emiri Decree No. (19) of 2019 regarding the Department of Government Support,

And Law No. (4) of 2020 establishing the Department of Government Support,

And Executive Council Decision No. (31) of 2021 regarding Abu Dhabi Procurement Standards,

And for the public interest and based on what was presented;

Has Decided:

Article (1)

The Regulatory and Operational Framework for Government Procurement in the Emirate of Abu Dhabi, attached to this Decision, is hereby issued and shall apply to all procurement activities practiced by Government Entities, and it includes:

- The Abu Dhabi Procurement Standards Regulation and the annexed Policies and Procedures for Auctions and Warehouses
- The Procurement Charter
- The Delegation of Procurement Authority Manual
- The Procurement Manual

Article (2)

The Undersecretary of the Department shall issue the necessary instructions, forms, and circulars for the implementation of the provisions of this Decision.

Article (3)

Any provision that contravenes or conflicts with the provisions of this Decision is hereby repealed.

Article (4)

This Decision shall be published in the Official Gazette and shall come into effect as of 01/07/2021.

Ali Rashid Al Ketbi

Chairman of the Department

Issued on: 18 April 2021

Attachments

Decision No. (36) of 2021

Regarding Abu Dhabi Procurement Standards

Abu Dhabi Procurement Standards Regulation

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Issued By	His Excellency Ali Rashid Al Ketbi Chairman of the Department of Government Support - Abu Dhabi
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Introduction to the Procurement Framework

The Procurement Framework consists of a comprehensive set of interrelated documents developed to assist procurement staff who handle purchasing operations in their work. This framework clarifies the recommended approach and best practices to be followed when carrying out procurement operations.

Definition of the Procurement Function

The "Procurement Function" is the function concerned with supporting the identification, sourcing, and acquisition of the best goods, services, and projects required to achieve the objectives of Government Entities and their end-users.

This function is concerned with exploring market opportunities and ensuring the optimal implementation of sourcing strategies that achieve the best possible outcomes for the Government Entity from the supply process.

The "Procurement Function" also adds value to Government Entities and helps them achieve their objectives by developing a systematic and well-structured approach used to assess their needs and provide for them on a collaborative basis. Procurement is implemented through a series of activities covering the entire supply cycle, starting from the stage of understanding and assessing needs, through the stage of identifying and analyzing potential supply options, and ending with the stage of concluding contracts with suppliers and fulfilling the terms of those contracts. The procurement process is accompanied by continuous monitoring of relationships with end-users, financial management, legal affairs management, and ongoing supervision of supply contracts and supplier performance.

Core Principles

The "Core Principles" define the key values and methods necessary to ensure the effectiveness of the Procurement Function's work. Procurement staff of a specific Government Entity, as well as every supplier participating in procurement operations, must adhere to these Core Principles when representing those entities.

The Procurement Framework identifies ten integrated core principles, as detailed below:

(A) Enablement: Establishing a team of procurement staff with the appropriate capabilities, abilities, and knowledge to ensure their professional competence, along with providing them with attractive and competitive career options.

(B) Accountability: Supporting accountability by establishing or strengthening authorities where they exist, ensuring coordination between internal and external control mechanisms, and integrating them into procurement processes.

(C) Digital Technologies: Promoting digital technologies and simplifying their adoption and development by facilitating access to new digital innovations and solutions.

(D) Effectiveness: Encouraging cost reduction and improving the performance of the Procurement Function by activating the concept of savings mechanisms, specialization, and continuous evaluation.

(E) Excellence: Demonstrating efficiency in work, achieving added value for money spent, and attaining a high level of control through process development and the provision of seamless tools.

(F) Fairness: Facilitating access for potential suppliers to available procurement opportunities by establishing a fair regulatory framework, applying a transparency approach and an open-door policy.

(G) Integration: Supporting the integration of the Procurement Function with other relevant departments within the Government Entity to ensure the integration of services provided and the smooth flow of operations.

(H) Integrity: Ensuring adherence to high levels of integrity and impartiality in the procurement process by applying standards and a code of ethics or professional conduct and internal controls.

(I) Sustainability: Ensuring the continuity and stability of supplies through the integration of risk management practices and the establishment of monitoring mechanisms in procurement processes, making them more sustainable.

(J) Transparency: Ensuring a sufficient degree of transparency by providing freedom of access to information related to procurement processes, complying with applicable legislation, and promoting fair dealing mechanisms with suppliers.

Code of Ethics

Article (1): Objectives and Scope of the Code of Ethics

1.

The Code of Ethics aims to establish principles and rules to form an ethical framework that governs the work of procurement staff in accordance with the recognized ethics of the procurement process.

2.

The Code of Ethics promotes ethical behavior and emphasizes the responsibility of procurement staff to uphold the reputation of the Government Entity they represent. Its purpose is to prevent any improper and unfair conduct in procurement operations.

3.

The provisions of the Code of Ethics apply to all procurement staff in the Government Entity that adheres to these standards.

Article (2): General Principles

1.

Carrying out procurement operations on behalf of the Government Entity involves spending funds. Procurement staff must perform all necessary actions to make sound purchasing decisions characterized by honesty and integrity.

2.

Procurement staff must be fully familiar with the Code of Ethics and perform their duties in accordance with its principles. It may not be breached due to ignorance of its contents.

3.

Each procurement staff member must immediately report any violation of the Code of Ethics to their direct manager or the Head of the Procurement Function to verify its occurrence and take necessary action.

4.

Procurement staff who violate the Code of Ethics shall be held responsible for their actions and may be subject to disciplinary action or legal accountability, as appropriate and in accordance with applicable legislation.

5.

The Code of Ethics identifies the following eight principles that ensure the required ethics when performing any of the tasks and responsibilities of procurement operations:

- Fiduciary Responsibility
- Compliance with Applicable Legislation
- Professional Integrity
- Avoidance of Conflict of Interest
- Protection of Confidential Information
- Maintenance of Fair Relationships
- Environmental Responsibility
- Professionalism in Work

Article (3) Fiduciary Responsibility

1.

Procurement staff must act in the best interest of the Government Entity they represent and ensure that the required goods, services, and projects are purchased to provide the expected benefit and purpose of the procurement process.

2.

Procurement staff must perform the tasks and responsibilities assigned to them in accordance with the Procurement Standards.

Article (4): Compliance with Applicable Legislation

1.

Procurement staff must carry out all activities related to the procurement process in compliance with applicable local and federal legislation.

2.

Procurement staff must verify suppliers' compliance with local and federal legislation related to health, safety, and the environment when dealing with the Government Entity.

3.

Procurement staff are obligated to report any violation by the supplier of the provisions of applicable legislation to the relevant administrative authorities.

Article (5): Professional Integrity

1.

Procurement staff must adhere to the highest standards of integrity and refrain from any unethical conduct or compromises in relationships, procedures, or communications.

2.

Procurement staff may not misuse or unlawfully exploit their official positions, or offer any exceptional service or advantage, or make special promises on behalf of the Government Entity they represent.

3.

Procurement staff must exercise impartiality when carrying out activities related to procurement operations to ensure the trust of all concerned parties in the results. They must demonstrate their commitment to sound procurement practices, a sense of responsibility, and halt procurement operations when a violation occurs or is suspected.

Article (6): Conflict of Interest

1.

Procurement staff must proactively take all necessary measures to avoid conflicts of interest.

2.

Procurement staff must immediately disclose any personal interests and conflicting roles, or roles where a conflict of interest is suspected, that affect—or could potentially affect in the opinion of any third party—the integrity of decisions, to their direct managers or the relevant Head of the Procurement Function.

3.

Procurement staff are prohibited from participating in any decisions or recommendations concerning individuals or institutions in which they have a current or potential financial interest.

4.

Procurement staff are prohibited from giving exceptional preference or special treatment to suppliers and must avoid personal reciprocal agreements with them. They may not accept any gifts or items of material or non-material value.

Article (7): Confidentiality of Information

1.

Procurement staff must not disclose any confidential or proprietary information for personal or professional gain.

1.

Sensitive information related to spending, contracts, pricing, supply stages, supplier performance, and commercial and strategic planning

must be maintained and disclosed only to authorized personnel, and an auditable electronic record must be kept to verify compliance.

2.

Procurement staff are responsible for protecting the financial and other confidential and proprietary information provided by suppliers to the Government Entity.

Article (8): Fair Relationships

1.

Procurement staff must foster positive relationships with suppliers to maintain a competitive procurement environment through equality and fairness in dealing with suppliers without discrimination.

2.

Procurement staff may not exert any undue or coercive influence on suppliers to supply at prices below cost or impose unfair conditions that lead to losses for suppliers or the exclusion of any of them.

Article (9): Environmental Responsibility

1.

Procurement staff must be mindful of the concept of sustainability to avoid the harmful environmental impacts of procuring goods, services, and projects.

2.

Procurement staff must, as far as possible, strive to purchase goods, services, and projects that meet environmental conservation requirements, and be keen to request purchases and consumption in optimal ways and eliminate wasteful practices. Procurement staff must provide assistance to suppliers—where possible—to raise their environmental awareness in accordance with applicable local and federal environmental legislation.

Article (10) Professionalism

1.

Procurement staff must adhere to professionalism and apply high professional standards in their work performance, contributing to the

effective and professional execution of their responsibilities. They must consider the following:

- Familiarity with the Procurement Framework.
- Familiarity with the applicable legislation to which the Government Entity is subject.
- Adherence to the necessary professional foundations when carrying out, supervising, and reporting on procurement tasks and responsibilities.
- Maintaining professional competence through continuous professional development.

Contents of the Procurement Standards

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Procurement Standards

Foundational Standards

The Foundational Standards clarify the general framework for the procurement process aimed at elevating the practice of procurement in a professional manner. The Foundational Standards define the purpose and objectives of these standards, in addition to their structure and method of management.

Section One: Objectives, Scope, and Structure of the Procurement Standards

1-1 Objectives of the Procurement Standards

- a) The Procurement Standards define the core principles and operational rules necessary for managing procurement operations, and they also provide information on leading practices and professional requirements.
- b) The Procurement Standards aim to ensure consistency and professionalism in the practice of daily procurement-related activities. The adherence of procurement staff to these standards positively affects the achievement of the economic spending principle within the Government Entity they represent.

1-2 Scope of the Procurement Standards

- a) The Procurement Standards apply to procurement staff as individuals, as well as to the Procurement Function and any other organizational unit involved in the procurement process within the Government Entity.
- b) The Procurement Standards apply to every process undertaken by the Government Entity to purchase goods, services, and projects, which are governed by price agreements, contracts, or purchase orders.

1-3 Structure of the Procurement Standards

- a) The Procurement Standards are divided into three main types: Foundational, Enabling, and Execution.

The "Foundational Standards" define the framework of the procurement activity, as well as the Procurement Standards as an essential element within it. They also define their purpose, intended uses, and applicability. They define responsibility and establish their governance mechanism.

2.

The "Enabling Standards" clarify the characteristics of the departments and individuals practicing procurement operations, and they outline the necessary requirements for stakeholders, relationships, and the conditions for setting up an efficient procurement process. This type of standard also presents the Procurement Function as a unit that provides services to the requesting entity or end-users.

3.

Meanwhile, the "Execution Standards" define the working method and expected performance of the Procurement Function and clarify the rules necessary for its evaluation. This type of procurement standard is also divided into strategic, tactical, and operational processes.

- b) The Procurement Standards document is broken down into sections containing standards with sequential numbers.

Section Two: Application of the Procurement Standards

2-1 Applicability of the Procurement Standards

- a) The Procurement Standards must be applied in full, within the scope of their flexibility. They may not be applied partially.
- b) The Procurement Standards apply to Government Entities and any other entity that the Executive Council or its delegate decides to subject to these standards.

2-2 Compliance with the Procurement Standards

- a) Procurement staff must have full knowledge and understanding of the Procurement Standards.
- b) The Head of the Procurement Function is responsible for ensuring that the Procurement Standards are circulated and made available to all relevant parties in all departments and sections of the Government Entity.

- c) The Head of the Procurement Function is responsible for ensuring that procurement staff comply with the Procurement Standards.
- d) The Head of the Procurement Function and procurement staff shall sign a declaration confirming their responsibility to verify that the Procurement Function in the Government Entity operates in accordance with the Procurement Standards.

2-3 Procurement Manual

- a) The Government Entity must apply the Procurement Manual issued under this Regulation. The Executive Council or its delegate may exempt any Government Entity from applying the provisions of the Manual.
- b) The Procurement Manual must be consistent with the Procurement Standards and should include the procurement methodology and procedures.
- c) The Manual must be updated periodically to ensure the application of best practices in procurement operations.
- d) The Head of the Procurement Function must ensure that the Procurement Function complies with the application of the Procurement Manual.

2-4 Quality Assurance

- a) The Head of the Procurement Function must prepare and maintain a quality assurance and improvement program that covers all aspects of the procurement activity.
- b) The Head of the Procurement Function must obtain the approval of the Procurement Committee for the quality assurance and improvement program.
- c) The quality assurance and improvement program shall assess the extent of the Procurement Function's compliance with the Procurement Standards, the Procurement Manual, and the Code of Ethics. This program must include an assessment of the effectiveness and efficiency of the procurement activity and identify opportunities for improvement.

2-5 Interpretation of the Procurement Standards

- a) Procurement staff tasked with maintaining the Procurement Standards are responsible for responding to any inquiries regarding those standards.

Enabling Standards

The "Enabling Standards" define the characteristics of the activities and individuals involved in procurement operations. These standards also specify the necessary requirements for stakeholders, relationship building, and the frameworks necessary for effective procurement performance.

Section Three: The Procurement Activity

3-1 Procurement Charter

- a) The Procurement Charter defines the mandatory roles of the Procurement Function and its governance mechanism, in line with the framework of the Procurement Function.
- b) The Procurement Charter specifies the committees required for procurement operations. In particular, the roles and responsibilities of the Procurement Committee and the Tender Committee.
- c) The Head of the Procurement Function must ensure that procurement operations comply with the Procurement Charter.

3-2 Types of Procurement

- a) Procurement is divided into the following three main types:
 1. Procurement of Goods
 2. Procurement of Services
 3. Procurement of Projects, including capital assets
- b) The purchase of goods, services, and projects is facilitated through the following:
 1. Price Agreements
 2. Purchase Contracts
 3. Purchase Orders

3-3 Organization of the Procurement Function

- a) The Procurement Function shall carry out its operations through an organizational unit led by the Head of the Procurement Function.
- b) This unit can be established inside or outside the Government Entity. This unit shall be independent of other units in the Government Entity, provided that it is given the authority and is capable of performing the tasks and responsibilities assigned to the Procurement Function.

c) The organizational hierarchy in the Government Entity shall be structured so that the Head of the Procurement Function reports to an executive level or to an employee at an executive level, allowing the Procurement Function to fulfill its assigned responsibilities.

d) The Procurement Function must carry out its activities through employees or individuals (procurement staff) who have the necessary academic qualifications, professional certifications, practical experience, and skills to perform their assigned responsibilities.

3-4 Information Technology Platform and Master Data

a) The Procurement Function shall undertake the following:

1. Use an electronic information platform for procurement and purchasing operations (Procurement Portal).
2. Manage access and grant necessary permissions to procurement staff, other relevant employees, and external parties to the Procurement Portal system.
3. Manage the category hierarchy of goods, services, and projects, which serves as the basic structure for planning, execution, and reporting.

3-5 Responsibilities and Tasks of Procurement Staff

a) The Head of the Procurement Function in each Government Entity must define and document the responsibilities and tasks of procurement staff to ensure their compliance with the Procurement Standards.

b) Responsibilities and tasks should be defined to align with the strategic, tactical, and operational processes specified in the Execution Standards.

3-6 Internal Control over Procurement

a) The Procurement Function shall adhere to internal controls that segregate duties to prevent overruns and errors. No single individual may manage consecutive stages of the procure-to-pay cycle. Accordingly, duties must be segregated in the requisition and contracting stages from the tasks of creating a purchase order, receiving, and payment. If segregation at the role level is not possible, segregation at the individual level must be implemented, and segregation at the individual level requires approval for any activity performed by another individual.

b) Segregation of duties requires separation between requesters, receivers, and accounting staff, as well as separation between requesters and authorizers/approvers.

c) The Procurement Function must maintain an electronic audit trail that documents the segregation of duties in every sourcing or procurement process, as well as in every transaction.

3-7 Delegation of Procurement Authority Manual

- a) The Delegation of Procurement Authority Manual must specify the distribution of powers and authorities related to procurement operations within the Government Entity.
- b) The Delegation of Procurement Authority Manual must contain all financial and non-financial authorities related to all procurement activities.

Section Four: Relationships between Stakeholders and the Procurement Function

4-1 Coordination with the Requesting Entity

a) The Procurement Function must take the necessary measures to facilitate cooperation and coordination with the requesting entity (hereinafter referred to as "End-Users") to ensure requirements are understood and met.

4-2 Coordination with Finance and Legal Departments

a) The Procurement Function must coordinate closely with the Finance Department and the Legal Affairs Department within the Government Entity, manage the mutual relationships between these departments, and seek necessary advice from them.

4-3 Coordination with Suppliers and Other Relevant Parties

a) The Procurement Function must manage and organize its relationships with suppliers and all other relevant parties through specific procedures, in accordance with the Procurement Standards and the Procurement Manual.

4-4 Procurement Risk Management

- a) The Procurement Function must prepare a risk register to document procurement risks according to the best standards and methodologies used in risk management, with the aim of identifying, assessing, and treating or mitigating risks.
- b) The Procurement Function must treat risk management processes as a core activity embedded in all procurement operations. Procurement risk is

defined as all potential events that could negatively affect procurement operations.

- c) The Procurement Function must apply common standards and methods for risk management processes to identify, assess, mitigate, monitor, and report on risks related to procurement operations across all departments of the Government Entity.
- d) The Procurement Function must consider daily and exceptional risks that may affect procurement operations.

4-5 Procedures for Compliance with Applicable Legislation

- a) Procurement staff must be familiar with and comply with all applicable legislation related to procurement.
- b) The Head of the Procurement Function, in coordination with the Legal Affairs Department, must establish mechanisms to ensure that procurement proceeds in accordance with the Procurement Standards, the Procurement Manual, and applicable legislation.

Section Five: Governance and Communication in the Procurement Function

5-1 Procurement Committee

- a) A single procurement committee shall be formed in each Government Entity for the purpose of managing the scope of procurement and overseeing its operations.
- b) The Head of the Government Entity shall appoint the members of the Procurement Committee.
- c) The Procurement Committee shall oversee procurement operations and approve procurement-related activities as specified in the Delegation of Procurement Authority Manual.

5-2 Tender Committees

- a) Tender committees shall be formed for the purpose of evaluating the results of relevant tenders and encouraging cross-departmental collaboration.
- b) Separate tender committees may be formed to conduct the technical evaluation and financial evaluation for each tender separately, as required.

c) The Head of the Procurement Function shall approve the members of the tender committees appointed by the authorized parties under the Delegation of Procurement Authority Manual for each relevant tender.

5-3 Resolution of Procurement-Related Disputes

- a) The Procurement Function shall adhere to the internal reporting structure for resolving internal disputes or any complaints related to procurement activity.
- b) The Procurement Function shall escalate unresolved grievances or complaints raised by suppliers to the committees and bodies approved for this purpose.

5-4 Communication Channels

- a) The Procurement Function must establish appropriate communication channels to facilitate communication and coordination among all parties involved in executing procurement operations.

Section Six: Performance of the Procurement Function

6-1 Procurement Function Plan

- a) The Head of the Procurement Function must prepare an annual internal plan for managing procurement operations, which shall include, at a minimum, the following:
 1. Outcomes and outputs of the Procurement Function based on the procurement strategy.
 2. Targets for outputs and outcomes with relevant performance metrics.
 3. The annual internal budget for the procurement activity.
 4. Tasks and activities assigned and delegated to procurement staff to be executed during the year.
- b) The Head of the Procurement Function must submit the procurement operations management plan to the Head of the Government Entity for approval.
- c) The Head of the Procurement Function must submit a report to the Head of the Government Entity at least every six months on the performance of the Procurement Function compared to the Procurement Function plan.

6-2 Continuous Professional Development

- a) The Head of the Procurement Function must verify that all procurement staff have the necessary qualifications and competencies to perform their responsibilities effectively.
- b) The Head of the Procurement Function and procurement staff must enhance their knowledge, skills, and competencies through continuous professional development. To achieve this, the Head of the Procurement Function must ensure that sufficient training hours are allocated for this purpose, not less than forty (40) hours annually, in coordination with the Human Resources Department of the Government Entity.

Section Seven: Procurement Reporting

7-1 Procurement Function Reports

- a) The Head of the Procurement Function must submit a semi-annual Procurement Function report to the Head of the Government Entity, which shall include, at a minimum, the following:
 - 1. Value spent per procurement category.
 - 1. Value spent per supplier.
 - 2. Contract prices for goods, services, and projects.
 - 3. Cost savings achieved versus planned savings for each category, as confirmed by the Finance Department.
 - 4. Price agreements and contracts signed versus the plan and purchase orders issued.
 - 5. Status of project procurements compared to the defined plan.
 - 6. Issuance of outstanding invoices.
 - 7. Supplier and end-user satisfaction shall be reported annually.
 - 8. Status of strategic initiatives implemented compared to the plan.
 - 9. Extent of compliance with approved procurement methods and contracts for each category.
 - 10. Details of single-source or sole-source tender awards, including award value, supplier details, and approved justification.
 - 11. Procurement in emergency situations, including purchase value, supplier details, and approved justification.
 - 12. Details of reporting and any significant issues raised by internal or external parties regarding procurement operations.
 - 13. Any important matters pending with senior management for decision-making and other relevant information.

Execution Standards

The "Execution Standards" define the practices, rules, and controls that must be applied in procurement operations.

Section Eight: Procurement Strategy

8-1 Introduction

- a) The strategy of the Procurement Function is a cornerstone for achieving the overall strategy of the Government Entity. In recognition of this goal, the Procurement Function must develop a written procurement strategy that can form part of the Government Entity's broader strategy.
- b) The procurement strategy must include the following:
 1. The vision, mission, and strategic objectives of the Procurement Function.
 2. Procurement categories, accompanied by high-level strategies.
 3. All matters related to the management of purchase requests, including visions, objectives, and procedures.
 4. Sourcing options, accompanied by an impact and risk assessment study.
 5. Potential for rationalization, demand consolidation, and savings in production costs.
 6. Completed, ongoing, and planned strategic actions.
 7. Development and management of relationships with key stakeholders.

- c) The procurement strategy must be prepared by the Head of the Procurement Function, approved by the Procurement Committee, and subsequently approved by the Head of the Government Entity.

8-2 Vision and Mission of the Procurement Function

- a) The vision and mission of the Procurement Function must be derived from the vision and mission of the Government Entity, ensuring they are aligned with the Core Principles and form part of the procurement strategy.

8-3 Strategic Objectives and Goals

- a) The Procurement Function must set strategic objectives and goals based on its vision and mission. The objectives should state what will happen, and the goals should state the results that will be achieved.
- b) The Procurement Function must list the objectives and goals agreed upon with end-users and the Finance Department, establishing key performance indicators (KPIs) that will be used for reporting on the fulfillment of the procurement strategy.

- c) The Head of the Procurement Function must ensure that all stakeholders in the Government Entity, including procurement staff, understand the strategic objectives and goals.
- d) The Head of the Procurement Unit shall set performance objectives for procurement staff in line with the strategic objectives of the Procurement Unit, and these objectives shall be used to evaluate the performance of procurement staff.
- e) The strategic goals and objectives, as well as the procurement strategy, must be linked to the following, for example, but not limited to:
 1. The capabilities, processes, and organizational methods of the Procurement Unit.
 2. The planned delivery of procurement services, including ongoing and planned projects, and concluded and planned contracts.
 3. Category management, accompanied by the methodology, structure, and content of actual strategies.
 4. Sourcing management as the executive and practical part of category strategies and unplanned requests.
 5. Contract management and supplier management based on sourcing results.
 6. Processes from the purchase request issuance stage to payment.

4-8 Implementation of the Procurement Strategy

The Procurement Unit must do the following:

- a) Develop a plan for implementing the procurement strategy that includes initiatives approved by the Procurement Committee.
- b) Identify potential initiatives and prioritize them based on analyses of internal and external factors. It is recommended that the Procurement Unit requests clarifications from end-users who are considered experts in this field.
- c) Prepare feasibility studies for initiatives, and a plan for implementing these initiatives shall be developed on an annual timeline. A feasibility study must also be created for initiatives related to project procurements.
- d) Continuously monitor the progress of the procurement strategy implementation and present it to all concerned parties.

Section Nine: Management of Procurement Demands and Categories

1-9 Introduction

- a) The Procurement Unit shall manage demands and categories to form a clear understanding of demands and verify that the appropriate goods, services, and projects are purchased so that the Government Entity achieves its objectives.
- b) Demand management includes developing future estimates for required purchases of goods, services, and projects by forming a complete understanding of specifications, quantities, timelines, and importance, and ensures cost reduction by validating and consolidating end-user requirements to standardize procurements, eliminate financially inefficient practices, and avoid unnecessary costs.
- c) Procurement category management is a systematic approach aimed at developing plans and strategies that add value to spending in a specific category, taking into account internal and external conditions to reduce procurement costs, encourage innovation, and mitigate risks.

2-9 Procurement Category Analysis

- a) Procurement staff responsible for procurement category management must conduct a detailed analysis of the categories, focusing on internal and external factors to identify opportunities for achieving the required savings and efficiency.
- b) The characteristics and data of procurement categories based on an internal analysis must include the following elements as a minimum:
 1. Identifying the category type with its scope and uses.
 2. Determining the spending volume, showing the distribution of spending, a list of suppliers, and a list of current contracts.
 3. Identifying the type of demand, clarifying the necessary requirements for current and estimated uses.
 4. Profiles of stakeholders relevant to that category.

c) The characteristics and data of procurement categories based on an external analysis of market factors must include the following elements as a minimum:

1. The structure of the relevant sector and the value-adding supply chain.
2. Market structure and trends, including size, business sectors, prices, and commodity indices.
3. Analysis of economic factors that drive the demand element.
4. Analysis of the total cost and the drivers that lead to changes in the cost of that category.
5. Analysis of supplier data, including the number, composition, and status of key suppliers.
6. Analysis of the forces that determine the competitiveness of the relevant commercial sector.

3-9 Procurement Category Strategy

a) Procurement staff responsible for procurement category management shall use the results obtained from the category analysis to develop strategies that define the general direction for managing those categories through initiatives.

b) Procurement staff may request information from all departments for the purpose of developing the procurement category strategy, if necessary.

c) The procurement category strategy must identify tools to leverage the value of the commodity, which work to reduce procurement costs, stimulate innovation and efficiency, while mitigating risks associated with the category.

d) The Procurement Unit must prepare a classification of categories as part of the overall procurement category strategy, provided that this classification takes into account the following elements as a minimum:

1. The importance of the category to the Government Entity.
2. The ease of supplying goods, services, and projects or the ease of changing suppliers.
3. The potential benefits to be achieved.

4-9 Intellectual Property

- a) The Procurement Unit shall cooperate with end-users to determine whether the supply of procured goods, provision of services, or execution of required projects involves intellectual property rights, including primary intellectual property (belonging to the owner) and subsequent intellectual property.
- b) The Procurement Unit must ensure that end-users have reasons to justify requests to transfer, license, retain, or share any intellectual property rights for goods, services, or projects not owned by the Government Entity. These requests may be supported by a feasibility study conducted by the end-user.
- c) The Procurement Unit shall coordinate with the Legal Affairs Department and end-users to ensure that relevant provisions are included in the tender documents and contract documents and circulated to suppliers, if it is necessary to transfer, license, retain, or share any intellectual property rights not owned by the Government Entity.
- d) The Procurement Unit shall consult the Legal Affairs Department and end-users to ensure the protection of intellectual property owned by the Government Entity by including relevant provisions in the request for tender documents and contract documents.

5-9 Consolidated Annual Demand

- a) The Procurement Unit shall begin the process of gathering information about the expected procurement demands for the upcoming fiscal year at the Government Entity to ensure the regular and steady workflow of that entity. The Procurement Unit must also collect from end-users the best estimates of their annual requirements for procurements of goods, services, and projects, provided that these estimates include the following as a minimum:
 1. Defining requirements based on the category structure and their specifications.
 2. The estimated quantity and expected budget for planned procurements of goods, services, and projects.
 3. The procurement timeframe with expected delivery dates for goods, and expected schedules for services and projects.

4. The demand volume for project procurements, which shows the plan, scope of work, and potential suppliers for each planned project.

- b) If the full demand volume cannot be obtained, the Procurement Unit must estimate the needs.
- c) The Procurement Unit shall coordinate with end-users on the estimated budgets allocated for the demand based on data, prices, and market insights.
- d) The timeline for planning requirements should be determined during the budget-setting cycle, and the Procurement Unit must inform end-users of the consolidated annual demand for requirements.
- e) The Head of the Procurement Unit is responsible for the activity and results of consolidating the demand requirements.

6-9 Validation of Procurement Requests

- a) The Procurement Unit shall validate the collected procurement requests against previous demands to verify the accuracy of the submitted estimates. The Procurement Unit shall investigate any discrepancies in the estimated demand with end-users and propose revisions as needed.
- b) The Procurement Unit may verify and manage the demand submitted by end-users to ensure that consumption and procurement are at optimal levels. To achieve this, any financially inefficient practices identified by applying a set of consumption rationalization factors are excluded, which include, but are not limited to:
 1. Comparison with past consumption trends.
 2. Verifying and reviewing the required procurement quantities.
 3. Providing suitable alternatives.
 4. Standardizing procurement requirements.

7-9 Proactive Study

- a) The Procurement Unit shall ensure that the requesting entity prepares proactive feasibility studies for procurements of goods, services, and projects that require justification according to the Procurement Delegation of Authority Manual. In the case of project procurements, the feasibility

study conducted during investment planning must be validated and corrected.

b) The Procurement Unit shall ensure, as far as possible, that feasibility studies explore opportunities for cooperation and joint organization among the departments of the Government Entity.

8-9 Financial Allocations for the Procurement Unit

a) The Procurement Unit shall develop an estimated plan for the consolidated requirements of the categories, which represents a medium-term spending plan that should be used to support the development of financial budgets.

b) The Procurement Unit shall verify and ensure that sufficient budgets are allocated for all procurement categories.

c) The budgets must separate operating and capital expenditures. The Procurement Unit shall include the budgets for planned projects independently.

d) If a budget deficit becomes apparent during implementation, the Procurement Unit must ensure that end-users reduce the demand, or work with the Finance Department to increase the allocated budget. Budgets for project procurements must be consistent with the investment plans for the projects, and any discrepancies should be reported to both the concerned end-users and the Finance Department.

9-9 Procurement Plan

a) Planning for the procurement management process shall determine the best ways to meet the requirements received from the Government Entity, with the goal of achieving a balance between supply and demand so that the Government Entity, through its application, achieves the desired financial and service delivery objectives.

b) The procurement plan focuses on reviewing operating contracts and selecting sourcing methods to renew existing supply agreements or establish other new supply agreements.

c) The procurement plan identifies all necessary requirements and needs for procurements of goods, services, and projects to be executed over a specific period. It must also identify significant sourcing timeframes. The

Procurement Unit also uses the procurement plan to consolidate or aggregate similar requirements under the same contracts.

d) In order to prepare the procurement plan, the Procurement Unit must consider the following issues as a minimum:

1. The necessary needs and requirements.
2. Estimated quantities and costs.
3. The required budget.
4. Opportunities to consolidate and standardize procurement requests.
5. Appropriate procurement methods and procedures.
6. Setting a timeline for the procurement stages.
7. Readiness to execute procurements and mitigate potential risks.

e) The Procurement Unit may include in the procurement plan initiatives other than those related to the procurement and execution stages, such as: managing procurement requests, managing supplier relationships, managing contracting stages, and other procurement-related responsibilities.

f) Procurement staff must include in the procurement plan the timeline for the procurement and execution stages of the procurement categories they manage, so that it contains, as a minimum, the timeline for planned activities and the participating and concerned parties.

g) Procurement staff must prepare procurement plans for the procurement categories they manage.

h) The Head of the Procurement Unit is responsible for approving the procurement plan.

10-9 Monitoring the Procurement Plan

a) The Procurement Unit must monitor the implementation of the procurement plan and amend it when appropriate to add new requirements or changes that have been communicated to the management and agreed upon with the concerned parties.

b) The Head of the Procurement Unit is responsible for approving changes to the procurement plan.

11-9 Cooperation between Concerned Parties

- a) The Procurement Unit shall identify the key parties concerned with procurement processes, their interests, and their relative importance. Internal and external concerned parties may include partners, suppliers, end-users, the Finance Department, the Legal Affairs Department, and relevant experts.
- b) The Procurement Unit identifies the concerned parties required for successful procurement planning, along with their expected contributions. The procurement plan must be documented, especially concerning the exchange of information and correspondence with key parties, to simplify tracking and verify its integrity.

12-9 Benefits Tracking

- a) The Procurement Unit must monitor the benefits and positives achieved for the Government Entity in terms of cost reduction and avoidance, and from the level of service and quality.
- b) The Procurement Unit shall develop appropriate and consistent methodologies for calculating the achieved benefits.
- c) The Procurement Unit must establish reliable guidelines for measuring benefits, taking the following matters into consideration, as a minimum:
 1. Past costs.
 2. The value of previous contracts.
 3. Budget estimates or financial allocations.
 4. The expected increase in costs resulting from macroeconomic factors or from an increase in purchase prices from suppliers.
- d) The Procurement Unit shall cooperate with end-users to obtain the necessary inputs for tracking achieved benefits, and may involve the Finance Department and specialized experts to validate the procedure.
- e) The Procurement Unit shall submit periodic reports on the achieved benefits.

Section Ten: Source-to-Contract Cycle

1-10 Introduction

- a) The Procurement Unit must - starting from the source-to-contract cycle - identify suitable suppliers to meet the Government Entity's needs for procurements of goods, services, and projects effectively and at a reasonable cost. The Procurement Unit shall manage this cycle, ensuring cooperation between end-users, the Finance Department, and the Legal Affairs Department, with the involvement of suppliers if necessary.
- b) The source-to-contract cycle path includes the processes of collecting specifications and procurement requirements, determining appropriate procurement methods, and preparing and issuing request for tender documents. The Procurement Unit must ensure the evaluation of received offers, conduct negotiations, and award contracts to the most suitable suppliers.

2-10 General Guidelines on the Source-to-Contract Cycle

- a) The Procurement Unit shall adhere, at a minimum, to the following during the source-to-contract process:
 1. Sourcing activities shall comply with procurement standards and relevant legislation, and shall be conducted within the bounds of business ethics.
 2. Validation of procurement requests against existing contracts and available inventory to verify the possibility of meeting requirements without entering into new commitments.
 3. Procurement requirements shall not be fragmented to avoid approval and authorization bodies. If there is a genuine need to fragment procurement requirements, it must be supported by necessary justifications and reasons and approved by the Head of the Procurement Unit.
 4. The sourcing process for projects shall begin after the approval of the underlying initiative and after it is also approved by the appropriate level of authority according to the Procurement Delegation of Authority Manual.

5. Selection of the appropriate sourcing method and methods for requesting proposals.
6. Obtaining approval from the appropriate level of authority, according to the Procurement Delegation of Authority Manual, to source the procurement.
7. Formation of a Tender Committee - if stipulated in the Procurement Delegation of Authority Manual - for the source-to-contract process, which shall include representatives from the requesting entity and specialists with knowledge of the relevant subject matter.
8. Management of the sourcing process for each procurement category up to contracting by the procurement staff responsible for that category.
9. Execution of sourcing electronically through the procurement portal whenever possible.
10. Requiring all suppliers to sign a non-disclosure agreement before any confidential information is exchanged with them.
11. Responding to supplier inquiries and providing them with the required clarifications during the sourcing process.
12. Collecting and disseminating information in a clear, fair, and transparent manner, while granting all participants an equal opportunity to access this information.
13. Conducting a clear electronic review and audit to monitor the transfer and exchange of documents between the Procurement Unit and suppliers to facilitate tracking and auditing.
14. Granting suppliers sufficient time to respond to the invitation to tender, with the possibility of requesting a time extension.

3-10 Identifying and Analyzing Needs

- a) The Procurement Unit shall initiate the source-to-contract process when notified of a procurement need by end-users or when a procurement need is identified during procurement planning.
- b) The Procurement Unit shall create the sourcing request on the procurement portal. These requests are approved by the appropriate level of authority according to the Procurement Delegation of Authority Manual.
- c) The Procurement Unit shall analyze the requirements and determine whether they can be met through an existing procurement contract or if a

new procurement contract is needed. If the Procurement Unit decides that there is a need to initiate a sourcing process to establish a new procurement contract, then the Procurement Unit must identify the key relevant parties, determine critical business requirements, and conduct internal analyses and market research to develop a sourcing strategy.

4-10 Approvals for Financial Budget Allocations

- a) The Procurement Unit shall cooperate with end-users to develop a reliable cost estimate for procurement requests. It is preferable for the Procurement Unit to use market research, past price trends, or preliminary cost estimates to arrive at the estimated cost.
- b) The Procurement Unit shall ensure the availability of sufficient financial budgets and the necessary appropriations for procurement requirements. If the financial budget is not approved or is insufficient, the Procurement Unit must ensure that end-users allocate the required budget in coordination with the Finance Department through the appropriate procedures before sourcing.
- c) The Procurement Unit must ensure that end-users allocate an additional budget in coordination with the Finance Department before contracting, in case of a shortfall.

5-10 Procurement and Sourcing Methods

- a) The Procurement Unit shall use the following procurement methods, at a minimum, through the procurement portal:
 1. Public Tender: It must be available through the procurement portal and publicly announced, for all suppliers to be able to register on the procurement portal to submit their bids.
 2. Limited Tender: Access is allowed to a pre-determined number of registered and qualified suppliers, or by registered suppliers recommended by end-users and approved by the Procurement Unit. The Procurement Unit may include any additional registered suppliers it deems suitable for the procurement process.
 3. Sole Source Tender is a different type of limited tender where there is only one qualified supplier capable of providing the required goods, services, and projects with whom the contract may be concluded.

4. Single Source Tender is a different type of limited tender where only one qualified supplier is selected from a group of registered suppliers to receive the bid. This type of tender is resorted to when there is a good reason to use that single supplier. The Procurement Department should strive to suggest suitable alternatives when end-users propose resorting to single source tenders.

The decision to proceed with a sole source tender or a single source tender requires the endorsement of the Head of the Procurement Unit and approval according to the Financial Delegation of Authority Manual.

- b) The Procurement Unit shall use appropriate sourcing methods to establish new procurement contracts or to update existing procurement contracts for the required procurements of goods, services, and projects.
- c) The Procurement Unit shall follow the Procurement Delegation of Authority Manual to select and use the appropriate sourcing method after obtaining the relevant approvals.
- d) The Procurement Unit shall obtain approval to follow a sole source tender method or a single source tender method or for any change in the prescribed procurement methods. The Procurement Unit should also ensure that the reasons supporting the request for approval include the following justifications as a minimum:
 1. An explanation of the reason for using the sole source tender method or single source tender method or the reason for the change in the prescribed procurement method.
 2. A proactive feasibility study justifying the use of the sole source tender method or single source tender method or the expected benefits from the change in the prescribed procurement method.
 3. Relevant information on procurement requirements, such as category, quantity, estimated value, source of production, required approvals from concerned authorities, delivery date, or schedule for procurement of goods, services, and projects.
- e) The Procurement Unit shall inform end-users of the required delivery time for each procurement method to enable them to include the necessary time in their plans.

6-10 Methods for Requesting Tenders

a) The Procurement Unit shall determine the appropriate methods for requesting the submission of tenders to execute the procurement process. The following methods for requesting tenders must be available, at a minimum, in the procurement portal:

1. Request for Information (RFI), which is used to gather information or to obtain an estimated budget from a broad base of potential suppliers. The RFI facilitates the process of preparing a Request for Proposal or Request for Quotation, developing a strategy, shortlisting suppliers, or creating a database.
2. Request for Proposal (RFP), which is used for the purpose of obtaining proposals from suppliers. This type of request is perfectly suitable in cases where end-users know the objectives they wish to achieve and rely on suppliers to propose solutions. The RFP depends on the expertise and creativity of suppliers to determine the best solutions and may be followed by a Request for Quotation/Price or contract negotiations.
3. Request for Quotation (RFQ), which is used to obtain information about prices related to a specific scope of work or the supply of specific goods or services. This type of request must state the specifications, terms, and expectations very clearly.
4. A reverse auction may be used as an alternative to a Request for Quotation for goods, services, and projects that are in high demand, or in situations where participating suppliers confirm their full knowledge of the specifications. The reverse auction is held among a number of pre-selected and registered suppliers for a specific category to help achieve cost savings. The Procurement Unit must maintain fairness and confidentiality during reverse auctions. The data of participants and their offers may not be disclosed.

7-10 Preparing Specifications

a) The Procurement Unit shall develop the specifications in cooperation with end-users and subject matter experts if necessary. The Procurement

Unit shall take into account the following aspects - at a minimum - when developing specifications:

1. The specifications shall state the demands identified by the end-user and what is expected from the supplier to provide.
2. The specifications shall include the operational and performance conditions for all basic user requirements and general requirements.
3. The specifications shall be accurate and at the same time broad enough to encourage competition.
4. The specifications may not be in favor of any supplier.

b) The Procurement Unit shall consider the possibility of standardizing specifications wherever possible.

c) The Procurement Unit shall formally document the specifications and inform the relevant key parties.

8-10 Best Value Sourcing Strategy

- a) The Procurement Unit shall develop a sourcing strategy to achieve the objectives specified in the procurement category strategy and the procurement plan.
- b) The Procurement Unit shall conduct a detailed assessment of internal trends, market opportunities, risks, and the supplier base, if such information is not adequately provided in the category strategy.
- c) The Procurement Unit shall select the sourcing method and decide on the appropriate methods for requesting proposals based on the desired objectives of the sourcing process.
- d) The sourcing strategy must include the expected benefits and methods for measuring them.
- e) The Procurement Unit shall develop a detailed plan for each of the sourcing cycles specified in the procurement strategy, including key stages, timeframes, and responsibilities of the key parties involved; including end-users, the Tender Committee, the Procurement Committee, the Finance Department, the Legal Affairs Department, subject matter experts, and suppliers.
- f) The Procurement Unit shall encourage cross-departmental collaboration by assigning the Tender Committee to provide information for the

sourcing strategy whenever the Procurement Delegation of Authority Manual so provides.

g) The Procurement Unit shall obtain approval for the sourcing strategy in accordance with the Procurement Delegation of Authority Manual.

9-10 Supplier Evaluation

a) The Procurement Unit shall develop criteria for supplier evaluation, as well as evaluate potential suppliers, to help create a shortlist of the most competent and highest-performing suppliers. The evaluation criteria established by the Procurement Unit may be based on the following, for example, but not limited to:

1. Financial capability including a sound financial position, audited financial statements, cash flow position, and determination of financial solvency or credit status.
2. Commercial status including business relationships with reputable institutions.
3. Legal status which includes information on past lawsuits, suspension of business activities, bankruptcy, and liquidation.
4. Technical capabilities which include providing technical staff with the necessary skills, appropriate manufacturing or service equipment, distribution and supply networks, and certifications related to quality, health, safety, and the environment.
5. The quality of goods, services, and projects as established by reviewing the record of successful competitions in previous contracts and successfully completed works.
6. Information on the supplier's past performance and its determination by evaluating their performance available in the procurement portal.

b) The Procurement Unit may seek to engage diverse suppliers whose business representation is not at the required level in accordance with the strategic goals and objectives approved by the competent government authority.

c) End-users may recommend certain registered suppliers to meet procurement operations. It is preferable that the Procurement Unit seeks

to enhance the list of recommended suppliers based on the supplier database, previous contracts, and market research.

d) In the case of project procurements, the Procurement Unit must include any suppliers proposed during planning. The supplier evaluation criteria for projects may be recommended by the project's end-user.

10-10 Request for Tender Documents

a) Procurement staff responsible for managing procurement categories shall cooperate with end-users to ensure the preparation of request for tender documents for procurement operations, provided that they include the following at a minimum:

1. Details of the entity responsible for managing the request for proposal.
2. The method of submitting responses, the required content, and its format and timeline.
3. Evaluation criteria and award procedures.
4. Conditions related to negotiations if necessary.
5. A draft contract that states the terms and conditions, and any other customized requirements for the procurement of goods, services, and projects, including subcontracting.
6. A non-disclosure agreement and a commitment of no conflict of interest, as required from the Government Entity's suppliers.

b) It is preferable for the Procurement Unit to use the standardized templates available in the procurement portal for requesting proposals.

11-10 Bank Guarantees

a) The Procurement Unit must specify, at a minimum, in each request for tender submission, the following:

1. The value of the bid bond/initial security, performance guarantee, and advance payment guarantee, and their respective validity periods, in accordance with the Procurement Delegation of Authority Manual.
2. The conditions for exemption from providing a bid bond, performance guarantee, and advance payment guarantee, and the

relevant authority to request the exemption in accordance with the Procurement Delegation of Authority Manual.

3. The mechanism for handling the bid bond, performance guarantee, and advance payment guarantee, including their submission, full or partial liquidation, as well as their release.
4. The roles of the Procurement Unit, the Finance Department, and end-users in managing the bid bond and performance guarantee.

12-10 Review of Request for Tender Documents

The Procurement Unit shall ensure that the prepared request for tender documents are reviewed before they are published.

a) The Procurement Unit shall ensure that the request for tender documents which include the following items have been reviewed and verified by the Finance Department, the Legal Affairs Department, and any other parties specified by the Procurement Unit:

1. Non-standard terms and conditions.
2. Complex pricing structure.
3. Advance payments secured by a bank guarantee.
4. Advantages and features inherent in or derived from the procurement process or leasing procedures.

13-10 Approval and Issuance of Request for Tender Documents

a) The Procurement Unit shall obtain approval from the appropriate level of authority in accordance with the Procurement Delegation of Authority Manual for the prepared documents for the request for tender submissions.

b) The Procurement Unit shall issue the approved request for tender documents through the procurement portal, and shall facilitate all administrative tasks such as announcements, notifications, managing meetings and conferences, receiving inquiries, and issuing clarifications.

14-10 Considerations During Request for Tender Submissions

a) The Procurement Unit shall be responsible for issuing tenders and ensuring the cooperation of the end-user, the Finance Department, and the Legal Affairs Department. The Procurement Unit shall also execute

them through the procurement portal, while adhering to the following principles at a minimum:

1. Following the established procedures for public tenders, limited tenders, sole source tenders, and single source tenders.
2. Announcing the invitation to submit tenders appropriately according to the requirements of the selected procurement method.
3. Maintaining integrity and transparency to ensure fairness, impartiality, and consistency of procedures.
4. Granting all competing suppliers the opportunity to access the same level of information, while informing them all at the same time of any amendments that may occur to the requests for tender submissions.
5. Conducting necessary communications with suppliers and receiving their inquiries through the procurement portal.
6. Giving suppliers sufficient time to submit their responses to the tender, taking into account any official written request to extend its deadline. The extension of the deadline applies to all suppliers.
7. The tender may be issued multiple times if necessary.

15-10 Tender Management

a) The Procurement Unit shall manage the tender issuance by holding pre-bid meetings, receiving and responding to inquiries, issuing clarifications, revising or canceling requests for tender submissions, and arranging for bid submission and opening procedures. The Procurement Unit must coordinate with the concerned parties, which include suppliers, end-users, the Finance Department, the Legal Affairs Department, the Procurement Committee, and other parties.

1. Pre-bid meetings may be held with potential suppliers to discuss the scope of work items, payment terms, technical and financial evaluation criteria, and other terms and conditions. The Procurement Unit may not provide any information about the acceptable financial value of the tenders, and it is preferable for it to hold pre-bid meetings for large or complex projects for procurements of goods, services, and projects.
2. Supplier inquiries regarding the tender submission are submitted through the procurement portal. The Procurement Unit must formulate responses and request clarifications from end-users or

specialized experts, if necessary, and all competing suppliers must be given the opportunity to review the list of inquiries and clarifications to enhance transparency and integrity.

3. The Procurement Unit must amend the request for tender documents if there is a substantial change in the scope of work, specifications, quantities, delivery schedules, or terms and conditions, or to clarify any ambiguity or errors in the request for tender documents. The amendment shall be immediately communicated to all competing suppliers, and the bid submission deadline shall be adjusted to set an appropriate time for submitting responses. The Procurement Unit must ensure that the amendment to the tenders has a valid and approved business justification.
4. The Procurement Unit must cancel the tender if there are substantial changes in the procurement requirements, or if the end-user submits an approved cancellation request according to procedures. The Procurement Unit may also cancel the request for tender submission if the competitive bidding requirements are not met.
5. Suppliers are allowed to revise or withdraw submitted responses before the specified deadline for bid submission.
6. Tenders must be submitted through the procurement portal, and the Procurement Unit must facilitate this. Also, tender offers are submitted on the date and time specified in the procurement portal, and late offers are not accepted.
7. The Procurement Unit organizes the opening of tender offers electronically. Offers obtained from competing suppliers may not be disclosed except to the Tender Committee and the Procurement Unit.

16-10 Rejection of Tenders

- a) The Procurement Unit shall verify whether the submitted tenders are complete and meet the conditions. Tenders are considered compliant if they are submitted on time and in accordance with the tender requirements and specifications.
- b) The Procurement Unit shall reject tenders that do not comply with the items specified in the request for tender documents, or do not conform to the necessary conditions and specifications.

17-10 Technical Evaluation

a) The Procurement Unit shall ensure that the assigned individuals or tender committees conduct the technical evaluation according to the specified technical evaluation criteria, which may be based on the following, for example, but not limited to:

1. The ability to meet the specified requirements.
2. The extent of innovation provided.
3. The delivery times and schedules provided.
4. The quality provided.
5. The experience of the supplier and the proposed staff.
6. The supplier's capabilities and capacity.
7. The supplier's performance and management practices, and the extent of their impact on occupational health and safety, workplace and industrial relations, and environmental sustainability.

b) The Procurement Unit may request end-users and relevant experts to join the Tender Committee to conduct the technical evaluation. The Tender Committee must have the necessary skills and knowledge to conduct the technical evaluation, and there should be no conflict of interest among its members to ensure integrity.

c) The Procurement Unit may request clarifications on the technical proposals submitted by participating suppliers if the tender documents allow. The Procurement Unit must request these clarifications from each supplier individually and maintain confidentiality.

d) The Procurement Unit shall ensure the issuance of a technical evaluation report, which briefly presents the evaluation results, a list of qualified suppliers, and the recommendations put forward for further action.

18-10 Financial Evaluation

a) The Procurement Unit shall review the financial proposals submitted by technically qualified suppliers with an additional focus on calculation errors, unusual cases, pricing irregularities, imposed initial fees, and unrealistically low offers. The Procurement Unit may request the Finance Department and end-users to join the financial evaluation of the proposals.

- b) If the Procurement Delegation of Authority Manual so provides, the Procurement Unit must involve the Tender Committee in conducting the financial evaluation.
- c) The submitted financial proposal must be reviewed based on the reference bases of previous pricing for procurements of goods, services, and projects, the price insight revealed by market information, and the direct and indirect total cost model. The Procurement Unit may request suppliers to provide a detailed statement or clarifications on the submitted financial proposals, and the Unit must request these clarifications from each supplier individually and maintain confidentiality.
- d) In the case of unusually or unrealistically low offers, the Procurement Unit must request the supplier to provide detailed clarifications of their financial offer, including pricing calculations, and such an offer is not considered valid unless sufficient and convincing clarifications are received from the supplier.
- e) The Procurement Unit shall prepare a report on the review of the submitted financial proposals, including the following at a minimum:

1. Details of calculation errors, unusual cases, pricing irregularities, and unrealistically low bids.
2. A summary of the submitted financial proposals compared to the benchmark pricing or the lowest received prices.
3. A ranking of the financial proposals presented by price or total cost, appropriately adjusted by removing errors and incorrect calculations.

19-10 Negotiation Guidelines

- a) The Procurement Unit may negotiate with the most qualified competing suppliers to obtain the best possible value in the following cases:
 1. If the terms of the competitive bids are not optimal.
 2. If the submitted proposals are unreasonable or include unacceptable terms and conditions.
 3. If the lowest submitted bid is higher than the proposed estimates or the specified budget.
 4. If there is a possibility of price reduction.
 5. In the case of sole source or single source tenders.

- b) The Procurement Unit may negotiate with the most qualified suppliers if this option is specified in the request for tender document, or if approved by the Head of the Procurement Unit.
- c) The Procurement Unit may not conduct negotiations if the costs of delaying the project for negotiations outweigh the expected benefits.
- d) The Procurement Unit must adhere to the following guidelines when conducting negotiations:
 1. Maintain the confidentiality of the original and negotiated proposals, and prohibit their discussion with other suppliers.
 2. Do not give suppliers any impression that negotiating with them will guarantee them the offer.
 3. Maintain integrity and follow business ethics during negotiation.
 4. Do not change the award criteria during negotiations.

20-10 Conducting the Negotiation Process

- a) The Procurement Unit shall form a team to conduct the negotiation process, consisting of at least two members from the Procurement Unit staff responsible for managing procurement categories, or end-users, or the Finance Department, or the Legal Affairs Department, as the case may be. The team should prepare a negotiation plan, taking into account potential areas of negotiation; such as prices, terms and conditions, contract duration, and implementation and scope schedules.
- b) The results of the negotiations must be documented and confirmed by all concerned parties, including stakeholders.

21-10 Recommendation for Contract Award and Approvals

- a) The Procurement Unit shall recommend suppliers for contract award based on the results of the technical and financial evaluation of the proposals, and the negotiation process with them. The recommendation for contract award must include the following at a minimum:
 1. A summary of the technical and financial proposal evaluation.
 2. A summary of the negotiation results.

3. The type of award - which includes, but is not limited to - a single award, a split award, a multiple award, or primary and secondary awards.
4. Details of the suppliers recommended for contract award, including a brief statement of the reasons for this.

b) The Procurement Unit must obtain approval for the recommendation for contract award from the appropriate level of authority in accordance with the Procurement Delegation of Authority Manual, and the Tender Committee or individuals who conducted the technical and financial evaluations and negotiations may be asked to explain the reason behind their approach and recommendations.

22-10 Handling Tie Bids

- a) The Procurement Unit must resolve cases where the evaluation between two or more bids is equal and their prices are identical and comply with all specifications, terms, and conditions.
- b) In cases of a tie, the Procurement Unit shall allocate a multiple award for the contract, if possible and after the suppliers' approval.
- c) If splitting the contract is not feasible, the Procurement Unit may deal with such a tie by considering the following factors:
 1. Preference shall be given to goods manufactured or produced within the country.
 2. Preference shall be given to local suppliers and small local businesses.
 3. The past performance of the suppliers.
 4. The earliest date for contract delivery or commencement.
 5. The closest distance to the delivery site.
 6. Total in-country spending, as confirmed by the suppliers.

23-10 Right of Objection

- a) The Procurement Unit must receive and process a written objection from a supplier only if it is supported by documents or evidence.

b) The Procurement Unit must seek to resolve any received objection, and the Procurement Unit must suspend the call for bids until the cause of the objection is satisfactorily resolved, in the following cases at a minimum:

1. Violation of applicable legislation.
2. Violation of bidding requirements.
3. Violation of the code of business ethics.

c) The Procurement Unit may issue the following decisions regarding any objection, for example, but not limited to:

1. Amending the request for proposals document.
2. Extending the date and closing time of the request for proposals.
3. Canceling the request for proposals.
4. Re-evaluation and re-award.
5. Cancellation of the award.

24-10 Contract Award

a) The Procurement Unit shall prepare and issue a contract award statement, using one of the standardized templates available in the procurement portal, which includes the following:

1. A reference to the request for proposal, which indicates the required procurements of goods, services, and projects, the required quantities, the start or delivery dates, and the contract clauses.
2. Terms and conditions.
3. The value and duration of the contract.
4. The condition and method of providing a performance guarantee, advance payment guarantee, or contract retention guarantee.
5. The date, method, and requirements for signing the contract.

b) The contract award shall be notified to the winning suppliers through the procurement portal whenever possible.

c) The Procurement Unit must notify the unsuccessful suppliers.

25-10 Withdrawal of the Winning Supplier

In the event that the winning supplier withdraws or refuses to accept the award, the Procurement Unit has the right, on behalf of the Government

Entity, to confiscate the bid bond security and invite the next qualified supplier to sign the contract. In the case of sole source or single source tenders, the request for tender shall be re-issued, and the Procurement Unit must ensure that information about the supplier's withdrawal is recorded in the procurement portal.

26-10 Contracting Conditions

a) The Procurement Unit must conclude contracts for the following cases at a minimum:

1. Obligations arising from situations where the supplier's failure to perform their duties would result in a severe negative financial impact on the Government Entity.
2. Procurements of frequently requested goods and services.
3. Procurements of goods, services, and projects whose scope of work is complex, even if not frequently requested.
4. Project procurements that require pilot operation, long-term warranties, support, and maintenance.
5. Performance-based arrangements where the supplier's financial returns are based on achieving certain objectives.
6. Leasing or renting equipment or services associated with that equipment.
7. Conducting any procurements that are subject to legal conditions and requirements.
8. Procurements of privately owned goods, services, and projects.
9. Procurements of goods, services, or projects related to the acquisition, sharing, or licensing of intellectual property either by the supplier or the Government Entity.

27-10 Contracting Guidelines

a) The Procurement Unit shall adhere to the following guidelines during the conclusion of contracts:

1. Subject all procurements of goods, services, and projects to the established bidding procedures.
2. Use contract templates and terms and conditions that have been pre-approved by the Legal Affairs Department and the Finance

Department, and obtain the required approvals in case of deviation from them.

3. Verify the availability of the approved budget before signing the contract. The contract is not considered to be within the budget until the order to sign the contract is issued.
4. The contract shall be signed by the level of authority authorized to enter into commitments on behalf of the Government Entity in accordance with the Procurement Delegation of Authority Manual.
5. Ensure that the relevant purchase order is issued for all contracts before the supplier begins work.

28-10 Standard Contract Templates

a) The Procurement Unit shall use the procurement portal when dealing with and preparing contracts.

b) The Procurement Unit shall use pre-approved standard contract templates with terms and conditions that can ensure and protect assets, interests, and information.

c) The Procurement Unit shall use pre-approved construction contract templates approved by the Executive Council.

d) The Procurement Unit shall ensure that the templates are available in the procurement portal, with respect to the following as a minimum:

1. Price agreements.
2. Contracts.
3. Purchase orders.

e) The Procurement Unit shall prepare the contract documents including the following, for example, but not limited to:

1. Contract terms and conditions, including clauses for leniency, payment terms, delivery terms, termination terms, and dispute resolution.
2. Special conditions of the contract, such as performance guarantees, warranties, sureties, retained amounts, subcontracting, and intellectual property rights as needed.
3. Specifications according to the scope of services or projects.

4. Delivery dates, schedules for completion of supply and execution, and contract durations.
5. Other requirements, including safety, health, and environment requirements and non-disclosure agreements.
6. Service level agreements, or key performance indicators.

f) The contract templates must include specific conditions to ensure the protection of the Government Entity's interests in the event that the primary supplier subcontracts. The specific conditions for subcontracting must include the following as a minimum:

1. The primary supplier's responsibility to inform the Government Entity and obtain prior written authorization from it to engage subcontractors and to include the activities and deliverables planned for subcontracting.
2. Imposing restrictions on subcontracting the entire activities and deliverables awarded to the supplier.
3. The primary supplier's responsibility for all tasks, actions, and deliverables entrusted to subcontractors.
4. The primary supplier's responsibility for regulatory and legal violations and for the non-performance of subcontractors.
5. The primary supplier's responsibility for compensating subcontractors for the services they provide.
6. Exclusion of any liability on the part of the Government Entity towards subcontractors.
7. Indemnification of the Government Entity for disputes and legal proceedings between the primary supplier and subcontractors.
8. The Government Entity is not responsible or liable for claims, civil liabilities, or any legal actions brought by subcontractors against the Government Entity.

g) The contract templates and terms and conditions must be periodically reviewed and approved for use by the Legal Affairs Department and the Finance Department.

h) If changes to the standard contract templates and terms and conditions are required as a result of negotiation with the supplier, or due to specific procurement requirements, the approval of the Legal Affairs Department and the Finance Department must be obtained for the amended contract template and terms and conditions.

29-10 Contract Review and Signing

a) The procurement staff responsible for managing procurement categories shall draft the contract using the prescribed standard contract templates. The Procurement Unit must verify the persons authorized to sign the contract who represent the supplier.

Section Eleven: Contract Lifecycle Management

1-11 Introduction

a) The Procurement Unit, through its management of the contract lifecycle, must ensure the following:

1. That all contractual obligations have been met according to the schedule prepared for each.
2. That any necessary amendments or changes to the scope, terms, and conditions have been approved and agreed upon with the supplier, then incorporated into the contract thereafter.
3. Monitoring of the supplier's performance and discussing it with the concerned parties and with the supplier himself.
4. That corrective actions have been taken in case of unsatisfactory performance.
5. That claims for compensation, penalties, and liquidated damages for delay are promptly verified, as well as the fulfillment of financial amounts due to suppliers.
6. That changes, extension periods, and price adjustments have been agreed upon and fall within the limits of the contracted terms, and that they have not been applied until after obtaining prior approval from the appropriate level of authority in accordance with the Procurement Delegation of Authority Manual.
7. That correspondence between the Procurement Unit and the supplier has been properly recorded to ensure transparency and integrity.
8. That the appropriate signatures for the final completion of the contract have been obtained, and that the supplier's performance evaluation has been conducted, documented, and discussed with the supplier at the end of the contract.
9. That the risks associated with the execution and completion of the contract have been identified and mitigated.

10. That differences in the interpretation of the contract that arise during its term have been resolved.

2-11 Purpose of Involving Key Parties

- a) The Procurement Unit bears the responsibility for managing the contract or supervising its management at all stages, including general contract management, management during execution, performance monitoring, and its termination and final completion.
- b) The Procurement Unit must assist end-users who act as administrators for contract execution in daily operations with suppliers. In the event that the Procurement Unit acts on behalf of end-users, then the Procurement Unit acts as the contract execution administrator.
- c) The contract lifecycle management methodology and its templates must be available through the procurement portal.
- d) The Procurement Unit shall, if requested, hold a kick-off meeting with suppliers to review the key deliverables, major milestones, performance expectations, and the schedule for making financial payments for the contract. The Procurement Unit shall also invite end-users and specialized experts to attend the kick-off meeting.
- e) The Procurement Unit shall organize and lead periodic review meetings with suppliers, with the participation of the required concerned parties.
- f) The Procurement Unit must ensure that the procurement process is conducted within the contracted terms.
- g) The Procurement Unit must notify and involve the Legal Affairs Department and the Finance Department in cases of contract modifications, renewals, extensions, related disputes, terminations, and final completions.

3-11 Management of Contract Records

- a) The Procurement Unit shall maintain records of contracts. The procurement staff responsible for managing contracts are also responsible for the care of their records, and the original copy of the signed contract, in addition to all related documents, shall be deposited in printed form, with access to the electronic copy of it available on the procurement portal.

The Procurement Unit must circulate the contract and all related documents, and they can be accessed by all key parties.

b) The contract records must include the following at a minimum:

1. A copy of the fully executed contract with its appendices, as appropriate, or the master services agreement, in addition to any amendments, renewals, or additions.
2. Contact details and legal registration certificates of the supplier.
3. Copies of all correspondence related to award letters, negotiations on terms and conditions, and contract amendments, extensions, and renewals.
4. Due dates for deliverables, reports, and financial payments.
5. Documents related to the review of the supplier's performance, in addition to any claims or disputes.
6. Documentation of any corrective action.
7. Documents of the final completion of the contract.

c) The Procurement Unit shall maintain contract records according to the applicable legislation in the country in this regard.

4-11 Contract Supervision

- a) The Procurement Unit shall proactively supervise the key aspects of the contract to reduce financial and technical risks that may occur. The contract stages, its expiration date, and its use must be tracked and reported on a regular basis.
- b) The contract supervision process allows the Procurement Unit to make decisions regarding changes, amendments, renewals, disputes, and claims. The procurement staff responsible for managing the contract are responsible for supervising it.

11-5 Contract Amendments

- A) The Procurement Unit is responsible for evaluating a contract amendment request submitted by end-users or suppliers. Contract amendments are confirmed and signed by the authorized representatives of the Government Entity and the supplier. The

Procurement Unit handles contract amendments according to the type of amendment required:

1. "Administrative amendments" refer to changes that do not affect or alter the rights of the Government Entity or the supplier. These amendments include, but are not limited to, changes in invoicing instructions or address, correction of typographical errors, and changes permitted under the contract terms. Administrative amendments have no financial or substantive impact. The procurement staff responsible for contract administration shall make all administrative amendments, informing all key parties, such as the Finance Department, Legal Affairs Department, end-users, and suppliers.
2. "Substantive amendments" refer to any change in the contract that affects the rights and obligations of the Government Entity or the supplier. They also include, but are not limited to, changes in prices, timelines, quantities, scope, specifications, and terms and conditions. Substantive amendments must be approved by the appropriate authority level in accordance with the Procurement Delegation of Authority Manual.

B) The Procurement Unit must obtain approval from the Legal Affairs Department, Finance Department, end-user, subject matter expert, or all of the above, depending on the nature of the amendments.

C) When making amendments to contracts for project procurement, the Procurement Unit must verify the approval of the project's end-user and, where necessary, should consult with the Tenders Committee.

D) The Procurement Unit shall, as appropriate, request the supplier to update the guarantees, performance bonds, and advance payment bonds for the amended contract.

E) The Procurement Unit shall issue an amendment to the purchase order or issue a new order that includes the contract amendment to allow for its implementation.

11-6 Contract Extension

A) The end-user may request a contract extension, and the Procurement Unit may initiate this process on behalf of the end-user

upon their request. The contract may be extended before its expiration. The extension is subject to the same provisions, scope, specifications, and terms and conditions as the existing contract.

B) Approval for the contract extension must be obtained from the appropriate authority level in accordance with the Procurement Delegation of Authority Manual.

C) The extension shall be acknowledged and signed by the authorized representatives of the Government Entity and the supplier. The supplier shall be required to submit the updated contract bond, guarantees, performance bond, and advance payment bonds, as appropriate.

D) The Procurement Unit shall issue an amendment to the purchase order or issue a new order corresponding to the contract extension to allow for its implementation.

11-7 Contract Renewal

A) Contracts may be renewed if they include provisions allowing for their renewal.

B) The Procurement Unit must ensure that there is an acceptable justification for the renewal and that the contract is renewed under the same conditions.

C) Approval for contract renewal must be obtained from the appropriate authority level in accordance with the Procurement Delegation of Authority Manual.

D) The Procurement Unit must verify that there is a sufficient approved budget for the contract renewal. The Procurement Unit will amend the existing purchase order or issue a new one for the contract renewal. The supplier is required to update the guarantees and performance bonds, as appropriate.

11-8 Performance and Compliance Management

A) Procurement staff responsible for contract management are responsible for managing contract execution and compliance based on the following criteria:

1. Supply and execution schedules and key milestones.

2. Quality of goods supplied, services rendered, or projects executed.
3. Compliance with contractual obligations.
4. Key Performance Indicators (KPIs) and Service Level Agreement (SLA).
5. Targeted savings value.

B) The Procurement Unit conducts reviews and audits to measure performance and ensure compliance. Costs saved must be monitored to compare actual savings with expected savings.

C) The Procurement Unit must ensure that plans with corrective actions are developed and implemented to achieve the required level of performance and compliance. The supplier must be given sufficient time to address performance and compliance issues.

11-9 Claims and Disputes

A) The Procurement Unit shall manage - or oversee the management of - any claims for compensation or cash recovery from the supplier for non-performance or failure to meet requirements under the contract, in coordination with the Legal Affairs Department. The Procurement Unit may request clarification from end-users or the Finance Department.

B) The Procurement Unit is responsible for documenting claims supported by details of the supplier's failure to perform its contractual obligations and the resulting financial implications. Claims are enforced through penalties, liquidated damages/delay penalties, as well as other applicable terms and conditions.

C) The Procurement Unit must ensure that the Finance Department is promptly informed after identifying issues that may lead to potential claims and disputes. The Procurement Unit must also ensure that invoices, performance bonds, and advance payment bonds are suspended until claims are resolved.

D) The Procurement Unit must notify suppliers of any claims filed. If the suppliers do not raise any objection, the Finance Department will then manage the settlement of the claims.

E) The Procurement Unit must record and analyze any claim filed by the supplier in case of a breach of contractual obligations. The

Procurement Unit manages disputes in coordination with the Legal Affairs Department, Finance Department, and end-users.

F) The Procurement Unit shall seek to resolve disputes amicably with the supplier. If the dispute is not settled amicably, it shall be resolved through the agreed dispute resolution mechanism.

11-10 Termination for Convenience

- A) The Procurement Unit may terminate the contract for convenience. Both end-users and suppliers may also request this in accordance with the contract provisions.
- B) Termination for convenience may be done to preserve the best interest of the Government Entity.
- C) The Procurement Unit must coordinate with the Legal Affairs Department to determine whether the facts or conditions in question permit termination for convenience. This termination is approved by the same authority level that approved the original tenders.
- D) The Procurement Unit must notify the supplier through a formal written notice specifying the scope of termination and its effective date, on which the supplier is entitled to stop providing services, supplying goods, and executing projects.

11-11 Termination for Default

A) The Procurement Unit may terminate the contract for default. End-users may also request the Procurement Unit to initiate termination procedures for these reasons.

B) The Procurement Unit must grant the supplier a sufficient period to correct the default and fulfill its contractual obligations.

Termination for default is used as a last resort and may be initiated under the following circumstances, but not limited to:

1. Continued unsatisfactory performance by the supplier, endangering the execution of the contract.
2. The supplier's inability to supply goods, provide services, or execute projects within the contracted timeframe.
3. The supplier's refusal to comply with reasonable instructions permitted under the contract.
4. Breach of contract provisions in general.

C) The Procurement Unit must prepare a report recommending termination for default, including the obligations of both the Government Entity and the supplier. The Procurement Unit must also request clarifications from end-users and the Legal Affairs Department.

D) The Procurement Unit must obtain approval for termination for default from the same authority level that approved the original tenders, and send a formal notice of termination to the supplier after approval from the Legal Affairs Department and the Finance Department.

11-12 Settlement upon Termination

A) The Procurement Unit must determine the amount due to the supplier upon contract termination, in accordance with the terms and conditions stated in the contract.

B) The Procurement Unit must inform the Finance Department regarding the amounts of all applicable claims, deductions, penalties, and liquidated damages to be deducted. If the amount due is less than the total deductions payable, the remaining amount is deducted from the performance bonds, contract retention bonds, or advance payment bond. In case of termination due to supplier default, part or all of the performance bond may be deducted, in accordance with the provisions of the contract. Coordination with the Legal Affairs Department and the Finance Department is required in this regard.

C) The Procurement Unit must ensure that a clearance from the supplier is received, stating no outstanding dues, upon issuing the final payment.

11-13 Supplier Replacement

A) The Procurement Unit shall initiate the tendering process to replace the supplier before terminating the contract with the current supplier, if necessary.

B) The Procurement Unit may engage a supplier on a temporary basis, without requesting any bids, to perform services, supply goods, or deliver projects, if requested by the end-user and in case of serious consequences resulting from work stoppage.

C) The Procurement Unit must ensure a recommendation is prepared and approval is obtained from the appropriate authority level in accordance with the Procurement Delegation of Authority Manual before engaging that temporary supplier.

11-14 Contract Fulfillment Criteria

A) A contract is considered fulfilled when the Government Entity and the supplier have met their contractual obligations, with no remaining responsibilities. A contract is also considered fulfilled in the following cases:

1. All supplied goods, rendered services, and executed projects have been received and accepted.
2. All requirements and documentation have been completed.
3. All administrative procedures have been finalized.
4. All issues, claims, and disputes have been resolved.
5. All known amounts due to the supplier have been approved and disbursed, with the release of the performance bond, other guarantees, and other retained amounts, as the case may be.

B) The Procurement Unit is responsible for determining whether the contract can be considered fulfilled. The Procurement Unit is also responsible for preparing the completion report and ensuring the approval of all key parties, including the supplier.

11-15 Warranties

- A) The Procurement Unit must ensure that warranties are managed in accordance with the contract provisions.
- B) Suppliers may be required to deposit a warranty amount for the duration of the warranty period.

11-16 Contract Completion and Final Closeout

A) The contract is closed when the Government Entity and the supplier have fulfilled their obligations, with no pending claims or disputes. The Procurement Unit manages the contract completion process, in compliance with the following:

1. The Procurement Unit must verify the final approval of the procurement of goods, services, and projects and may request recommendations from end-users and specialized experts if

necessary. Final acceptance is obtained in line with the procedures mentioned in the original request for tender.

2. The Procurement Unit shall initiate the supplier performance evaluation process. The Procurement Unit requests feedback from key parties on the supplier's performance of its contractual obligations, delivery stages, quantity, quality, and adherence to the scope of services and projects or the specifications of goods, as well as Key Performance Indicators (KPIs) and Service Level Agreement (SLA). The supplier's performance evaluation must be conducted before payment is made. The performance evaluation of that supplier is recorded in the Procurement Portal, to be considered in new procurement processes.
3. Payment of dues to the supplier, including the release of the performance bond and contract retention bond after the expiration of the period for which these bonds were initially issued. Any pending monetary claims, penalties, or liquidated damages are deducted from the final payment due to the supplier.
4. The Procurement Unit must ensure that a completion certificate is issued by the end-user to the supplier, acknowledging that the supplier has performed its obligations satisfactorily, if required by the contractual terms, in addition to the receipt of goods, services, and projects.

Section Twelve: Supplier Relationship Management

12-1 Supplier Registration

- A) The team responsible for managing supplier master data is responsible for their registration in the Procurement Portal.
- B) The Procurement Unit must ensure the supplier provides the required information for registration, including but not limited to a valid commercial license that matches the activities related to the provided categories, tax registration, and bank details.
- C) The Procurement Unit shall conduct supplier qualification once the supplier is registered in the Procurement Portal and has submitted the necessary documents.

12-2 Supplier Qualification

- A) The team responsible for supplier master data management must classify suppliers to provide immediate access to a pool of suppliers considered suitable to work with the Government Entity.
- B) The following aspects are considered during supplier classification:
 1. Proof of sound financial status.
 2. The supplier's reliable reputation.
 3. Availability of experience in supplying goods, providing services, executing projects, and relevant certifications.
 4. Successful completion of contracts with reputable clients.
 5. Qualification criteria are adjusted relatively according to the supplier type classification and year of establishment.
- C) Information is collected from suppliers using standard forms available in the Procurement Portal.

12-3 Review of Registered Suppliers

- A) The Procurement Unit shall periodically review the list of registered suppliers to remove inactive suppliers. The Procurement Unit must send a request to the team responsible for supplier master data management to suspend the supplier's registration.
- B) Procurement must request the team responsible for supplier master data management to blacklist suppliers for one year, if approved by the Head of the Government Entity. Suppliers may be blacklisted if they falsify information provided to the Government Entity or refuse to sign the contract after award.
- C) The team responsible for supplier master data management will suspend the registration of suppliers who do not have a valid commercial license.

12-4 Supplier Category Classification

- A) The Procurement Unit works on classifying suppliers into categories to manage and develop supplier relationships, increase mutual benefits, enhance the value of those relationships, and prevent supply chain disruptions.

B) The Procurement Unit must consider at least the following aspects when segmenting suppliers into categories:

1. Supplier's negotiation power.
2. Value of spend with the supplier.
3. Supplier's capacity for growth, innovation, and collaboration.
4. Supplier's proven capabilities, track record, and performance.

C) The criteria for segmenting suppliers into categories must be approved by the Head of the Procurement Unit and reviewed regularly to align with business objectives.

D) The Procurement Unit regularly segments suppliers into categories to identify their performance and relationship with the Government Entity. Supplier categories must be established in the Procurement Portal.

E) The Procurement Unit must establish specific relationship management guidelines for each supplier segment.

12-5 Supplier Performance Management Guidelines

A) The Procurement Unit is responsible for managing supplier performance during and after the contract, adhering to at least the following guidelines:

1. Conduct regular performance evaluations for all suppliers.
2. Record supplier performance and make it accessible in the Procurement Portal.
3. Communicate all performance evaluation results to all suppliers, encouraging continuous communication and obtaining constructive feedback.
4. Develop plans with corrective actions where necessary, giving suppliers the opportunity to improve their performance.

B) The criteria for measuring supplier performance must be approved by the Head of the Procurement Unit and reviewed regularly to align with business objectives.

C) The Procurement Unit must use supplier performance to strengthen relationships that lead to close collaboration, ensure supply continuity, reduce risks, encourage innovation, and create value for the Government Entity and the supplier.

12-6 Supplier Performance Evaluation

A) The Procurement Unit manages the supplier performance evaluation process by analyzing at least the following:

1. Operational performance, including adherence to agreed-upon or contracted prices, as well as on-time delivery, adherence to specified timelines, and delayed supply and execution requests.
2. Adherence to Health, Safety, and Environment (HSE) guidelines.
3. Response time to issues and prevention of their escalation.
4. Extent of compliance with tender terms in terms of quantity and quality by comparing the execution percentage with the total obligations stated in that tender.
5. Previous instances of withdrawal from contract execution after successful award.
6. Number of claims and cases filed against the supplier.

B) The supplier performance evaluation must include information obtained from the end-user, Finance Department, Legal Affairs Department, and contract administrators. Procurement staff are responsible for signing off on the performance evaluation results of suppliers in the categories they manage.

C) The Procurement Unit must use relevant supplier performance metrics to increase supply chain effectiveness. Suppliers must be informed of these metrics and their results to assess supplier understanding, leading to a collaborative approach to improving the supply chain.

12-7 Supplier Performance Feedback and Improvements

A) The Procurement Unit must conduct a supplier performance review meeting at least once a year to provide feedback on suppliers based on their performance evaluation. The Procurement Unit will include end-users, the Finance Department, and subject matter experts to discuss performance-related issues. The discussion during these review meetings should be constructive, encouraging suppliers to improve their performance.

B) The Procurement Unit must request suppliers to prepare plans with corrective actions to address performance-related issues. The submitted plans must be reviewed and approved by the procurement

staff responsible for category management. The Procurement Unit may request end-users and subject matter experts to verify these plans if necessary.

- C) The Procurement Unit must track progress against milestones and ensure that the issues mentioned in the corrective action plan are resolved.
- D) Procurement staff responsible for category management are responsible for providing feedback on suppliers related to the categories and working on improving their performance.

Section Thirteen: Procure-to-Pay Procedures

13-1 Introduction

- A) The objective of organizing the procure-to-pay procedures is to provide an efficient and economical method for procuring goods, services, and projects, while ensuring the appropriate level of control.
- B) The Procurement Unit and any employee of the Government Entity involved in procurement activities related to the procure-to-pay procedures shall comply with the following:

1. Aligning procurement with business needs and strategies.
2. Adhering procurement to all governance principles and controls to mitigate risks and the potential for any fraudulent activity.
3. Documenting and executing procurements electronically through the Procurement Portal.
4. Ensuring a clear audit trail for procurements to monitor the transfer of documents between the Procurement Unit and suppliers.
5. Having suppliers sign confidentiality agreements before disclosing any confidential information.

13-2 Scope of Application of Procure-to-Pay Procedures

- A) The procurement standards contained in these regulations apply to the procure-to-pay cycle for all procurement of goods, services, and projects purchased by the Government Entity.
- B) The Procurement Unit shall be the sole institutional party in the Government Entity authorized to conduct procurement transactions.

13-3 Selection of Procurement Methods

A) The Procurement Unit must use the available procurement methods to meet end-user requests through the Procurement Portal. Procurement staff responsible for managing procurement categories must select the appropriate procurement methods for their categories based on the following principles, but not limited to:

1. Type of procurement.
2. Value of procurement.
3. Volume of procurement.
4. Criticality of the category.
5. Delivery period.
6. Required approvals.
7. Degree of urgency.

B) Use procurement methods that are consistent with the Procurement Delegation of Authority Manual for approval according to their financial value limits.

13-4 Guidelines for Purchase Requisition Execution Mechanism

A) The Procurement Unit must ensure that end-users submit purchase requisitions through the Procurement Portal. It must also ensure that at least the following procedures are implemented regarding end-user requests:

1. Determining the required quantities, taking into account current inventory and actual demand.
2. Identifying the relevant category, and even specifying the request specifications if necessary.
3. Ensuring that specifications, scope, and timeline are part of the purchase requisition if necessary.

1. Estimating the specific expenditure needed for the purchase requisition.

B) The Procurement Unit must ensure not to accept the splitting of purchase requisitions into several separate purchase requisitions as a result of poor planning and lack of coordination, or to avoid obtaining the necessary approval from a higher appropriate authority level according to the Procurement Delegation of Authority Manual.

- C) Purchase requisitions should not be routed through different procurement methods. When considering whether to combine purchase requisitions, only similar requests should be considered. The Procurement Unit must ensure that received purchase requisitions are fulfilled after being consolidated, processed, and an optimal number of purchase orders are placed.
- D) Procurement staff are treated as end-users with respect to their own purchase requisitions.

13-5 Approval of Purchase Requisitions

- A) The purchase requisition must be approved by the appropriate authority level as per the Procurement Delegation of Authority Manual.
- B) The Procurement Unit must coordinate with the Finance Department to ensure that a sufficient approved budget is available for the purchase requisitions.
- C) Procurement staff responsible for managing procurement categories receive the purchase requisition after it is approved in the Procurement Portal. They conduct an initial review and audit of the request's content to ensure its completeness and take the necessary actions to create a purchase order. Specifically, inventory availability must be checked before submitting the purchase order.
- D) Purchase requisitions made by the Procurement Unit may require further approvals as stated in the Procurement Delegation of Authority Manual.

13-6 Purchase Orders

- A) A purchase order is a written contract between the Government Entity and suppliers for the procurement of goods, services, and projects as per the contract or price agreement, or on a standalone basis. The Procurement Unit is the only entity within the Government Entity authorized to create and issue purchase orders to suppliers.
- B) Each line item of a single purchase order is assigned from the categories mentioned in the category structure.

C) The Procurement Unit must adhere to the following principles when creating a purchase order:

1. Defining the need based on the purchase requisition, and preparing the necessary specifications to be communicated to suppliers.
2. Identifying the supplier.
3. Negotiating appropriate business terms if they are not already in place.
4. Agreeing on the terms and conditions for delivery.
5. Agreeing on payment terms.
6. Ensuring the implementation of any provisions and conditions included in the purchase order itself or in the underlying contract.
7. Ensuring the purchase requisition exists and is approved in the Procurement Portal.

D) The Procurement Unit must create purchase orders through the Procurement Portal. The purchase order must be created before making any commitments with the supplier.

13-7 Guidelines for Issuing Purchase Orders

A) The Procurement Unit may not issue a purchase order to the supplier until the required approvals are obtained from the appropriate authority level in accordance with the Procurement Delegation of Authority Manual. Furthermore, no purchase orders may be issued without obtaining approvals granted through the Procurement Portal.

13-8 Procurement Without Purchase Orders

A) The Procurement Unit must issue a purchase order for all procurements of goods, services, and projects unless those goods, services, and projects are included in the approved list of exempted goods, services, and projects as per the Procurement Delegation of Authority Manual.

B) At least the following guidelines must be followed when issuing purchase orders to suppliers for exempted goods, services, and projects:

1. The Procurement Unit shall provide the supplier with a valid exemption code on its issued invoice to be used instead of a purchase order number.
2. The Procurement Unit shall confirm with the Finance Department to return any invoices that do not have a purchase order number or an exemption code back to the supplier.
3. The Procurement Unit must verify and add the goods, services, and projects proposed by end-users.

13-9 Purchase Order Amendments

A) The Procurement Unit may amend a purchase order in either of the following two cases:

1. When the quantity in the purchase order is different from the quantity in the purchase requisition.
2. When the value in the purchase order is different from the approved value in the purchase requisition.

B) The Procurement Unit is prohibited from amending a purchase order to resolve any delays by the supplier in executing the scope of work unless some actions or instructions from the Government Entity caused or contributed to the delay.

C) When the difference in the original contracted price exceeds the approved maximum limit, the Procurement Unit must request approval from the appropriate authority level, according to the Procurement Delegation of Authority Manual, for the total value of the original agreement and the price overrun difference.

D) The Procurement Unit should not request approval for the amendment if the value difference between the purchase requisition and the purchase order is within the tolerance limits allocated for settling differences in the estimated value in the purchase requisition and the actual value based on the pricing agreed with the supplier.

E) When amending a purchase order for project procurement, the Procurement Unit must verify the approval of the project's end-user, and also consult with the Tenders Committee if necessary. The

amendment may not be issued to complete work outside the scope of the original feasibility study or work plan.

13-10 Purchase Order Cancellation

A) The Procurement Unit must cancel a purchase order in the following cases:

1. If the requesting entity no longer needs the ordered goods, services, and projects.
2. Change in the specifications or scope of the procured goods, services, and projects.
3. The supplier is unable to deliver the goods, services, and projects according to the agreed delivery terms.

B) The Procurement Unit is prohibited from canceling a purchase order in the Procurement Portal until the purchase requisition has been canceled by the requesting entity after obtaining approvals according to the Procurement Delegation of Authority Manual.

13-11 Emergency Cases

A) After obtaining the required approvals according to the Procurement Delegation of Authority Manual, the Procurement Unit shall allow emergency procurement operations in the following two cases:

1. An operational emergency, which includes immediate disruption of operations, leading to the Government Entity incurring significant expenses or liabilities, or disruption to critical systems, or when other assets and the surrounding environment are at significant risk that must be addressed immediately.
2. A personal emergency, which includes a risk to the safety and health of people that must be addressed immediately.

B) An emergency procurement is an exceptional process and should only be used to purchase necessities required to cover one of the two emergency cases above. Emergency procurements may not be made under any other circumstances.

C) The Procurement Unit must ensure that end-users do not conduct an emergency procurement as a pretext to address planning

deficiencies. All emergency procurements must be documented in the Procurement Portal, so that the Procurement Unit can accurately verify and report them.

13-12 Post-Facto Purchase Orders

- A) The Procurement Unit may create a post-facto purchase order if the goods, services, and projects have already been purchased, or a commitment has been made with the supplier without authorization through the Procurement Portal. Post-facto purchase orders must be issued for all goods and services not on the list of exempted goods, services, and projects.
- B) The Procurement Unit is prohibited from creating a post-facto purchase order until the purchase requisition is created based on specific reasons and approved by the appropriate authority level in accordance with the Procurement Delegation of Authority Manual.

13-13 Receipt of Goods, Services, and Projects

- A) The Procurement Unit, in cooperation with the end-user and other relevant parties, must ensure the correctness of the receipt process for goods, services, and projects, including at least the following:
 1. Physical receipt.
 2. Inspection and acceptance or rejection.
 3. Recording the receipt process in the Procurement Portal.
- B) The supplier must create a delivery note for the purchase order for all supplied goods, rendered services, and executed projects. The Procurement Unit must ensure that end-users have completed the receipt process according to the delivery note immediately after delivery, and that any discrepancies or damages have been recorded.
- C) The Procurement Unit must ensure that the inspection of goods, services, and projects is carried out by the receiving end-users or experts assigned to this task. The receiving process should focus on inspecting the quantity and quality of the received goods, services, and projects to determine their compliance with the acceptance criteria, requirements, terms, and conditions stated in the purchase order, taking tolerance into account.

D) The Procurement Unit must ensure that the registration of supplied goods, rendered services, and executed projects is completed in the Procurement Portal without any delay. In case of partial delivery, a partial receipt entry is made in the Procurement Portal.

13-14 Follow-up on Returns

A) The Procurement Unit shall manage items returned to suppliers and ensure that an appropriate warranty is obtained for them. The reason for the return must be the need to repair or replace received goods, services, and projects that do not conform to specifications.

B) The Procurement Unit must ensure that end-users have initiated and formally requested the returns.

C) The Procurement Unit is responsible for the following:

1. Verifying the validity of return requests.
2. Organizing the necessary arrangements with the supplier to obtain a return authorization.
3. Making the necessary arrangements for the return process.
4. Communicating with suppliers and end-users.
5. Ensuring a credit note is obtained for the value of the returns.
6. Recording the details of the return transactions, including the reason for the returns.

13-15 Disputes and Claims Related to Goods Procurement

A) The Procurement Unit must address all disputes raised by end-users, which may include the following cases, but are not limited to:

1. Shortage of goods.
2. Goods not conforming to the required specifications.
3. Sending substitute goods that were not authorized or approved.
4. Sending goods that do not conform to technical specifications.
5. Goods not meeting the required shelf life.
6. Damaged goods.

B) The Procurement Unit must ensure it receives correspondence from end-users regarding any disputes. The Procurement Unit also verifies the validity of compensation claims filed, in coordination with the Finance Department and the Legal Affairs Department if

necessary. The Procurement Unit sends a notice to the supplier to replace the goods or compensate for them.

C) In the event the supplier disputes the claim, the Procurement Unit must facilitate the dispute resolution process with the supplier.

13-16 Disputes and Claims Related to Services and Projects Procurement

A) The Procurement Unit must ensure that end-users report any disputes or claims regarding the procurement of services and projects, which include the following cases, for example:

1. Failure to perform or fulfill contractual obligations.
2. Anything related to loss or damage of property.
3. Non-compliance with the terms and conditions stipulated in the contract.

B) Disputes related to services and projects are resolved in the same manner as disputes related to goods.

13-17 Invoice Processing

A) The Procurement Unit is responsible for implementing the procure-to-pay procedures.

B) The Finance Department is the authorized department for disbursing payments due to suppliers. The invoice is paid according to the payment terms specified in the purchase order or the contract it refers to.

13-18 Payment Requirements

A) The Procurement Unit shall facilitate the timely and accurate disbursement of supplier dues upon verification of the required documents, and must escalate the matter to the Head of the Government Entity in case of delayed or unpaid payments.

B) While facilitating the disbursement of amounts due to suppliers, the Procurement Unit shall adhere to the following:

1. The purchase order is approved and executed in accordance with contractual obligations.

2. The supplied goods, rendered services, and executed projects for which invoices are issued are received, accepted, and recorded in the Procurement Portal.
3. Payment is made according to the payment terms specified in the purchase order or contract.
4. The payment value does not exceed the value specified in the purchase order or its amendments, considering the tolerance clauses specified in the contract.
5. Payment is not made unless the relevant approved supporting documents are attached and verified.

-- End --

Glossary

Procurement Framework	A set of interrelated documents, developed to assist procurement staff in performing their work.
Procurement Standards	An integrated set of principles that coordinate the work style, establish a unified operational model, and define the performance of the Procurement Unit.
Procurement Charter	An official document that defines the roles and committees required for procurement operations.
Procurement Delegation of Authority Manual	An official document that defines the distribution of powers and authorities related to procurement operations in the Government Entity.
Procurement Manual	The reference document that defines the joint and harmonized implementation of the Procurement Unit's purchasing activities in the Government Entity, in line with procurement standards.
Procurement Portal	An electronic platform for the Procurement Unit for local and external users.

Head of the Government Entity	The head of the Government Entity or their equivalent, responsible for the governance and management of that entity.
Procurement Unit	The unit entrusted with procurement, located inside or outside the Government Entity.
Procurement Staff	Government Entity employees involved in procurement operations or making procurement-related decisions on behalf of the Government Entity.
Financial Interest	Financial benefits, such as income, fees, or equity in the form of shares, stock options, other equity rights, royalties, or payments received by a procurement employee, their spouse, dependents, and relatives up to the second degree.
End-Users	The entities requesting goods, services, and projects.
Finance Department	The department responsible for financial affairs within the Government Entity.
Legal Affairs Department	The department responsible for legal affairs within the Government Entity.
Supplier	An individual or establishment registered in the Procurement Portal, and licensed to supply goods, services, or projects.
Procurement Committee	The committee responsible for overseeing the Procurement Unit, appointed by the Head of the Government Entity.
Tenders Committee	A committee formed to evaluate the results of relevant tenders and encourage cross-departmental collaboration.
Procurement Unit Plan	An annual internal plan for the Procurement Unit that details the results and outcomes derived from the Procurement Unit's strategy, accompanied by the

	allocated internal budget and relevant performance metrics.
Procurement Unit Report	A report issued by the Head of the Procurement Unit on the performance of procurement tasks.
Key Performance Indicator (KPI)	A measurable value used to evaluate how successfully a specific government entity or employee is achieving performance objectives.
Cost Savings	A reduction in expenses or consumption either by reducing or avoiding costs.
Category Structure	A hierarchical distribution of goods, services, and projects into procurement categories as defined at the Government Entity level.
Sector Structure	The number, size, and distribution of suppliers in the relevant commercial sector.
Economic Factors	A trend or specific condition of the economy that would affect suppliers commercially.
Requirements	The goods, services, and projects requested by end-users.
Public Tender	A tendering method available to all suppliers, invited through public advertisements.
Limited Tender	A tendering method available to a number of pre-selected registered suppliers.
Sole Source Tender	A tendering method where there is only one qualified supplier capable of providing the required goods, services, and projects.
Single Source Tender	A tendering method where only one qualified supplier is selected from a group of registered suppliers to receive the tender.
Bid Bond	A bank guarantee required in the bidding process to mitigate its risks. This guarantee ensures that the

	winning bidder will fulfill their accepted bid obligations.
Single Award	An award granted to a single supplier.
Split Award	An award granted to each selected supplier for each part of a divided tender request.
Primary and Secondary Award	A type of award granted to both a designated primary source of supply and a secondary or backup source of supply.
Multiple Award	An award granted to multiple sources of supply for the same required materials, services, and projects.
Price Agreement	A type of framework agreement to establish the terms and conditions governing contracts to be awarded during a specific period, particularly concerning the prices of goods, services, and projects.
Performance Bond	A bank guarantee that provides assurance of satisfactory completion of a contract. This guarantee ensures the forfeiture of a sum of money if the supplier fails to meet their specified obligations in the contract.
Intellectual Property	Rights owned by an individual or a government entity and protected by law from unauthorized use. Intellectual property may consist of, but is not limited to, patents, trade secrets, copyrights, trademarks, or simply ideas.
Background Intellectual Property	Intellectual property related to the purchased goods, services, or projects provided by the contracting parties at the beginning of the contract.
Foreground Intellectual Property	Intellectual property that is created during the period and scope of the contract between the contracting parties.

Purchase Orders	A legally binding document issued by the Government Entity to suppliers regarding a contract, price agreement, or on a standalone basis, indicating key procurement indicators such as agreed quantities and prices, delivery schedule, payment terms, and other relevant information, and the commitment of both parties based on explicit or implicit confirmation from the supplier.
Valid Exemption Code	A special code that allows the issuance of purchase orders for goods, services, and projects after the purchase.
Payment Terms	The conditions that specify the duration and method of payment to the supplier.
Delivery Terms	The conditions that specify the responsibilities of suppliers for the delivery of goods and services.
Tolerance	Acceptable variations in price, quantity, and actual characteristics of the supplied goods.
Dispute Resolution	A mechanism for resolving disputes between contracting parties.
Termination Clauses	The conditions that permit the termination of the contract.

Auction and Warehouse Policies and Procedures
(An Annex to Abu Dhabi Procurement Standards)

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Section One: Sale by Auctions

1-1 Sale by Auctions

- a) Sales by auction shall be announced publicly, and the announcement must include the data and specifications of the items offered for sale or lease.
- b) Sales by auction are based on three principles: advertisement, equality, and free competition. The financial limits and authorities related to sales by auction must refer to the original cost of the materials and equipment proposed for disposal.

2-1 Inspection Committee

- a) After completing the write-off procedures from the accounting records for fixed assets and materials whose operation has become uneconomical or have perished, as well as damaged, stagnant, empty, or scrap items, and before disposing of them by sale or otherwise, they are presented to a special advisory committee for the procurement department in each government entity, called the "Inspection Committee".
- b) The Inspection Committee is formed in each government entity, with the approval of the Undersecretary or his equivalent, and includes a suitable number of members, not less than three employees of the government entity with relevant experience. The committee is responsible for assessing the condition, estimating the sale value, and proposing the method of sale by auction, sealed envelopes, or other disposal methods for the equipment and materials intended for disposal, regardless of their value. It

provides its recommendations to the procurement department or its equivalent in the government entity for guidance.

- c) The Inspection Committee must ensure the suitability of the inspection site for those wishing to participate in the auction and the adequacy of the arrangement and display to provide opportunities for examination and participation in the auction, attract the best offers, and provide the greatest degree of transparency and competitiveness.
- d) The memorandums presented to the Procurement Committee regarding the sale or lease of assets must contain the content of the Inspection Committee's reports.

Section Two: Warehouse Management

1-2 General Warehouse Provisions

- a) The government entity has the option to have its own warehouses.
- b) The government entity that chooses to have its own warehouses must comply with the following:
 1. Notify the Department of Finance and the Department of Government Support and adhere to the policies and procedures contained in this document.
 2. Classify materials into "materials for storage," "materials for disposal," and "materials for direct consumption" in accordance with the provisions of this guide.
- c) A government entity that does not have its own warehouses must comply with the following:
 1. Make the necessary arrangements for storing materials intended for disposal.
 2. Follow the provisions and procedures for "direct purchases."
- d) The government entity must use pre-approved forms to document all warehouse movements, including additions, deductions, returns, and transfers.

2-2 Materials for Storage

- a) To classify materials as "materials for storage," they must have been purchased or dispensed from warehouses at least three times during twelve consecutive months, regardless of the quantity dispensed each time. However, some materials that do not meet this condition may be classified as "materials for storage" with the approval of the Undersecretary in exceptional cases, such as materials related to safety procedures, having an unusually long supply time, or similar circumstances.
- b) Only materials classified as "materials for storage" shall be kept in warehouses. Materials classified as "materials for direct consumption" shall not be kept there.
- c) Purchases of capital assets shall not be kept in warehouses. Instead, the value of their purchases is recorded in the fixed assets register at the time of purchase, with all direct purchase expenses added to their value.
- d) Purchases of "materials for storage" are recorded in the warehouse records and accounting records as inventory at the time of purchase. The value of their purchase is not deducted from the relevant expense item until they are dispensed for use and consumption.

3-2 Materials for Disposal

- a) Materials intended for disposal shall be kept in a separate place in the warehouses until their disposal is completed.
- b) "Materials for disposal" are recorded in special registers separate from the accounting records of the warehouse inventory.

4-2 Materials for Direct Consumption

- a) Purchases of "materials for direct consumption" are not kept in warehouses. They are direct material purchases and are not added to the warehouse inventory or recorded in its records.
- b) The value of "materials for direct consumption" purchases is immediately deducted from the relevant expense item at the time of purchase.

5-2 Material Coding

a) The Department of Government Support shall establish a central coding system and a specifications guide for all purchased materials, whether for warehouses or direct purchases, to be applied in all government entities.

6-2 Storage Policies and Provisions

a) Accounting records shall be maintained by the Accounts Department to monitor the value of inventory, and detailed warehouse records for the quantity of each item shall be kept by the warehouse keeper. A monthly reconciliation shall be conducted between all records, with immediate investigation of the causes of discrepancies and necessary action taken to determine responsibility.

b) Six months before the beginning of the fiscal year, the units that make up the government entity must prepare estimates of their needs for warehouse purchases for the new year. These estimates are submitted to the Accounts Department to be considered when preparing the government entity's budget.

c) Each government entity shall establish a warehouse supply policy in light of the suggestions of its constituent units, taking into account the provision of all the entity's needs for all types of materials intended for storage to meet operational, maintenance, and construction requirements, considering the necessary supply time and providing a sufficient balance for work needs until the supply begins.

d) By a decision of the head of the government entity, in exceptional cases, strategic reserves may be formed for materials classified as "materials for direct consumption" or "materials for storage" that exceed the maximum limit specified for each.

e) Efforts must be made to reduce the number of "materials for storage" items as much as possible by reclassifying them as "materials for direct consumption" and purchasing them instead of storing them through supply contracts or purchase orders, as appropriate.

f) For each "materials for storage" item, a minimum level, maximum level, and reorder point must be determined and recorded in the warehouse records, taking into account the following:

1. For determining the minimum level, the time required to supply each item locally or internationally, its purchasing procedures, and consumption rates according to operational programs and the required maintenance and repair operations shall be considered.
2. For determining the maximum level, the balance of the item should not exceed the average consumption of a full year as much as possible, taking into account the items' shelf life, susceptibility to damage, availability in the market, changes in specifications, price fluctuations, and supply requests for items whose purchase procedures have not been completed and items under contract that have not yet been supplied.
3. For determining the "reorder point," the minimum level is considered, plus what meets the operational needs during a period from the time the order is prepared until the items are received in the warehouses, and the availability of the item in the market, taking into account purchase requests for items whose purchase procedures have not been completed and items for which purchase orders or supply orders have been issued but have not yet been supplied.

7-2 Warehouse Keepers and their Duties

- a) A keeper or keepers shall be appointed for each warehouse according to the needs of the work and the organizational structure of the government entity. When there are multiple keepers, they are jointly responsible. The warehouse keeper may also have one or more assistants, and the assistant warehouse keeper shall be jointly responsible with the warehouse keeper and shall co-sign the warehouse inventory statements. The assistant may replace the keeper in his absence.
- b) Warehouse keepers and their equivalents are personally responsible for the items in their custody, for their preservation and care, and for the accuracy of their weight, number, size, and type, and for everything that could expose them to damage or loss. Their responsibility is not absolved unless it is proven to the government entity that this was due to causes or circumstances beyond their control and could not have been prevented.
- c) Upon the transfer or termination of service of a warehouse keeper or his equivalent, or his absence from work due to leave or any other reason, another employee shall be assigned to assume the duties of the warehouse keeper.

d) Warehouse keepers and their equivalents must submit periodic reports to the appropriate authority level according to the organizational structure in the government entity to take necessary actions regarding the following items:

1. Surplus to requirements.
2. Obsolete.
3. Discontinued.
4. Unserviceable.
5. Those at risk of spoilage.
6. Those with a specific expiration date.

8-2 Slow-Moving, Stagnant, and Surplus Materials

a) Materials that have not had any receipt or disbursement movement according to warehouse records for twenty-four continuous months must be written off for disposal by auction or any other disposal method according to the applicable regulations.

Section Three: Materials Management

1-3 Receiving, Storing, and Dispensing Materials for Storage

a) Upon arrival of "materials for storage," they are inspected by the warehouse keeper and his assistants to ensure that the received materials match the purchase order or supply order in terms of quantity and specifications. If the inspection of materials requires special technical expertise, the warehouse keeper must seek the assistance of an employee with expertise in the received materials. The head of the entity or his delegate may form a committee of experts upon the arrival of "materials for storage" in large quantities or of significant value, to be specified in the committee formation decision, to assist the warehouse keeper in inspection and receipt.

b) A paper or electronic receipt voucher is issued for the quantities actually received and conforming to specifications. These materials are stored in the warehouse and added to the warehouse inventory records, and the quantity and value of the materials are added to the accounting records.

- c) Received materials that do not conform to specifications or exceed the required quantity as per the purchase order or supply order are kept in a special place pending their return or replacement, as appropriate. The supplier is notified of this in writing by the procurement department, and the relevant financial unit in the government entity is also informed.
- d) Warehouse materials are dispensed to the user departments with paper or electronic disbursement vouchers. The dispensed materials are priced according to the approved accounting policy, and the value of these materials is recorded against the relevant expense item, and the quantity and value are deducted from the warehouse inventory in the warehouse and accounting records.
- e) Items previously dispensed and returned to the warehouses are recorded with a paper or electronic return voucher, and their value is deducted from the same expense item previously debited upon their disbursement. The quantity and value of the returned items are added to the warehouse inventory in the warehouse records and accounting books.
- f) Items are stored in the warehouses, each type separately and in a manner that suits the work needs, so that the storage system facilitates following the "first-in, first-out" method, while ensuring that assets are protected by securing the warehouses from weather and other factors. For items stored in open-air warehouses, their use should be limited to items that are not affected by weather conditions, are of low value, are large in size, or are not affected by long-term open-air storage. It is also necessary to provide these warehouses with suitable coverings and wooden platforms to protect the assets and ensure security with high fences and necessary guarding.
- g) Warehouse keepers must ensure that used items are stored in a different location from new items, and they must also ensure that flammable materials are stored in special warehouses suitable for their nature.

2-3 Receiving Direct Purchases

- a) Government entities without warehouses must initially receive direct purchase materials in a designated area or make other suitable receiving arrangements. The requesting user department is immediately notified of

their arrival, or they are sent directly to it upon arrival, depending on the nature of the materials.

- b) The requesting user department inspects the received materials to ensure they match the purchase order or supply order in terms of quantity and specifications.
- c) The requesting user department issues an electronic receipt voucher for the quantities actually received and conforming to specifications, and their value is deducted from the relevant expense item.
- d) Received materials that do not conform to specifications or exceed the quantity as per the purchase order or supply order are kept in a special place pending their return or replacement, as appropriate. The supplier is notified of this in writing by the procurement department, and the relevant financial unit in the government entity is also informed.

Section Four: Warehouse Inventory

1-4 Comprehensive Annual Inventory

- a) A government entity with its own warehouses must conduct a comprehensive inventory of all its warehouse contents at least once a year, without prejudice to the system of surprise partial inventory during the year.
- b) The comprehensive annual inventory begins on December 15th of each year and must be completed by the end of the following month, January, at the latest. However, if the nature of work in some warehouses requires that movement not be stopped for the purpose of this inventory, the balances must be reconciled and adjusted back to December 31st by making additions and deductions resulting from warehouse movement during the inventory period.
- c) Annual inventory committees are formed by a decision from the appropriate authority level, based on a proposal from the financial official of the government entity and after consulting with other units therein.
- d) The formation of inventory committees shall ensure representation from the financial affairs and technical affairs units of the government entity, and the inventory shall be conducted in the presence of the warehouse keeper.

- e) The inventory committees shall prepare lists of what is inventoried, showing the actual balances of the items and comparing them with the balances according to the warehouse records, and documenting any shortage or surplus that may appear. If the committee finds a shortage or surplus, it shall record it in the inventory lists.
- f) The inventory lists are prepared according to the pre-approved form for this purpose.
- g) A copy of the inventory lists is sent to the financial official of the government entity to provide his opinion on any surplus or shortage shown in these lists. In case of a financial or administrative violation, the matter is raised to the appropriate authority level in the government entity to take the necessary measures to hold the violator accountable according to the applicable legislation.
- h) In case of a shortage or surplus, the government entity shall notify the Department of Finance with a report explaining the reasons. The Department of Finance shall then settle the inventory differences, by writing off or adding, after examining their causes. The government entity shall not make any adjustments to the warehouse records until it receives the decision of the Department of Finance in this regard.
- i) In case of loss or damage of items due to a cause beyond the control of the warehouse keeper, these items are deducted from the inventory balance based on a report approved by the appropriate authority level in the government entity, provided that the Department of Finance is notified.
- j) The inventory committees must prepare a report on the warehouses they have inventoried, including all violations or inventory differences encountered during the inventory, especially:
 1. Errors in the description or classification of items.
 2. Poor condition of items or inadequate preservation measures.
 3. Errors in record-keeping.
 4. Items requiring special protection.
 5. Expired items.
 6. Any recommendations the committees deem necessary to avoid errors and overcome obstacles.

7. The comprehensive annual inventory lists are kept in a special file for reference when needed.

2-4 Surprise Partial Inventory

- a) A surprise partial inventory of items is conducted in coordination between the Accounts Department and the Internal Audit Unit according to continuous inventory programs or any other programs established for this purpose, approved by the Undersecretary of the concerned government entity, by committees formed for this purpose.
- b) In case of a shortage or surplus, the government entity shall notify the Department of Finance with a report explaining the causes. The Department of Finance shall then settle the inventory differences, by writing off or adding, after examining their causes. The government entity shall not make any adjustments to the warehouse records until it receives the decision of the Department of Finance in this regard.
- c) In case of loss or damage of items due to a cause beyond the control of the warehouse keeper, these items are deducted from the inventory balance based on a report approved by the appropriate authority level in the concerned government entity, provided that the Department of Finance is notified.
- d) A report on the surprise partial inventory shall be prepared, including any violations or inventory differences.

Procurement Charter

Issued under the Abu Dhabi Procurement Standards Regulation

Procurement Charter

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Section One: Introduction

- a) This charter defines the roles and committees to be formed concerning procurement operations and their governance mechanism.
- b) This charter has been prepared for the executive management and relevant parties involved in procurement activities.

Section Two: Organization of the Procurement Unit

1-2 Distribution of Roles in the Procurement Unit

- a) The standard procurement tasks specified in this charter are assigned to procurement staff as the government entity's employees concerned with procurement operations or making procurement-related decisions, taking the following into account:
 - 1. More than one procurement officer may be assigned to perform a single standard role in the procurement process, except for the role of the Head of the Procurement Unit.
 - 2. A single procurement officer may be assigned to perform more than one standard role in the procurement process, provided that the principle of segregation of duties at the individual level is observed, which requires the approval of another individual for any activity they perform.
- b) Standard procurement tasks consist of vital roles and activities intended to enable the procurement unit to fulfill its assigned responsibilities and achieve its expected results.
- c) The activities specified for each standard task constitute the minimum responsibilities that procurement staff must perform, in addition to their other organizational responsibilities.
- d) Standard procurement tasks are divided into strategic, procedural, and support tasks.

2-2 Strategic Tasks

- a) The Head of the Procurement Unit shall undertake the following tasks:

1. Lead and manage the Procurement Unit and verify the fulfillment of its assigned tasks and responsibilities.
2. Represent the Procurement Unit at the executive level.
3. Responsibility for managing relationships with internal stakeholders.
4. Verify that the Procurement Unit operates in compliance with procurement standards, the procurement manual, and applicable legislation.
5. Develop the action plan for the Procurement Unit.
6. Define the procurement strategy, including strategic goals and objectives, and the vision and mission of the Procurement Unit.
7. Manage the internal budget for the Procurement Unit.
8. Manage procurement staff and their competencies.
9. Manage change, communications, procedures, and tools to improve performance in the Procurement Unit.
10. Set and monitor performance objectives for procurement staff.
11. Ensure the continuous professional development of procurement staff.
12. Provide recommendations on the recruitment of procurement staff.
13. Monitor and manage the performance of the Procurement Unit and address aspects and areas available for achieving savings and increasing efficiency and effectiveness.
14. Submit semi-annual reports to the higher executive level on the performance of the Procurement Unit.
15. Maintain a quality assurance and improvement program covering all aspects related to the Procurement Unit and obtain its approval from the Procurement Committee.
16. Responsible for activities related to request consolidation and their achieved results.
17. Approve the members of tender committees for each tender individually.
18. Manage exceptional approvals such as splitting required purchases, avoiding negotiations with suppliers, and approving direct purchases

before obtaining the required approvals according to the purchase authority delegation manual.

19. Approve the criteria for classifying supplier categories and performance metrics.

20. Focus on developing relationships and partnerships with strategic suppliers.

b) Category Manager - shall undertake the following tasks:

1. Manage demand and procurement category.

2. Approve the classification of categories.

3. Develop the procurement plan for the category.

4. Supervise the development of category-specific strategies and monitor their implementation.

5. Determine priorities and approve the launch of strategic sourcing initiatives and track their progress.

6. Verify the validity of the strategic sourcing methodology and track the benefits achieved.

7. Measure the results achieved from the sourcing strategy, and the resulting benefits and savings, and report on them.

8. Approve requests related to contract modifications, extensions, and renewals before obtaining the necessary approvals according to the purchase authority delegation manual.

9. Approve change requests submitted by the supplier, penalties, liquidated damages, and financial deductions applied to them according to the purchase authority delegation manual.

10. Develop and implement supplier management strategies, including supplier classification, relationship management, and performance management.

11. Enhance cooperation with the sourcing team in disseminating and managing procurement stages.

c) Category Officer - shall undertake the following tasks:

1. Develop a plan for demand identification and category procurement.

2. Develop category-specific strategies to achieve savings and cost reduction in the short and long term.
3. Identify available opportunities for cost savings and verify the validity of category procurement requests.
4. Collaborate with internal stakeholders and end-users to purchase goods, services, and projects that meet the required needs.
5. Lead the implementation of strategic sourcing initiatives for the category, negotiate, and finalize agreements with suppliers.
6. Participate in verifying the results of technical evaluations and financial proposals submitted by the supplier.
7. Follow up and monitor the benefits achieved for the procurement category and ensure the targeted savings are realized.
8. Verify the validity of requests submitted for contract modification, extension, or renewal.
9. Verify the validity of change requests submitted by the supplier, and the penalties, liquidated damages, and financial deductions applied to the supplier.
10. Establish new relationships and maintain existing ones with strategic suppliers.
11. Supervise supplier performance, track progress in improvement measures, and hold performance review meetings with suppliers.

d) Category Specialist – shall undertake the following tasks:

1. Have a thorough understanding of developments in the relevant sector, market trends, modern technologies, and leading practices related to the procurement category.
2. Collect and analyze information and specifications related to the category to support strategic sourcing initiatives for that category.
3. Develop and maintain the category sourcing strategy through market research and analysis.
4. Collaborate with the sourcing team and other internal stakeholders to implement the category sourcing process.
5. Provide analytical support in evaluating and selecting suppliers.

6. Participate in verifying the results of technical evaluations and financial proposals submitted by the supplier.
7. Assist in tracking and analyzing the volume of expected benefits and improvement potential.
8. Assist in maintaining relationships with strategic suppliers.

3-2 Procedural Tasks

a) Sourcing Manager:

1. Supervise the implementation of the sourcing process, and procedures from purchase request to payment, and ensure compliance with procurement standards, the procurement manual, and relevant legislation.
2. Collaborate with the Category Manager to implement the procurement plan.
3. Supervise procedural procurement activities and ensure fulfillment of agreed-upon service level agreements and key performance indicators.
4. Approve subsequent purchase orders, purchases without purchase orders, and the modification and cancellation of such orders.
5. Manage disputes arising with suppliers regarding the supply of goods, provision of services, and projects.
6. Lead the reduction in procurement procedures by providing the Category Manager with qualitative and quantitative feedback on the possibility of online communication and inquiries about procurements.

b) Sourcing Officer

1. Manage the implementation of the sourcing process and procedures from request to purchase and the results achieved in accordance with procurement standards, the procurement manual, and relevant legislation.
2. Verify that bids are received and evaluated properly and thoroughly.
3. Approve the issuance of purchase orders to the supplier, and their modification and closure.
4. Approve subsequent purchase orders, purchases without a purchase order, modifications to purchase orders, and the cancellation of such orders.

5. Coordinate with suppliers to resolve disputes related to goods, services, and projects.
6. Collaborate with the Finance Department to facilitate timely and proper payments to suppliers.
7. Collaborate with internal stakeholders and end-users regarding their low-value procurement needs through quick sourcing.
8. Propose initiatives for improvement and enhancement based on feedback from all specialists.
9. Provide support in reducing procurement procedures by providing qualitative and quantitative feedback on the possibility of online communication and inquiries about procurements.
10. Maintain and update the procurement websites in collaboration with the Category Officer.

c) Sourcing Specialist

1. Assist in implementing the sourcing process and procedures from request to payment and ensure adherence to procurement standards, the procurement manual, and relevant legislation.
2. Validate purchase requests against existing contracts and available inventory to determine if requirements can be met without entering into new commitments.
3. Collaborate with the Category Specialist on purchase requests that require strategic sourcing knowledge and provide support in its implementation.
4. Source non-strategic, low-value procurements through quick methods.
5. Manage the conversion of purchase requests into purchase orders, including their creation and transmission to suppliers.
6. Ensure that purchase orders and invoices include sufficient detailed information and are linked to general ledger accounts, cost centers, and procurement categories.
7. Follow up on overdue purchase requests.
8. Manage modifications, updates, closures, and cancellations of purchase orders.

9. Provide support in creating, updating, and managing procurement websites.

4-2 Support Tasks

a) Contracting Expert

1. Responsible for creating, updating, and maintaining contract templates for goods, services, and projects.
2. Assist in reviewing changes to standard contract templates requested by end-users or suppliers.
3. Provide support in preparing new contracts, contract amendments, renewals, and extensions.
4. Verify the validity of change requests submitted by suppliers regarding ongoing contracts and approve those requests.
5. Approve the imposition of penalties, liquidated damages, and financial deductions in accordance with the provisions of the contracts.
6. Provide advice and participate in discussions related to sourcing and procurement, including dispute resolution.
7. Coordinate with and obtain approval from the Legal Affairs Department on all the above tasks.

b) Expert - Supplier Performance and Contract Lifecycle Management

1. Create the supplier registration request on behalf of the government entity for suppliers not licensed by the Abu Dhabi Department of Economic Development.
2. Encourage suppliers to regularly update their registration and qualification data and respond to commercial inquiries related to supplier contract lifecycle management.
3. Manage the process of documenting and reporting on supplier performance.
4. Distribute surveys on supplier performance and coordinate with stakeholders to provide responses.
5. Create and publish scorecards to measure supplier achievement.
6. Verify that all information related to supplier performance is regularly updated and accessible to relevant stakeholders.

7. Handle all requested changes in supplier performance surveys and scorecards.
8. Provide support in classifying suppliers according to approved classification criteria.
9. Assist in developing an action plan to improve supplier performance and track their progress.
10. Provide support in activities related to supplier relationship management.

c) Reporting Expert

1. Assist in producing required standard and non-standard reports.
2. Distribute reports related to measuring and tracking the performance of the Procurement Unit at scheduled intervals and submit them to relevant stakeholders.
3. Handle any required changes in reporting requirements and ensure that approved requirements are implemented.
4. Monitor the availability and accuracy of data related to reports and highlight any irregularities.
5. Provide support in overseeing all action plans of the Procurement Unit and tracking progress.

d) Coordinators for Cooperation between Government Entities and the Government Procurement Office

1. Government-wide Agreements

- I. Ensure that requirements and specifications related to common categories are maintained and submitted to the Government Procurement Office upon request.
- II. Provide support within the government entity in implementing contracts related to common categories issued by the Government Procurement Office.
- III. Respond to inquiries related to common categories and their contracts, with support from the Government Procurement Office, when necessary.

2. Master Data Management

- I. Provide support in implementing and maintaining the data governance strategy at the government entity.
- II. Assist in monitoring data quality at the government entity, assessing relevant points, reasons for quality decline, and monitoring implementation and improvement procedures.
- III. Coordinate with the Government Procurement Office regarding changes in master data related to suppliers and procurement items.

3. Change Management

- I. Coordinate with the Government Procurement Office to organize, manage, implement, and maintain change.
- II. Identify and communicate change-related issues and inquiries to relevant parties and resolve the causes of objections with support from the Government Procurement Office, when necessary.
- III. Verify requirements and readiness for change implementation in cooperation with the Government Procurement Office.

Section Three: Procurement Committee

1-3 Objective

- a) The Procurement Committee shall assist the head of the government entity in fulfilling his supervisory responsibilities related to the Procurement Unit.
- b) The Procurement Committee shall supervise the operations of the Procurement Unit and monitor its performance and compliance with the regulatory and operational framework in procurement operations.
- c) The committee is responsible for approving the strategic direction proposed by the Head of the Procurement Unit, monitoring major procurement initiatives, and managing the resolution of disputes related to the Procurement Unit.

2-3 Committee Composition

a) The Procurement Committee shall be formed as a permanent committee, and its members shall be appointed by the head of the government entity.

b) The Procurement Committee shall be composed as follows:

Voting Rights	Capacity	Procurement Committee Members	No.
Yes - only in case of a tie	Chairman	An executive-level chairman	1
Yes	Member	Senior representative from the Finance Department	2
Yes	Member	Senior representative from the Legal Affairs Department	3
Yes	Member	Senior representative from a main end-user (1)	4
Yes	Member	Senior representative from a main end-user (2)	5
No	Committee Rapporteur	Secretary	6

c) Members of the Procurement Committee must be familiar with procurement standards.

d) The duties and responsibilities of the committee members are in addition to their assigned organizational tasks.

e) The Procurement Committee is responsible to and reports directly to the head of the government entity.

f) The head of the government entity may remove the chairman and members of the Procurement Committee for the following reasons:

1. Absence from four (4) consecutive meetings without a valid reason.
2. Demonstrating a lack of impartiality, a conflict of interest, or failure to declare their interests.

3. Any other reason that the head of the government entity deems just and credible.

3-3 Authorities Delegated to the Procurement Committee

- a) The Procurement Committee is delegated with the following authorities:
 1. Request and obtain any information or reports it needs from the Head of the Procurement Unit.
 2. Require any employee from the government entity or any authorized entity working on behalf of or with the government entity involved in pre-procurement and contract management activities to attend a committee meeting and provide any information or clarifications requested by the committee.
 3. Obtain independent legal or professional advice from experts on the matter under consideration.
 4. Coordinate with internal and impartial auditors when there is evidence of non-compliance with regulations, policies, or procedures.
 5. Authority to make decisions on internal or external grievances filed against the Procurement Unit.

4-3 Key Responsibilities

- a) Supervising procurement operations entrusted to it under the Purchase Authority Delegation Manual.
- b) Approving the procurement strategy and initiatives submitted by the Head of the Procurement Unit.
- c) Reviewing the procurement management report and the Procurement Unit's plan to assess its tactical and operational performance.
- d) Monitoring the Procurement Unit's compliance with regulatory and operational frameworks and relevant legislation.
- e) Determining the adequacy and effectiveness of internal controls and seeking measures for improvement, if necessary.
- f) Reviewing and approving the quality assurance and improvement program for the Procurement Unit.

- g) Rectifying any grievances or complaints related to the operations of the Procurement Unit.
- h) Issuing directives on any procurement-related matter submitted by the Head of the Procurement Unit to the committee, regardless of its value.
- i) Any other matter, task, or responsibility assigned to the committee by the head of the government entity.

5-3 Meetings and Quorum

- a) The Procurement Committee shall hold at least one meeting per month. Additionally, the committee chairman may call for additional meetings deemed necessary to address important matters referred to the committee by the Head of the Procurement Unit or to address any issues the committee wishes to follow up on if it sees a reason to do so to fulfill its assigned responsibilities.
- b) Documents, reports, computer presentations, and any other papers must be sent to the members of the Procurement Committee and other invitees at least five (5) working days before the proposed meeting date, or earlier if necessary.
- c) The committee may decide to hold its meetings via audio or video devices, provided that all participating members of the Procurement Committee are able to participate in the discussions.
- d) The quorum for committee meetings shall be at least two-thirds of the members with voting rights present in person or via audio or video devices (rounded to the nearest whole number).
- e) The duration of the meeting must be sufficient to allow for a thorough discussion of the issues at hand.
- g) In the absence of the chairman, the committee shall elect one of the attending members to preside over the meeting.

6-3 Procurement Committee Decisions

- a) The committee shall strive to issue its decisions by consensus/unanimous approval.

- b) In the event that unanimous approval is not reached, the decision shall be made by a majority vote of the members present at the meeting in person or via audio or video devices.
- c) In the event of a tie, the chairman of the Procurement Committee shall have a casting vote.
- d) The Procurement Committee may issue its decisions by circulation without holding a physical meeting, provided that all members of the Procurement Committee approve the decision.

7-3 Work Program

- a) The committee shall prepare a work program detailing the issues expected to be considered during the fiscal year.
- b) The work program must be continuously adaptable, updated after each meeting, and include any additional items that the Procurement Committee needs to study and consider.
- c) The review of the work program shall be a standing item on the agenda of each meeting.
- d) The secretary of the Procurement Committee shall be responsible for assisting in the development of the work program.

8-3 Reporting

- a) The committee secretary shall prepare minutes of each meeting, including the actions taken, have them approved by the chairman of the Procurement Committee, and circulate them to all attendees (members and invitees) and to the head of the government entity within five (5) working days.
- b) The Procurement Committee shall prepare a semi-annual report and submit it to the head of the government entity, which shall include, at a minimum, the following issues:
 1. The issues studied by the committee, the decisions made, the conclusions drawn, and the actions agreed upon.
 2. Outstanding points and issues that require either a decision from the head of the government entity or his comments.

3. The status of the committee's work program, indicating the completed and incomplete matters for the fiscal year.
4. A summary of the Procurement Unit's performance submitted by the Head of the Procurement Unit.
5. The attendance of members and the chairman at committee meetings, individually.
6. The authorities exercised by the committee.
7. Instances of non-compliance by the Procurement Unit and the actions taken.
8. Grievances or complaints handled by the committee.

c) The Procurement Committee shall submit any additional reports requested by the head of the government entity.

Section Four: Tendering Committee

4-1 Purpose of the Committee

- a) The Tendering Committee shall enhance cooperation among various departments and participate in relevant tenders in accordance with the Procurement Delegation of Authority Manual.
- b) The Tendering Committee works to facilitate the selection of the most efficient suppliers in compliance with procurement standards, the Procurement Manual, and applicable legislation.

4-2 Committee Formation

- a) Members of the Tendering Committee for each tender shall be appointed separately by the authorized parties according to the Procurement Delegation of Authority Manual and approved by the Head of the Procurement Unit for each respective tender.
- b) Members of the Tendering Committee must possess sufficient knowledge of the goods, services, and projects, or expertise in the subject matter, to provide meaningful input into the tendering procedures.
- c) The Tendering Committee may include individuals assigned one or more of the following roles:
 1. A procurement expert

2. A representative from the end-user department
3. A financial expert
4. A legal expert
5. A subject matter expert

d) The Tendering Committee must include at least two members representing the roles specified for the committee above, based on the nature and conditions of the tender.

e) Members of the Tendering Committee must be fully aware of the procurement standards, the Procurement Manual, the procurement portal, and applicable legislation.

f) The duties and responsibilities of the committee members are in addition to their assigned organizational tasks.

g) Members of the Tendering Committee may be dismissed by the authorized delegators according to the Procurement Delegation of Authority Manual for the following reasons:

1. Loss of impartiality, existence of a conflict of interest, or failure to declare interests.
2. Any other reason deemed fair and credible by the Head of the Procurement Unit.

4-3 Delegated Authorities of the Tendering Committee

a) The Tendering Committee is delegated the following authorities:

1. To request and obtain any information or clarifications it needs from suppliers.
2. To negotiate with suppliers on behalf of the government entity.
3. To request information from internal stakeholders to understand the tender, its scope, and the guidelines for evaluation and negotiation.

4-4 Key Responsibilities

- a) Provide input to develop the sourcing strategy.
- b) Evaluate tenders fairly and ethically according to the established evaluation criteria.

- c) Negotiate with suppliers on behalf of the government entity in accordance with applicable guidelines.
- d) Communicate with suppliers through the communication channels available in the procurement portal, observing the principles of fairness and transparency.
- e) Disclose any potential conflict of interest that may have arisen.
- f) Maintain strict confidentiality of any information received in the context of a supplier's bid and not disclose it to any external party other than the members of the Tendering Committee.
- g) Adhere to integrity in its procedures.
- h) Any matter, task, or responsibility assigned to it by the Head of the Procurement Unit.

4-5 Meetings and Quorum

- a) The Tendering Committee shall meet whenever it deems necessary to address matters related to providing input on the sourcing strategy, evaluating tenders, and conducting negotiations.
- b) The committee may decide to hold its meetings via audio or video devices, provided that all participating Tendering Committee members are able to participate in the discussions.
- c) All members of the Tendering Committee must attend every meeting, either in person or via audio or video communication devices.
- d) The duration of the meeting must be sufficient to conduct thorough discussions on the matters presented at the meeting.

4-6 Decisions of the Tendering Committee

- a) The decisions of the Tendering Committee must be published on the procurement portal.

4-7 Work Program

- a) The committee must prepare a work program immediately upon its appointment and assignment to the relevant tender.

- b) The work program must be adjustable and updatable after each meeting.
- c) Reviewing the work program must be a standing item on the agenda of every meeting.

4-8 Reporting

- a) The Tendering Committee shall assign one of its members to prepare the minutes and actions taken at each meeting. The minutes shall be sent to all attendees of the meeting and to the Head of the Procurement Unit within five (5) working days.
- b) The Head of the Procurement Unit and internal or external auditors may require the Tendering Committee to provide justifications and clarify the rationale followed in its methodology and evaluation of tenders.
- c) The Tendering Committee must submit any additional reports requested by the Head of the Procurement Unit.

Procurement Delegation of Authority

Issued in accordance with Abu Dhabi Procurement Standards

Document Title	Procurement Delegation of Authority
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Issued by	H.E. Ali Rashed Al Ketbi Chairman of the Department of Government Support
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Procurement Delegation of Authority

Schematic Model

Abbreviations	
DCM	Demand and Category Management
S2C	Source to Contract

Abbreviations	
CLM	Contract Lifecycle Management
R2P	Requisition to Pay
SPRM	Supplier Performance and Relationship Management
RR	Risk and Regulations
MDM	Master Data Management

Procurement Delegation of Authority

Schematic Model

Workflow Legend	
1	Number representing the role responsible for initiation of the workflow (creation, submission or initial approval of a task); mandatory for each workflow
2, 3, etc.	Numbers representing workflow sequence related to actions of participants in the workflow (reviewers, validators or approvers)
X/Y	Combination of numbers representing alternative sequence in the workflow depending on the role initiating it; X and Y must be consecutive
X*	'Asterisk' * next to a character represents that the indicated role or document is optional in the workflow.
X^	'Caret' ^ next to a character signifies that the indicated role is valid only in case of Single or Sole Sourcing
XV	'Caron' ^ next to a character signifies that the indicated activity is approved by Chairman based on out-of-system resolution with ECAS# required
C	Letter representing the role engaged in a task as a Creator initiating the workflow; always with number 1
R	Letter representing the role engaged in a task as a Reviewer; if without number then can be engaged at any stage of the workflow
A	Letter representing the role engaged in a task as an Approver; always assigned to a particular stage of the workflow
P	Letter representing the role engaged in a task as a Participant providing input upon request
XX to YY	Threshold ranges include the upper limit values mentioned, e.g. '0 to 5K' includes the 5K value. All values are exclusive of taxes and duties.
L + 1 Rule	In case role assigned to approval or review activity does not exist in an entity, then the responsibility is automatically assigned to the next higher level role.

Procurement Delegation of Authority

Procurement Process Components

Planning		
Feasibility Study	Planning of sourcing exceeding 10M AED requires the Procurement to ensure the Feasibility Study for the requirement is prepared by the requestors	> 10M
Sourcing		
Sourcing Strategy	Sourcing exceeding 1M AED requires running of the Full Sourcing Project and preparation of the Sourcing Strategy in collaboration with the Tendering Committee	> 1M
	Sourcing not exceeding 1M AED may be executed through the Quick Sourcing Project or the Full Sourcing Project	<= 1M
Sourcing Method	Sourcing exceeding 5M AED requires execution of the Public Tender through the Full Sourcing Project (Sourcing Strategy)	> 5M
	Sourcing not exceeding 5M AED may be executed through the Limited Tender (Quick Sourcing Project or Full Sourcing Project) or the Public Tender (Full Sourcing Project)	<= 5M
	Sole Sourcing and Single Sourcing for requirements of all values requires endorsement of the head of the Procurement and approval of the Chairman of the government entity	All values
Bid Bond	Sourcing exceeding 5M AED requires submission of the bid bond amounting up to 1% of the estimated tender value and valid for 30 days after the period of the bid validity	> 5M
Procurement Committee	Sourcing exceeding 1M AED requires approval of Sourcing Strategy and Award Recommendation by the Procurement Committee	> 1M
Tendering Committee	Sourcing exceeding 1M AED requires forming of the Tendering Committee with members appointed by the Executive Director or above of the End-users and endorsed by the head of	> 1M

Planning		
	the Procurement to mandatorily execute Technical Evaluation and optionally execute Commercial Evaluation, if requested by Procurement	
Exceptions Handling Exceptions in Sourcing	Exceptions from the authorizations granted in the Procurement Delegation of Authority with regards to "Sourcing Strategy", and "Sourcing Method", and "Bid Bond" require endorsement of the Procurement Committee	
Contracting		
Contract or Order Signature	In line with the procurement approval authorizations for contract award unless delegated otherwise in authorizations for entering financial obligations.	
Amendment	Substantive amendment of the contract or order changing its value requires approval from the appropriate authority relevant for the changed value of the amended contract or order understood as the total value of the original agreement and the exceeded variation	
Supplier Replacement	Engaging a supplier provisionally without solicitation requires justification and approval of the Chairman of the government entity	
Performance Bond	Contracting for delivery of goods or services exceeding 5M AED requires submission of the performance bond amounting up to 10% of the contract value and valid for the entire period of the contract plus 90 calendar days	> 5M (goods and services)
	Contracting for delivery of projects exceeding 5M AED requires submission of the performance bond amounting up to 10% of the contract value and valid for the entire period of the contract reduced up to 5% of the contract value after provisional acceptance of the project for the period of 365 calendar days from this date	> 5M (projects)
	Contracting for delivery of goods, services or projects with the contract duration up to 60 calendar days does not require submission of the performance bond	Goods, services, and projects less than 60 days

Planning		
Advanced Payment Guarantee	Contracting exceeding 1M with advanced payment terms requires submission of the guarantee of amount equal to the expected advanced payment amount	> 1M
Exceptions Handling Exceptions in Contracting	Exceptions from the authorizations granted in the Procurement Delegation of Authority with regards to the "Performance Bond", and "Advanced Payment Guarantee" require endorsement of the Procurement Committee	
Purchasing		
Buying Channels	Petty Cash purchases are allowed up to 5K AED and require creation of Post Factum Purchase Orders	Petty Cash
	P-Card purchases are allowed up to 50K AED by Director or above and require creation of Post Factum Purchase Orders	P-Card

Procurement Manual (Operational Processes)

Issued under the Abu Dhabi Procurement Standards Regulation

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1. Introduction

1.1 Introduction to the Procurement Manual

1.1.1 Purpose of the Procurement Manual

The Procurement Manual provides operational procedures for procurement staff. It enhances the Procurement Standards, Procurement Charter, and Procurement Delegation of Authority Manual, offering a detailed explanation of their application.

1.1.2 Scope of the Procurement Manual

The Procurement Manual applies to all procurement activities carried out by government entities and the Government Procurement Office. The Executive Council, or any other competent authority delegated by the Executive Council, may exempt any entity from the application of the Procurement Manual. The Procurement Manual covers all procurement processes and serves as the operational framework for these processes.

1.1.2.(1) List of Exemptions

The Procurement Manual does not apply to the following:

- a) Employee salaries and benefits
- b) Direct employment contracts or the use of individual experts not subject to tenders
- c) General and administrative expenses for unspecified technical specifications, electricity, water, utilities, housing rents provided to employees governed by housing policies, registration in professional and non-professional bodies, and fees paid to exhibition/conference organizers
- d) Agreements between government entities or with international professional bodies for research/cooperation/promotion purposes
- e) Sponsorship of events and grants
- f) Purchase of artworks, antiques, and related incidental expenses

- g) Fees for obtaining a proprietary license, except where there is a contractual obligation to purchase goods, services, or projects
- h) Reimbursement of expenses for special purposes incurred during travel (without the limits of petty cash authorities).
- i) Mandatory or regulatory fees (such as court fees, duties on goods, taxes, bank charges, etc.)
- j) Any other exemptions approved by the Executive Council

1.1.3 Manual Structure

The structure of the Procurement Manual is aligned with the Procurement Capability Model (please refer to Figure 1.3.1).

- a) Level 1 - Procurement capabilities are classified into strategic, tactical, operational, and support capabilities.
- b) Level 2 - Each procurement capability includes one or more procurement process groups.
- c) Level 3 - Each procurement process group consists of procurement processes.

Important Note: All procurement processes must be executed in line with the Procurement Standards.

They have been addressed in this manual according to the following structure:

1. Overview
2. Level 3 Process Details
 - i. Scope and Purpose
 - ii. Procedures and Methodologies
 - iii. Roles and Responsibilities
3. Supporting Work Tools - Templates and Documents
4. Responsibility Matrix

Supporting Work Tools - Templates and Documents - are provided as applicable only. Best practice templates are issued by the Government Procurement Office as a support tool. Government entities are allowed to

use the templates issued by the Government Procurement Office or use another approved template where the required elements must be considered. The appendix includes procurement process diagrams, lists of tables and figures, and a list of terms and definitions.

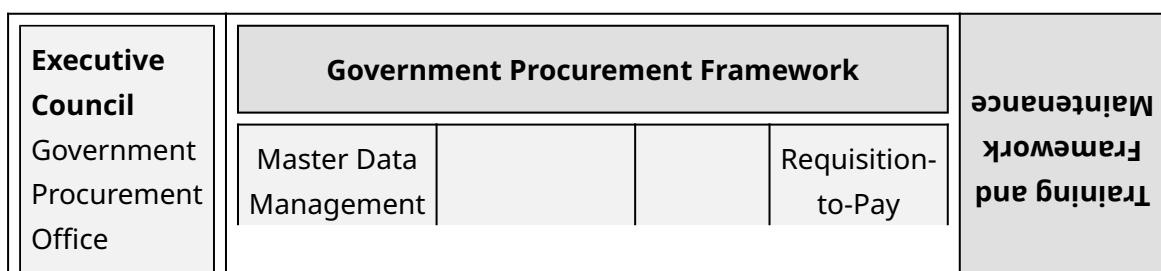
Procurement staff must read this guide and consider the following points:

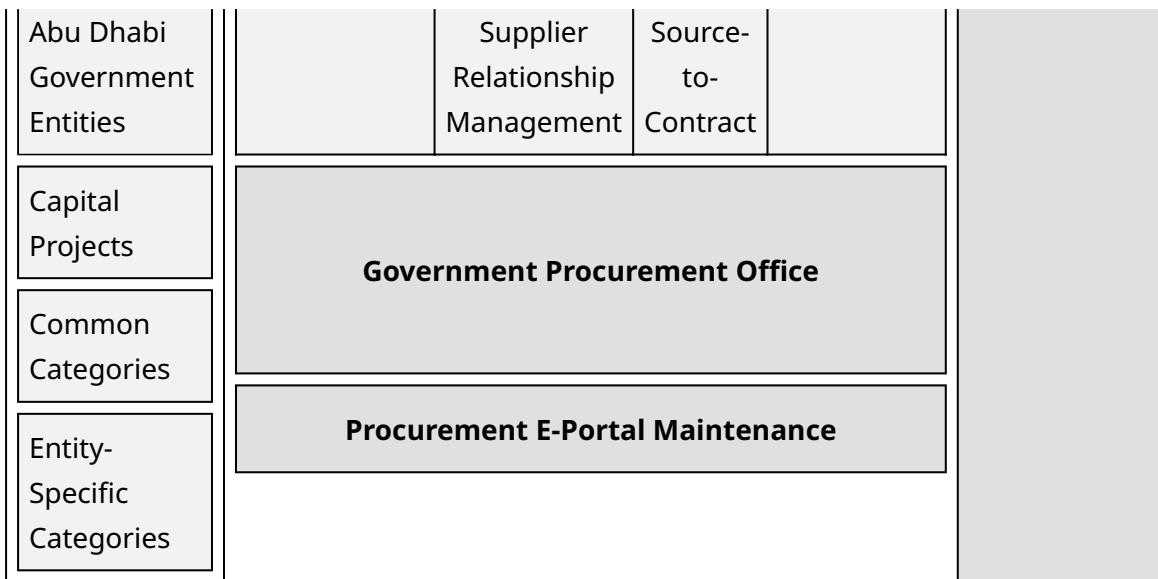
- a) Key roles and functions in the Procurement Guide are mentioned in ***bold and italic*** (e.g., ***Sourcing Specialist, Tender Committee, Contract Officer***, and others).
- b) Key documents in the Procurement Guide are mentioned in single quotes (e.g., 'Supplier Segmentation Report', 'Sourcing Strategy', 'Category Strategy', etc.).
- c) The Supplier Master Data Management process group is fully executed by the Government Procurement Office using "SAP Ariba". For this group of processes, SAP Ariba-specific terms, roles, statuses, and templates are mentioned in the Procurement Guide within "double quotation marks" (e.g., "Supplier Manager", "Registration Questionnaires", etc.).
- d) Critical issues from a feasibility or compliance perspective are stated as an important note (**Important Note:** All procurement processes must be executed in line with procurement standards).
- e) References to other documents or sections within the Procurement Guide are indicated by *italicized and underlined* words (e.g., *Please refer to Section 3-5-2 (II) for details on supplier development and collaboration processes*).

1.2 Procurement Operating Model

Procurement consists of the Government Procurement Office and the Government Entity. The Procurement Operational Guide provides the mandate, enablement, and responsibilities related to the procurement of the Government Procurement Office and the Government Entity.

Figure 1.2.1 Procurement Capabilities Model





1.2.1 Category Classification

The Government Procurement Office was established to achieve the following objectives:

- a) Act on behalf of government entities to consolidate demand to achieve economies of scale. The Government Procurement Office is mandated to manage and execute sourcing for common categories.
- b) Provide shared services such as supplier registration, master data management for goods, master data management for users, and training.
- c) Maintain the procurement framework to ensure standardization and effectiveness of procurement practices.
- d) Develop and operate the government procurement IT platform (e-portal).
- e) Initiate market development initiatives and manage partnerships with the private sector in coordination with relevant authorities.

The Government Entity's procurement is responsible for procuring entity-specific categories, including sourcing, contracting, issuing purchase orders, and managing supplier performance. The Government Entity's procurement utilizes the shared services provided by the Government Procurement Office.

The Government Procurement Office engages stakeholders from government entities, finance, legal, or other resources as needed to procure common categories. The Government Entity's procurement

engages end-users, finance, legal, or other resources as needed to procure entity-specific categories.

The classification of a category as common or entity-specific depends on the value of the category's spend and its commonality among government entities. A category purchased by five or more government entities may be considered a common category.

Figure 1.2.2 Common Categories vs. Entity-Specific Categories

Category	Spend Value	a. High Value, Common across most Entities	c. High Value, Common across a few Entities
		b. Low Value, Common across most Entities	d. Low Value, Common across a few Entities
		<ul style="list-style-type: none">• Owner: Government Procurement Office• Exception: Not Applicable	<ul style="list-style-type: none">• Owner: Entities• Exception: Multi-entity initiative if the Government Procurement Office has expertise to coordinate
Commonality across Government Entities			

1.2.2 Category Taxonomy

Category taxonomy refers to the hierarchical classification of goods/services. In line with global best practices, it is recommended to adopt the United Nations Standard Products and Services Code (UNSPSC) taxonomy by both the Government Entity's procurement and the Government Procurement Office. This UNSPSC taxonomy consists of four levels, where each record is represented by an eight-digit code with a unique name, as shown below:

Figure 1.2.3 Categories according to UNSPSC

Level 1 (57)	76000000	Industrial cleaning services
Segment Name	76110000	Cleaning and janitorial services
Level 2 (493)	76111500	General building and office cleaning and maintenance services
Family Name	76111501	Building cleaning services
Level 3 (6,482)		
Class Name		
Level 4 (80,178)		
Commodity Name		

The four main levels of the UNSPSC are Segment, Family, Class, and Commodity. Each level is identified by two digits that collectively form the total eight-digit code.

The standard classification of goods/services/projects can be used for the following purposes:

- a) Consolidating demand-related requirements
- b) Preparing a 'Category Strategy'
- c) Supplier segmentation
- d) Determining supplier risk profiles.

The best practice template for these processes includes the UNSPSC taxonomy.

The activities of the Abu Dhabi Department of Economic Development are organized according to the second level of UNSPSC categories.

Section [2.2.3 includes the DED - UNSPSC Mapping Report](#) for reference.

1.3 Procurement Capabilities Model

The procurement capabilities model consists of four types of procurement capabilities: Strategic, Tactical, Operational, and Enabling.

Figure 1.3.1 Procurement Capabilities Model

Strategic Capabilities	Procurement Strategy		Demand and Category Management
Tactical Capabilities	Source-to-Contract		Supplier Relationship and Performance Management

		Contract Lifecycle Management		
Operational Capabilities	Requisition-to-Pay			
Enabling Capabilities	Risk and Governance	Supplier Master Data Management	Material Master Data Management	User Master Data Management

1.3.1 Strategic Procurement Capabilities (Level 1)

- a) The Procurement Strategy process group (Level 2) includes the procedures for developing a strategy for the procurement function in line with the overall strategy of the Government Entity.
- b) The Demand and Category Management process group (Level 2) includes procedures for developing a 'Category Strategy' to achieve specific value and drive cost savings, and a 'Procurement Plan' to bridge the gap between supply and demand.

1.3.2 Tactical Procurement Capabilities (Level 1)

- a) The Source-to-Contract process group (Level 2) includes procedures for sourcing and awarding contracts to suppliers.
- b) The Contract Lifecycle Management process group (Level 2) includes procedures for creating and managing contracts.
- c) The Supplier Relationship and Performance Management process group (Level 2) includes procedures for supplier segmentation, managing relationships with suppliers, and evaluating and managing supplier performance.

1.3.3 Operational Procurement Capabilities (Level 1)

- a) The Requisition-to-Pay process group (Level 2) includes procedures for preparing a purchase requisition, preparing a purchase order, receiving goods/services, preparing a goods/services/projects receipt note, and invoice settlement.

1.3.4 Enabling Capabilities (Level 1)

- a) The Risk and Governance process group (Level 2) includes procedures for identifying supplier-related risks, identifying and mitigating procurement risks, and implementing organizational changes.
- b) The Supplier Master Data Management process group (Level 2) includes procedures for registering, qualifying, deactivating, and reactivating suppliers.
- c) The Material Master Data Management process group (Level 2) includes procedures for adding, modifying, and deleting goods/services/projects from the master database.
- d) The User Master Data Management process group (Level 2) includes procedures for adding, modifying, and deleting users from the user master data.

1.4 Procurement Benefits

This section provides details on the following:

- a) Definition of baseline spend and procurement benefits
- b) General principles applicable to baseline spend and procurement benefits
- c) Methodologies for calculating baseline spend and procurement benefits

1.4.1 Definitions

1. Baseline Spend

Baseline spend is the basis for calculating procurement benefits. It is the value of any target spend against which any benefit can be measured. Establishing the baseline is the first step in the procurement benefits calculation process.

2. Classification of Procurement Benefits

Procurement benefits can be classified into cost reduction, cost avoidance, and cash impact, as detailed below:

Table 1.4.1 Classification of Procurement Benefits

	Cost Reduction 'Same product for less cost'	Cost Avoidance 'Avoiding future costs'	Cash Impact
Definition	<ul style="list-style-type: none"> • Benefits that directly lead to a reduction in the cost base compared to the baseline costs • Can be one-time or recurring/sustainable costs 	<ul style="list-style-type: none"> • Costs were not included in the original data • Action taken now to avoid future accumulated costs • May include initiatives that lead to future cost reductions 	<ul style="list-style-type: none"> • One-time impact on increasing cash

	Cost Reduction 'Same product for less cost'	Cost Avoidance 'Avoiding future costs'	Cash Impact
Example	<ul style="list-style-type: none"> Cost reduction in acquiring software licenses resulting from optimization One-time cost reductions such as obtaining a discount or a bulk quantity discount in the previous year 	<ul style="list-style-type: none"> Reduction in consumption due to increased efficiency or optimization Price increases due to external factors, such as an increase in the minimum regulatory fees, are offset by a reduction in the increase in agency fees 	<ul style="list-style-type: none"> Cash impact resulting from outstanding payments to the supplier (increase in payment terms) Sale or reduction of inventory
Measurement	<ul style="list-style-type: none"> Tangible benefits (savings or additional revenue) against baseline spend Year-on-year spend reduction 	<ul style="list-style-type: none"> No increase in spend over the years, especially concerning cost avoidance initiatives (e.g., demand optimization) Cost avoidance is represented 	<ul style="list-style-type: none"> The one-time impact is demonstrated by estimating the benefits.

	Cost Reduction 'Same product for less cost'	Cost Avoidance 'Avoiding future costs'	Cash Impact
		by comparing the change in volume and price.	

1.4.2 General Principles

The following general principles apply to the calculation of baseline spend and procurement benefits:

1. Baseline Principles

- i. An agreed-upon baseline for calculating procurement benefits is required and must be approved by the signature of the relevant designated parties from the end-user, finance department, and procurement.
- ii. The baseline may be based on previous actual figures (e.g., previous year's spend, budgeted spend, or others).
- iii. The baseline must be supported by one or more datasets, such as payment data, purchase order data, contract data, or others.
- iv. The appropriate method for calculating the baseline spend must be determined for each type of procurement benefit.

2. Principles for Calculating Procurement Benefits

- i. Procurement benefits can be calculated after accepting a final and binding offer from one or more suppliers and acknowledging acceptance of the offer terms (with written confirmation, a letter of intent, a contract amendment, or otherwise).
- ii. The costs of implementing the benefits (one-time investment) are excluded from the benefit calculation.

1.4.3 Calculation Methodologies

1. Baseline Spend

The baseline spend is based on two metrics and is calculated as follows:

$$\text{Baseline Spend} = \text{Total Volume} * \text{Baseline Unit Price}$$

The total volume may be known or unknown; however, two methods can be used for calculations to estimate the volume as shown below:

Table 1.4.2 Volume Estimation Methodologies

Method	Situation	Methodology
Forecasted volume from demand plan	Forecast is known	<ul style="list-style-type: none"> 100% of the forecasted volume for the specified spend area
Historical volume	Forecast is unknown	<ul style="list-style-type: none"> 50% of historical volume + 50% of historical volume * forecasted growth percentage for the category's demand) Previous year's volumes are generally used as historical volumes. If this data is not available, the period used to calculate the historical volume must be stated.

The baseline unit price can be estimated using one of the following two methodologies:

i. Previous Price Basis

The previous price basis is relevant when the goods/services/projects have been purchased previously (in the last year). The following details the various methods for finding the previous price basis:

Table 1.4.3 Methodologies for Calculating Previous Baseline Price

Price Method	Situation	Methodology
Last Paid Price	Used when the market is not volatile (applies to components and traded goods such as office furniture, etc.).	<ul style="list-style-type: none"> Last price actually paid on a purchase order, or the contracted price if the last actual paid price is not available

Price Method	Situation	Methodology
Average Price	Used in a volatile market (e.g., applies to 100% of goods based on indices).	<ul style="list-style-type: none"> Average price paid over the past year
Average Market List Price	Used in a volatile market (for goods without transparent and independent indices).	<ul style="list-style-type: none"> Average price of previous offers after clarification from suppliers

ii. Comparable Price Basis

If a good/service has not been purchased before, a previous price basis cannot be established. In this case, the baseline price can be estimated using comparable goods/services/projects (with identical or similar specifications) where the price is known. (e.g., estimating the baseline price for a car rental service by comparing it with similar services previously purchased by another government entity).

iii. New Price Basis

If a comparable basis cannot be determined, a new baseline can be established based on the initial responses to a Request for Information (RFI) or Request for Proposal/Quotation (RFP/RFQ) submitted by suppliers. The baseline price is calculated as the average of the approved initial quotations. Any price reductions obtained through subsequent RFPs/ auctions/negotiations are considered benefits.

2. Procurement Benefits

As shown in Table 1.4.1, procurement benefits are classified into three baskets:

a. Cost Savings

The following are different scenarios for cost savings:

(a) Standard Method (Last Paid Price - New Price)

This method is used when the savings result from the difference between the baseline price and the negotiated price. For example, when suppliers are changed or when goods/services are bundled, resulting in a better price per item. The savings in this scenario are calculated as follows:

$$\text{Savings} = (\text{Baseline Price} - \text{Negotiated Price}) * \text{Volume}$$

(b) Free Add-ons

These savings are achieved when negotiated contracts with suppliers include additional items that were not part of the goods/services offering in previous procurements. The savings in this scenario are calculated as follows:

$$\text{Savings} = \text{Savings from free add-ons per unit} * \text{Volume}$$

(c) Volatile Market Price with Market Index

This calculation method is used when cost savings can be attributed to a changing market index that leads to future price improvements (relative to the market price). This method applies to commodities (crude oil, metals, agricultural goods, etc.) where prices are linked to indices and change frequently. The savings in this scenario are calculated as follows:

$$\text{Savings} = \text{Expected spend with previous index value} - \text{Expected spend with new index value}$$

(d) Volatile Market Price without Market Index

This calculation method is used when market price references are not available. Where good reference comparisons are not available to indicate savings relative to the market. The savings in this scenario are calculated as follows:

$$\text{Savings} = (\text{Initial Offer} - \text{Negotiated Offer}) * \text{Expected Volume}$$

(e) Quantity-Based Discount

This method is used when the supplier offers quantity discounts or similar incentives that were not included in previous procurements. The savings in this scenario are calculated as follows:

$$\text{Savings} = (\text{New Discount per Unit} - \text{Old Discount per Unit}) * \text{Volume}$$

(f) Redesigned Specifications (Alternative) / Rationalization

Specifications for some goods/services/projects may be changed to reduce the price. Examples of new specifications may include (but are not limited to) using black and white printers instead of color printers, using standard specification cars instead of luxury cars for rent, and using standard specification event designs instead of events where custom-designed items are requested. The savings in this scenario are calculated as follows:

$$\text{Savings} = (\text{Cost of original good/service} - \text{Cost of alternative good/service}) * \text{Volume}$$

(g) In-house vs. Outsourcing

For some categories where services are provided from within the government entity, outsourcing the services may be a viable option. The savings in this scenario are calculated as follows:

$$\text{Savings} = (\text{Internal Costs (i.e., labor cost + material cost + overhead cost)} - \text{Purchase Price}) * \text{Volume}$$

(h) Lease vs. Buy

For some categories, leasing goods may be a practical alternative to purchasing (or vice versa). To compare the savings between leasing and buying options for goods, the cost per unit must be calculated and compared. The savings in this scenario are calculated as follows:

$$\text{Savings} = (\text{Cost of Purchase per Unit} - \text{Cost of Lease per Unit}) * \text{Volume}$$

(i) Reduced Disposal Costs

Some goods (e.g., personal computers) can be recycled at the end of their lifecycle. These costs must be taken into account to determine the actual price of the product. The savings in this scenario are calculated as follows:

$$\text{Savings} = \text{Previous Disposal Cost} - \text{New Disposal Cost}$$

ii. Cost Avoidance

The following are different scenarios for cost avoidance:

(j) Demand Reduction / Yield Improvement

This calculation method is used when the volume of specified goods/services has been reduced through active negotiations by procurement (demand control). The savings in this scenario are calculated as follows:

$$\text{Savings} = (\text{Last Volume} - \text{New Negotiated Volume}) * \text{Last Price}$$

(k) Reduced Service Costs

This method is used to calculate the reduced amounts in costs for services (e.g., reducing maintenance costs by introducing preventive measures).

The savings in this scenario are calculated as follows:

$$\text{Savings} = (\text{Previous Service Cost} - \text{New Service Cost})$$

iii. Cash Impact

The following are different scenarios for cash impact:

(l) Inventory Reduction

This method is used when procurement's involvement leads to a reduction

in inventories (e.g., available stock), resulting in significant cost savings. The savings in this scenario are calculated as follows:

$$\text{Savings} = (\text{Old Inventory Levels} - \text{New Inventory Levels}) * \text{Weighted Average Cost of Capital}$$

(m) Extension of Payment Terms

This method is used when procurement's involvement leads to a change in payment terms, resulting in improved working capital. The savings in this scenario are calculated as follows:

$$\text{Savings} = \text{Working Capital Improvement} = \text{Average Monthly Invoices from Supplier (including VAT)} * \text{New Payment Terms (in days)} / 30 * \text{Weighted Average Cost of Capital}$$

1.5 Applicable Legislation for Procurement

1.5.1 Abu Dhabi Local Content Program

The Local Content Program aims to direct government spending towards the development of local content in all its components at the level of the local economy of the Emirate of Abu Dhabi. Tenders announced by government entities must request the submission of the In-Country Value (ICV) certificate sponsored by the Abu Dhabi Department of Economic Development.

The weight given to local content must constitute 40% of the total final score allocated to the financial evaluation score. This program will encourage suppliers participating in government tenders to increase their economic contribution to Abu Dhabi through localization, investments, and local procurement of goods and services. For more information on the Abu Dhabi Local Content Program, please visit <https://idb.added.gov.ae/>

1.5.2 Economic Incentives for Micro, Small, and Medium Enterprises (MSMEs)

The Abu Dhabi Department of Economic Development considers the following types of companies as micro, small, and medium enterprises:

Table 1.5.1 Classification of Micro, Small, and Medium Enterprises

Economic Facilities		Number of Employees	Annual Revenue (in AED)
Trading Sector	Micro	5 or less	< 3 million
	Small	6 to 50	3 to less than 50 million
	Medium	51 to 200	50 to 250 million
Industrial Sector	Micro	9 or less	< 3 million
	Small	10 to 100	3 to less than 50 million
	Medium	101 to 250	50 to 250 million
Services Sector	Micro	5 or less	< 2 million
	Small	6 to 50	2 to less than 20 million
	Medium	51 to 200	20 to 200 million

The Department of Government Support has announced the following economic incentives in government procurement for micro, small, and medium enterprises:

- a) All government entities / the Government Procurement Office shall allocate 15% of their annual purchases and contracts to micro, small, and medium enterprises.
- b) All micro, small, and medium enterprises are exempt from submitting a bid bond.
- c) All micro, small, and medium enterprises are exempt from submitting a performance bond, provided that government entities retain 5% of the value of each due invoice for a period of 3 months after final delivery.
- d) All dues to micro, small, and medium enterprises must be paid within 15 days from the invoice date.
- e) The government entity must submit quarterly reports to the Government Procurement Office on the implementation of the above guidelines.

1.5.3 Economic Incentives for Emirati Entrepreneurs

Companies holding commercial licenses issued by the Abu Dhabi Department of Economic Development and are 100% owned by Emirati citizens (including partners) are considered by the Abu Dhabi Department of Economic Development as companies of Emirati entrepreneurs.

The Department of Government Support has announced the following economic incentives in government procurement for Emirati entrepreneurs:

- a) All Emirati entrepreneurs are exempt from submitting a bid bond.
- b) All Emirati entrepreneurs are exempt from submitting a performance bond, provided that the government entity retains 5% of the value of each due invoice for a period of 3 months after final delivery.
- c) All dues to Emirati entrepreneurs must be paid within 15 days from the invoice date.
- d) Entities must submit quarterly reports to the Government Procurement Office on the implementation of the above guidelines.

2 Procurement Process Groups

2.1 Procurement Strategy

2.1.1 Overview

The 'Procurement Strategy' is a high-level document that outlines the approach the Government Entity will take to achieve its set procurement objectives and implement its key activities and initiatives. It provides guidance on the allocation of resources and budget for strategic initiatives and aligns procurement activities with the strategic initiatives of the Government Entity and the Abu Dhabi government.

The 'Procurement Strategy' is prepared from a medium to long-term perspective and is updated annually. The key elements of the value proposition addressed by the 'Procurement Strategy' include (but are not limited to):

- a) Increasing the value realized for the Government Entity
- b) Increasing efficiency and effectiveness
- c) Broader alignment among stakeholders
- d) Improving external partnerships

The **Head of Procurement** is responsible for preparing the procurement strategy. The **Head of Procurement** assigns key procurement staff to prepare and monitor the 'Procurement Strategy'.

2.1.2 Level 3 Process Details

2.1.2.(1) Creating and Implementing the 'Procurement Strategy'

1. Scope and Purpose

The purpose of this process is to create, approve, and implement the 'Procurement Strategy'.

2. Procedures and Methodologies

i. Conduct Internal and External Analysis

Assign key staff to conduct internal and external analysis as follows to develop the 'Procurement Strategy':

(a) Procurement Analysis - Assigned key staff analyze the Government Entity's procurement based on the following aspects to identify procurement improvement initiatives:

- a1) People
- a2) Processes
- a3) Technology
- a4) Governance

This analysis leads to a better understanding of procurement from the perspective of operational processes, organizational excellence, and knowledge and information management. Several models (such as SWOT analysis (Strengths, Weaknesses, Opportunities, Threats)) can be used after conducting this analysis to identify key competencies and major areas for improvement.

(b) Conduct Spend Analysis - In addition to the above, spend data can be arranged and analyzed to identify further improvement opportunities. This analysis provides an in-depth look at historical spend, the supplier database, and spend categories to identify areas of improvement to focus on.

(c) Conduct Market Analysis - Assigned key staff analyze market developments, trends, and prevailing conditions to assess their impact on procurement. Necessary data can be collected through primary and secondary sources. This data is updated over time to ensure it remains

relevant to changing variables. Various methodologies can be used, such as Porter's Five Competitive Forces (intensity of rivalry from competitors, bargaining power of buyers, bargaining power of suppliers, substitute products, and new entrants), SWOT analysis (Threats, Opportunities, Weaknesses, Strengths), and PESTLE analysis (Political, Economic, Social, Technological, Legal, and Environmental factors).

(d) Conduct Benchmarking - Competitor analysis conducted through surveys and benchmarking may reveal the strengths/weaknesses of the Government Entity in relation to best practices within its field of expertise.

The 'Procurement Strategy' addresses areas for improvement and the required adjustments to ensure its continued relevance to market changes.

ii. Develop the 'Procurement Strategy'

The 'Procurement Strategy' includes the following:

a) Vision and Mission - The vision and mission of procurement are derived from the vision and mission of the Government Entity to which it belongs.

b) Objectives - Based on the analysis conducted in the previous sections, the assigned staff set clear objectives for procurement. The following are some examples of objectives and their accompanying guidelines for procurement:

Table 2.1.1 Examples - Procurement Objectives

Guidelines	Examples of Procurement Objectives
Alignment with Abu Dhabi Government Strategy	<ul style="list-style-type: none">• Advance procurement capabilities to enable alignment with the Government Entity's agenda.• Promote MSMEs and Emirati entrepreneurs• Enable green procurement through awareness and specification improvement

Guidelines	Examples of Procurement Objectives
Achieve Cost and Operational Efficiency	<ul style="list-style-type: none"> • Reduce the procurement process cycle time • Conduct strategic sourcing to meet requirements at a competitive cost • Enhance innovation and deepen understanding of spend within the Government Entity
Improve Governance	<ul style="list-style-type: none"> • Improve transparency and control over the Government Entity's spend

c) Key Initiatives - The objectives specified in the 'Procurement Strategy' are achieved through initiatives, and the initiatives are expressed in measurable outcomes. These initiatives should be Specific, Measurable, Achievable, Realistic, and Time-bound (SMART). The following are examples of initiatives and outcomes:

Table 2.1.2 Examples - Procurement Initiatives and Outcomes

Procurement Objective	Initiatives	Outcomes
Conduct strategic sourcing to meet requirements at a competitive cost	<ul style="list-style-type: none"> • Conduct strategic sourcing for categories contributing up to 80% of the Government Entity's spend • Collect demand data by the third quarter 	<ul style="list-style-type: none"> • Achieve annual savings of xx% for common categories • Reduce unplanned spend by xx%
Improve transparency and control over the Government Entity's spend	<ul style="list-style-type: none"> • Analyze spend trajectory (minimum 20%) to identify opportunities for increased compliance in spend. 	<ul style="list-style-type: none"> • Increase spend coverage under purchase requisitions and purchase orders by xx%

Procurement Objective	Initiatives	Outcomes
Reduce procurement process cycle time	<ul style="list-style-type: none"> Include draft contract agreements in 100% of all tenders 	<ul style="list-style-type: none"> Reduce contract signing cycle time by xx%

The following details should be provided for each initiative in the 'Procurement Strategy' document:

- c1) Initiative name and a brief description with outcomes
- c2) Implementation plan (including timelines and key milestones)
- c3) Feasibility study with reference to costs and expected impact, if applicable
- c4) Potential challenges, risks, and issues
- c5) Initiative owner and required resources for implementation
- c6) Assignment of responsibilities for key activities
- d) Prioritization of Initiatives - Initiatives should be prioritized based on their ease of implementation and their impact/value. Initiatives can also be classified as quick wins, if applicable. The following is an illustrative example of prioritizing initiatives:

Figure 2.1.1 Prioritization of Initiatives

Ease of Implementation	High	Highest Priority	Quick Wins
	Low	Medium Priority	
Value			

- e) Implementation Plan - A complete, high-level implementation plan and a detailed short-term action plan must be prepared to implement the 'Procurement Strategy'. The following is an illustrative example of the implementation plan:

Figure 2.1.2 Example - Implementation Plan

	Month 1	Month 2	Month 3
Initiative 1	Activity 1		
	Activity 2		
	Activity 3		
Initiative 2	Activity 1		
	Activity 2		

iii. Approve the 'Procurement Strategy'

a) The 'Procurement Strategy' is reviewed and approved by the designated approval authorities according to the 'Procurement Delegation of Authority Guide'.

iv. Implement the 'Procurement Strategy'

a) The implementation of the 'Procurement Strategy' requires participation from other departments and divisions (e.g., Finance, End-User, etc.).

b) The implementation of the 'Procurement Strategy' must be regularly monitored by the team that developed the 'Procurement Strategy' and reports should be submitted to the relevant stakeholders.

c) The **Head of Procurement** remains responsible for the implementation of the 'Procurement Strategy'.

3. Roles and Responsibilities

Table 2.1.3 Roles and Responsibilities - Creating and Implementing the 'Procurement Strategy'

Role	Responsibilities
Head of Procurement	<ol style="list-style-type: none"> 1. Assign procurement staff to develop and implement the 'Procurement Strategy'. 2. Ensure the implementation of the 'Procurement Strategy'.
Assigned Staff	<ol style="list-style-type: none"> 3. Conduct internal and external analysis. 4. Develop the 'Procurement Strategy'. 5. Implement the 'Procurement Strategy'.
Approval Authorities (according to the Procurement Delegation of Authority Guide)	<ol style="list-style-type: none"> 6. Approve/reject the 'Procurement Strategy'.

2.1.3 Responsibility Matrix

The following details the Responsibility Assignment Matrix (Responsible, Accountable, Consulted, Informed - RACI) for the Procurement Strategy process group:

Table 2.1.4 Responsibility Matrix - Procurement Strategy Process

Group				
Level 3 Process	Head of Procurement	Assigned Staff	Approval Authorities (according to the Procurement Delegation of Authority Guide)	Procurement Scope
2.1.2 (1) Develop and implement the 'Procurement Strategy'	Responsible - Accountable	Responsible	Responsible	Government Entity / Government Procurement Office

2.2 Demand and Category Management

2.2.1 Overview

- a) The Demand and Category Management process group consists of the procedures related to creating, reviewing, approving, implementing, and monitoring the 'Category Strategy' and the 'Procurement Plan'.
- b) This section explains the activities, required decisions, documents, outputs, and stakeholders involved in the Demand and Category Management processes.
- c) The following Level 3 processes are included in the Demand and Category Management process group:
 1. Create and monitor the 'Category Strategy'
 2. Create and monitor the 'Procurement Plan'

2.2.2 Level 3 Process Details

2.2.2.(1) Create and Monitor the 'Category Strategy'

1. Scope and Purpose

- i. The purpose of this process is to create, review, approve, and monitor the 'Category Strategy'.
 - ii. The 'Category Strategy' helps in managing procurement spend in similar or related groups of goods/services/projects in a way that provides opportunities for consolidation and optimization.
 - iii. The 'Category Strategy' is created periodically, preferably once a year, for the following:
 - a) All common categories
 - b) Government entity-specific categories that contribute to the top 80% of the Government Entity's spend
 - iv. A ***Sourcing Officer/Specialist*** may be assigned as a Category Manager to manage the category. The Category Manager is responsible for creating and monitoring the 'Category Strategy'.

2. Procedures and Methodologies

i. Conduct Category Analysis

- a) To create the 'Category Strategy', the Category Manager conducts the following category analyses:

a1) 'Internal Category Profile'

The 'Internal Category Profile' is developed by analyzing spend and information from supplementary documents (supplier contracts, purchase orders). It includes details such as (but not limited to) category description, spend, annual volume, supplier base, top 10 suppliers by spend, and spend by sub-category. Each detail in the 'Internal Category Profile' must be supported by the associated analysis.

a2) 'External Market Analysis'

The 'External Market Analysis' includes details of the industry structure and supplier market for the category. It includes details such as (but not limited to):

- I. Category Definition - Includes a description of the category, its characteristics, and any other relevant information
- II. Supply Chain - Includes a graphical representation of the activities/processes undertaken or performed to deliver the goods/services/projects
- III. Demand Drivers - Includes details related to past and expected demand, key demand sectors, price movements, policies, and other government legislation affecting demand.
- IV. Supply Market Dynamics - Includes details related to market size, total industry capacity, key suppliers, market growth and trends, mergers and acquisitions, etc. It also includes Porter's Five Competitive Forces (intensity of rivalry from competitors, bargaining power of buyers, bargaining power of suppliers, substitute products, and new entrants).
- V. Cost Structure - Includes details related to the Total Cost of Ownership (TCO) (including but not limited to unit cost, logistics, maintenance, warranty, insurance, depreciation, administrative expenses, taxes, and overheads). The TCO provides transparency on cost components and helps estimate potential areas for cost improvement that can lead to savings opportunities and spend optimization.
- VI. Supplier Landscape - Includes details related to key suppliers, brands, and major products available in the relevant geographical area.

b) Information sources can be used to develop the 'External Market Analysis'. These sources may include (but are not limited to):

- b1. Primary Sources
 - End-users and buyers of the goods/services/projects
 - Suppliers and professional associations
- b2. Secondary Sources
 - Online searches and company publications
 - Online databases and media sources
 - Specialized public sector institutions
 - Private sector research institutions

c) It is advisable to research publicly available secondary sources before conducting primary research. The Category Manager should seek paid market research reports if secondary and primary sources are insufficient.

d) The Category Manager can use the provided template for the 'Internal Category Profile' and 'External Market Analysis' or any other approved template that includes the required elements.

ii. Create the 'Category Strategy'

a) The 'Internal Category Profile' and 'External Category Analysis' lead to the formation of an actionable view that can serve as input for the 'Category Strategy'.

b) The 'Category Strategy' should include (but is not limited to) the following sections:

b1. Category Segmentation

Category segmentation is based on the following criteria:

I. The importance of the category is determined by factors including (but not limited to) the impact on the Government Entity's operational processes in case of unavailability and sensitive factors such as health, safety, and the environment.

II. The complexity of the category is determined by the inherent nature of the category, which is governed by several factors including (but not limited to) the availability of suppliers, market structure (monopolistic, oligopolistic, competitive, etc.), the ability to switch between suppliers, the likelihood of substitution, lead times, and regulations governing the category.

Based on the previously mentioned metrics, the category may be classified into the following segments:

Figure 2.2.1 Category Segmentation

Category Complexity	Bottleneck Items	Strategic Items
	Non-Critical Items	Leverage Items
Category Importance		

b2. Strategic Levers

Category improvement strategies (and their associated levers) are selected based on the category segmentation. These strategies (and their associated levers) are divided into the following areas:

I. Innovation Utilization

II. Price

III. Processes and Operational Effectiveness

IV. Risk and Sustainability

b3. Initiatives and Implementation Plan

Initiatives are identified against the various strategic levers, and an implementation plan is developed for each initiative.

b4. Supplier Engagement Model

The business model suggests the level at which the supplier should be engaged, as shown below:

Figure 2.2.2 Engagement Levels

Manufacturer	Wholesaler	Distributor	Retailer
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b5. Create Business Case

The business case provides a quantitative assessment of the potential savings that can be achieved from implementing all selected initiatives within the category/sub-category. The Category Manager can upload additional documents to support the business case calculations.

c) The Category Manager can use the provided template for the 'Category Strategy' or any other approved template that includes the required elements.

iii. Review and Approve the 'Category Strategy'

a) The completed 'Category Strategy' with any supporting documents is reviewed by the designated review authorities according to the *'Procurement Delegation of Authority Guide'*.

b) The reviewed 'Category Strategy' is approved by the designated "Approvers" according to the *'Procurement Delegation of Authority Guide'*.

iv. Monitor the 'Category Strategy'

a) The approved 'Category Strategy' is shared with the relevant stakeholders for implementation. The initiatives identified in the 'Category Strategy' are implemented through various procurement process groups.

b) The Category Manager periodically reviews the implementation of the 'Category Strategy'. The individuals responsible for implementing the

'Category Strategy' provide an updated status of their associated initiatives during each review process.

c) Any amendments to the 'Category Strategy' must undergo reviews and approvals according to the *'Procurement Delegation of Authority Guide'*.

d) The 'Category Strategy' is considered complete when all identified initiatives have been implemented. The relevant stakeholders are communicated with regarding the 'Category Strategy'.

3. Roles and Responsibilities

Table 2.2.1 Roles and Responsibilities - Create and Monitor the 'Category Strategy'

Role	Responsibilities
Category Manager	1. Complete the 'Internal Category Profile' and 'External Category Analysis'. 2. Create the 'Category Strategy'. 3. Share the approved 'Category Strategy' with relevant stakeholders. 4. Conduct periodic reviews of the implementation of the 'Category Strategy'. 5. Communicate with relevant stakeholders about the completion of the 'Category Strategy'.
Review Authorities (according to the Procurement Delegation of Authority Guide)	6. Review the 'Category Strategy' and propose amendments, if any.
Approval Authorities (according to the Procurement Delegation of Authority Guide)	7. Approve/reject the 'Category Strategy'.

Please refer to Appendix 3.1 - 2.2.2.(1) Create and Monitor the Category Strategy for the process diagram.

2.2.2.(II) Create and Monitor the 'Procurement Plan'

1. Scope and Purpose

i. The purpose of this process is to create, review, approve, and monitor the 'Procurement Plan'.

- ii. The 'Procurement Plan' includes sourcing initiatives to bridge the gap between supply and demand in line with the 'Procurement Strategy' and the 'Category Strategy'.
- iii. The 'Procurement Plan' is created periodically, preferably once a year.
- iv. A ***Sourcing Officer/Specialist*** from the Government Entity / Government Procurement Office is assigned to create and monitor the respective 'Procurement Plan'.

2. Procedures and Methodologies

- i. Collect Demand-Related Requirements
 - a) The assigned ***Sourcing Officer/Specialist*** shares the 'Demand Data Collection Template' with the ***Budget Owners***.
 - b) The ***Budget Owners*** collect the demand data in the 'Demand Data Collection Template' and verify budget availability. If the budget is not available, the ***Budget Owner*** may arrange for an additional budget or reduce the demand data accordingly.
 - c) For any 'Procurement Plan' at the Government Entity level, demand-related requirements are collected at the department level within the Government Entity. For any 'Procurement Plan' at the Government Procurement Office level, demand-related requirements are collected at the Government Entity level.
 - d) The ***Sourcing Officer/Specialist*** can use the dedicated template for the 'Demand Data Collection Template' or any other approved template that includes the required elements.
- ii. Prepare the 'Procurement Plan'
 - a) The 'Procurement Plan' consists of the following sections:
 - a1) Supply and Demand Analysis - to identify the gap between supply and demand for the upcoming period
 - a2) Initiative Pipeline - includes sourcing initiatives identified during the 'Category Strategy'
 - a3) Procurement Plan - includes the required sourcing initiatives to bridge the supply-demand gap and cover the initiative pipeline.

b) The **Sourcing Officer/Specialist** can use the dedicated template for the 'Procurement Plan' or any other approved template that includes the required elements.

iii. Review and Approve the 'Procurement Plan'

a) The completed 'Procurement Plan' is subject to review by the designated "Reviewers" according to the 'Procurement Delegation of Authority Guide'.

b) The reviewed 'Procurement Plan' is approved by the designated "Approvers" according to the 'Procurement Delegation of Authority Guide'.

iv. Monitor the 'Procurement Plan'

a) The approved 'Procurement Plan' is shared with the **Sourcing Officer/Specialist** for implementation.

b) The sourcing initiatives identified in the 'Procurement Plan' are implemented through the Source-to-Contract cycle processes. The progress made against these initiatives is periodically reviewed by the **Sourcing Officer/Specialist** assigned to implement and monitor the 'Procurement Plan'.

c) During each review process, the **Sourcing Officer/Specialist** provides an updated status for the relevant initiative.

d) Any amendments to the 'Procurement Plan' must undergo reviews and approvals according to the 'Procurement Delegation of Authority Guide'.

e) The 'Procurement Plan' is considered complete when all identified sourcing initiatives have been implemented. All relevant stakeholders are communicated with regarding the completion of the 'Procurement Plan'.

3. Roles and Responsibilities

Table 2.2.2 Roles and Responsibilities - Create and Monitor the 'Procurement Plan'

Role	Responsibilities
Sourcing Officer/Specialist	<ol style="list-style-type: none">Share the 'Demand Data Collection Template' with Budget Owners.Create/update and submit the 'Procurement Plan'.Communicate with relevant stakeholders about the approved 'Procurement Plan'.Conduct periodic reviews of the

Role	Responsibilities
	'Procurement Plan'. 5. Communicate with relevant stakeholders about the completion of the 'Procurement Plan'.
Budget Owners	6. Complete and submit the 'Demand Data Collection Template'. 7. Ensure budget availability.
Review Authorities (according to the Procurement Delegation of Authority Guide)	8. Review the 'Procurement Plan' and propose amendments, if any.
Approval Authorities (according to the Procurement Delegation of Authority Guide)	9. Approve/reject the 'Procurement Plan'.

Please refer to Appendix 3.1 - 2.2.2.(II) Create and Monitor the 'Procurement Plan' for the process diagram.

2.2.3 Supporting Work Tools - Templates and Documents

Table 2.2.3 Supporting Work Tools - Templates and Documents - Demand and Category Management Process Group

Procurement Process	Work Tools Used
2.2.2.(I) Create and Monitor the 'Category Strategy'	DED - UNSPSC Mapping Report
	Internal Category Profile
	External Category Analysis
	Category Strategy
2.2.2.(II) Create and Monitor the 'Procurement Plan'	Demand Data Collection Template
	Procurement Plan

2.2.4 Responsibility Assignment Matrix

The following details the Responsibility Assignment Matrix (Responsible, Accountable, Consulted, Informed - RACI) for the Demand and Category Management process group:

Table 2.2.4 Responsibility Matrix - Demand and Category Management
Process Group

Level 3 Process	Sourcing Officer/ Specialist	Budget Owners	Contract Officer	Contract Officer/ Specialist	Review Authorities (according to the Procurement Delegation of Authority Guide)	Approval Authorities (according to the Procurement Delegation of Authority Guide)	Proc...
2.2.2. (I) Create and Monitor the 'Category Strategy'	Responsible - Accountable		Consulted	Consulted	Responsible	Responsible	Gov... Prod... C... Gov... I...
2.2.2. (II) Create and Monitor the 'Procurement Plan'	Responsible - Accountable	Responsible	Consulted	Consulted	Responsible	Responsible	Gov... Prod... C... Gov... I...

2.3 Source-to-Contract

2.3.1 Overview

The Source-to-Contract process group consists of procedures for conducting sourcing with a focus on value optimization, risk reduction, and meeting the requirements for goods/services/projects.

a) This section explains the activities, required decisions, documents, outputs, and stakeholders involved in the Source-to-Contract processes.

b) The following Level 3 processes are included in the Source-to-Contract process group:

1. Initiate Sourcing

2. Prepare, Publish, and Monitor Sourcing Event

3. Evaluate Sourcing Event

4. Conduct Negotiations and Award

5. Cancel Sourcing Event

c) Source-to-Contract processes require cross-functional collaboration and an appropriate level of governance for decision-making and approvals.

d) A Sourcing Officer/Specialist is assigned to execute sourcing based on the identified requirements. If the category is specific to a certain government entity, a Sourcing Officer/Specialist from the government entity is assigned to manage the category. If it is a common category, a Sourcing Officer/Specialist from the Government Procurement Office is assigned.

e) The following is an illustrative example of the general guidelines provided by the Procurement Delegation of Authority Manual to enable decision-making for Source-to-Contract processes.

Sourcing Execution by Procurement - Optional	Sourcing Execution by Procurement	
Procurement / Sourcing Channels		
Petty Cash	Payment Card	Urgent Purchase#
Sourcing Strategy		
Sourcing Strategy is Optional	Sourcing Strategy is Mandatory	
Sourcing Methods		
Limited Tender	Single Source Purchase*	Public Tender
Committees		
Tender Committee - Optional	Tender Committee - Mandatory (Sourcing Strategy and Technical Evaluation)	
Guarantees		

Bid Bond	Performance Bond	Expenditure Margin (AED)		
5,000	50,000	1 Million	5 Million	
* Requires approval from the Head of Procurement				
# Purchases without sourcing executed by Procurement, a minimum of two quotations is required				
## Number of purchase requisitions, purchase orders, and goods receipt requests created for petty cash and payment card purchases.				

Figure 2.3.1 General Guidelines for Decision-Making according to the Procurement Delegation of Authority Manual – Source-to-Contract Processes

- f) All exceptions to the delegations authorized in the Procurement Delegation of Authority Manual must be attached as an appendix with documented justifications and require approval from the concerned authorities.
- g) Members of the Tender Committee are nominated by the respective department heads and approved by the Head of Procurement. The Tender Committee is formed through the Tender Committee Formation Form.
- h) The Sourcing Officer/Specialist can use the designated "Tender Committee Formation Form" or any other approved form that includes the required elements.

2.3.2 Level 3 Process Details

2.3.2.(1) Initiate Sourcing

1. Scope and Purpose

- i. The purpose of this process is to create and approve a Sourcing Request. This process also enables the Sourcing Officer/Specialist to create a Sourcing Strategy if required.

2. Procedures and Methodologies

- i. Prepare and Approve Sourcing Request

a) A Sourcing Request is a mandatory requirement to conduct sourcing. A Sourcing Request is created if a request for goods/services/projects cannot be fulfilled through existing contracts and inventories.

b) A Sourcing Request can be created based on an approved Purchase Requisition or a sourcing initiative in the Procurement Plan.

Important Note: An approved procurement request must not be split into multiple sourcing requests in an attempt to circumvent approvers. Any splitting must be documented and approved by the Head of Procurement.

c) The assigned Sourcing Officer/Specialist may submit additional documents (e.g., details of the approved Purchase Requisition, approved Procurement Plan, Scope of Work, etc.) with the Sourcing Request for review and approval.

d) The Sourcing Officer/Specialist can use the designated "Sourcing Request" form or any other approved form that includes the required elements.

e) The completed Sourcing Request is approved by the assigned approvers according to the Procurement Delegation of Authority Manual.

ii. Prepare and Approve Sourcing Strategy

a) The assigned Sourcing Officer/Specialist completes all sections of the Sourcing Strategy in collaboration with the end-user, Tender Committee, and subject matter experts, as required.

b) The requirement for a Sourcing Strategy in relation to the tender value is defined in the Procurement Delegation of Authority Manual (Please refer to Figure 2.3.1 Error! Reference source not found.).

c) The Sourcing Strategy may include (but is not limited to) the following details regarding the sourcing initiative:

c(1) Sourcing Method

The following are the types of sourcing methods:

Aspects	Public Tender	Limited Tender	Single/Sole Source
Number of Suppliers	Available to all suppliers	Available to suppliers who have been screened and	One supplier is selected to

Aspects	Public Tender	Limited Tender	Single/Sole Source
	willing to participate	selected to submit bids/proposals	submit bids/proposals
Tender Visibility	Any supplier	The selected supplier in the Department of Government Support's master supplier database	
Tender Participation	Any supplier	Suppliers listed in the Department of Government Support's master supplier database	
Tender Award: Winning supplier - must be "Qualified" in the Department of Government Support's supplier database			

Table 2.3.1 Types of Sourcing Methods

I. The recommended sourcing method concerning the tender value is in the Procurement Delegation of Authority Manual (Please refer to Figure 2.3.1 Error! Reference source not found.).

II. If a single source is selected as the sourcing method or in case of deviation from the sourcing method described in the Procurement Delegation of Authority Manual, a rationale and feasibility study must be submitted for approval.

III. A single/sole source is chosen only as a last resort, and Procurement must strive to propose suitable alternatives whenever possible.

c(2) Sourcing Event Type

Based on the request, a single or multi-source sourcing event can be planned for the sourcing initiative. The following sourcing event types can be used for the sourcing initiative:

Sourcing Event Type	Details
Request for Information (RFI)	Used to gather information (market/expenditure/ supplier base) or to select suppliers for a Request for Proposal (RFP) / Request for Quotation (RFQ).
Request for Proposal (RFP)	Used to request proposals from suppliers that are more suitable for services or situations where procurement relies on the expertise and creativity of suppliers to determine the optimal solution.
Request for Quotation (RFQ)	Used to request pricing information for a well-defined scope of work or the supply of specific goods/services/projects, and is usually the preferred option for commoditized goods/services/projects with available alternatives.
Reverse Auctions	Used as an alternative to an RFQ for commoditized goods/services/projects or when participating suppliers fully acknowledge the specifications (no alternatives allowed), and usually several suppliers are invited to improve savings.

Table 2.3.2 Types of Sourcing Events

c(3) Longlist of Suppliers (not applicable to public tenders) - A comprehensive list of suppliers who can supply the required goods/services/projects and can be considered during the screening and shortlisting process for sourcing events.

c(4) Detailed Plan and Timelines - Includes a detailed plan for sourcing events including key milestones, timelines, and concerned parties.

c(5) Responsibility Matrix - Describes the level and nature of participation of various concerned parties to complete the planned activities for the sourcing event. It indicates four main responsibilities that are most commonly used: Responsible, Accountable, Consulted, and Informed.

d) If the information required to create the Sourcing Strategy is not available, the Sourcing Officer/Specialist may conduct RFI event activities and market research.

- e) The Sourcing Officer/Specialist can use the designated "Sourcing Strategy" form or any other approved form that includes the required elements.
- f) The completed Sourcing Strategy is subject to review and approval by the reviewers and approvers according to the Procurement Delegation of Authority Manual.
- g) The assigned Sourcing Officer/Specialist must review and agree to the conflict of interest and confidentiality requirements before proceeding with the sourcing event arrangements.
- h) The Sourcing Officer/Specialist can use the designated forms for "Conflict of Interest and Confidentiality Requirements" or any other approved form that includes the required elements.
- i) In case of a potential/actual conflict of interest, another Sourcing Officer/Specialist is assigned to lead the sourcing initiative.

3. Roles and Responsibilities

Role	Responsibilities
Sourcing Officer / Specialist	1. Create/update the Sourcing Request.
	2. Create/update the Sourcing Strategy.
	3. Review and agree to confidentiality and conflict of interest requirements.
Reviewers (according to the Procurement Delegation of Authority Manual)	4. Review the Sourcing Strategy and propose amendments, if any.
Approvers (according to the Procurement Delegation of Authority Manual)	5. Approve/reject the Sourcing Request.
	6. Approve/reject the Sourcing Strategy.

Table 2.3.3 Roles and Responsibilities - Initiate Sourcing

Please refer to Appendix 3.1 - 2.3.2.(1) Initiate Sourcing for the process flowchart.

2.3.2.(II) Prepare, Publish, and Monitor Sourcing Events

1. Scope and Purpose

i. The purpose of this process is to prepare, publish, execute, and monitor the sourcing event document.

2. Procedures and Methodologies

i. Prepare and Publish Sourcing Event

a) The assigned Sourcing Officer/Specialist, in collaboration with other concerned parties, creates the required documents for the sourcing events.

b) The completed sourcing event documents, along with the list of shortlisted suppliers and the scoring methodology (for technical and financial evaluation), are approved by the approvers according to the Procurement Delegation of Authority Manual.

c) The approved sourcing event is published to suppliers for response.

d) Suppliers with a "Disqualified" status in the Department of Government Support's master supplier database are not invited to participate in sourcing events.

ii. Monitor Sourcing Event

a) When responding to a sourcing event, suppliers may request clarifications or additional information.

b) The Sourcing Officer/Specialist responds to supplier inquiries. It is advisable to make the responses available to all participating suppliers to promote transparency. However, the Sourcing Officer/Specialist must ensure the confidentiality of competing suppliers is maintained when sharing responses.

c) If required, the Sourcing Officer/Specialist may amend the sourcing event, provided that the changes are consistent with procurement standards. No new supplier may be invited during the amendment of a published event.

Important Note: If a new supplier needs to be added, the published event is canceled and another event is published with the updated list of suppliers. This is considered a new sourcing event.

- d) The Sourcing Officer/Specialist may extend the timelines for the sourcing event in the following scenarios:
- e) Amendments/additions were made to the sourcing event as a result of suppliers requesting additional time to respond to the event.
- f) Suppliers requested additional time to respond to the published event.
- g) There must be a valid and sound justification for amending a published sourcing event. The amendments made to the sourcing event, along with the rationale, are approved by the approvers according to the Procurement Delegation of Authority Manual and are standardized for all participating suppliers.
- h) Suppliers must respond to the sourcing event in accordance with the terms and conditions of the sourcing event.

3. Roles and Responsibilities

Role	Responsibilities
Sourcing Officer / Specialist	<ol style="list-style-type: none">1. Prepare and publish the sourcing event.2. Clarify supplier inquiries.3. Amend the content/package of the sourcing event, if necessary.
Approvers (according to the Procurement Delegation of Authority Manual)	<ol style="list-style-type: none">4. Approve/reject the sourcing event package.5. Approve/reject amendments to the sourcing event.
Suppliers	<ol style="list-style-type: none">6. Respond to the sourcing event.

Table 2.3.4 Roles and Responsibilities - Prepare, Publish, and Monitor Sourcing Event

Please refer to Appendix 3.1 - 2.3.2.(II) Prepare, Publish, and Monitor Sourcing Events for the process flowchart.

2.3.2.(III) Evaluate Sourcing Event

1. Scope and Purpose

- i. The purpose of this process is to conduct technical and financial evaluations of supplier responses to the sourcing event, as necessary.

2. Procedures and Methodologies

- i. Technical and financial evaluations for the sourcing event are conducted in one of the following ways:

Type	Details
Single-Stage Evaluation	<p>A single-stage evaluation is required in the following cases:</p> <ul style="list-style-type: none">• If only technical or financial evaluation is required. (e.g., RFI or Reverse Auctions)• Or if the technical and financial evaluations are conducted concurrently (not sequentially, i.e., financial evaluation after technical evaluation).
Two-Stage Evaluation	<p>The technical evaluation and financial evaluation are conducted sequentially. The financial evaluation is conducted for suppliers who have qualified after the technical evaluation.</p>

Table 2.3.5 Sourcing Event Methodologies

- ii. If a Tender Committee is assigned, the Tender Committee conducts the technical evaluations. If no Tender Committee is assigned, the technical evaluations are completed by the end-users.
- iii. The financial evaluation for technically qualified suppliers is conducted by the assigned Sourcing Officer/Specialist with the involvement of the end-user, Finance Department, and Tender Committee as required.
- iv. Parties involved in the evaluations must review and agree to the confidentiality and conflict of interest requirements before commencing the evaluation.

v. In case of a potential/actual conflict of interest, the concerned party is replaced upon the recommendation of the relevant department head, and this replacement is approved by the Head of Procurement.

vi. Evaluations are conducted in line with the scoring methodology.

3. Roles and Responsibilities

Role	Responsibilities
Tender Committee / End User	1. Conduct technical evaluation.
	2. Propose suppliers for technical evaluations.
	3. Conduct financial evaluations (if required).
Sourcing Officer / Specialist	4. Conduct evaluation in case of a single-stage evaluation. 5. In case of a two-stage evaluation, open technical envelopes, open financial envelopes for technically qualified suppliers, and conduct the financial evaluation.

Table 2.3.6 Roles and Responsibilities - Evaluate Sourcing Event

Please refer to Appendix 3.1 - 2.3.2.(III) Evaluate Sourcing Event for the process flowchart.

2.3.2.(IV) Conduct Negotiations and Award

1. Scope and Purpose

i. The purpose of this process is to conduct negotiations (if required), implement the post-negotiation sourcing event (if required), and make the award.

ii. The response received from the supplier can be negotiated with respect to the following aspects (but not limited to):

a) Exceptions to the draft contract

b) The financial and technical offer submitted by the supplier

2. Procedures and Methodologies

i. Conduct Negotiations

- a) If negotiations are requested, the Sourcing Officer/Specialist invites the shortlisted suppliers for negotiations based on the technical and financial evaluations.
- b) The Sourcing Officer/Specialist forms a team to conduct the negotiations. The negotiation team must consist of at least two members. One person can perform multiple roles within the negotiation team (as required).
- c) The negotiation team prepares a negotiation plan and conducts the negotiations. The negotiation plan may include (but is not limited to):
 - c1) Bid summary (including all offers received from suppliers)
 - c2) Summary of the government entity's and suppliers' needs to be addressed during negotiations
 - c3) Negotiation feasibility study
 - c4) List of supporting points to be used during negotiations
 - c5) Negotiation schedule
 - c6) Negotiation outcome (after conducting the negotiations)
- d) The Sourcing Officer/Specialist can use the designated 'Negotiation Plan' form or any other approved form that includes the required elements.
- e) If negotiations are not required, the Sourcing Officer/Specialist proceeds to create the Award Recommendation Report.

ii. Obtain Post-Negotiation Responses

- a) If no agreement is reached after negotiations, the Sourcing Officer/Specialist may proceed to create the Award Recommendation Report with the original bids (if acceptable) or cancel the sourcing event.
- b) If an agreement is reached after negotiations, the Sourcing Officer/Specialist formally obtains the best and final negotiated offer from the suppliers.

Important Note: All suppliers participating in the negotiations are invited to submit their best and final offer after negotiations.

iii. Prepare Award Recommendation Report

- a) The status of the supplier to be awarded must be "Qualified" in the Department of Government Support's master supplier database. Section

2.8.2.(IV) addresses the "Qualification" process for a supplier in the master supplier database.

b) The assigned Sourcing Officer/Specialist creates the Award Recommendation Report to summarize the sourcing initiatives and provide award details. The Award Recommendation Report may include (but is not limited to):

b1. Executive Summary

b2. Evaluation Criteria

b3. Summary of Technical and Financial Evaluation

b4. Summary of Negotiations (if conducted)

b5. Summary of Recommendations (including allocation of detailed items to winning suppliers)

b6. Savings Summary

c) The Sourcing Officer/Specialist can use the designated 'Award Recommendation Report' form or any other approved form that includes the required elements.

d) The completed Award Recommendation Report is approved by the assigned approvers according to the Procurement Delegation of Authority Manual.

iv. Communicate the Award

a) The Sourcing Officer/Specialist communicates the award to the winning suppliers after the 'Award Recommendation Report' is approved.

b) If the winning suppliers reject the award, the assigned Sourcing Officer/Specialist may take any of the following steps as approved by the Head of Procurement:

b1. Amend the Award Recommendation Report to award to the next supplier who passed the evaluations.

b2. Or cancel the sourcing event.

c) The assigned Sourcing Officer/Specialist may recommend adding the suppliers who rejected the award to the supplier blacklist in the Department of Government Support's master supplier database.

3. Roles and Responsibilities

Role	Responsibilities
Sourcing Officer / Specialist	<ol style="list-style-type: none"> 1. Shortlist and invite suppliers for negotiation. 2. Form the negotiation team. 3. Create the negotiation plan. 4. Ensure negotiation teams conduct the negotiations. 5. Create/update and submit the Award Recommendation Report. 6. Communicate the award to winning suppliers and confirm acceptance/rejection. 7. Report on next actions if the supplier rejects the award.
Approvers (according to the Procurement Delegation of Authority Manual)	<ol style="list-style-type: none"> 8. Review and approve/reject the Award Recommendation Report.
Suppliers	<ol style="list-style-type: none"> 9. Update and submit responses to the sourcing event after negotiations. 10. Review and approve/reject the award.

Table 2.3.7 Roles and Responsibilities – Conduct Negotiations and Award

Please refer to Appendix 3.1 - 2.3.2.(IV) Conduct Negotiations and Award for the process flowchart.

2.3.2.(V) Cancel Sourcing Event

1. Scope and Purpose

- i. The purpose of this process is to cancel a sourcing event and inform the relevant concerned parties.
- ii. Canceling a sourcing event involves a waste of time and resources and should be done as a last resort. However, it may be necessary in some circumstances to cancel a sourcing event. These scenarios include (but are not limited to):
 - a) The "Sourcing Request" is no longer valid (goods/services/projects were requested that are no longer required).
 - b) No response was received from the shortlisted suppliers for the sourcing event.
 - c) Supplier responses to the sourcing event are invalid or cannot be evaluated.
 - d) No agreement was reached after negotiations and the original bids were not accepted.
 - e) Suppliers rejected the award.

2. Procedures and Methodologies

- i. Cancel Sourcing Event
 - a) The assigned Sourcing Officer/Specialist creates an 'Event Cancellation Request' and submits it for approval by the approvers according to the Procurement Delegation of Authority Manual.
 - b) The assigned Sourcing Officer/Specialist can use the designated 'Event Cancellation Request' form or any other approved form that includes the required elements.
 - c) The assigned Sourcing Officer/Specialist can cancel the sourcing event after the 'Event Cancellation Request' is approved.
 - d) The assigned Sourcing Officer/Specialist communicates the event cancellation to all concerned parties and coordinates with the Finance Department to return bid bonds to the participating suppliers, if applicable.

3. Roles and Responsibilities

Role	Responsibilities
Sourcing Officer / Specialist	

Role	Responsibilities
	<ol style="list-style-type: none"> 1. Prepare and submit the 'Event Cancellation Request'. 2. Cancel the sourcing event and notify concerned parties. 3. Coordinate with the Finance Department to return the bid bond to participating suppliers, if applicable.
Approvers (according to the Procurement Delegation of Authority Manual)	<ol style="list-style-type: none"> 4. Approve/reject the 'Event Cancellation Request'.

Table 2.3.8 Roles and Responsibilities - Cancel Sourcing Event

Please refer to Appendix 3.1 - 2.3.2.(V) Cancel Sourcing Event for the process flowchart.

2.3.3 Enabling Tools - Forms and Documents

Procurement Processes	Enabling Tools Used
2.3.2.(I) Initiate and Publish Sourcing Event	Sourcing Request Sourcing Strategy Conflict of Interest and Confidentiality Requirements Tender Committee Formation Form
2.3.2.(II) Execute and Monitor Sourcing Event	Not Applicable
2.3.2.(IV) Conduct Negotiations and Award	Negotiation Plan Award Recommendation Report
2.3.2.(V) Cancel Sourcing Event	Event Cancellation Request

Table 2.3.9 Enabling Tools - Forms and Documents - Source-to-Contract Process Group

2.3.4 Responsibility Matrix

The following are the details of the Responsibility Matrix (Responsible - Accountable - Consulted - Informed) for the Source-to-Contract process group:

Level 3 Process	Requesting Entity (End-User Department)	Sourcing Officer / Specialist	Supplier	Reviewers (as per DoA Manual)	Approvers (as per DoA Manual)	Comments
2.3.2.(I) Initiate and Publish Sourcing Event	Consulted	Responsible, Accountable			Responsible	
2.3.2.(II) Execute / Monitor Sourcing Event	Consulted	Responsible, Accountable	Responsible			
2.3.2.(III) Evaluate Sourcing Event		Responsible, Accountable				
2.3.2.(IV) Conduct Negotiations and Award	Consulted	Responsible, Accountable	Responsible		Responsible	
2.3.2.(V) Cancel Sourcing Event	Consulted	Responsible, Accountable	Informed		Responsible	

Table 2.3.10 Responsibility Matrix - Source-to-Contract Process Group

2.4 Contract Lifecycle Management

2.4.1 Overview

- a) The Contract Lifecycle Management process group consists of procedures related to creating, managing, and closing contracts.
- b) This section explains the required activities and decisions, documents, outputs, and stakeholders involved in the Contract Lifecycle Management processes.
- c) The following Level 3 processes are included in the Contract Lifecycle Management process group:
 1. Create and Publish Contract
 2. Manage Contract Amendments
 3. Manage Contract Claims / Penalties / Disputes
 4. Close / Cancel Contract
- d) Contracts can be standalone or structured in hierarchies where a Master Agreement (also known as a Framework Agreement) is the main umbrella for one or more sub-agreements (also known as a Standing Offer Contract). The following is an illustrative example of a contract hierarchy:

Figure 2.4.1: Master Agreement - Sub-Agreement Hierarchy

**Framework
Agreement
Management
Plan**

**Contract
Execution**

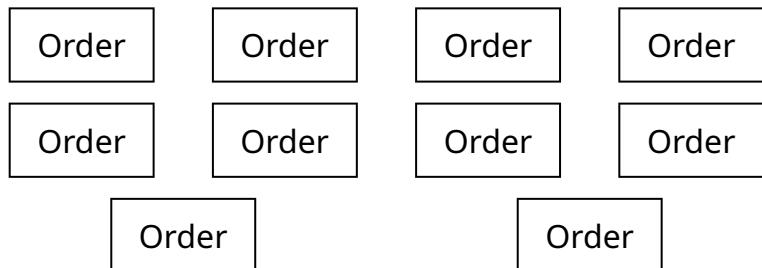
**Contract
Management**

Master Agreement

Contains elements common to multiple government entities. For example, pricing (3 AED per apple), warranties, and general terms and conditions.

Sub- Agreement #1	Sub- Agreement #2	Sub- Agreement #3
----------------------	----------------------	----------------------

Contains elements specific to each government entity, for example, delivery locations (Corniche 1), authorized requesters, and service level agreements.



Contains delivery requests issued by each government entity specifying dates, quantities, and other information in line with the terms of the framework agreement and standing offer contract. For example, a purchase order for Government Entity #1 for 3 apples at a price of 3 AED per apple, with the delivery location being the Corniche.

- e) A standalone agreement is the most common type of contract and is entered into between a government entity and a supplier for specific requirements. A standalone agreement is not part of a contract hierarchy.
- f) A Contracts Officer/Specialist is assigned to execute the Contract Lifecycle Management processes. For a contract based on a category specific to a government entity, a Contracts Officer/Specialist from the government entity managing the category is assigned. For a contract based on a common category, a Contracts Officer/Specialist from the Government Procurement Office is assigned.

g) Contract administrators are the end-users assigned to execute the contracts.

2.4.2 Level 3 Process Details

2.4.2.(1) Create and Publish Contract

1. Scope and Purpose

- i. The purpose of this process is to create, review, approve, and publish a contract.
- ii. A contract cannot be created for a supplier whose status is "Disqualified" in the Department of Government Support's master supplier database.

2. Procedures and Methodologies

i. Create a Contract

- a) The Contracts Officer/Specialist creates a contract based on the approved Award Recommendation Report.
- b) The contract may be a Master Agreement, a Sub-Agreement, or a Standalone Agreement.

ii. Review and Approve the Contract

- a) The completed contract is subject to review by the assigned "Reviewers" according to the Procurement Delegation of Authority Manual.
- b) The reviewed contract is approved by the assigned "Approvers" according to the Procurement Delegation of Authority Manual.

iii. Publish the Contract

- a) The Contracts Officer/Specialist obtains signatures on two copies of the approved contract from the authorized signatories, starting with the supplier. One copy is shared with the supplier, while the other hard copy is retained by Procurement.
- b) The signed contract is shared with internal stakeholders.
- c) The assigned Contracts Officer/Specialist initiates the supplier performance evaluation and management procedures based on each contract. Section 2.5.2.(II) details these procedures.

3. Roles and Responsibilities

Role	Responsibilities
Contracts Officer / Specialist	1. Prepare and submit the contract.
	2. Obtain signatures from relevant stakeholders on the contract.
	3. Share a copy of the signed contract with relevant stakeholders.
Reviewers (according to the Procurement Delegation of Authority Manual)	4. Review the contract and propose amendments, if any.
Approvers (according to the Procurement Delegation of Authority Manual)	5. Approve/reject the contract.

Table 2.4.1 Roles and Responsibilities - Create and Publish Contract

Please refer to Appendix 3.1 - 2.4.2.(1) Create and Publish Contract for the process flowchart.

2.4.2.(II) Manage Contract Amendments

1. Scope and Purpose

- i. A contract amendment allows for changes to an existing contract that has been approved and agreed upon with the supplier.
- ii. The amendment may take the form of an addition, deletion, or change to the existing contract. The original contract remains in place, along with the changes made through the amendment.
- iii. The following amendments can be made to a contract:

Type	Details
Administrative Amendment	<ul style="list-style-type: none"> • Allows for changes that do not affect or alter the rights of the government entity/supplier and have no financial/material impact (e.g.,

Type	Details
	changes in invoicing instructions, address, correction of typographical errors, etc.).
Substantive Amendment	<ul style="list-style-type: none"> Includes amendments such as change orders, change requests, scope amendments, and price updates. Allows for changes to the contract by adding, deleting, or modifying obligations or benefits.
Renewal / Extension	<ul style="list-style-type: none"> Requested by the Contract Administrator. Allowed only if the contract includes provisions for it. Procurement must verify the availability of an approved and sufficient budget for the purpose of renewal/extension before initiating the amendment.

Table 2.4.2 Types of Contract Amendments

2. Procedures and Methodologies

i. Verify the Amendment

- The amendment request is submitted either by the supplier or the Contract Administrator. In all cases, the Contract Administrator confirms the validity of the amendment. If there is a budget requirement, the proposed amendment is reviewed in collaboration with the budget owner.
- If the amendment is valid and budget availability is confirmed, the Contract Administrator communicates the details of the amendment to the Contracts Officer/Specialist.
- If the amendment is not valid, it is communicated to the stakeholders, and any related queries are resolved.

ii. Amend the Contract

- a) In the case of an administrative amendment, the Contracts Officer/Specialist can make and publish the amendments to the relevant stakeholders.
- b) In the case of a substantive amendment, the Contracts Officer/Specialist can create the contract amendment documents, which are reviewed and approved according to the Procurement Delegation of Authority Manual.

iii. Review and Approve the Amended Contract

- a) The contract amendment documents are subject to review by the assigned reviewers according to the Procurement Delegation of Authority Manual.
- b) The reviewed contract amendment documents are approved by the assigned approvers according to the Procurement Delegation of Authority Manual.

iv. Publish the Amended Contract

- a) The Contracts Officer/Specialist obtains signatures on two copies of the approved contract amendment documents from the authorized signatories, starting with the supplier. One copy is shared with the supplier, while the other hard copy is retained by Procurement.
- b) The approved contract amendment documents are shared with internal stakeholders.

3. Roles and Responsibilities

Role	Responsibilities
Contract Administrator	1. Review the required amendment with the budget owner.
	2. Confirm the validity of the amendment and budget availability (if required).
	3. Communicate details of the qualifying amendments to the Contracts Officer/Specialist.
Contracts Officer / Specialist	4. In the case of an administrative amendment, make the amendment and

Role	Responsibilities
	publish the contract amendment documents.
	5. In the case of a substantive amendment related to extension/renewal, prepare and submit the contract amendment documents for review and approval.
	6. Obtain signatures on the contract from the relevant stakeholders.
	7. Share a copy of the signed contract amendment documents with the relevant stakeholders.
Reviewers (according to the Procurement Delegation of Authority Manual)	8. Review the contract amendment documents with supporting documents and propose amendments, if any.
Approvers (according to the Procurement Delegation of Authority Manual)	9. Approve/reject the contract amendment documents with supporting documents.

Table 2.4.3 Roles and Responsibilities - Manage Contract Amendment

Please refer to Appendix 3.1 - 2.4.2.(II) Manage Contract Amendments for the process flowchart.

2.4.2.(III) Manage Contract Claims / Penalties / Disputes

1. Scope and Purpose

a) The purpose of this process is to initiate, review, approve, and settle contract claims/penalties/disputes.

2. Procedures and Methodologies

i. Verify the Claim / Penalty / Dispute

- a) A claim/penalty/dispute is submitted either by the supplier or the Contract Administrator. In all cases, the Contract Administrator confirms the validity of the claim/penalty/dispute. If there is a budget requirement, the claim/penalty/dispute is reviewed in collaboration with the budget owner.
- b) If the claim/penalty/dispute is valid and budget availability is confirmed, the Contract Administrator communicates the details of the claim/penalty/dispute to the Contracts Officer/Specialist.
- c) If the claim/penalty/dispute is not valid, it is communicated to the stakeholders, and any related queries are resolved.
- d) The assigned Contracts Officer/Specialist completes the 'Claims/Penalties/Disputes Registration Form' with any supporting documents for review and approval.
- e) The Sourcing Officer/Specialist can use the designated 'Claims/Penalties/Disputes Registration Form' or any other approved form that includes the required elements.

ii. Review, Approve, and Settle the Claim / Penalty / Dispute

- a) The completed 'Claims/Penalties/Disputes Registration Form' with any supporting documents is reviewed by the assigned reviewers according to the Procurement Delegation of Authority Manual.
- b) The reviewed 'Claims/Penalties/Disputes Registration Form' with any supporting documents is reviewed by the assigned approvers according to the Procurement Delegation of Authority Manual.
- c) The approved claim/penalty/dispute is settled with the supplier with the involvement of the Finance Department and Legal Affairs Department.

3. Roles and Responsibilities

Role	Responsibilities
Contract Administrator	<ul style="list-style-type: none"> 1. Review the submitted claim/penalty/dispute with the budget owner. 2. Communicate the details of the claim/penalty/dispute to the Contracts Officer/Specialist.

Role	Responsibilities
Contracts Officer / Specialist	3. Complete the 'Claims/Penalties/Disputes Registration Form', provide supporting documents, and submit for review and approval.
	4. Settle the approved claim/penalty/dispute with the supplier with the involvement of the Finance Department and Legal Affairs Department.
Reviewers (according to the Procurement Delegation of Authority Manual)	5. Review the 'Claims/Penalties/Disputes Registration Form' with supporting documents and propose amendments, if any.
Approvers (according to the Procurement Delegation of Authority Manual)	6. Approve/reject the 'Claims/Penalties/Disputes Registration Form' with any additional supporting documents.

Table 2.4.4 Roles and Responsibilities - Manage Contract Claims / Penalties / Disputes

Please refer to Appendix 3.1 - 2.4.2.(III) Manage Contract Claims / Penalties / Disputes for the process flowchart.

2.4.2.(IV) Close / Terminate Contract

1. Scope and Purpose

a) The purpose of this process is to close or terminate a contract under the following circumstances:

- a1) All contractual obligations have been fulfilled.
- a2) The contract has expired.
- a3) The contract is cancelled.

2. Procedures and Methodologies

- i. Close Contract

- a) The Contracts Officer/Specialist monitors the contract for its expected expiration and closure.
- b) If the contract is nearing expiration and there are still unfulfilled contractual obligations, the Contracts Officer/Specialist may extend the contract to allow the supplier to meet all contractual obligations. The Contract Administrator must request and duly obtain approval for the contract extension/renewal.
- c) The renewal/extension amendment process is explained in Section 2.4.2. (II).
- d) If the contract is not renewed or extended, the Contracts Officer/Specialist reviews the 'Contract Closure Checklist', completes the relevant activities, and collects the required documents for contract closure.
- e) The assigned Contracts Officer/Specialist can use the designated 'Contract Closure Request' form or any other approved form that includes the required elements.

- ii. Cancel Contract
 - a) The request to cancel the contract is submitted by the Contract Administrator.
 - b) Based on their request, a 'Contract Cancellation Notice' is prepared by the Contracts Officer/Specialist in collaboration with the Contract Administrator and the Legal Affairs Department.
 - c) The completed 'Contract Cancellation Notice' with any supporting documents is reviewed by the assigned reviewers according to the Procurement Delegation of Authority Manual.
 - d) The reviewed 'Contract Cancellation Notice' with any supporting documents is approved by the assigned approvers according to the Procurement Delegation of Authority Manual.
 - e) The 'Contract Cancellation Notice' is sent to the supplier.
- iii. Communicate Contract Cancellation / Closure / Expiration to Stakeholders
 - a) All relevant stakeholders are notified of the contract cancellation/closure/expiration.

b) The Contracts Officer/Specialist coordinates with the Finance Department to release the performance bond or retained amounts (as applicable) after the contract is cancelled/closed.

3. Roles and Responsibilities

Role	Responsibilities
Contracts Officer / Specialist	<ol style="list-style-type: none"> 1. Monitor the contract for its expiration/closure.
	<ol style="list-style-type: none"> 2. Review and complete the relevant activities in the 'Contract Closure Checklist'.
	<ol style="list-style-type: none"> 3. Create the 'Contract Cancellation Notice' in collaboration with the Contract Administrator and the Legal Affairs Department.
	<ol style="list-style-type: none"> 4. Send the 'Contract Cancellation Notice' to the supplier.
	<ol style="list-style-type: none"> 5. Communicate the contract closure/expiration/termination to the relevant stakeholders.
	<ol style="list-style-type: none"> 6. Coordinate with the Finance Department to release the performance bond or retained amounts (as applicable).
Contract Administrator	<ol style="list-style-type: none"> 7. Submit a request to cancel the contract.
Reviewers (according to the Procurement Delegation of Authority Manual)	<ol style="list-style-type: none"> 8. Review the 'Contract Cancellation Notice' with supporting documents.
Approvers (according to the Procurement Delegation of Authority Manual)	<ol style="list-style-type: none"> 9. Approve/reject the 'Contract Cancellation Notice' with supporting documents.

Table 2.4.5 Roles and Responsibilities - Close / Terminate Contract

Please refer to Appendix 3.1 - 2.4.2.(IV) Close Contract for the process flowchart.

2.4.3 Enabling Tools - Forms and Documents

Procurement Processes	Enabling Tools Used
2.4.2.(I) Create and Publish Contract	Not Applicable
2.4.2.(II) Manage Contract Amendments	Not Applicable
2.4.2.(III) Manage Contract Claims / Penalties / Disputes	Claims / Penalties / Disputes Registration Form
2.4.2.(IV) Close / Cancel Contract	Contract Closure Checklist

Table 2.4.6 Enabling Tools - Forms and Documents - Supplier Performance Management Process Group

2.4.4 Responsibility Matrix

The following are the details of the Responsibility Matrix (Responsible - Accountable - Consulted - Informed) for the Supplier Performance Management process group:

Level 3 Process	Contracts Officer / Specialist	Contract Administrator	Supplier	Reviewers (as per DoA Manual)	Approvers (as per DoA Manual)
2.4.2.(I) Create and Publish Contract	Responsible - Accountable	Responsible	Informed	Responsible	Responsible
2.4.2.(II) Manage Contract Amendments	Responsible - Accountable	Responsible	Informed	Responsible	Responsible

Level 3 Process	Contracts Officer / Specialist	Contract Administrator	Supplier	Reviewers (as per DoA Manual)	Approvers (as per DoA Manual)
2.4.2.(VII) Manage Contract Claim / Penalty / Dispute	Responsible - Accountable	Responsible	Responsible	Responsible	Responsible
2.4.2.(IV) Close / Cancel Contract	Responsible - Accountable	Consulted	Informed	Responsible	Responsible

Table 2.4.7 Responsibility Matrix - Supplier Performance Management Process Group

2.5 Supplier Relationship and Performance Management

2.5.1 Overview

a) The Supplier Relationship and Performance Management process group consists of procedures for segmenting suppliers, managing relationships with selected suppliers, and managing supplier performance based on contracts.

b) This section explains the required activities and decisions, documents, outputs, and stakeholders involved in the Supplier Performance and Relationship Management processes.

c) The following Level 3 processes are included in the Supplier Performance and Relationship Management process group:

1. Supplier Segmentation
2. Building Relationships with Selected Suppliers
3. Evaluating and Managing Supplier Performance

2.5.2 Level 3 Process Details

2.5.2.(I) Supplier Segmentation

1. Scope and Purpose

- i. The purpose of this process is to classify suppliers into the following predefined segments:
 - a) Strategic Supplier - A supplier who demonstrates potential for innovation and collaboration, has a proven track record in this regard, and accounts for a large portion of the expenditure.
 - b) Vital Supplier - A supplier who carries out day-to-day operations. Typically, any failure by this supplier would have a significant impact on the operational processes of the government entity.
 - c) Operational Supplier - An operational supplier has contractual obligations that require operational tracking and delivery monitoring.
 - d) Transactional Supplier - A supplier who has minimal contracted expenditure and minimal impact.
- ii. Common category suppliers are considered strategic suppliers.
- iii. The supplier segmentation process is performed periodically, preferably once a year.
- iv. When segmenting suppliers, it is important to consider the contracted expenditure with each supplier for the same period to ensure a fair comparison between them. Only suppliers with contracted expenditure during the review period can be considered for this process.
- v. A Supplier Relationship Management Specialist is assigned to segment suppliers. For segmenting suppliers belonging to common categories, a Supplier Relationship Management Specialist from the Government Procurement Office is assigned. For segmenting suppliers belonging to categories specific to government entities, a Supplier Relationship Management Specialist from the government entity managing the category is assigned.

2. Procedures and Methodologies

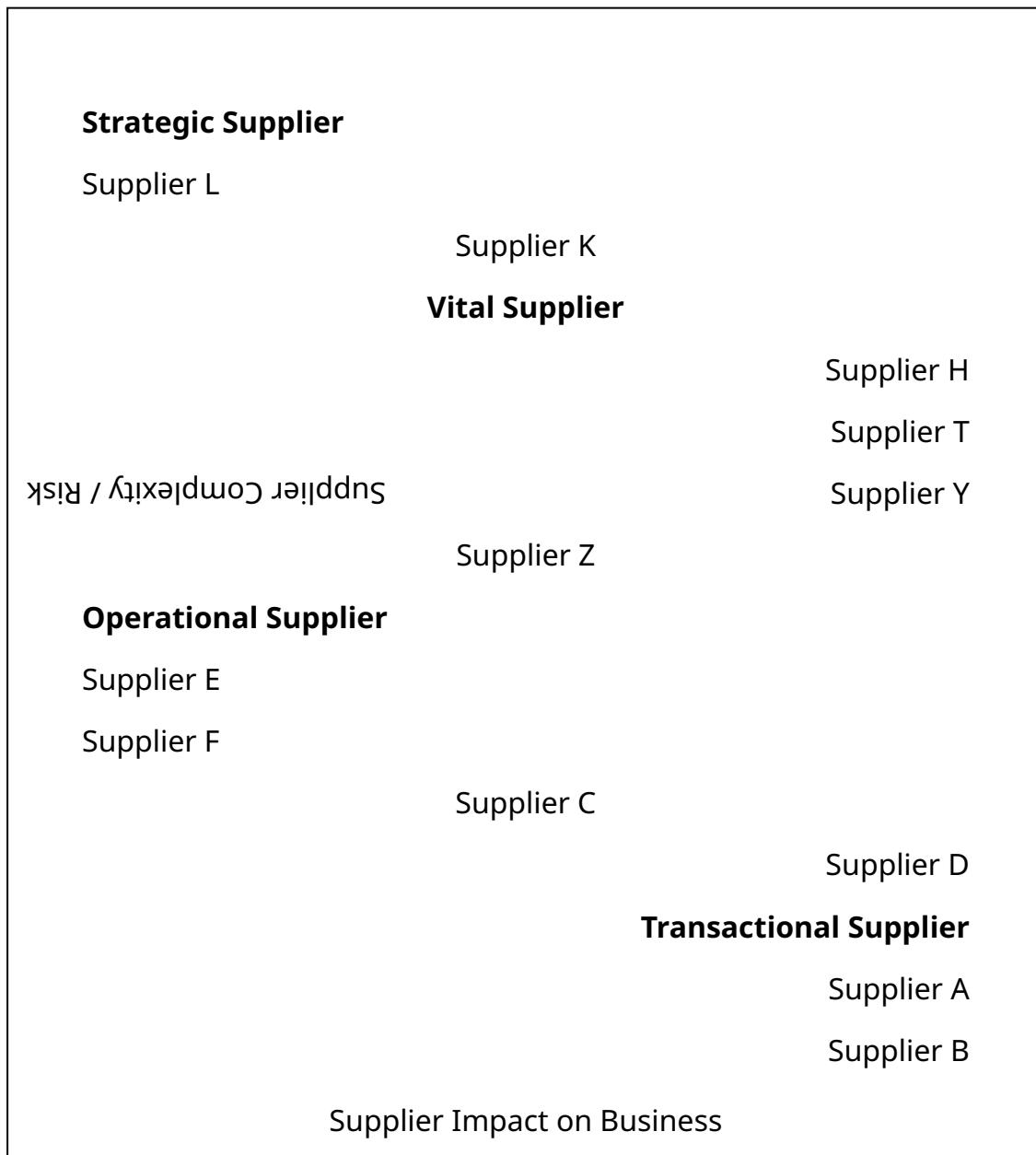
- i. Complete the 'Supplier Segmentation Report'
 - a) The 'Supplier Segmentation Input Collection Form' is designed to segment suppliers based on the following criteria:

a1) Supplier's impact on business indicates the importance of the supplier to business-related operations and future initiatives.

a2) Supplier's degree of complexity/risk indicates the reliance on the supplier and the ease of changing the supplier, if required.

A high score indicates a high impact on business/supplier complexity as shown below:

Figure 2.5.1 Supplier Segmentation



b) The Supplier Relationship Management Specialist shares the 'Supplier Segmentation Input Collection Form' with category managers to collect the required scores for suppliers specific to that category.

c) For categories without assigned category managers, the 'Supplier Segmentation Input Collection Form' is shared with contract administrators or end-users.

d) The Supplier Relationship Management Specialist consolidates the various received 'Supplier Segmentation Input Collection Form' documents into the designated 'Supplier Segmentation Report Form'.

e) There should be only one 'Supplier Segmentation Report' for the government entity / Government Procurement Office.

ii. Approve the Consolidated 'Supplier Segmentation Report'

a) The 'Supplier Segmentation Report' is approved by the assigned approvers according to the Procurement Delegation of Authority Manual.

iii. Implement the Supplier Segmentation Strategy

a) The approved 'Supplier Segmentation Report' is shared with the relevant stakeholders to implement the supplier segmentation strategy.

b) The following are the elements of the supplier segmentation strategy:

Actions	Transactional Supplier	Operational Supplier	Vital Supplier	Strategic Supplier
Contract Compliance	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Performance Evaluation		?	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Supplier Risk Identification		?	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Supplier Development		?	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Supplier Collaboration	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	? May be required	<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/> Required <input checked="" type="checkbox"/> Not Required <input checked="" type="checkbox"/> ? May be required				

Figure 2.5.2 Supplier Segmentation Strategy

c) The supplier segmentation strategy is implemented at the procurement process level as follows:

c(1) Contract Compliance - Please refer to Section 2.4.2.(II) for details on the process of managing contract claims/penalties/disputes.

c(2) Performance Evaluation - Please refer to Section 2.5.2.(II) for details on the process of evaluating and managing supplier performance.

c(3) Supplier Risk Identification - Please refer to Section 2.7.2.(1) for details on the process of identifying supplier risks.

c(4) Supplier Development and Collaboration - Please refer to Section 2.5.2.(II) for details on the process of building relationships with selected suppliers.

d) The Supplier Relationship Management Specialist may be assigned as the single point of contact for follow-up with suppliers to ensure the implementation of the supplier segmentation strategy:

d(1) All strategic and vital suppliers.

d(2) Operational suppliers whose expenditure reaches 80% of the government entity's expenditure.

3. Roles and Responsibilities

Role	Responsibilities
Supplier Relationship Management Specialist	1. Share the 'Supplier Segmentation Input Collection Form' with category managers / end-users / contract administrators.
	2. Collect responses and prepare the 'Supplier Segmentation Report'.
	3. Share the 'Supplier Segmentation Report' with relevant stakeholders.
	4. For shortlisted suppliers, ensure the implementation of the supplier segmentation strategy.

Role	Responsibilities
Category Managers / End-Users / Contract Administrators	5. Complete and submit the 'Supplier Segmentation Input Collection Form'.
Approvers (according to the Procurement Delegation of Authority Manual)	6. Approve/reject the consolidated 'Supplier Segmentation Report'.

Table 2.5.1 Roles and Responsibilities - Supplier Segmentation

Please refer to Appendix 3.1 - 2.5.2.(1) Supplier Segmentation for the process flowchart.

2.5.2.(II) Building Relationships with Selected Suppliers

1. Scope and Purpose

- i. The purpose of this process is to manage development and collaboration initiatives for shortlisted suppliers.

2. Procedures and Methodologies

- i. Form the 'Supplier Development and Collaboration Team'
 - a) The assigned Supplier Relationship Management Specialist participates in discussions on development, collaboration, and future planning initiatives.
 - b) The Supplier Relationship Management Specialist forms the Supplier Development and Collaboration Team. This team may include the following roles:

Roles	Responsibility
Contract Administrator	Ensures that the collaboration process with suppliers includes key aspects of the contractual relationship between the government entity and the supplier.
Business Owner	Provides business/functional input for developing the strategy, processes, and procedures for collaboration with suppliers.
Technical Lead	

Roles	Responsibility
	Provides technical input for developing the strategy, processes, and procedures for collaboration with suppliers.
Executive Sponsor	The executive member responsible for the success of the initiative, who also has the authority to take action.
Supplier Representative	The single point of contact from the supplier's side regarding development/collaboration activities.

Table 2.5.2 Supplier Development and Collaboration Team Members

ii. Prepare the 'Supplier Development and Collaboration Plan'

- The assigned Supplier Relationship Management Specialist may consult with the 'Supplier Development and Collaboration Team' to identify relevant opportunities and complete the 'Supplier Development and Collaboration Plan'.
- The Supplier Relationship Management Officer/Specialist can use the designated 'Supplier Development and Collaboration Plan' form or any other approved form that includes the required elements.
- Development and collaboration opportunities can be derived from the relevant 'Procurement Strategy Document' and 'Category Strategy Document'.
- The identified opportunities are completed, and the highest priority opportunities are also identified in collaboration with the supplier.
- The completed 'Supplier Development and Collaboration Plan' is shared with the relevant stakeholders for implementation.

iii. Monitor the 'Supplier Development and Collaboration Plan'

- The implementation of the 'Supplier Development and Collaboration Plan' is reviewed periodically by the assigned Supplier Relationship Management Specialist. During each review process, stakeholders provide an updated status.
- The 'Supplier Development and Collaboration Plan' is considered complete when all identified highest priority opportunities have been

implemented. All relevant stakeholders are notified of the completion of the 'Supplier Development and Collaboration Plan'.

3. Roles and Responsibilities

Role	Responsibilities
Supplier Relationship Management Specialist	<ol style="list-style-type: none">1. Onboard suppliers for development and collaboration initiatives.2. Conduct engagement sessions with the supplier, if required.3. Assign members to the supplier development and collaboration team.4. Prepare the supplier development and collaboration plan.5. Share the supplier development and collaboration plan for implementation.6. Monitor and close the supplier development and collaboration plan.7. Communicate the closure of the supplier development and collaboration plan.
Supplier	<ol style="list-style-type: none">1. Appoint a representative to be the single point of contact for development and collaboration initiatives.2. Provide input to finalize the supplier development and collaboration plan.3. Implement the supplier development and collaboration plan.
Supplier Development and Collaboration Team	<ol style="list-style-type: none">1. Implement, monitor, and close the supplier development and collaboration plan.

Table 2.5.3 Roles and Responsibilities - Establishing Relationships with Selected Suppliers

Please refer to Appendix 3.1 - 2.5.2.(II) Establishing Relationships with Selected Suppliers for the process flow diagram.

2.5.2.(III) Evaluate and Manage Supplier Performance

1. Scope and Purpose

- i. The purpose of this process is to evaluate and manage supplier performance.
- ii. Supplier performance is evaluated and managed against each open contract separately. Each evaluation process results in a "Supplier Scorecard" which summarizes the supplier's performance against the contract's Key Performance Indicators (KPIs).
- iii. The assigned Contract Manager/Specialist for supplier performance management processes is responsible for evaluating and managing the supplier's performance against the signed contract.

2. Procedures and Methodologies

i. Gather Supplier Performance Inputs

1. The assigned Contract Manager/Specialist determines the frequency of the supplier performance evaluation process and updates the Supplier Performance Input Collection Template as needed.
2. The Supplier Performance Input Collection Template is designed to assess supplier performance across the following KPIs:
 - b1. Account Management
 - b2. Cost
 - b3. Quality
 - b4. Delivery
 - b5. Innovation
 - b6. Risk and Compliance
3. The nature of the contract determines the supplier performance evaluation criteria (weightage, target score, and questions under each KPI).
4. The supplier is communicated the details of the supplier performance evaluation criteria and the evaluation frequency.
5. For each performance evaluation cycle, the Contract Manager/Specialist shares the Supplier Performance

Evaluation Template with the relevant contract managers and end-users.

6. The relevant contract managers and end-users fill out the Supplier Performance Input Collection Template with the details of the supplier's performance for the required period.

ii. Publish "Supplier Scorecard"

1. The Contract Manager/Specialist collects the various Supplier Segmentation Input Collection Template documents and fills out the dedicated "Supplier Scorecard" template.
2. The "Supplier Scorecard" is shared with the relevant stakeholders (including the supplier). The evaluation cycle is considered closed if the supplier meets the target score for all KPIs.

iii. Create and Approve "Supplier Performance Management Plan"

1. If the supplier fails to meet the target scores, the assigned Contract Manager/Specialist creates a "Supplier Performance Management Plan" to rectify the supplier's performance.
2. The Contract Manager/Specialist can use the dedicated template for the "Supplier Performance Management Plan" or any other approved template that includes the required elements.
3. The completed "Supplier Performance Management Plan" is reviewed with the supplier to finalize and prioritize corrective actions.
4. The reviewed "Supplier Performance Management Plan" is approved by the assigned "Approvers" according to the Procurement Delegation of Authority Manual.

iv. Monitor "Supplier Performance Management Plan"

1. The approved "Supplier Performance Management Plan" is shared with the relevant stakeholders for implementation.
2. The assigned Contract Manager/Specialist conducts periodic reviews to monitor the implementation of the "Supplier Performance Management Plan". During each

review, stakeholders provide an updated status of the relevant actions.

3. Any amendments to the "Supplier Performance Management Plan" must undergo reviews and approvals according to the Procurement Delegation of Authority Manual.
4. The "Supplier Performance Management Plan" is completed when all high-priority corrective actions are implemented. The completion of the "Supplier Performance Management Plan" is communicated to all relevant stakeholders.

3. Roles and Responsibilities

Role	Responsibilities
Supplier Relationship Management Specialist	<ol style="list-style-type: none">1. Determine the frequency of supplier performance evaluation.2. Modify the "Supplier Performance Evaluation Template" as needed (if required) and share it with contract managers and end-users.3. Communicate performance evaluation criteria to the supplier.4. Collect responses and prepare the "Supplier Scorecard".5. Share the "Supplier Scorecard" with relevant stakeholders.6. Develop the "Supplier Performance Management Plan," if required.7. Finalize the "Supplier Performance Management Plan" with the supplier.8. Share the "Supplier Performance Management Plan" with relevant stakeholders.9. Monitor the implementation of the "Supplier Performance Management Plan."

Role	Responsibilities
	10. Communicate the completion of the "Supplier Performance Management Plan" to all relevant stakeholders.
Contract Managers / End-Users	1. Complete and submit the Supplier Performance Evaluation Template.
Approvers (according to the Procurement Delegation of Authority Manual)	1. Approve / Reject the "Supplier Performance Management Plan."

Table 2.5.4 Roles and Responsibilities - Evaluate and Manage Supplier Performance

Please refer to Appendix 3.1 - 2.5.2.(III) Evaluate and Manage Supplier Performance for the process flow diagram.

2.5.3 Enablers - Templates and Documents

Procurement Processes	Enablers Used
2.5.2 (I) Supplier Segmentation	Supplier Segmentation Input Collection Template Supplier Segmentation Report
2.5.2 (II) Establishing Relationships with Supplier Development and Selected Suppliers	Collaboration Plan Supplier Performance Input
2.5.2 (III) Evaluate and Manage Supplier Performance	Collection Template Supplier Scorecard Supplier Performance Management Plan

Table 2.5.5 Enablers - Templates and Documents - Supplier Performance and Relationship Management Process Group

2.5.4 RACI Matrix

The following are the details of the RACI (Responsible - Accountable - Consulted - Informed) matrix for the Supplier Performance Management process group:

Level 3 Processes	Supplier Relationship Management Specialist	Supplier				Supplier Development and Collaboration Team	Supplier Team	Procurement Delegation of Authority Manual	Approved (according to the)
		Contract Manager / Specialist	End-User Contract Manager	Development Contract Manager	Collaboration				
2.5.2 (I) Supplier Segmentation	Responsible - Accountable	Responsible						Informed	Responsible
2.5.2 (II) Establishing Relationships with Selected Suppliers	Responsible, Accountable					Responsible	Responsible		
2.5.2 (III) Evaluate and Manage Supplier Performance	Responsible - Accountable	Responsible	Responsible	Responsible				Responsible	Responsible

Table 2.5.6 RACI Matrix - Supplier Performance and Relationship Management Process Group

2.6 Procure-to-Pay

2.6.1 Overview

- a) The Procure-to-Pay process group consists of procedures for creating and approving purchase requisitions, purchase orders, and goods/services/works receipts. It also details procedures for making emergency, petty cash, and p-card purchases and receiving goods/services/works.

- b) This section explains the required activities and decisions, documents, outputs, and stakeholders involved in the Procure-to-Pay processes.
- c) The following Level 3 processes are included in the Procure-to-Pay process group:
 1. Create and Approve Purchase Requisition
 2. Create and Approve Purchase Order
 3. Receive Goods / Services / Works
 4. Make Emergency / Petty Cash / P-Card Purchase
 5. Create and Approve Post-Facto Purchase Requisition, Purchase Order, and Goods / Services / Works Receipt
 6. Receive and Reconcile Invoice

2.6.2 Level 3 Process Details

2.6.2. (I) Create and Approve Purchase Requisition

1. Scope and Purpose

- i. The purpose of this process is to create and approve a purchase requisition.

2. Procedures and Methodologies

i. Create and Approve Purchase Requisition

1. The end-user creates a purchase requisition to request goods/services/works and obtain the necessary approvals for the purchase.

Important Note: An approved purchase request must not be split into multiple purchase requisitions in an attempt to bypass approvers.

2. The reviewed purchase requisition is approved by the assigned approvers according to the Procurement Delegation of Authority Manual.

3. Roles and Responsibilities

Role	Responsibilities
End-User	<ol style="list-style-type: none"> 1. Complete / update and submit the purchase requisition 2. Approve / reject the purchase requisition

Role	Responsibilities
Approvers (according to the Procurement Delegation of Authority Manual)	

Table 2.6.1 Roles and Responsibilities - Create and Approve Purchase Requisition

Please refer to Appendix 3.1 - 2.6.2 (I) Create and Approve Purchase Requisition for the process flow diagram.

2.6.2.(II) Create and Issue Purchase Order

1. Scope and Purpose

- i. The purpose of this process is to create a purchase order, obtain the required approvals, and issue it to the supplier. The supplier confirms receipt of the purchase order as part of this process.
- ii. An approved purchase requisition directly results in a purchase order if the goods/services/works requested in the purchase requisition are covered by an existing contract.
- iii. An approved purchase requisition may directly result in a purchase order if the expenditure threshold for the goods/services/works requested in the purchase requisition is less than AED 50,000. In this case, procurement intervention is not mandatory as long as the end-user has a minimum of two quotations.
- iv. If the source of supply or purchasing terms for the requested goods/services/works are unknown, a "Sourcing Request" is created by Procurement to execute the sourcing process.

Important Note: Procurement verifies the approved purchase requisition against existing contracts to determine if the requirements can be met without entering into new commitments.

2. Procedures and Methodologies

i. Create and Approve Purchase Order

1. The purchase order includes details such as description, quantity, price, discount, payment terms, and other necessary information to complete the purchase order.

2. Multiple purchase requisitions can be consolidated into a single purchase order, or a single purchase requisition can be split into multiple purchase orders for the following reasons:
 - b1. Same supplier / different suppliers - The goods/services/works requested in the purchase requisition are sourced from a single supplier or multiple suppliers.
 - b2. Same delivery location / different delivery locations - The goods/services/works requested in the purchase requisition are delivered to a single location or multiple locations.
 - b3. From an existing contract / new contract - The goods/services/works requested in the purchase requisition are partially fulfilled through an existing contract.
3. A purchase requisition can be converted into a purchase order directly through an existing contract or through sourcing and contracting processes. The purchase order is created by Procurement.

Important Note: An approved purchase requisition must not be split into multiple purchase orders in an attempt to bypass approvers.

4. The reviewed purchase order is approved by the assigned approvers according to the Procurement Delegation of Authority Manual.
5. The approved purchase order is shared with the supplier.

3. Roles and Responsibilities

Role	Responsibilities
Procurement	<ol style="list-style-type: none"> 1. Create / update and submit the purchase order 2. Send the approved purchase order to the supplier.
Approvers (according to the Procurement Delegation of Authority Manual)	<ol style="list-style-type: none"> 3. Approve / reject the purchase order.
Supplier	

Role	Responsibilities
	4. Confirm receipt of the purchase order.

Table 2.6.2 Roles and Responsibilities - Create and Approve Purchase Order

Please refer to Appendix 3.1 - 2.6.2. (II) Create and Approve Purchase Order for the process flow diagram.

2.6.2. (III) Receive Goods / Services / Works

1. Scope and Purpose

- i. The purpose of this process is to confirm the receipt of goods/services/works and create a receipt for the delivery made.
- ii. The process includes quantity inspection and managing the return of goods/services/works to the supplier.

2. Procedures and Methodologies

i. Receive and Match Goods / Services / Works with the Purchase Order

- 1. The received goods are reviewed by the end-user or the store/warehouse to ensure the quantities and specifications match the purchase order and delivery documents.
- 2. Based on the review, one of the following actions is taken:

b1. Delivery of Goods

- 1. The delivery of goods can be accepted by the end-user if the quantity and specifications match what is stated in the purchase order or are within the acceptable limits specified in the purchase order.
- 2. The delivery of goods can be rejected in whole or in part (e.g., a percentage of the delivered goods does not match the specifications in the purchase order). In case of partial or total rejection, Procurement and the supplier are informed about the discrepancies that led to the rejection.

3. Depending on the reason for rejection, the supplier either replaces the defective/damaged goods or delivers the missing goods.

b2. **Delivery of Services / Works**

1. The delivery of services/works can be accepted by the end-user if the quantity and specifications match what is stated in the purchase order or are within the acceptable limits specified in the purchase order. The end-user provides input on the delivery regarding key milestones, KPIs/SLA, timelines, etc.
2. The delivery of services/works can be rejected in whole or in part. In case of partial or total rejection, Procurement and the supplier are informed about the discrepancies that led to the rejection.

ii. **Create and Approve Goods / Services / Works Receipt**

1. The end-user creates a goods/services/works receipt reflecting the acceptance of the goods/services/works upon delivery or after inspection.
2. For high-value goods/services/works (as defined by the Procurement Delegation of Authority Manual), the government entity may choose to form a committee to conduct the inspection.
3. The assigned approvers according to the Procurement Delegation of Authority Manual approve the goods/services/works receipt.
4. The goods/services/works receipt and the purchase order are used as reference documents for the invoice reconciliation and payment approval process for the supplier.

3. **Roles and Responsibilities**

Role	Responsibilities
Store / Warehouse (if applicable)	<ol style="list-style-type: none"> 1. Receive and match goods with the purchase order. 2. Accept / reject the delivery.

Role	Responsibilities
End-User	<ul style="list-style-type: none"> 3. Communicate with Procurement and the supplier regarding delivery rejection. 4. Create a goods receipt request. 1. Receive and match goods/services/works with the purchase order. 2. Accept / reject the delivery.
Approvers (according to the Procurement Delegation of Authority Manual)	<ul style="list-style-type: none"> 3. Communicate with Procurement and the supplier regarding delivery rejection. 4. Create a goods/services/works receipt.
Supplier	<ul style="list-style-type: none"> 1. Approve / reject the goods/services/works receipt. 1. Repair / replace defective goods, correct services, or deliver missing goods/services/works.

Table 2.6.3 Roles and Responsibilities - Receive Goods / Services / Works

Please refer to Appendix 3.1 - 2.6.2. (III) Receive Goods / Services / Works.

2.6.2 (IV) Make Emergency / Petty Cash / P-Card Purchase

1. Scope and Purpose

- i. The purpose of this process is to enable rapid procurement in cases of operational or personal emergencies as defined by procurement standards.
- ii. Procurement must ensure that emergency purchases are not used as an excuse for a failure to plan.
- iii. This process enables petty cash/p-card purchases below the expenditure limits specified in the Procurement Delegation of Authority Manual. Petty cash/p-card purchases can be made without involving Procurement.

2. Procedures and Methodologies

i. Making Emergency Purchases

1. Emergency purchases refer to a rapid procurement process that exceeds the expenditure limit specified for p-card or petty cash purchases as stated in the Procurement Delegation of Authority Manual.
2. The end-user creates a purchase requisition and provides the necessary justification for the emergency purchase.
3. The purchase requisition and the justification for the emergency purchase are approved by the assigned approvers according to the Procurement Delegation of Authority Manual.
4. Procurement creates a purchase order which is approved by the assigned approvers according to the Procurement Delegation of Authority Manual.
5. Procurement liaises with the supplier and works to provide the required goods/services/works.

ii. Making Petty Cash / P-Card Purchases

1. For purchases below the expenditure limit specified for petty cash or p-card purchases as stated in the Procurement Delegation of Authority Manual, the end-user engages directly with the supplier to obtain the goods/services/works.
2. A post-facto purchase requisition and purchase order are created and approved after the purchase.

3. Roles and Responsibilities

Role	Responsibilities
End-User	<ol style="list-style-type: none">1. In case of emergency purchases:<ol style="list-style-type: none">1. Create a purchase requisition and provide the necessary justification for the emergency purchase.2. Complete / update and submit the justification for the emergency purchase.

Role	Responsibilities
Procurement Approvers (according to the Procurement Delegation of Authority Manual)	<p>2. In case of petty cash / p-card purchases:</p> <ol style="list-style-type: none"> 1. Work with the supplier to provide the required goods/services. 1. Coordinate with the end-user and the store/warehouse to complete the requirements, if possible. 2. Create the purchase order and work with the supplier (in case of emergency purchases). 3. Obtain the required goods/services/works. <ol style="list-style-type: none"> 1. Approve / reject the purchase requisition and the justification for the emergency purchase. 2. Approve / reject the purchase order.

Table 2.6.4 Roles and Responsibilities - Make Emergency / Petty Cash / P-Card Purchase

Please refer to Appendix 3.1 - 2.6.2. (IV) Make Emergency / Petty Cash / P-Card Purchase for the process flow diagram.

2.6.2. (V) Create and Approve Post-Facto Purchase Requisition, Purchase Order, and Goods / Services / Works Receipt

1. Scope and Purpose

- i. A post-facto purchase requisition, purchase order, and goods/services/works receipt are required when goods/services/works are purchased without authorization (i.e., petty cash and p-card purchases).
- ii. The post-facto purchase requisition, purchase order, and goods/services/works receipt are used to record the purchase and settle the expenditure.

2. Procedures and Methodologies

i. Create and Approve Post-Facto Purchase Requisition, Purchase Order, and Goods / Services / Works Receipt

1. The end-user completes and submits a post-facto purchase requisition for approval from the assigned "Approvers" according to the Procurement Delegation of Authority Manual.
2. Procurement creates and submits a post-facto purchase order for approval from the assigned "Approvers" according to the Procurement Delegation of Authority Manual.
3. The end-user creates and submits a post-facto goods/services/works receipt for approval from the assigned "Approvers" according to the Procurement Delegation of Authority Manual.

3. Roles and Responsibilities

Role	Responsibilities
End-User	<ol style="list-style-type: none">1. Complete / update the post-facto purchase requisition2. Create / update the post-facto goods/services/works receipt.
Procurement	<ol style="list-style-type: none">3. Create / update and submit the post-facto purchase order.
Approvers (according to the Procurement Delegation of Authority Manual)	<ol style="list-style-type: none">4. Approve the post-facto purchase requisition, purchase order, and goods/services/works receipt.

Table 2.6.5 Roles and Responsibilities - Create and Approve Post-Facto Purchase Requisition, Purchase Order, and Goods / Services / Works Receipt

Please refer to Appendix 3.1 - 2.6.2 (V) Create and Approve Post-Facto Purchase Requisition, Purchase Order, and Goods / Services / Works Receipt for the process flow diagram.

2.6.2.(VI) Receive and Reconcile Invoice

1. Scope and Purpose

- i. The purpose of this process is to receive invoices from the supplier, reconcile them against the purchase order and goods/services/works receipt, and initiate the payment process to the supplier.

2. Procedures and Methodologies

i. Receive and Reconcile Invoice

1. The Finance Department reconciles invoices against the purchase order, goods/services/works receipt, and contract to release payment to the supplier.

3. Roles and Responsibilities

Role	Responsibilities
End-User	<ol style="list-style-type: none">1. Submit the invoice to the Finance Department in the case of a post-facto purchase requisition/order.2. Submit the post-facto purchase requisition/order to the Finance Department.3. Submit the goods/services/works receipt to the Finance Department in the case of regular procurement.
Supplier	<ol style="list-style-type: none">4. Submit the invoice (with purchase order details) in the case of emergency and regular procurement.5. Review, verify the completeness of invoice data, and reconcile.
Finance Department	<ol style="list-style-type: none">6. Approve / reject the invoice and initiate the payment process to the supplier.

Table 2.6.6 Roles and Responsibilities - Receive and Reconcile Invoice

Please refer to Appendix 3.1 - 2.6.2 (VI) Receive and Reconcile Invoice for the process flow diagram.

2.6.3 RACI Matrix

The following are the details of the RACI (Responsible - Accountable - Consulted - Informed) matrix for the Procure-to-Pay process group:

Level 3 Process	End-User	Procurement	Supplier	Store / Warehouse	Finance Department	Approvers (according to the Procurement Delegation of Authority Manual)
2.6.2 (I)						
Create and						
Approve	Responsible,					
Purchase	Accountable					Responsible
Requisition						
2.6.2. (II)						
Create and		Responsible -				
Issue	Accountable		Informed	Informed		Responsible
Purchase						
Order						
2.6.2. (III)						
Receive	Responsible					
Goods /	-				Responsible	Responsible
Services /	Accountable					
Works						
2.6.2. (IV)						
Make	Responsible					
Emergency /	-	Responsible				
Petty Cash /	-	Responsible				
P-Card	Accountable					
Purchase						
2.6.2. (V)						
Create and						
Approve						
Post-Facto	Responsible					
Purchase	-	Responsible				
Requisition,	Accountable					
Purchase						
Order, and						
Goods /						

Level 3 Process	End-User	Procurement	Supplier	Store / Warehouse	Finance	Approvers (according to the Procurement Delegation of Authori Manual)
Services / Works						
Receipt						
2.6.2. (V)						
Create and Approve Post-Facto	Informed		Responsible - Accountable			Responsible
Purchase Order						
2.6.2. (VI)						Responsible
Create and Reconcile Invoice	Responsible			Responsible		- Accountable

Table 2.6.7 RACI Matrix - Procure-to-Pay Process Group

2.7 Risk and Regulation

2.7.1 Overview

- a) The Risk and Regulation process group consists of procedures to identify high-risk suppliers and manage procurement risks and regulatory changes.
- b) This section explains the required activities and decisions, documents, outputs, and stakeholders involved in the risk and regulation processes.
- c) Procurement risk is defined as the probability of failure in any of the procurement processes. These risks can be related to the supplier, the supply chain, and the purchasing organization as described below:

Risk Type	Description
Supplier Risk	Risks arising from the suppliers' side and specific to the supplier (e.g., bankruptcy, relocation, price increases, failure to deliver quantities, mergers and acquisitions, etc.).
Supply Chain Risk	Risks arising from unforeseen events in the external market (e.g., environmental disasters causing supply chain disruptions, price and supply fluctuations, and supply shocks).
Organizational Risk	Risks arising from internal processes / within the government entity (e.g., wrong approach to the market, insufficient procurement resources, or lack of category-related expertise).

Table 2.7.1 Roles and Responsibilities - Source of Procurement Risks

- d) The following Level 3 processes are included in the Risk and Regulation process group:
 1. Perform Supplier Risk Profiling
 2. Manage Procurement Risks
 3. Manage Regulation Change

2.7.2 Level 3 Process Details

2.7.2.(I) Perform Supplier Risk Profiling

1. Scope and Purpose

- i. The purpose of this process is to identify high-risk suppliers and optimize risk mitigation efforts.
- ii. The supplier risk profiling process is performed periodically, preferably once a year.
- iii. The Supplier Relationship Management Specialist is assigned to perform supplier risk profiling. To perform risk profiling for suppliers in categories specific to a government entity, the Contract Manager/Specialist from the government entity is assigned. To perform risk profiling for suppliers in shared categories, the Contract Manager/Specialist from the Government Procurement Office is assigned.

iv. Based on the supplier segmentation strategy (please refer to Figure 2.5.2), risk profiling is performed for the following categories of suppliers:

1. All strategic and critical suppliers.
2. Transactional suppliers whose expenditure falls within the top 80% of the government entity's spend.

2. Procedures and Methodologies

i. Complete "Supplier Risk Profiling Report"

1. The Supplier Risk Profiling Input Collection Template is designed to assess the following types of supplier risks:
 - b1. Financial Risk
 - b2. Operational Risk
 - b3. Environmental Risk
 - b4. Legislative Risk
2. Suppliers are assessed on the aforementioned risk types on a four-point scale (where 0 indicates no risk, 1 indicates low risk, 2 indicates medium risk, 3 indicates high risk, and 4 indicates significant risk). Suppliers who score 3 (or above) for any risk type are considered high-risk suppliers.
3. The Supplier Relationship Management Specialist shares the "Supplier Risk Input Collection Template" with category managers to collect risk scores for suppliers in that category.
4. For categories without assigned category managers, the "Supplier Risk Input Collection Template" is shared with contract managers or end-users.
5. The Supplier Relationship Management Specialist collects the various "Supplier Risk Input Collection Template" documents, completes the "Supplier Risk Profiling" template, and identifies high-risk suppliers.
6. There can be a "Supplier Risk Profiling Report" for the government entity / GPO which is shared with the relevant stakeholders.

3. Roles and Responsibilities

Role	Responsibilities
Supplier Relationship Management Specialist	1. Share the "Supplier Risk Profiling Input Collection Template" with category

Role	Responsibilities
	<ul style="list-style-type: none"> managers / end-users / contract managers. 2. Collect responses and prepare the "Supplier Risk Profiling Report." 3. Identify high-risk suppliers. 4. Share the "Supplier Risk Profiling Report" with relevant stakeholders.
Category Managers / End-Users / Contract Managers	<ul style="list-style-type: none"> 1. Complete and submit the "Supplier Risk Profiling Input Collection Template."

Table 2.7.2 Roles and Responsibilities - Perform Supplier Risk Profiling

Please refer to Appendix 3.1 - 2.7.2.(I) Perform Supplier Risk Profiling for the process flow diagram.

2.7.2.(II) Manage Procurement Risks

1. Scope and Purpose

- i. The purpose of this process is to identify, assess, mitigate, and close procurement risks.
- ii. The Supplier Relationship Management Specialist is assigned to manage relevant procurement risks. To manage risks at the government entity level, the Supplier Relationship Management Specialist from the government entity is assigned, and to manage risks at the GPO level, the Supplier Relationship Management Specialist from the GPO is assigned.

2. Procedures and Methodologies

i. Gather Input on Procurement Risks

- 1. The Supplier Relationship Management Specialist shares the "Risk Identification, Assessment, and Mitigation Template" with relevant category managers, sourcing managers, and contract managers to gather details of existing/potential procurement risks.

2. The "Risk Identification, Assessment, and Mitigation Template" contains the following sections:
 - b1. Risk Identification - to list existing/potential procurement risks
 - b2. Risk Assessment - to assess the severity and probability of occurrence of the identified risks
 - b3. Risk Mitigation - to identify the appropriate risk mitigation method for the identified risks
3. Sourcing managers and contract managers must ensure that all risks associated with high-risk suppliers (identified in previous sections) are included in the "Risk Identification, Assessment, and Mitigation Template."

ii. Create and Approve "Risk and Mitigation Log Tracker"

1. The assigned Supplier Relationship Management Specialist collects the various "Risk Identification, Assessment, and Mitigation Template" documents, completes the "Risk and Mitigation Log Tracker" template, and identifies priority risks.
2. Supplier Relationship Management Specialists must ensure that all risks associated with high-risk suppliers (identified in previous sections) are included in the "Risk and Mitigation Log Tracker."
3. The "Risk and Mitigation Log Tracker" document is approved by the assigned approvers according to the Procurement Delegation of Authority Manual.

iii. Monitor Mitigation of High-Priority Risks

1. The approved "Risk and Mitigation Log Tracker" document is shared with stakeholders to mitigate high-priority risks.
2. The closure of high-priority risks is periodically reviewed by the assigned Supplier Relationship Management Specialist. During each review, stakeholders provide an updated status of the high-priority risks. The Supplier Relationship Management Specialist updates the risk status in the "Risk and Mitigation Log Tracker" document as applicable.
3. The "Risk and Mitigation Log Tracker" document is closed when all identified high-priority risks are mitigated. The

closure of the "Risk and Mitigation Log Tracker" document is communicated to all relevant stakeholders.

3. Roles and Responsibilities

Role	Responsibilities
Supplier Relationship Management Specialist	<ol style="list-style-type: none">1. Share the "Risk Identification, Assessment, and Mitigation Template" with sourcing managers and contract managers.2. Consolidate responses and create the "Risk and Mitigation Log Tracker" document.3. Identify high-priority procurement risks.4. Share the approved "Risk and Mitigation Log Tracker" document with stakeholders to mitigate high-priority risks.5. Monitor the mitigation of high-priority risks.6. Communicate the closure of the "Risk and Mitigation Log Tracker" document to all relevant stakeholders.
Sourcing Managers / Contract Managers	<ol style="list-style-type: none">1. Complete and submit the "Risk Identification, Assessment, and Mitigation Template."
Approvers (according to the Procurement Delegation of Authority Manual)	<ol style="list-style-type: none">1. Approve / reject the "Risk and Mitigation Log Tracker" document.

Table 2.7.3 Roles and Responsibilities - Manage Procurement Risks

Please refer to Appendix 3.1-2.6.2. (III) Receive Goods / Services / Works for the process flow diagram.

2.7.2.(III) Manage Regulation Change

1. Scope and Purpose

- i. The purpose of this process is to prepare, approve, implement, and close a "Regulation Change Plan."
- ii. The regulation change management process is initiated when regulations affecting procurement change.
- iii. The regulation change management process is entirely managed by the Government Procurement Office through the "SAP Ariba Knowledge Project (Supply Risk) – Regulation Change."
- iv. The Risk and Regulation Officer from the GPO is assigned to prepare, monitor, and close the regulation change plan. Stakeholders from government entities may be assigned to implement the "Regulation Change Plan."

2. Procedures and Methodologies

i. Assess the Impact of Regulation Change on Procurement

1. The assigned Risk and Regulation Officer reviews and assesses the potential impacts of upcoming regulation changes on procurement.
2. If there are potential impacts, the assigned Risk and Regulation Officer creates a "Regulation Change Plan."

ii. Complete "Regulation Change Plan"

1. The "Regulation Change Plan" consists of the following sections:
 - a1) Regulation Overview
 - a2) Impact on Procurement
 - a3) Activities, Implementation Plan, and Timelines
 - a4) Communication Plan
 - a5) Potential Risks and Issues
2. The assigned Risk and Regulation Officer can use the dedicated template for the "Regulation Change Plan" or any other approved template that includes the required elements.

iii. **Approve "Regulation Change Plan"**

1. The completed "Regulation Change Plan" is approved by the assigned "Approvers" according to the Procurement Delegation of Authority Manual.

iv. **Monitor "Regulation Change Plan"**

1. The approved "Regulation Change Plan" is shared with the relevant stakeholders for implementation.
2. The Risk and Regulation Officer initiates periodic reviews of the "Regulation Change Plan" document to monitor progress. During each review, stakeholders provide an updated status of the relevant activities.
3. Any amendments to the "Regulation Change Plan" are approved by the assigned "Approvers" according to the Procurement Delegation of Authority Manual.
4. The "Regulation Change Plan" is completed when all identified activities are completed. The completion of the "Regulation Change Plan" is communicated to all relevant stakeholders.

3. Roles and Responsibilities

Role	Responsibilities
Risk and Regulation Officer	<ol style="list-style-type: none">1. Assess upcoming regulation changes to determine their impact on procurement.2. Complete and share the "Regulation Change Plan."3. Share the approved "Regulation Change Plan" document with relevant stakeholders.4. Conduct periodic reviews of the "Regulation Change Plan" document.5. Communicate the completion of the "Regulation Change Plan" to all relevant stakeholders.
Approvers (according to the Procurement Delegation of Authority Manual)	<ol style="list-style-type: none">1. Approve / reject the "Regulation Change Plan."

Table 2.7.4 Roles and Responsibilities - Manage Regulation Change

Please refer to Appendix 3.1 - 2.7.2.(III) Manage Regulation Change for the process flow diagram.

2.7.3 Enablers - Templates and Documents

Procurement Processes	Enablers Used
	Supplier Risk Profiling Input Collection
2.7.2 (I) Supplier Risk Profiling Template	
	Supplier Risk Profiling Report
2.7.2 (II) Manage Procurement Risks	Risk Identification, Assessment, and Mitigation Template
	Risk and Mitigation Log Tracker Tool

Table 2.7.5 Enablers - Templates and Documents - Risk and Regulation Process Group

2.7.4 RACI Matrix

The following are the details of the RACI (Responsible - Accountable - Consulted - Informed) matrix for the Risk and Regulation process group:

Level 3 Process	Supplier Relationship Management	GPO Risk and Regulation	Contract Managers / End-Users	Category Managers	Supplier	Sourcing Managers	De
	Specialist	Officer					
2.7.2 (I) Supplier Risk Profiling	Responsible	Accountable		Responsible	Responsible	Informed	
2.7.2 (II) Manage Procurement Risks	Responsible	Accountable		Responsible			Responsible
2.7.2 (IV) Manage		Responsible	Accountable				C

		Supplier Relationship Management	GPO Risk and Regulation	Contract Managers / End-Users	Category Managers	Supplier	Sourcing Managers	F De
Level 3 Process		Specialist	Officer					
		Regulation	Change					

Table 2.7.6 RACI Matrix - Risk and Regulation Process Group

2.8 Supplier Master Data Management

2.8.1 Overview

- a) The Supplier Master Data Management process group consists of procedures related to creating and maintaining the supplier master database.
- b) It also includes procedures for supplier registration, qualification, disqualification, suspension, and reactivation. The supplier master database contains a unique record for each supplier.
- c) This section explains the required activities and decisions, documents and templates used, outputs, and stakeholders involved in the supplier master data management processes.
- d) The following Level 3 processes are included in the Supplier Master Data Management process group:
 1. Initiate Supplier Request
 2. Register a Supplier
 3. Update a Supplier Registration
 4. Qualify / Disqualify a Supplier
 5. Designate a "Preferred" Supplier
 6. Suspend / Reactivate a Supplier Account
- e) The Supplier Registration Team at the Department of Government Support (DGS) is responsible for onboarding suppliers and maintaining the supplier master database.

- f) The Supplier Master Data Management process group is enabled through the "SAP Ariba Supplier Lifecycle and Performance (SLP) module."

2.8.1.(I) Supplier Classification

The supplier onboarding process varies depending on the supplier type. Suppliers can be classified into the following two categories:

- 1. Suppliers from within Abu Dhabi (registered with the Abu Dhabi Department of Economic Development - ADDED)**

This category includes suppliers operating in Abu Dhabi who have a valid commercial/industrial license from ADDED.

- 2. Suppliers from outside Abu Dhabi (not registered with ADDED)**

This category includes suppliers who do not have a valid license from ADDED. These suppliers can be classified into the following categories:

- i. Local suppliers (within the UAE + Free Zones)
- ii. Foreign suppliers

2.8.2 Level 3 Process Details

2.8.2.(I) Initiate Supplier Request

- 1. Scope and Purpose**

- i. The supplier qualification process begins with the submission of a valid "Registration Request."
- ii. The purpose of this process is to create, review, and approve a "Registration Request" and ensure that there are no duplicate supplier records in the supplier master database.

- 2. Procedures and Methodologies**

- i. Submit "Registration Request"**

1. The "Registration Request" and registration requirements change based on the supplier classification as shown below:

Figure 2.8.1 Supplier Classification

2. Suppliers registered with ADDED submit a "Supplier Self-Registration Request" by opening the "SAP Ariba Supplier Self-Registration Request link," completing, and submitting the "Self-Registration Request form."
3. Suppliers not registered with ADDED request the government entity to submit an "Entity Raised Supplier Request" on their behalf. In these cases, the user from the government entity logs into the "SAP Ariba Supplier Entity-Request Page" and uploads the required documents.
4. The user from the government entity must verify the information provided by the supplier before submitting the request and confirm that the business requirements met by the non-ADDED registered supplier cannot be met by a supplier holding an ADDED license.
5. When completing the "Entity Raised Request Form," the user from the government entity must confirm the expected expenditure with the supplier. In the case of foreign suppliers, this expected expenditure determines the attestation requirements.

ii. Review and Approve "Registration Request"

1. Upon receiving the "Registration Request," the head of the Supplier Registration Team assigns the request to a Supplier Data Management Specialist for review and approval.
2. The Supplier Data Management Specialist reviews the "Registration Request" to ensure there are no duplicates and verifies the provided information.
3. If the "Registration Request" is unique and the information provided is accurate, the Supplier Data Management Specialist approves the request and assigns themselves as the "Supplier Manager" for the approved supplier. The "Supplier Manager" acts as the single point of contact for the supplier during the registration and qualification processes.
4. Once the "Registration Request" is approved, the supplier receives an invitation to register on the "SAP Ariba

Network." This email includes the "SAP Ariba Registration Link."

5. In the case of a request raised by the entity, users in the government entity are notified of the request status (approved or rejected).
6. Appropriate communication channels are in place to support suppliers during the registration process. The Supplier Registration Team must use only these channels to communicate with suppliers. These channels are as follows:

Figure 2.8.2 Communication Channels:

SAP Ariba "Request Additional Info" function	Help Desk Email
<p>The Supplier Registration Team can communicate with the supplier via the "Request Additional Info" function after the supplier has submitted the "Registration Questionnaires."</p> <p>The "Request Additional Info" function in "SAP Ariba" is only activated once the supplier has completed the "Registration Questionnaires." Therefore, it is not available at the start of the supplier request process.</p>	<p>The Supplier Registration Team can also communicate with the supplier using the Help Desk email: srs@dgs.gov.ae</p>

3. Roles and Responsibilities

Role	Responsibilities
Supplier	<ol style="list-style-type: none">1. Submit a "Self Registration Request" for suppliers registered with the Abu Dhabi Department of Economic Development.2. Request the government entity to submit an "Entity Raised Supplier Request" for suppliers not registered with the Abu Dhabi Department of Economic Development.

	3. Provide all information and documents requested by the government entity to submit an "Entity Raised Supplier Request".
Government Entity User	4. Complete and submit the "Entity Raised Supplier Request" for suppliers not registered with the Abu Dhabi Department of Economic Development.
Supplier Data Management Administrator	5. Assign the "Registration Request" to a Supplier Data Management Specialist.
Supplier Data Management Specialist	6. Review the "Registration Request" to ensure data accuracy and avoid duplication. 7. Assign a "Supplier Manager".

Table 2.8.1 Roles and Responsibilities - Initiating Supplier Registration

Please refer to Appendix 3.1 2.8.2 (I) Initiating a Supplier Request for the process diagram.

2.8.2.(II) Supplier Registration

1. Scope and Purpose

- i. The purpose of this process is to register a supplier in the master supplier database of the Department of Government Support.
- ii. The supplier is required to register on the "SAP Ariba Network" and then complete and submit the "Registration Questionnaires" in order to be registered in the master supplier database of the Department of Government Support.
- iii. The "Registration Questionnaires" are divided into the following:
 - a) "General Registration Questionnaire"
 - b) "Payment and Bank Data Questionnaire"

2. Procedures and Methodologies

- i. Complete and submit the "Registration Questionnaire"
 - a) Suppliers create an "SAP Ariba Network Standard Account" using the "Registration Link" from "SAP Ariba".
 - b) Suppliers previously registered in the "ORACLE ADERP" system need to re-register in the master supplier database of the Department of Government Support in "SAP Ariba".
 - c) The supplier completes and submits the following "Registration Questionnaires":
 - c1) "General Registration Questionnaire"
 1. Used to obtain information including (but not limited to) license information, tax information, contact details, goods and services, and authorized persons.

When filling out the "General Registration Questionnaire", foreign suppliers must download, review, and agree to the "Attestation Requirements".

- c2) "Payment and Bank Data Questionnaire"
- ii. The supplier completes the "Payment and Bank Data Questionnaire" upon completion and submission of the "General Registration Questionnaire".
- iii. The "Payment and Bank Data Questionnaire" is used to obtain essential financial information including (but not limited to) payment information and primary/secondary bank details.
- iv. To register as a supplier in the master supplier database, foreign suppliers must have certain documents attested by the UAE embassy in their country of establishment. The following is a summary of the attestation requirements:

Figure 2.8.3 Supplier Registration - Attestation Requirements

Supplier Classification	Expenditure Threshold	Attestation Requirements
Foreign Suppliers	> AED 500,000 per year	Attestation not required: <ul style="list-style-type: none">• Hotels

Supplier Classification	Expenditure Threshold	Attestation Requirements
		<ul style="list-style-type: none"> • Other travel means (e.g., road/rail transport) • Training fees for universities and training programs • Telecommunication services • Goods and services provided to Presidential Flight
< AED 500,000 per year		Attestation required
		Attestation not required

d1) Documents requiring attestation:

- I. Commercial / Industrial License or valid justification on official company letterhead
- II. Tax Registration Number Certificate or valid justification on official company letterhead
- III. Memorandum of Association / Partnership Agreement
- IV. Bank Account Confirmation Letter

d2) Exemptions from attestation requirements:

1. Exemption 1: Foreign suppliers with a current/expected expenditure of less than AED 500,000 per year with all government entities combined.
2. Exemption 2: Foreign suppliers providing goods/services related to the following categories:
 - i. Hotels
 - ii. Other travel means (e.g., road/rail transport)
 - iii. Training fees for universities and training programs
 - iv. Telecommunication services
 - v. Goods and services provided to Presidential Flight

e) All foreign suppliers must download the attestation requirements document, as applicable.

ii. Review and approve the "Registration Questionnaire"

- a) The "Supplier Manager" reviews the "General Registration Questionnaire" to verify the information provided and ensures that attestation requirements are met (if applicable) and the requested categories are correct.
- b) The "Supplier Manager" approves the supplier's "General Registration Questionnaire" after verification.
- c) The review of the "Payment and Bank Data Questionnaire" and the completion of the "Internal Questionnaire" are initiated in parallel after the "General Registration Questionnaire" is approved.
- d) The "Bank Information Specialist" (within the Supplier Registration Team) ensures that all information in the "Payment and Bank Data Questionnaire" is accurate and that attestation requirements are met (if applicable).

iii. Complete the "Internal Questionnaire"

- a) The "Internal Questionnaire" is a form in "SAP Ariba" that determines the enablement and restrictions for suppliers.
- b) Based on the "Registration Questionnaire", the "Supplier Manager" adds information about the supplier, such as commodity/service categories, government entities, and the ADERP number (if applicable), in the "Internal Questionnaire".
- c) The supplier's status changes to "Registered" (automatically) upon approval of the "Registration Questionnaires" and completion of the "Internal Questionnaire".
- d) Suppliers registered with the Abu Dhabi Department of Economic Development are "Registered" for all government entities, while suppliers not registered with the Abu Dhabi Department of Economic Development are "Registered" for the entity that submitted the "Entity Raised Request" on behalf of the supplier. "Registered" suppliers can participate in tenders for all government entities and categories.
- e) The entities specified in the "Internal Questionnaire" can conduct business (issue a purchase order) with the supplier after they become "Qualified".

3. Roles and Responsibilities

Role	Responsibilities
Supplier	1. Create a "Simple Account on the SAP Ariba Network". 2. Complete and submit the "General Registration Questionnaire" and "Payment and Bank Data Questionnaire". 3. Download and review the attestation requirements (only applicable to foreign suppliers). 4. Submit the required attested documents (only applicable to foreign suppliers).
Supplier Manager	5. Review and approve the "General Registration Questionnaire". 6. Complete the "Internal Questionnaire".
Bank Information Specialist	7. Review and approve the "Payment and Bank Data Questionnaire".

Table 2.8.2 Roles and Responsibilities - Supplier Registration

Please refer to Appendix 3-12.8.2 (II) Supplier Registration for the process diagram.

2.8.2.(III) Updating Supplier Registration

1. Scope and Purpose

- i. The purpose of this process is to update the information provided by the supplier in the "Registration Questionnaires" and to activate the status of a supplier not registered with the Abu Dhabi Department of Economic Development for additional government entities.

2. Procedures and Methodologies

- i. Update supplier information in the master supplier database
 - a) A supplier may need to update the information in the "Registration Questionnaire" for several reasons, including (but not limited to):
 - a1) Adding / modifying a category in the "Registration Questionnaire"

- a2) Modifying information as a result of a supplier update
- a3) Modifying the "Registration Questionnaire" form due to a change in regulations
- b) The supplier modifies/updates the information provided (including updated documents, if required) and submits the relevant "Registration Questionnaires" for review and approval.

Important Note: Changes to the supplier's company name or commercial/industrial license number are not permitted. The supplier must submit a new "Registration Request" if any of these details need to be modified.

- c) When the amended "Registration Questionnaires" are submitted, they are reviewed and approved as explained in section 2.8.2.(II)2.ii). If required, the "Internal Questionnaire" is updated as explained in section 2.8.2.(II)2.iii.
- d) If the supplier adds another category of goods/services while updating the information, the "Supplier Manager" qualifies the supplier for the added category. The criteria and process for qualifying a supplier are explained in section 2.8.2.(IV).

ii. Add government entities to a supplier not registered with the Abu Dhabi Department of Economic Development but is "Registered" in the system

- a) Any government entity can create a quick survey from the "SAP Ariba dashboard" to activate a supplier not registered with the Abu Dhabi Department of Economic Development but is "Registered" in the system to utilize its services.
- b) The government entity provides the details of the non-DED registered supplier to activate their account, adds the "Supplier Manager" as a participant in the survey, and submits the survey. Upon receiving the survey, the "Supplier Manager" requests the supplier to update the "General Registration Questionnaire" and adds the

government entity to the "Internal Questionnaire" for the non-DED registered supplier.

3. Roles and Responsibilities

Role	Responsibilities
Supplier	1. Update information in the "General Registration Questionnaire" and "Payment and Bank Data Questionnaire".
Government Entity User	2. Prepare and publish a quick survey to activate the "Registered" status for a non-DED registered supplier within the scope of the government entity.
Supplier Manager	3. Review and approve the "General Registration Questionnaire" (if updated). 4. Update the "Internal Questionnaire" (if required).
Bank Information Specialist	5. Review and approve the "Payment and Bank Data Questionnaire" (if updated).

Table 2.8.3 Roles and Responsibilities - Updating Supplier Registration

Please refer to Appendix 3-12.8.2. (III) Updating Supplier Registration for the process diagram.

2.8.2.(IV) Qualify / Disqualify a Supplier

1. Scope and Purpose

- i. The purpose of this process is to qualify/disqualify a supplier. A supplier must be "Qualified" to be awarded a contract or issued a purchase order.

2. Procedures and Methodologies

- i. Qualify a supplier

- a) The "Supplier Manager" completes the "Pre-Qualification Questionnaire" and specifies the category, region, and government entity for which the supplier is "Qualified".
 - b) The "Supplier Manager" sends the "Pre-Qualification Questionnaire" to the supplier. The "Pre-Qualification

"Questionnaire" contains sections asking the supplier to provide declarations regarding business status, financial status, and past experiences.

- c) The supplier receives the "Pre-Qualification Questionnaire" and responds to all sections within it.
- d) The "Supplier Manager" and then the "Supplier Data Management Administrator" review the "Pre-Qualification Questionnaire".
- e) The supplier's status changes to "Qualified" (automatically) upon approval of the "Pre-Qualification Questionnaire" by the Supplier Data Management Administrator.
- f) Suppliers can be awarded contracts and conduct business for the categories in which they are "Qualified".

ii. Disqualify a supplier

- a) Suppliers can be blacklisted using the supplier disqualification function. Section 12 of the Procurement Standards covers the guidelines for blacklisting a supplier.
- b) A government entity can publish a "Supplier Disqualification Survey" from the "SAP Ariba dashboard" requesting the "Supplier Manager" to blacklist a supplier.
- c) The "Supplier Manager" can disqualify a supplier through the "Supplier profile" page in "SAP Ariba" by specifying a disqualification start date and end date.
- d) When the disqualification end date has passed, the "Supplier Manager" can re-initiate the qualification process for the supplier as previously explained.

3. Roles and Responsibilities

Role	Responsibilities
Supplier	<ol style="list-style-type: none">1. Receive the "Pre-Qualification Questionnaire".2. Complete and submit the "Pre-Qualification Questionnaire".
Government Entity User	

Role	Responsibilities
	3. Request the "Supplier Manager" to disqualify a supplier.
Supplier Manager	4. Send the "Pre-Qualification Questionnaire" to the supplier. 5. Review and approve the "Pre-Qualification Questionnaire". 6. Disqualify the supplier.
Supplier Data Management Administrator	7. Review and approve the "Pre-Qualification Questionnaire".

Table 2.8.4 Roles and Responsibilities - Qualify / Disqualify a Supplier

2.8.2.(V) Designating a "Preferred" Supplier

1. Scope and Purpose

- i. The purpose of this process is to identify and mark suppliers as "Preferred" for a category of goods/services.
- ii. A supplier can only be considered a "Preferred Supplier" after at least one year of continuous business. During the year, the supplier's performance is monitored to decide whether they should be considered the "Preferred" supplier for the category.

2. Procedures and Methodologies

- i. Designating a "Preferred" Supplier
 - a) The "Preferred" status for a supplier is based on meeting the following criteria:
 - a1) The supplier's performance score must be >85%.
 - a2) The supplier must either be a common category supplier or among those who account for the top 80% of a specific entity's category expenditure.
 - b) Suppliers classified as micro, small, and medium enterprises, startups, Emirati entrepreneurs, or freelancers (please refer to Section 1.5) are marked as "Preferred" for their respective categories.
 - c) The "Preferred" supplier appears at the top of the search list for the intended category when creating a sourcing event.

3. Roles and Responsibilities

Role	Responsibilities
Supplier Manager	1. Decide whether to mark a supplier as "Preferred" for a specific category. 2. Mark the supplier as "Preferred", if required.

Table 2.8.5 Roles and Responsibilities - Designating a Preferred Supplier

Please refer to Appendix 3.1 2.8.2. (V) Designating a "Preferred" Supplier for the process diagram.

2.8.2.(VI) Deactivating / Reactivating a Supplier's Account

1. Scope and Purpose

- i. The purpose of this process is to deactivate the account of a supplier whose commercial/industrial license has expired and reactivate it upon renewal of the license.

2. Procedures and Methodologies

- i. Deactivating a supplier's account
 - a) A "Deactivated" status indicates that the supplier's profile in "SAP Ariba" is no longer active. Suppliers who are "Deactivated" do not appear in any search list, cannot participate in tenders, and cannot be awarded contracts.
 - b) All existing contracts with the supplier must be terminated before their account is deactivated.
 - c) A Supplier Data Management Specialist is assigned to conduct quarterly reviews of the master supplier database and identify suppliers with expired commercial/industrial licenses.
 - d) Suppliers with expired commercial/industrial licenses receive an email requesting them to renew the license. The email states that if the renewed license is not uploaded to "SAP Ariba" before the next quarterly review, the supplier may be "Deactivated".
 - e) If the assigned Supplier Data Management Specialist identifies a supplier with an expired license in the following quarterly review (even after sending the reminder), the

"Supplier Manager" can "Deactivate" the supplier with a valid justification.

ii. Reactivating a supplier's account

- a) The supplier must update the "Registration Questionnaire" with the renewed commercial/industrial license information to continue working with the government entity. This is done through the supplier registration update process explained in section 2.8.2.(III).
- b) Upon reviewing the renewed commercial/industrial license, the "Supplier Manager" can "Reactivate" the supplier. A reactivated supplier returns to the same status they had before deactivation.

3. Roles and Responsibilities

Role	Responsibilities
Supplier Registration Team	1. Inform the supplier about the expiration of their commercial/industrial license.
Supplier Data Management Specialist	2. Mark as 'Deactivated' and provide justification.
Supplier	3. Update the commercial/industrial license in the "General Registration Questionnaire".
Supplier Manager	4. Review and approve the request to open the "General Registration Questionnaire". 5. Review the renewed commercial/industrial license. 6. Mark as "Reactivated" and provide justification.

Table 2.8.6 Roles and Responsibilities - Deactivating/Reactivating a Supplier's Account

2.8.3 Responsibility Matrix

Below are the details of the Responsibility Matrix (Responsible - Accountable - Consulted - Informed) for the Supplier Master Data Management process group:

Table 2.8.7 Responsibility Matrix - Supplier Master Data Management Process Group

Level 3 Process	Supplier Data Management Administrator	Supplier Manager	Supplier Data Management Specialist	Government Entity User	Supplier
2.8.3 (I) Initiate and Approve Supplier Request	Responsible, Accountable		Responsible	Responsible	Responsible
2.8.3. (II) Register Supplier	Responsible, Accountable	Responsible			Responsible
2.8.3. (III) Update Supplier Registration	Responsible, Accountable	Responsible		Responsible	Responsible
2.8.3. (IV) Qualify / Disqualify Supplier	Responsible, Accountable	Responsible		Responsible	Responsible
2.8.3. (V) Designate Preferred Supplier		Responsible - Accountable		Informed	Informed
2.8.3. (VI) Deactivate /		Responsible	Responsible, Accountable		Informed

Level 3 Process	Supplier Data Management Administrator	Supplier Manager	Supplier Data Management Specialist	Government Entity User	Supplier
Reactivate Supplier					

2.9 Material Master Data Management

2.9.1 Overview

1. The Material Master Data Management process group consists of procedures related to creating and maintaining material records that represent unique goods/services/projects.
2. Material master data provides an accurate, consistent, and complete record of goods/services/projects purchased across government entities.
3. The responsibility for maintaining material master data is centralized.
4. The following guidelines should be followed during the creation and maintenance of the material master database:
 1. Material master data records are created for frequently purchased goods/services/projects.
 2. Each material is defined by a unique code in the material master data.
 3. Each material record contains (but is not limited to) the following:
 - i. Material code
 - ii. Description
 - iii. Material type
 - iv. Material group
 - v. Unit of measure
 - vi. Unit price
 4. Each material belongs to a Level 3 category according to the United Nations Standard Products and Services Code (UNSPSC). UNSPSC classification is explained in Section 1.2.2.
 5. The material master database is periodically cleaned to identify and remove duplicate records and correct records with incorrect data to ensure data integrity.

6. The following Level 3 processes are included in the Material Master Data Management process group:
 1. Add / Modify / Delete Material Record

2.9.2 Level 3 Process Details

2.9.2.(I) Add / Modify / Delete Material Record

1. Scope and Purpose

- i. The purpose of this process is to add/modify/delete a material record in the material master database.

2. Procedures and Methodologies

- i. The requesting government entity can submit a request to add/delete a material record from the material master data.
- ii. The submitted request is approved by the assigned approvers.
- iii. If the request is accurate, complete, and valid, the master data team executes the request and communicates its completion to the requesting government entity.

2.9.3 Responsibility Matrix

Below are the details of the Responsibility Matrix (Responsible - Accountable - Consulted - Informed) for the Material Master Data Management process group:

Table 2.9.1 Responsibility Matrix - Material Master Data Management Process Group

Level 3 Process	Requesting Government Entity	Master Data Team	Assigned Approvers	Procurement Scope
2.9.2. (I) Add / Modify / Delete Material Record	Responsible	Responsible, Accountable	Responsible	Government Procurement Office / Government Entity

2.10 User Master Data Management

2.10.1 Overview

1. The User Master Data Management process group consists of procedures related to creating and maintaining records of individuals involved in procurement activities.
2. User master data provides an accurate, consistent, and complete record of procurement staff.
3. The responsibility for maintaining user master data is centralized.
4. The following guidelines should be followed during the creation and maintenance of the user master database:
 1. User master data records are created for all procurement staff.
 2. Each user is defined by a unique code in the user master data.
 3. Each user record contains (but is not limited to) the following:
 - i. User ID
 - ii. Name
 - iii. Job Title
 - iv. Government Entity
 - v. Contact Details
 - vi. Function
 - vii. Role and Authorizations
4. The user master database is periodically cleaned to identify and remove duplicate records and correct records with incorrect data to ensure data integrity.
5. The following Level 3 process is included in the User Master Data Management process group:
Add / Modify / Delete User Record

2.10.2 Level 3 Process Details

2.10.2.(I) Add / Modify / Delete User Record

1. **Scope and Purpose**
 - i. The purpose of this process is to add/modify/delete a user record in the user master database.
2. **Procedures and Methodologies**
 - i. The requesting government entity can submit a request to add/delete a user from the user master data.
 - ii. The request is approved by the assigned approvers.

iii. If the request is accurate, complete, and valid, it is executed, and its completion is communicated to the requesting government entity.

2.10.3 Responsibility Matrix

Below are the details of the Responsibility Matrix (Responsible - Accountable - Consulted - Informed) for the Material Master Data Management process group:

Table 2.10.1 Responsibility Matrix - Material Master Data Management Process Group

Level 3 Process	Requesting Government Entity	Master Data Team	Assigned Approvers	Procurement Scope
2.10.2.(I) Add / Modify / Delete User Record	Responsible	Responsible, Accountable	Responsible	Government Procurement Office / Government Entity

3. Appendix

3.1 Process Map

2.2.2.(I) Create and Monitor Category Strategy

Process Description for Creating and Monitoring Category Strategy

Responsible: Category Manager

1. (Start) The process begins.
2. (2.2.2.(I)_1) Conduct category analysis.
3. (2.2.2.(I)_2) Complete / update the category strategy.

Responsible: Reviewers (according to the Procurement Delegation of Authority Manual)

1. (2.2.2.(I)_3) Review the category strategy.

2. **Decision:** Are modifications proposed?

If Yes: Return to Step 3 (Complete / update the category strategy).

If No: Proceed to the next step.

Responsible: Approvers (according to the Procurement Delegation of Authority Manual)

1. **Decision:** Is it approved?

If Yes: Proceed to the next step.

If No: (2.2.2.(I)_4) Approve / reject the category strategy.

Responsible: Category Manager

1. (2.2.2.(I)_5) Share the category strategy with relevant stakeholders.

2. (2.2.2.(I)_6) Conduct a periodic review to monitor progress against the category strategy.

3. **Decision:** Are all initiatives completed?

If Yes: (2.2.2.(I)_7) Communicate completion to all stakeholders. (End)

If No: Return to Step 8 (Conduct a periodic review).

2.2.2.(II) Create and Monitor Procurement Plan

Process Description for Creating and Monitoring Procurement Plan

Responsible: Sourcing Manager / Specialist

1. (Start) The process begins.

2. (2.2.2.(II)_1) Collect demand data collection forms and create the procurement plan.

3. Share the demand data collection form with relevant stakeholders.

Responsible: Budget Owners

1. (2.2.2.(II)_2) Complete the demand data collection form and verify budget availability.

2. (2.2.2.(II)_3) Submit the completed demand data collection form.

3. **Decision:** Is budget available?

If Yes: Proceed to Step 9.

If No: (2.2.2.(II)_4) Coordinate with the Finance Department to increase the available budget.

4. **Decision:** Was the budget increased?

If Yes: Proceed to Step 9.

If No: (2.2.2.(II)_5) Reduce demand in line with the available budget.

Responsible: Sourcing Manager / Specialist

1. (2.2.2.(II)_6) Review the procurement plan.

Responsible: Reviewers (according to the Procurement Delegation of Authority Manual)

1. **Decision:** Are modifications proposed?

If Yes: (2.2.2.(II)_8) Update the procurement plan and return to Step 8.

If No: Proceed to the next step.

Responsible: Approvers (according to the Procurement Delegation of Authority Manual)

1. **Decision:** Is it approved?

If Yes: Proceed to the next step.

If No: (2.2.2.(II)_9) Approve / reject the procurement plan.

Responsible: Sourcing Manager / Specialist

1. (2.2.2.(II)_10) Share the procurement plan with relevant stakeholders.

2. (2.2.2.(II)_11) Conduct a periodic review to monitor progress of the procurement plan.

3. **Decision:** Are all initiatives completed?

If Yes: (2.2.2.(II)_12) Communicate completion to all stakeholders. (End)

If No: Return to Step 12.

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3.4 List of Definitions

The following table includes the definitions used in this guide:

Term	Definition / Description
Bank Information Specialist	The role assigned in the system to verify the information provided in the "Payment and Bank Questionnaire".
Baseline Spend	The identifiable expenditure against which any benefit can be compared and measured.
Bid Bond	A bank guarantee submitted with bids to ensure the seriousness of participation in the tender.
Budget Owner	The role accountable for the spending decisions of a department/division.
Catalog	A database of goods/services/projects available for creating a purchase requisition.
Common Category	A category purchased by five or more government entities.

Term	Definition / Description
End User	Requestors or parties who request goods, services, and projects.
Government Entity	Local departments and every legal person that is part of the government, possessing full legal capacity to act and manage public facilities or aiming to provide a public service.
Entity-Specific Category	A category purchased by fewer than five government entities.
Finance Department	The function within a government entity responsible for financial affairs.
Goods/Services/Projects Receipt Note	A document issued to acknowledge the receipt of goods/services/projects.
GPO Approver	Designated approvers within the Government Procurement Office.
Head of Procurement	The person assigned to lead the procurement unit.
Legal Affairs Department	The function within a government entity responsible for legal affairs.
Limited Tender	A tendering method that is available to a pre-defined number of registered suppliers.
P-Card (Payment Card)	A corporate card issued to authorized employees to make electronic payments for goods/services/projects.
Performance Bond	A bank guarantee provided by the supplier or contractor to ensure good performance and compliance with the contract's terms and conditions.
Petty Cash	Small amounts of money held for use in covering expenses at the discretion of the responsible person, in the form of cash (as defined by the Procurement Delegation of Authority Manual).

Term	Definition / Description
Procurement	The procurement function existing within or outside the government entity.
Procurement Benefits	The benefits resulting from cost reduction, cost avoidance, and cash impact generated by procurement.
Procurement Charter	An official document that defines the roles and committees required for procurement operations.
Procurement Delegation of Authority (DoA) Manual	An official document that defines the authorities and powers within the government entity regarding procurement operations.
Procurement Framework	A set of interconnected documents that show how to assist procurement staff in their work.
Procurement Standards	An integrated set of principles that govern the way of working and define the unified operating model and performance of procurement.
Public Tender	A tendering method that is open to all suppliers, where the invitation to bid is made through public advertisements.
Purchase Order (PO)	A legally binding document issued by a government entity to suppliers, referencing a contract or price list agreement or on a standalone basis, indicating purchasing metrics such as agreed quantities and prices, delivery schedule, payment terms, and other relevant information, and is binding on its parties upon explicit or implicit confirmation from the supplier.
Purchase Requisition (PR)	A request issued by an end user to secure goods/services/projects.
Request for Information (RFI)	A sourcing event used to screen suppliers and gather information or budget estimates from a large pool of potential suppliers.

Term	Definition / Description
Request for Proposal (RFP)	A sourcing event used to receive technical and financial proposals from suppliers.
Request for Quotation (RFQ)	A sourcing event used to receive pricing information for a well-defined scope of work or the supply of specific goods/services/projects.
Requestor	Any government employee who submits a request for goods/services/projects or other services provided by the Government Procurement Office.
Reverse Auction (e-Auction)	A sourcing event used to receive simultaneous competitive bids for commoditized goods, services, and projects, where the full specifications have been previously acknowledged by the participating suppliers.
Service Completion Certificate	A document issued to acknowledge the completion of a service.
Single/Sole Source	A tendering method available only to one qualified supplier who is able to supply the required goods, services, and projects, or one supplier selected from a group of qualified suppliers.
Sourcing Request	A request to find a source to provide the required goods/services/projects.
Supplier	A person or organization appointed to provide required goods, services, or projects.
Supplier Manager	The role assigned in the system to register and qualify suppliers.
Tender Committee	The committee formed to evaluate tender results and encourage cooperation between different departments and divisions.