

Lebanese American University
PURCHASING POLICY

Approved by the Board of Trustees on June 6 & 7, 2003
Amended by the Board of Trustees on March 9 & 10, 2006
Amended by the Board of Trustees on March 19 & 20, 2009

Purpose and Objectives:

The purpose of the Purchasing Policy of the University is to provide guidelines for the establishment of an effective and efficient purchasing system. Such a system should be instrumental in providing the academic process, and other supporting functions, with the needed goods and services.

Principles and Standards of Purchasing Practice:

The purchasing system shall serve the University constituencies through the proper procurement of goods and services.

The following principles shall be adopted by the University as standards for the purchasing practice to:

- Consider first the interest of the University in all transactions, and to carry out its established policies.
- Strive consistently for knowledge of the goods and services necessary to ensure that purchasing is based on sound and efficient evaluation, so as to obtain the optimal value of each transaction.
- Buy without prejudice, basing purchasing decisions solely on the merits of each and every transaction.
- Subscribe to and work for honesty and truth in conducting the purchasing function within the highest moral, legal, and ethical standards.
- Respect and honor all the obligations of both “Seller and Buyer”, consistent with good business practice.
- Process all purchases expeditiously.

Authority and Responsibilities:

As per the Facilities & Services Policy:

A. *Role and Functions of the Purchasing Office:*

The Purchasing Office provides all the departments of the University with the goods and services needed.

In performing this function, the Purchasing Office is responsible to achieve the best combination of quality, service, and economy.

The Purchasing Office is responsible for:

- 1- Maintaining effective procedures to ensure compliance with the Purchasing Policy.
- 2- Providing an interface between the using department and the vendor in the different stages of the procurement process.
- 3- Acting as a facilitator for the preparation and the implementation of the procurement plan, by providing proper and timely information.
- 4- Communicating to the using departments current information on new products and services to benefit from the latest developments in technology.
- 5- Obtaining the most advantageous purchasing transactions through negotiations and competitive bidding.

B. Relations with End-user Departments:

The policy of the University shall be to emphasize a strong level of communication between the Purchasing Office and the internal departments.

The end-user department shall provide the Purchasing Office with the proper and clear information regarding its needs, through established procedures, within reasonable time.

An annual procurement plan shall be developed by the end-user department in accordance with the approved budget.

C. Relations with Vendors:

The Purchasing Office shall ensure that fair business is conducted to serve the best interests of the University by:

1. Giving all suppliers prompt and courteous reception for legitimate business matters.
2. Keeping competition fair and open.
3. Keeping price sources confidential.
4. Maintaining an evaluation system for suppliers.

Control Measures:

Proper procedures shall be set to protect the University's best interests by adopting the following control measures:

1. Budget Control:

Purchases shall be conducted within the annual approved budget.

2. Bidding:

The Policy of the University shall encourage bidding from qualified sources in order to foster competition and safeguard against favoritism, fraud, and abuse. The University shall normally carry its purchases through a bidding process that is covered in the Purchasing Procedures Manual.

A committee composed of the Vice President for Finance, or his/her assignee, the Director of Purchasing, the concerned Dean/Director, Chair or Supervisor or their representatives, shall act as a Bidding Committee.

Requirements for bids are determined by expenditure levels as set in the Financial Policy.

Bids will not be required when at least one of the following situations occurs:

- Competition not feasible due to single/sole source supplier of a product.
- Emergency purchases.
- Force Majeure.
- Repetitive orders for purchases with similar specifications within the same budget year.

The above exemptions shall be approved by the President upon the recommendation of the Vice President for Human Resources and University Services.

3. Standardization:

The policy of the University is to give priority to standardization and bulk purchasing, whenever possible, provided this does not interrupt efficient operation.

4. Inventory:

An efficient inventory & store system shall be maintained by the University.