



Approved by

Director of Charity Foundation

Source of Revival

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PROCUREMENT POLICY
CHARITY FOUNDATION SOURCE OF REVIVAL
(CFSR)

1. General Provisions

This Procurement Policy (hereinafter referred to as the “Policy”) applies to projects that are fully or partially funded by Donors, as well as those financed through fundraising. It defines:

- the principles and rules for conducting procurement;
- the procedures for procurement implementation, including the conditions and terms of their application;
- the procedures for monitoring procurement activities, as well as the responsibilities of recipients and procurement participants for violations of the established procedures;
- the ethical standards and behavioral requirements for all participants involved in the procurement process.

This Policy applies to all procurements within projects financed fully or partially by donor funds, including projects implemented through fundraising contributions.

Procurement is carried out to provide the organization’s operations with goods and services of appropriate quality, in the required quantity, at the right time and in the right place – in the most economical and efficient manner possible.

The Charitable Foundation Source of Revival (hereinafter referred to as CFSR) conducts the procurement of goods and services in accordance with the principles and procedures set out in this Policy. All processes related to procurement and supply must be simple, effective, transparent, fair, reliable, and compliant with the provisions of this Policy.

For clarification regarding the application of this Policy, please contact the CFSR office at: info@cfsrua.com or visit the official CFSR website.

1.1. Main Objectives of the Policy

- Establish interaction practices based on principles of integrity during the conclusion and execution of contracts between the Supplier and CFSR;
- Promote the satisfaction of needs for quality consumer goods that comply with the CFSR Policy;
- Set unified standards and improve the efficiency of interaction throughout the entire goods supply chain;
- Ensure compliance with the Policy on Protection from Sexual Exploitation and Abuse (PSEA) during the conclusion and execution of contracts between the Supplier and CFSR;
- Ensure that the Supplier complies with all requirements of Ukrainian legislation or international labor standards regarding the employment of minors – whichever provides better protection for minors in employment;
- Prohibit the use of forced labor by the Supplier, understood as involuntary work or services performed under threat of force or punishment. This includes types of forced labor such as slavery, debt bondage, or other similar labor conditions, as well as the use of labor from persons who have become victims of human trafficking;
- Ensure transparent cooperation aimed at protecting the rights of the Parties, preventing fraud, and guaranteeing equality, equal opportunities, and gender equality during the procurement process.

CFSR screens Suppliers against recognized lists of terrorist organizations or their involvement therein. In case of violation of this Policy or refusal by the Supplier to implement a corrective action plan at the request of CFSR, the organization reserves the right to terminate the contract. CFSR will not allow participation in tender procedures of Suppliers who do not adhere to high ethical standards, environmental protection principles, business ethics norms, social responsibility, or applicable law.

1.2. Key Procurement Principles

The Policy is based on the following principles:

- **Principle of Competition** – implemented through conducting procurement on a competitive basis by comparing similar Supplier proposals according to predetermined criteria and selecting the best one that meets the requirements of the CFSR Policy;
- **Principle of Equality** – means that conditions, methods, criteria, and the procedure for selecting the Supplier are established in advance and are the same for all participants;

- **Principle of Efficiency** – involves achieving the expected outcome by procuring the necessary goods, works, and services of appropriate quality and quantity with maximum economic benefit, while prioritizing compliance with the requirements of the CFSR Policy;
- **Principle of Responsibility** – implies that authorized persons are accountable for fulfilling all terms of the concluded contracts and must not be subjected to external pressure;
- **Principle of Confidentiality** – involves non-disclosure of the content of tender proposals prior to their official opening to ensure fair competition and prevent bias.

1.3. General Requirements for the Supplier:

- Reliability;
- Stability of supply;
- Ensuring proper product quality;
- Compliance of the goods with environmental requirements;
- Adherence to the provisions of this Policy.

2. Organizational Structure and Responsibilities of CFSR

- **2.1.** To ensure the procurement procedure, collection of requisites, acceptance of proposals, authorization of invoices, and expenditure management, an appropriate division of responsibilities has been established.
- **2.2.** Tender procedure algorithm. This procedure applies at CFSR for goods, works, and services with a value exceeding UAH 350,000.00 (three hundred fifty thousand hryvnias and 00 kopecks). The tender committee consists of the head, accountant, and, if available, the procurement manager.

Accountable	Tender procedure algorithm
Head	Submission of a request for the procurement of goods or services according to needs
Tender Committee	<ul style="list-style-type: none"> - Searching for potential Suppliers; - Preparing tender documentation; - Inviting participation in the tender; - Publishing the announcement of the competitive bidding on the organization's website and social media; - Selecting Suppliers based on the evaluation of proposals; - Making the final decision on the choice of Supplier; - Creating and maintaining a Supplier database; - Receiving application proposals for participation in the tender; - Opening tender proposals (reviewing tender submissions); - Verifying the presence of all documents according to tender requirements; - Receiving and analyzing proposals for compliance with tender requirements; - Preparing an evaluation in the form of a comparative table; - Drafting a justification letter and submitting information to CFSR accounting; - Sending notification to the winner of the competitive bidding about the intent to conclude a contract; - Publishing the results of the tender on the organization's website and social media; - Signing the relevant contract; - Monitoring compliance with the terms of the concluded contract.

2.3. The Director of CFSR is responsible for overseeing compliance with this Policy by all employees involved in the procurement process, as well as monitoring its implementation. Where appropriate, the Director may delegate this responsibility to other CFSR staff according to their qualifications.

2.4. The Director ensures that the efficiency and effectiveness of procurement processes are defined and maintained in accordance with the provisions of this Policy to meet the needs of CFSR and the requirements of stakeholders.

2.5. In cases where the value of goods, works, or services is less than UAH 350,000.00 (three hundred fifty thousand hryvnias 00 kopecks), CFSR may, at the request of the donor (partner), announce a tender and publish the relevant announcement on the organization's website and social media channels.

3. Procurement Procedures

3.1. Needs Assessment

3.1.1. All procurements are carried out according to the urgent needs of the organization and within the framework of implementing charitable projects. The execution of procurements, control over their fulfillment, and targeted budget use are ensured by the manager, accountant, and, if available, the procurement manager.

3.2. Request

3.2.1. To initiate the procurement process, a request must be submitted. A request is mandatory for all procurements of goods and services unless otherwise specified. Requests should be submitted in advance to ensure compliance with review deadlines and distribution schedules.

3.2.2. No procurement shall take place without an approved request. The request must be approved by CFSR management bodies, which in turn inform CFSR participants about the need for such procurements and agree with them on the relevant procedures.

3.3. Types of Procurement

3.3.1. At CFSR, the procurement procedure depends on the value of the purchase.

3.3.2. Procurements with a value less than UAH 350,000.00 (three hundred fifty thousand hryvnias 00 kopecks) do not require an official competitive bidding process. In such cases, verification of the request by the accountant and authorization by the project manager are sufficient to start the procurement. This approach applies to one-time purchases. After the request is approved, the requester signs a contract with the Supplier, receives the goods or services confirmed by a signed delivery note or acceptance certificate, and submits the invoice for payment to the CFSR accountant.

3.3.3. Invitation to participate in a tender is an official tender procedure used for procuring goods and services with clearly defined, standard, and fixed characteristics that can be unambiguously described in qualitative and quantitative terms.

3.3.4. A request for proposal is also an official tender procedure. It is used when goods or services cannot be described in detail for applying a standard invitation to tender — particularly for professional services, complex goods, or works. This request involves submission of two parts: a technical proposal describing the proposed solution according to the tender documentation requirements, and a separate commercial proposal.

3.3.5. Before starting the tender procedure, CFSR ensures the publication of information about its announcement on the organization's official website and social media channels.

3.4. Contract Conclusion

3.4.1. A contract for the supply of goods or provision of services shall be concluded with a qualified tender participant whose proposal meets the established requirements and ensures maximum cost-effectiveness.

3.4.2. Specifications provided to participants within the tender documentation form the basis of the supply contract.

3.4.3. Purchase orders and contracts for the supply of goods or provision of services are legally binding documents formed by an offer from one party and its acceptance by the other.

3.4.4. Key requirements for the procurement contract:

A. The procurement contract is concluded in accordance with the provisions of the Civil Code of Ukraine and the Commercial Code of Ukraine, taking into account the specifics defined in this Policy.

B. The winning participant of the procurement procedure is obliged, when concluding the contract, to provide a permit or license for the relevant type of business activity if such permit or license is required by law.

C. Contracts that imply payment by the customer for goods, works, or services before or without conducting procurement procedures are prohibited, except in cases provided by Ukrainian legislation.

D. The terms of the procurement contract must not differ from the content of the winning tender proposal (in particular, the price per unit of goods) based on the competition results.

Essential terms of the procurement contract cannot be changed after signing until full fulfillment of obligations by the parties, except for the following cases:

1. Reduction of procurement volumes, including considering the actual volume of customer expenditures;

2. Change in the price per unit of goods by no more than 10 percent in case of market price fluctuations, provided that such change does not lead to an increase in the total amount specified in the contract;

3. Improvement of the quality of the procurement subject, provided that such improvement does not lead to an increase in the total amount specified in the contract;

4. Extension of the contract term and fulfillment of obligations regarding the supply of goods, performance of works, or provision of services in case of documented objective circumstances that caused such extension, including force majeure or delays in customer funding, provided that such changes do not lead to an increase in the total amount specified in the contract;

5. Agreed price changes downward (without changing the quantity and quality of goods, works, or services);

6. Price changes due to changes in tax rates and fees – proportionate to the changes in such rates.

3.4.5. The procurement contract must be signed by both CFSR and the Supplier.

3.5. Payment

3.5.1. CFSR must inform Suppliers of its non-profit status and VAT non-payer status.

3.5.2. Payments to Suppliers are made only upon proper fulfillment of all obligations under the supply contract. Advance payments are allowed.

3.5.3. Stage payments may be applied to all contracts if agreed upon by both parties and stipulated in the contract.

4. Procurement Conduct and Ethics

4.1. Business Ethics

4.1.1. Engaging Suppliers for the procurement of goods and services is an activity vulnerable to fraud and/or corruption. CFSR must ensure appropriate measures to prevent such actions, investigate them, and, if necessary, hold those responsible accountable for fraudulent acts.

4.1.2. Procurements carried out by CFSR must be conducted according to high ethical standards – with full impartiality and without receiving any undue benefit. CFSR employees must:

a) promote fair, ethical, and lawful trade practices;

b) act promptly and politely, adhering to principles of integrity and equal treatment, without intentional distortion of facts;

c) treat all information received from Suppliers as confidential and ensure non-disclosure of technical documentation and price proposals;

d) avoid unnecessary expenses or inconvenience during the request for proposals;

e) remain fully independent and have no obligations to any Supplier;

f) make every effort for fair and mutually acceptable resolution of any disputes with Suppliers.

4.2. Conflict of Interest

4.2.1. CFSR employees must avoid conflicts of interest, in particular:

- a) The behavior of a CFSR employee should not raise any suspicion of a conflict between their professional duties and personal interests;
- b) No employee shall directly or indirectly request or accept gifts, privileges, treats, loans, or any valuables from Suppliers or potential Suppliers;
- c) Requests should not be sent, nor contracts concluded, with companies owned, controlled, or influenced by any CFSR employee or their relatives;
- d) Suppliers submitting proposals to CFSR are not allowed to participate in the preparation or development of technical specifications for goods or services.

Annex 2. COMPARATIVE TABLE OF PROPOSALS

No.	Supplier Name	Description of Goods / Services	Quantity	Unit Price	Total Cost	Delivery Terms (deadline, guarantees, etc.)	Compliance with Technical / Quality Requirements
1							
2							
3							

Recommended Supplier: _____

Tender Committee Members (Full Name, Position, Signature):

1. _____
2. _____
3. _____

Annex 3. Form “Declaration of No Conflict of Interest”

DECLARATION OF NO CONFLICT OF INTEREST

I, the undersigned _____,

Position: _____,

Member of the Tender Committee for the procurement “_____”,

hereby confirm that:

- I have no personal, financial, or other interest in the selection of any participant in the procurement process;
- I have no familial, employment, or business ties with any of the participants in this procurement;
- I commit to refrain from any actions that may be perceived as a conflict of interest;
- In case of any potential or actual conflict of interest, I will immediately inform the Foundation’s management.

“ _____ ” _____ **20**

Signature: _____

Annex 4. Template “Supply Order”

SUPPLY ORDER No. _____

dated “ _____ ” _____ 20__

Supplier:

Name: _____

Contact Person: _____

Phone / E-mail: _____

Order Details:

No.	Description of Goods / Services	Quantity	Unit	Unit Price	Total Cost
1					
2					
3					

Total Amount Payable: _____ UAH (with / without VAT)

Delivery Deadline: _____

Delivery Address: _____

Contact Person (Client Side): _____

Approved / Authorized by:

Full Name, Position: _____

Signature: _____

Date: “ _____ ” _____ 20