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ADRA Ukraine Procurement Policy

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1 Principles

1.1. Purpose

The procurement policy and guidance are designed to ensure that ADRA Ukraine and all implementing partners uphold appropriate standards of integrity, accountability, transparency, and governance. These standards are intended to ensure internal control and compliance with all donor requirements.

All procurement activities should be conducted in a manner that promotes, to the greatest extent possible, open and fair competition.

Donors have the right to be assured that the projects they support are secure and will not be compromised, and to ensure compliance with donor requirements and the relevant regulatory framework, ADRA adheres to the following principles in all procurement activities:

- Integrity of all procurement personnel.
- Transparency throughout the procurement process.
- Proportionality between contract award procedures and contract value.
- Impartiality toward candidates and tender participants.
- Ethical conduct at all stages.
- Equal treatment and non-discrimination of potential contractors and donors.

1.2 Standards

1.2.1 Ethical Standards

All individuals, groups, donor organizations and governments that support ADRA Ukraine through funding have the right to be assured that ADRA conducts its business ethically and honestly.

ADRA procurement staff must remain vigilant to any individual or organizational *Conflicts of Interest* and/or anti-competitive practices among suppliers/contractors, and/or within any procurement activities. No order for supplies/works/services of any kind will be placed if the supplier is a close family member of an ADRA employee or has any financial interest with that employee. Every employee involved in procurement is required to sign a *Declaration of Conflict of Interest*.

The Anti-Fraud and Anti-Corruption Policy mandates that all employees act with honesty and integrity. Fraud prevention and detection are contractual responsibilities for all employees. ADRA notifies any donor if it suspects any activity or behaviour that could adversely affect the donor's financial interests.

An equitable relationship will be the primary value in working with suppliers of goods and providers of services/works, as well as donors. All suppliers must be treated equally, particularly during the invitation to tender and selection process. Financial regulations and reporting standards should be applied equally to all donors.

Transparency should be one of the key characteristics of procurement. Therefore, information on procurement procedures, capabilities, and processes is clearly defined and widely publicized, including:

- Official advertisement and public opening of tenders.
- Explanation of contract terms, selection criteria, and exclusions.
- Respect for privacy.
- Right of access for confirmations and inspections.

ADRA will reject any bid or terminate any contract if the bidders are found to have engaged in corrupt, fraudulent, collusive, or coercive practices. For this purpose, ADRA is responsible for including the necessary provisions in the tender/contract documentation. Administrative or financial sanctions are imposed in proportion to the contract's significance and the severity of the violation.

ADRA Ukraine promotes a culture of integrity, accountability and transparency in procurement activities.

Employees, committee members, suppliers, contractors and other stakeholders have the right to report, in good faith, suspected fraud, corruption, conflicts of interest, violations of procurement procedures or other misconduct through the reporting mechanisms established under ADRA Ukraine's Whistleblowing Policy.

ADRA Ukraine ensures that such reports are reviewed in accordance with the organisation's internal policies and procedures and prohibits any form of retaliation or adverse treatment against individuals who, in good faith, report potential violations.

1.2.2 Social Standards

ADRA requires all suppliers and providers of works/services to adhere to fundamental social standards. Where possible, preference should be given to suppliers or contractors that have genuinely integrated a corporate social responsibility (CSR) approach into their business practices (whether by their own initiative or through commitment).

ADRA must ensure that no child labour is exploited in the production and supply of any materials, works, or services. All potential suppliers/contractors must respect the fundamental social and labour rights of their employees and provide safe and secure working conditions (based on relevant national legislation).

1.2.3 Environmental Standards

ADRA requires all customers, selected suppliers and providers of works/services to adhere to fundamental environmental standards. Where possible, preference should be given to suppliers or contractors that have demonstrated the use of environmentally friendly technologies in production, transportation, processing, or service provision.

Decisions regarding a particular supply, work, or service consider the entire life cycle of the product:

- Design: economical use of materials, practical functionality, and ease of recycling.
- Production: efficient use of resources (raw materials, energy, water, etc.).
- Packaging: minimizing waste or using reusable packaging.
- Logistics: optimizing transport routes and ensuring proper storage from producer to supplier and beneficiaries.
- Ease of use: the daily use of the product should not cause harm to people or nature (for example, due to toxic ingredients).
- Processing: the product can be easily separated into basic components that can be purified/recovered or recycled for further use.

A similar approach should be applied when considering environmental aspects of works and services.

1.2.4 Economic Standards

The principle of *proportionality* is applied. The procurement method may vary based on the nature of the purchase order itself, depending on the amount of costs, technical requirements for the procurement and the circumstances of the procurement (complex procurement procedures are not required for low-value goods or services). Efficiency and effectiveness should be the primary criteria for achieving procurement objectives.

Priority should be given to *supporting the regional market* by sourcing locally at competitive prices.

The selection of a contractor/service provider is not based solely on the lowest price offer or bid. ADRA will apply the principle of best value for money, considering the following criteria:

- Quality and/or technical characteristics of the proposed product.
- Social and environmental standards.
- Current variable costs for the proposed item.
- Reliability or ability of the supplier/contractor to deliver on time.
- Past performance of the supplier/contractor.
- Financial reliability.

Business ethics require adherence to specific ineligibility criteria and exclusion provisions for participation in procurement, as outlined in the Standard Declaration. Participants in any tender or procurement must, if required by ADRA, certify by any appropriate means that they do not fall under any of the situations listed herein. A potential supplier/contractor will also be deemed ineligible to participate in any procurement process if the potential supplier/contractor has provided false or inconsistent information or failed to provide adequate information, or if their participation in the procurement process creates a conflict of interest with ADRA.

Funds may only be used for purposes specified in the agreement or contract between ADRA Ukraine and the relevant donor, and unauthorized expenditures must be returned to the budget or, if necessary, refunded to the donor in a way that does not hinder the activities for which the funds were provided.

2 Procurement Obligations

2.1. Procurement Department

The Procurement Department must conduct the procurement process efficiently, impartially, and with integrity, and ensuring that:

- a) all procurement activities are properly documented and submitted for review by the relevant authorized body;
- b) the planned procurement process aligns with the interests of ADRA Ukraine and the donor.

Authorized employees with delegated procurement authority must ensure that activities under their supervision comply with the Procurement Policy and all other relevant policies and procedures.

Procurement procedures include a segregation of duties to minimize risk. No individual or group should control all key stages of the procurement process. The division of duties is subject to regular review and control by the Procurement Specialist or the Head of the Procurement Department.

2.2 Tender Committee and Procurement Committee

To ensure transparency, impartiality, proper segregation of duties and effective oversight of procurement activities, ADRA Ukraine operates two separate collegial bodies: the Procurement Committee and the Tender Committee.

The Procurement Committee is established separately for each procurement conducted under the Three Quotes Procedure and is responsible for the technical and programme evaluation of suppliers' proposals in accordance with the requirements of the specific project.

The Tender Committee is a standing collegial body of ADRA Ukraine and is responsible for the independent review, evaluation and decision-making process relating to procurements conducted through open tender procedures. For procurements with an estimated value of USD 5,000,000 or more, the Administrative Committee or the Board of Trustees may designate a representative of the Board of Trustees to participate in the work of the Tender Committee in an advisory capacity.

Such representative shall oversee compliance with the principles of transparency, fair competition and sound corporate governance throughout the procurement process but shall not participate in voting or in decisions concerning the selection of the successful bidder.

The division of responsibilities between the Procurement Committee and the Tender Committee ensures an appropriate level of internal control, independent decision-making, consideration of technical expertise, and adherence to the principles of transparency, fair competition and efficient use of funds.

2.2.1. Tender Committee

The Tender Committee is a standing collegial body of ADRA Ukraine responsible for the review, evaluation and decision-making process relating to procurements conducted through open tender procedures.

The following voting members shall serve on the Tender Committee:

- the President of ADRA Ukraine;
- the Financial Director;
- the Programme Director;
- two heads of organisational units designated by decision of the Administrative Committee.

The Tender Committee shall consist of five voting members.

The President of ADRA Ukraine shall serve as Chairperson of the Tender Committee.

In the event that a member of the Tender Committee is absent, their functions shall be performed by the individual who, in accordance with ADRA Ukraine's internal decisions, is temporarily acting in that position.

The following persons may participate in the work of the Tender Committee in an advisory capacity:

- a representative of the Procurement Department;
- the Project Manager;
- a relevant specialist or technical expert;
- other individuals whose participation is necessary for the consideration of a specific procurement.

Persons participating in the work of the Tender Committee in an advisory capacity shall not take part in voting or decision-making.

The Tender Committee shall:

- review tender documentation and the results of the evaluation of tender submissions;
- verify compliance of the procurement process with the requirements of this Policy and donor requirements;
- decide on the selection of the successful bidder;
- consider matters related to the rejection of tender submissions, cancellation of tenders, or other issues requiring collegial consideration under this Policy.

A meeting of the Tender Committee shall constitute a quorum if at least three voting members are present.

Decisions of the Tender Committee shall be adopted by a simple majority of the votes cast by voting members present at the meeting.

In the event of a tie, the Chairperson of the Tender Committee shall have the casting vote.

A Secretary of the Tender Committee shall be appointed to support the Committee's activities.

The Secretary of the Tender Committee shall not be a member of the Tender Committee, shall have no voting rights, and shall be responsible for the administrative and documentary support of its activities.

All members of the Tender Committee, as well as all individuals involved in the review and evaluation of tender submissions, shall be required to sign a Tender Committee Declaration of Impartiality and Confidentiality before commencing their duties.

Where an actual, potential or perceived conflict of interest exists, a member of the Tender Committee or any other involved individual shall immediately disclose such conflict and refrain from participating in the evaluation, discussion and decision-making process relating to the relevant procurement.

All ADRA Ukraine employees involved in procurement activities shall comply with the requirements of the Conflict of Interest Policy and submit the relevant declarations in accordance with the organisation's internal procedures.

Suppliers and participants in tender procedures shall also disclose any actual, potential or perceived conflicts of interest that may affect the objectivity and fairness of the procurement process.

2.2.2. Procurement Committee

The Procurement Committee is not a standing body and shall be established separately for each procurement conducted under the Three Quotes Procedure.

The purpose of the Procurement Committee is to ensure the objective, transparent and impartial evaluation of received proposals in accordance with the criteria set out in the procurement documentation, and to make a recommendation regarding the supplier based on the principle of Best Value for Money, technical compliance and the specific needs of the project.

The Procurement Committee shall consist of:

- the Project Manager;
- a relevant specialist or technical expert responsible for evaluating the subject matter of the procurement;
- the Programme Director.

The Procurement Committee shall:

- evaluate the quotations received;
- verify compliance of proposals with the requirements of the procurement documentation;
- assess proposals in accordance with the established evaluation criteria;
- document the results of the evaluation process;
- make a recommendation regarding the supplier.

Decisions of the Procurement Committee shall be adopted by a simple majority vote of its members.

All members of the Procurement Committee shall have equal voting rights.

Where an actual, potential or perceived conflict of interest arises, a member of the Procurement Committee shall immediately disclose such conflict and refrain from participating in the evaluation, discussion and decision-making process relating to the relevant procurement.

By signing the comparative evaluation table and the Procurement Committee decision, Committee members confirm that they have no actual, potential or perceived conflict of interest in relation to the procurement participants and further confirm their compliance with the principles of impartiality, objectivity and confidentiality throughout the evaluation process.

2.3 Analysis and Procurement Plan

The procurement process begins with project development and concludes upon project closure. Careful and timely procurement planning is essential for procurement and is critical to ensuring efficiency, effectiveness, quality, and compliance with donor requirements in projects.

During project planning, it is necessary to identify the resources to be procured (goods, services, works), establish their delivery timelines, define the standards they must meet, and outline the associated costs and the procurement procedures applicable to each contract. All of these elements contribute to the development of a Procurement Plan. Inadequate procurement planning may result in inefficient use of funds, delays in project implementation, violations of procurement principles and, ultimately, costs that may be considered unacceptable.

Effective procurement planning involves addressing the following key questions:

What materials, works, and services are needed for project implementation?

When should they be delivered?

What standards must be met?

Which procurement procedure is the most appropriate?

In the case of emergency response projects, security considerations or other constraints, such as the need to provide a large number of people with food, water or other essential resources, may require deviations from standard procurement procedures. In such cases, the analysis may be limited to assessing the quantity and quality of the goods, works or services required.

The Procurement Plan must be drawn up before the start of the main procurement procedures within the project.

Procurement procedures within the project must be carried out in accordance with the Procurement Plan.

The Procurement Plan consolidates all goods, works and services to be procured as part of the project implementation, specifying the indicative procurement timelines, the estimated cost and the applicable procurement procedure. Available stocks and equipment are also considered.

The Procurement Plan is drawn up in collaboration between the project manager, the project finance manager and the designated procurement officer.

The Project Manager is responsible for identifying the project requirements and prioritising procurement items. The Financial Manager ensures that planned procurements comply with the approved project budget. The designated Procurement Officer determines the relevant procurement procedures and the estimated timelines for their implementation.

The Procurement Plan serves as a tool for planning and coordinating procurement activities throughout the project and may be updated in the event of changes to the project's requirements or budget.

2.4 Procurement Procedures

There are several different procurement procedures, each allowing for a different level of competition. Procurement procedures consist of the rules and guidelines for acquiring specific resources. The appropriate procurement procedure is determined based on the contract category (supply of goods, provision of services, or performance of works) and the cost of the procurement.

The appropriate procurement procedure is selected for each procurement. To do this, the Procurement Specialist must first determine the contract category to which the resources belong, as well as the cost of these contracts. An overview of the threshold values and corresponding procurement procedures for certain categories of contracts is given in the table in Section 2.4.2.

2.4.1. Categories of Contracts

The resources to be purchased are divided into three categories of contracts:

1. Goods and materials refer to assets that must be recorded and tracked (such as equipment or mobile devices), as well as consumables. They are purchased both to support the Organisation's internal operations and to be donated as charitable aid. Such goods typically have a shorter useful life than fixed assets, and although their unit cost may be low, significant volumes of consumption or distribution may result in a substantial aggregate cost over the course of a year.

2. Services and events. General services such as equipment or furniture repair and maintenance, janitorial or security services, office space rental, off-site storage, transportation services, import and logistics services, media advertising, medical care, and other similar services. Consulting services are activities that require external technical and professional expertise beyond ADRA's internal capabilities, such as research, feasibility studies, and related services provided by individual consultants or firms. Events is a general term in this policy that covers all types of meetings, training sessions, seminars and other similar events required as part of ADRA's programmatic and organizational activities.

3. Works. The concept of "work" implies the result of construction or civil engineering in general that are sufficient to fulfil an economic or technical function. The contract for the performance of works covers only the performance or performance and design of the works in accordance with the requirements specified by the customer organization. A contract for the performance of works is concluded when an entrepreneur or construction company agrees to perform the work and assumes responsibility for hiring and/or purchasing the necessary resources to fulfil this obligation (i.e., the entrepreneur hires labour, brings equipment, and buys construction materials and supplies). Examples of contracts for the performance of works include the construction, reconstruction, demolition, or repair of a building, site preparation, earthworks, drilling, etc.

2.4.2. Current running costs

ADRA Ukraine may procure goods and services classified as current running costs that are required to support the day-to-day operations of its offices and projects implementation.

The list of goods and services classified as current running costs is determined annually on the basis of a market analysis prepared by the Procurement Department. Based on the results of this analysis, the Procurement Department draws up a proposal regarding categories of the current running costs and potential suppliers.

This list is reviewed and approved by the Administrative Committee of ADRA Ukraine.

A full list of goods and services falling within the category of the current running costs, as well as the procedure for making the relevant procurements, shall be set out in the ADRA Ukraine Procurement Manual.

Procurement of the current running costs may be carried out using pre-approved suppliers, framework agreements or other simplified procurement mechanisms provided for in the Procurement Manual, provided that the principles of transparency, efficient use of funds and the absence of conflicts of interest are observed.

If necessary, the list of the current running costs may be revised or supplemented during the year on the basis of a supplementary market analysis prepared by the Procurement Department and following a decision taken by the Administrative Committee.

2.4.3 Threshold Values and Procurement Procedures.

The table below outlines various procurement procedures based on the amount of costs and category of contracts:

Threshold applies not only to the cost of a single procurement item but also aggregates different items within the same industry (for example, cement + sand for construction, windows + doors for woodworking). This applies to contracts involving the planned purchase of a large quantity of goods. The division of the contract into lots is appropriate only in the following cases:

- When only a few suppliers/contractors can provide the entire required quantity (due to aggregate cost or technical specifications).
- To facilitate the participation of small and medium-sized companies.

- For contracts involving the supply of fresh food products.

Single-source procurement may be used in exceptional cases where a competitive procedure is impossible or impractical due to specific nature of the subject matter of procurement, the absence of alternative suppliers on the market, or other duly justified circumstances.

The use of such a procedure should be duly justified and documented in accordance with this Policy.

In cases of urgent emergencies, single-source procurement shall be carried out in accordance with the specific rules set out in clause 3.1.1 of this Policy.

If the procurement policy of the implementing partner or donor is more stringent, those procedures should be followed.

Contract	Amount in USD/EUR	Procedure	Invitation	Approval
Goods, Services (goods, materials, events, training, inspection, car rental)	up to 1000	Direct purchase	1 supplier of your choice	Project Manager (PM) + Financial Manager (FM)
	1001 - 30,000	Three Quotes Procedure	3 suppliers of your choice using their application form	PM + FM + Program Director (PD)
	30,001 – 1,000,000	Local Open Tender	Invitation to tender using local media	PM+FM+ PD+ Financial Director (FD)
	more than 1,000,001	International Open Tender	Invitation to tender using international media	ADCOM
Works. (construction works, construction contracts)	up to 10,000	Three Quotes Procedure	3 suppliers of your choice using their application form	PM + FM + PD
	10,001 – 5,000,000	Local Open Tender	Invitation to tender using local media	PM+FM+ PD+FD
	more than 5,000,001	International Open Tender	Invitation to tender using international media	ADCOM*

**ADCOM is Administrative Committee of ADRA Ukraine*

2.4.4 Contracts

Depending on the tender category, a contract for the supply of goods, works or services will be signed between ADRA and the selected tender participant. In the case of a combination of contract types, the category with the largest amount of funding will be determined.

Employment contracts must be distinguished from service contracts and are not subject to these principles. All contracts signed between ADRA and service/work providers include the following:

- Type of contract.
- Contact details of both parties.
- Declaration of standards, including:
 - Exclusion/illegality criteria
 - General standards
- General terms and conditions:
 - Language, delivery and damage, supervision.
 - Financial conditions: costs included, fines, warranty and liability conditions.
 - Final conditions: changes, failures, force majeure.
 - Financial provisions, including the number and cost of payments, dates and type of transfer.
 - List of all items/works/services (bill), including:

- Technical characteristics.
- Quantity.
- Date and place of delivery.
- Unit price and total cost.
- Signature and seal of both parties.

All shipping charges and shipping taxes are usually paid by the supplier/carrier, including: port charges, customs duties, import tax, unloading charges, inland transportation, storage and charges up to the first point of storage specified by ADRA.

ADRA will ensure that a warranty and liability clause is included in the general contract, allowing ADRA to recover financial compensation for any damage caused to the project resulting from the supplier's non-compliance with contract terms and conditions.

2.4.5 Document Management

The most important part of the procurement process is ensuring that procurement documentation is properly prepared, completed and stored. In the worst-case scenario, incomplete procurement documentation may result in the need for refunds. All stages of the procurement process must be properly documented to ensure transparency, accountability and auditability. The requirements for documenting procurement procedures, as well as the list of relevant documents, are set out in the ADRA Ukraine Procurement Manual.

Proper procurement documentation management begins at the start of the project and ensures proper procurement documentation throughout the entire period of its implementation.

All purchases require original documents. If goods are purchased from a supplier who does not provide a receipt, ADRA may issue its own voucher, ensuring it is signed and stamped by the supplier.

The CFO of the ADRA office is responsible for ensuring complete procurement documentation and the proper allocation of purchases to the project and/or account within the appropriate ADRA financial administration system.

2.4.6 Justification of procurement decisions taken without prior consultation with the Procurement Department

In cases where procurement decisions were taken and implemented without prior involvement of the Procurement Department, the initiator of such decision shall be required to prepare a written justification post factum.

Such justification must include a description of the circumstances that led to the decision being taken without the involvement of the Procurement Department, confirmation of the necessity of the procurement, an explanation of the choice of supplier, and confirmation that the price is consistent with the market rates.

The submission of such justification serves solely to document the decision taken and shall not be construed as confirmation that such procurement complies with the requirements of this Policy.

The initiator of the procurement procedure shall bear full responsibility for this decision, the associated risks and any potential financial or reputational consequences.

In such cases, the Procurement Department may provide only advisory support regarding proper documentation, but shall not be held liable for decisions taken without its prior involvement, nor shall it approve such procurements retrospectively.

Such cases must be reviewed by the Organisation's management or the ADCOM to assess the circumstances under which the decision was taken, identify potential risks, and adopt the appropriate management decisions.

The procedure for documenting, reviewing and adopting management decisions in such cases is set out in a separate internal document issued by ADRA Ukraine concerning the management of decisions taken post factum.

2.5 During Procurement

2.5.1 Action Control

ADRA reserves the right to exercise its authority to monitor and supervise all documentation and physical activities of all contractors and subcontractors who have received donor funds to ensure compliance with ADRA and donor procurement policies, procedures and regulations.

If it is determined that the supplier/contractor has caused losses to the project budget, ADRA shall reserve its right to terminate the contract.

2.5.2 Delays and Penalties

Any delay in the delivery of goods/works/services can be critical to a particular humanitarian aid project. During the selection process, the ability of the particular supplier/contractor to deliver the proposed goods/works/services in accordance with the time, place and other delivery criteria specified in the tender documents will be evaluated to minimize potential project delays due to delay in the delivery of goods/works/services.

However, if the selected supplier/contractor fails to deliver goods, complete work, or provide services in accordance with the agreed schedule and terms, the selected supplier/contractor will be held responsible for the delay as defined in the contract.

2.5.3 List of suppliers

ADRA maintains a regularly updated database of approved suppliers. The purpose of the Supplier List is to collect and maintain a database with up-to-date information on potential suppliers across various sectors to ensure the most efficient and effective future procurement activities. It includes the following:

- Past experience with individual suppliers.
- Suppliers with current contracts.
- The ability of suppliers to fulfil their obligations within the established timelines, quality standards, and cost.
- Contact details of individual suppliers.
- Description of the range of goods/works/services that can be provided by an individual supplier.

Feedback from other organizations regarding the timeliness, reliability, and financial stability of the supplier (especially if advance payment is required).

2.5.4 Key supplier evaluation

To ensure proper quality control of supplies, procurement efficiency and risk management, ADRA Ukraine applies a key supplier evaluation system.

Key suppliers are those who provide goods, works or services that are critical to the projects implementation, or who maintain a significant volume of business with the Organisation.

ADRA Ukraine may evaluate the performance of such suppliers for the purpose of monitoring the quality of contract performance and improving the effectiveness of cooperation.

Suppliers are evaluated to analyse the quality of contract performance, adherence to delivery deadlines, compliance of goods or services with established requirements, and the supplier's overall reliability.

The evaluation may be carried out either during the term of the contract or after its completion.

The results of the evaluation may be taken into account during subsequent procurement planning, supplier selection and contract management.

The methodology for supplier evaluation, the evaluation criteria and the format for documenting the results are set out in the ADRA Ukraine Procurement Manual.

2.5.5 Electronic and dynamic supplier systems

In order to improve the efficiency, transparency and competitiveness of its procurement processes, ADRA Ukraine may use electronic procurement systems, dynamic supplier lists or other centralised procurement mechanisms.

Such systems can be used for procurement, building and managing a supplier database, and organising competitive selection of suppliers within specific procurement categories.

Such systems may be administered either by ADRA Ukraine itself or with the assistance of external service providers.

The procedures for such systems operation, including supplier selection procedures, updating the list of suppliers and conducting procurement through such mechanisms, are set out in the ADRA Ukraine Procurement Manual.

3 Special Rules

The following rules apply in cases where ADRA Ukraine deviates from the standard procurement procedures or in the event of initial emergencies requiring an immediate response. Before implementing the deviations described below, ADRA Ukraine must ensure that they are properly identified, documented and approved by the authorised bodies of ADRA Ukraine.

For the purposes of this Policy, an emergency refers to the circumstances that require an immediate humanitarian response to safeguard lives, health or basic livelihoods of the affected population, and which do not allow for standard procurement procedures to be applied in full due to time constraints.

In such cases, ADRA Ukraine may apply the special or simplified procurement procedures set out in this section of the Policy, provided that the relevant decisions are duly justified and documented.

3.1 Single Proposals in Priority Emergency Situations and Other Exclusions

3.1.1 General deviations

In the following exceptional circumstances, ADRA may place orders for supplies, works, and services based on a single quotation. This should always include negotiating the terms of the contract:

- In urgent actions (also referred to as primary emergency care), unless otherwise specified by the donor.
- If, following an open or other competitive procurement procedure, no acceptable proposal has been received, provided that the original terms and conditions of the contract have not been materially amended.
- When, for technical reasons or to protect exclusive rights, the contract can only be concluded with a specific business entity.
- For subsequent contracts involving the repetition of services, works, or supplies assigned to a supplier/contractor who received a previous contract under a similar project/program in the same region, provided the provisions of the initial contract remain largely unchanged and the initial contract was awarded through a transparent procedure. The time elapsed since the conclusion of the first contract should not exceed one year.
- For additional works or services not included in the original contract that have become necessary for the performance of the contract due to unforeseen circumstances, provided the total cost of these additional works or services does not exceed 50% of the original contract's total cost.
- For property contracts (lease of real estate for staff accommodation, office space, warehouse space or other specific project requirements), only after evaluating the local market.
- When orders are placed in the humanitarian procurement centre

All decisions regarding single-price offers in primary emergency situations and other exceptions must be determined and documented in writing and approved by the Administrative Committee of ADRA Ukraine.

In any case, works, services or materials supplied on the basis of a single bid must meet the following requirements:

- Satisfactory quality.
- Timely delivery or completion of works / provision of services
- The price is consistent with the market rates and ensures the effective use of project funds.

3.1.2 Deviation approved by ADCOM ADRA Ukraine.

In exceptional cases, circumstances may arise where compliance with this Policy is impossible or impractical due to the specific nature of the procurement or the operational requirements of the project. In such cases, the procurement initiator must prepare a written justification explaining the reasons for the proposed deviation from the established requirements, describing the potential risks, and confirming that the proposed approach complies with the principles of transparency, competition and the efficient use of funds, and does not give rise to a conflict of interest.

The prepared justification shall be submitted to the Administrative Committee for review. Decisions regarding approval of such a deviation from the requirements of this Policy shall be taken by ADCOM and must be duly documented.

In cases where a procurement decision was taken or implemented without the involvement of the Procurement Department, such a decision is subject to separate review by the ADCOM on the basis of the relevant justification.

Approval by the ADCOM shall not relieve the decision initiator from its responsibility for ensuring that the decision is justified, appropriate and consistent with the project terms, the budget and the donor's requirements.

3.2 Procurement of essential goods in emergency situations

When implementing humanitarian programmes in emergency situations, ADRA Ukraine may identify a specific category of essential goods, the procurement of which requires prompt action to meet the immediate needs of beneficiaries.

Such goods may include, in particular, food, drinking water, hygiene products, essential items, temporary shelter, basic medical supplies and other goods required for an immediate response to humanitarian needs.

A simplified procurement approach may be used for the procurement of essential goods, involving the use of available mechanisms for the rapid involvement of suppliers, in particular:

purchasing on the local market;

the use of pre-qualified suppliers;

the use of dynamic or other accelerated procurement systems;

other procedures designed to ensure a rapid response in accordance with the principles of this Policy.

Where necessary, such procurements may be carried out by applying exceptions provided for in clause 3.1 of this Policy, provided that the relevant decision is duly justified and documented.

The decision to apply a simplified approach must be properly documented, justified on the grounds of urgency, and comply with the principles of efficient use of funds, transparency and the absence of conflicts of interest.

The list of essential goods and the procedure for applying the relevant procurement methods may be further specified in the ADRA Ukraine Procurement Manual.

3.3 Framework Agreement

ADRA can sign Framework Contracts with carefully selected suppliers or providers of works/services after Tender Committee's or ADCOM's decision. The goal is to simplify and expedite procurement procedures.

Framework contracts for suppliers will have a maximum duration of one year with the option of renewal if the limit set by the procurement procedure has not been used, and three years for works and service providers, with the possibility of renewal. The signed Framework Contract will ensure the following conditions: the best price ratio, free access and availability at any time.

3.4 Use of Purchased Goods and Fixed Assets

A fixed asset is an asset whose cost exceeds 20,000 hryvnias and whose expected useful life is more than 1 (one) year, and its value can be reliably determined.

If the term of use of an asset is more than one year, and the cost estimate of the asset does not exceed 20,000 hryvnias, then such an asset is classified as a low-value non-current tangible asset (hereinafter referred to as "assets").

Assets and fixed assets purchased with donor funds are used exclusively for the organization's economic activities, namely for the provision of social and charitable assistance to final beneficiaries. Assets are not used for the personal needs of employees, as well as for the needs of management of the CO CF "ADRA Ukraine".

In the event of the need to sell assets and fixed assets, the funds received from the sale are used exclusively for the economic activities of CO CF "ADRA Ukraine". The sale of assets and fixed assets, and the further use of the proceeds, shall be agreed with the donor with whose funds these assets were purchased, if required by the donor's rules or policies.

Accounting for fixed assets is carried out in accordance with the National Accounting Regulations (Standards) in Ukraine and in accordance with the Accounting Policy of CO CF "ADRA Ukraine". Control over the proper accounting of assets and fixed assets is carried out by the State Tax Service of Ukraine.

All purchased assets and fixed assets must be accounted for in special accounting accounts with a final report on fixed assets after the completion of the project. Revenues and expenses, losses and damage must be documented in the report, as well as recorded in the project procurement folder.

All assets that have the characteristics of fixed assets according to Ukrainian legislation must be inventoried as assets and assigned to a certain class of fixed assets. In the case of procurement of services, a valid service contract must be concluded.

All inventoried fixed assets must be transferred at the end of the project to another project or to the administration of CO CF "ADRA Ukraine" in accordance with the transfer act.

Unexpected loss or damage to any project equipment, capital assets or consumables should be reported immediately to the donor for further action. In case of theft of any project capital assets, equipment, goods or other consumables, a police report should be filed.

The use of assets, namely fixed assets, goods should be documented through an asset tracking system, namely a chronological document flow, which is subject to regular audits.

Procurement specialists of the CO CF "ADRA Ukraine" should be involved prior to receipt of the purchased assets to count all items, check them for damage, and reconcile all items with the purchase order and payment. Any discrepancies should be noted and appropriate action taken, as well as documented.

Depreciation of equipment and assets is based on Ukrainian regulations, namely, in accordance with the National Accounting Regulations (Standards) of Ukraine.

Motor vehicles and capital structures should be insured.

In case of contradictions between English and Ukrainian versions, the Ukrainian version shall prevail.

Witnessed by:

Andrii Babientsov

President CO “CF “ADRA Ukraine”

