



PROCUREMENT PROCEDURE

CHARITABLE FOUNDATION UKRAINE RESILIENCE (UKRAINE RESILIENCE CHARITY)

Valid as of: 16/09/24

1. General provisions

This Procedure defines the procurement process for the Charitable Foundation Ukraine Resilience (the Organisation) to support activities related to the implementation of charitable programs and projects in Ukraine.

The Procedure has been developed in accordance with the current legislation of Ukraine and takes into account the specifics of funding sources: the Organisation's own funds, international and domestic grants and funds, and state and municipal funds from Ukraine.

This Procedure defines:

- Procurement principles and rules.
- Procurement procedures, order, and conditions of their application.
- Procurement control procedures, as well as the responsibility of recipients and procurement participants for violations of established procurement procedures
- Necessary ethics and behaviour of all participants in the procurement process.

This Procedure applies to purchases that are made for the purpose of ensuring the work of the Organisation and that are necessary within the scope of the implementation of projects that are fully or partially financed from donor funds, including projects that are financed from fundraising efforts.

Procurement is carried out to ensure the effective operation of the Organisation and the timely and qualitative provision of activities of the Organisation with goods and services as required to carry-out its activities.

The Organisation procures goods and services based on the principles and procedures established by this Procedure. All processes related to the procurement and supply of goods and services must remain simple, efficient, transparent, fair, reliable and comply with the Procedure and current legislation of Ukraine.

Objectives of the Procedure:

- Establishment of procurement mechanisms of the Organisation for the supply of goods and services, based on the principles of transparency, competitiveness and cost-effectiveness, determination of the functions of the responsible persons of the Organisation within the framework of procurement procedures.
- Outline of the mechanisms of interaction between the Organisation, donors and suppliers of goods and services within the scope of procurement and fulfilment of contractual obligations under concluded contracts.
- Establishing uniform standards and improving the efficiency of interaction between responsible representatives of organisations and donors during the procurement process.
- Ensuring the transparency of cooperation, aimed at protecting the rights of the parties to the Organization and conducting procurement, the absence of fraud, equality, and equal opportunities, ensuring gender equality during the procurement procedure.

1.1. Basic principles of procurement

This Procedure is based on the following basic procurement principles:

The principle of fair competition. It is implemented by conducting procurement on a competitive basis by comparing similar offers from suppliers according to pre-approved criteria and choosing the best offer that would meet the policies of Organisation.

The principle of transparency. Openness and transparency at all stages of procurement involves the publication of documents related to procurement procedures on the Organisation's website <https://www.ukraineresilience.com.ua/> and free access to them. These principles are important at every stage of the procurement process, providing a favourable environment for competition. The Organisation ensures free access of all participants to the procurement information provided for in this Policy.

The principle of equality and non-discrimination. It consists in the fact that the conditions, methods, criteria, and procedure for determining the supplier of a particular product are established in advance and are the same for all participants, and non-discriminatory access to the procurement procedure and fair conditions

are ensured for all procurement participants. The Organisation has no right to impose any discriminatory requirements on participants.

The principle of economic efficiency. This allows for maximum efficiency by purchasing the necessary goods, works and services, the necessary quality and quantity with the maximum economic benefit, but in all cases, the Organisation's procurement policy should be prioritised.

The principle of objectivity and impartiality. It means that the authorized representatives of the Organisation ensure an objective and impartial determination of the winner of the procurement procedure.

Prevention of corruption and misuse. It provides that the authorized persons of the Organisation should not allow conflict of interest during the procurement procedure.

2. Organization of procurement

2.1. Organizational structure and responsibilities of the Organisation's staff during the procurement process

The management of the Organisation (the Authorised Person) is responsible for the overall management of procurement and ensuring compliance with this Procedure.

Responsible individuals are appointed by the Authorised Person to oversee and monitor all stages of the procurement process.

Procurements funded by own funds, international and domestic grants and funds, and Ukrainian state and municipal funds may be carried out by various structural units, depending on the source of financing.

The duties of the Organisation's staff may include, but are not limited to planning procurements, conducting market analysis, announcing tenders, selecting suppliers, and monitoring contract performance.

3. Procurement procedures

All planned purchases of the Organisation are carried out within the scope of activities approved by annual work plans, project budgets and the budget of the Organisation, in accordance with the needs and goals of the Organisation's activities.

Purchases carried out within the framework of projects financed by international programs are carried out in accordance with the donor's requirements and rules, which are prescribed in the relevant contracts, donor policies, clarifications, and technical tasks. If the donor does not have procurement requirements and rules, the Organisation will apply this Procedure.

3.1. Procurement initiation

The initiator of procurement can be the Director of the Organisation or the manager of a specific project of the Organisation, for which procurement is required, in agreement with the Director of the Organisation. Purchases are initiated by notifying the Authorized Person about the need for the purchase.

All procurement documents (tender documents) are prepared by the Authorized Person with the involvement of the necessary technical specialists, managers, accountants, and lawyers from the Organisation, if necessary.

Procurements are initiated after identifying the needs for goods, works, or services required for the implementation of programs and projects. The procurement initiator submits a request to the responsible department to start the procurement procedure.

Initiation of procurements is carried out according to the type of funding:

- **For own funds:** Decisions are made based on the analysis of needs and the Organization's budget.
- **For international and domestic grants and funds:** Procurements are initiated according to donor requirements and contract conditions.
- **For state and municipal funds:** Procurements are initiated in accordance with the requirements of state and municipal financing and current legislation.

3.2. Organization of procurement

The procurement process includes the preparation of tender documentation, conducting tender procedures, selecting a supplier, and signing a contract.

For the Organization's own funds: The procurement procedure includes a competitive selection of suppliers based on the received information about the procurement subject, including cost, quality of services, execution timelines, and other important parameters. The Organization compares this data with proposals from other companies and private entrepreneurs to ensure the best procurement conditions. Contract

signing is carried out based on the Organization's internal procedures, which guarantee effective and rational use of its own funds.

For international and domestic grants and funds:

- If the grant conditions, contract, or other documents specify that a tender is mandatory for each individual procurement, the Organization must comply with these requirements and conduct tender procedures according to the funder's conditions.
- If the contract stipulates adherence to Ukrainian legislation, the Organization conducts procurements in accordance with internal procedures, which include competitive selection of suppliers based on the received information about the procurement subject, including cost, quality of services, execution timelines, and other important parameters. The Organization compares this data with proposals from other companies and private entrepreneurs to ensure the best procurement conditions. Contract signing is carried out based on internal procedures, ensuring effective and rational use of funds in accordance with the requirements of current Ukrainian legislation.

For Ukrainian state and municipal funds: Procurements are conducted in accordance with the Law of Ukraine "On Public Procurement" No. 922-VIII dated 25 December 2015 (as amended).

The Organisation determines the following priority types of purchases:

Type of purchase	Application	Procedure
Direct purchases	It is used for the purchase of goods and services worth up to UAH 15,000.	Signing the contract with the contractor and paying the contractor based on the provided acts of completed works/invoices.
Price quotation	This process is used for the purchase of goods and services in cases where budgetary (Ukrainian state and municipal) funds are not involved and/or the contract does not require procurement procedures.	Procedure algorithm: 1. Specification of the subject of purchase. 2. Submission of suppliers' proposals. 3. Selection of a supplier with an economically advantageous offer.

		<p>4. Conclusion of a purchase agreement.</p> <p>5. Publication of the report on evaluation of proposals</p>
Tender	<p>This process is used for the purchase of goods and services in cases where budgetary funds are involved and/or the contract includes requirements for <i>procurement procedures</i> including instances where the grantor mandates a tender process.</p>	<p>The tender consists of the following:</p> <ol style="list-style-type: none"> 1. Publication of the announcement. 2. Clarification of information by <i>potential participants</i>. 3. Submission of proposals. 4. Consideration of proposals. 5. Determination of the winner. 6. Signing a contract. 7. Publication of the report on evaluation of proposals.
Negotiation procedure:	<p>It is used when:</p> <ul style="list-style-type: none"> • Tender requests were cancelled twice. • Works, goods or services can be performed by only one contractor or there is an urgent need. • After the conclusion of the contract, the supply of additional goods from the same supplier is required. • Procurement of legal <i>services related to the protection of the rights and interests of the Organisation.</i> 	<p>It is used as an exception when the previous two procurements for particular goods or services were failed, and according to which the Organisation concludes a procurement contract after conducting negotiations on the price and other terms of the procurement contract with one or more participants in the procurement procedure.</p>

Price Quotation Procedure:

According to this procedure, the Organisation selects the supplier and purchases goods or services based on the following steps. This procedure is applicable when budgetary (Ukrainian state and municipal) funds are not used and/or when the contract does not include procurement requirements.

1. Development of the Notice of Request for Quotations

The Authorized Person must develop a Notice of Request for Quotations from potential suppliers, which must contain:

- *The name of the product/service; quantity of goods/services.*
- *Technical specifications of goods/services; delivery time, place, and method of delivery.*
- *Terms of payment.*
- *The deadline for submission of price offers/quotations by suppliers.*

The Authorized Person conducts market research to identify potential suppliers and sends a Notice of Request for Quotations to at least three of these suppliers.

2. Submission of Suppliers' Proposals

The deadline for submitting suppliers' proposals must be at least 3 (three) working days. Each participant has the right to submit only one price offer. The price offer is submitted in electronic form, and documents must be certified by the supplier's signature and stamp/electronic digital signature.

The Authorized Person has the right, on its own initiative or as a result of appeals, to make changes to the request for price offers by extending the deadline for submission and disclosure of price offers and to notify all persons to whom the said changes were made within 1 (one) working day from the date of adoption of the decision to make the changes.

3. Selection of a Supplier with a Competitive Offer

Quotations are disclosed at the time specified in the Notice of Request for Quotations. During the disclosure of price offers, a protocol is drawn up according to the form. The general term for consideration of price offers and determination of the winner of the procurement procedure should not exceed 5 (five) days from the day of opening the price offers. The winner of the quotation request procedure is the participant who

submitted the proposal that meets the requirements specified in the Notice of Request for Quotations and has the lowest price. The Authorized Person accepts the price offer on the day of determining the winner.

The Authorized Person draws up the Protocol for the selection of price offers based on the evaluation results.

4. Contract Signature

The Organisation shall conclude a contract with the winner for the supply of goods, works, or services in accordance with the main terms of the contract specified in the Notice of Request for Quotations within 20 (twenty) working days from the date of the determination of the winner. (Where international funds are being used, the Organisation will respect the funder's purchasing policy with regards to contract signature.)

In the event of the winner's written refusal to sign the purchase contract or failure to conclude the purchase contract due to the participant's fault within the terms specified in this Procedure, the Authorized Person will accept the lowest price offer from among other price offers whose validity period has not yet expired. The Authorized Person rejects the price offers if they do not meet the requirements specified in the Notice on Request for Quotations. The Authorized Person can cancel the purchase in case of receiving less than 2 (two) price offers from suppliers.

Tender Process:

A tender is a special procurement procedure applied by the Organisation when required by the budgetary conditions or specified in the contract. The tender announcement is made by publishing the Procurement Announcement by the Authorized Person on open electronic platforms and/or the Organisation's website. During the tender, all interested parties are eligible to submit tender offers. The tender process includes the following steps:

1) Publication of the tender announcement

The announcement must include details such as the Organisation's name, location, and identification code in the Unified State Register of Legal Entities, Individual Entrepreneurs and Public Organizations. It must also specify the procurement subject's name with the code according to the Unified Procurement Dictionary, quantity, and place of delivery, expected value, delivery timeline, payment terms, the deadline for submission of tender proposals, languages required for tender offers, and any security requirements for the offers. The announcement should not contain any requirements that limit competition or lead to discrimination among participants.

2) Clarification of information by tender participants

During this stage, participants can request clarifications from the Authorized Person regarding the tender announcement and the procurement requirements. The Authorized Person must respond within 3 (three) working days, and any changes to the tender announcement or requirements must be published on the same platforms.

3) Submission of proposals by participants

Participants submit their proposals electronically, filling out the necessary forms and uploading the required documents. Each participant may submit only one offer per lot. Proposals submitted after the deadline will not be accepted.

4) Consideration of participants' proposals for compliance

The Authorized Person reviews the proposals to ensure they meet the tender conditions and procurement requirements. The most economically advantageous offer is selected, and the Authorized Person may request additional documents to confirm the participant's qualifications.

5) Conclusion of a contract with the winner

Once the winner is selected, a procurement contract may be entered into the day after the intention to conclude the contract is announced but no later than 20 days thereafter.

6) Publication of the Report on the Evaluation of Proposals

The Authorized Person prepares and publishes a Report on the Evaluation of Proposals on the same platforms where the tender was announced.

Cancellation of the tender or recognition of the tender as having not taken place.

The Authorized Person cancels the tender in the event:

- Lack of further need to purchase goods, works, or services.
- The impossibility of eliminating violations that arose due to detected violations of legislation in the field of procurement, with a description of such violations that cannot be eliminated.

The tender is automatically cancelled in a case where:

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- Submission for participation of fewer than two tender offers.
- Rejection of all tender offers in accordance with this Procedure due to non-compliance of offers with tender requirements.
- The tender can be partially cancelled (per lot).

The Authorized Person has the right to recognize the tender as not held, in the event:

- *If the purchase became impossible due to force majeure.*
- Reduction of expenses for the purchase of goods, works, or services.

The Authorized Person has the right to recognize the tender as partially incomplete (by lot).

In the case of cancellation of a tender by the Authorized Person or recognition of the tender as not having taken place, the Authorized Person, within 1 (one) working day from the day of making the relevant decision, notes on the open electronic platforms where the tender was announced and/or the website of the Organisation the reasons for making the decision.

Negotiation procedure:

The negotiation procedure is a procurement method applied by the Organisation under specific circumstances when traditional tendering methods are not feasible or have failed. This procedure allows for flexibility and direct engagement with potential suppliers to ensure the timely acquisition of necessary goods, services, or works.

The negotiated procurement procedure is applied by the Organisation in the case:

1. If the procedure for requesting price quotations or tender was cancelled twice, including partially (by lot), due to the lack of a sufficient number of offers.

At the same time, the subject of the procurement, its technical and qualitative characteristics, as well as the requirements for the participant of the procurement procedure, should not differ from the requirements that were determined by the Authorized Person in the tender documentation.

2. If works, goods, or services can be performed, delivered or provided exclusively by a certain business entity in the presence of one of the following cases:

- The subject of the purchase is the creation or acquisition of a work of art or an artistic performance.
- Concluding a purchase agreement with the winner of an architectural or art competition; the lack of competition for technical reasons is documented by the Organisation.
- There is a need to protect intellectual property rights.

- Conclusion of a contract with the only available supplier of electricity or natural gas.

3. If the Organisation has an urgent need to make a purchase in the following cases:

- The occurrence of special economic or social circumstances related to the immediate liquidation of the consequences of emergency situations, which make it impossible to comply with the deadlines for conducting the tender.
- Provision of humanitarian aid to other states by Ukraine in the prescribed manner; termination of the procurement contract due to the participant's fault for a period sufficient to conduct the tender, in an amount not exceeding 20% of the amount specified in the procurement contract, which was terminated due to the fault of such participant.

4. Purchase of goods according to the procedure for restoring the debtor's solvency in accordance with the law.

Based on the results of the negotiations with the participant(s) of the procurement procedure, the Authorized Person makes a decision on the intention to enter into a procurement contract.

The notification of the intention to conclude a procurement contract is published on open electronic platforms and/or the website of the Organisation within one day after the decision is made. The procurement negotiation procedure is cancelled in the following cases:

- *If the Authorized Person committed a violation that affected the objectivity of determining the winner of the procurement procedure.*
- The impossibility of eliminating violations that occurred due to detected violations of procurement legislation.
- Lack of further need to purchase goods, works, or services.
- Failure to sign a purchase agreement within 35 days.

In order to uphold accountability and transparency, the Organisation is encouraged to maintain a detailed protocol of the negotiation meetings. The protocol should adhere to the following structure:

- **List of attendees** - a comprehensive list of all individuals present at the meeting.
- **Negotiation topic** - a clear statement of the subject under negotiation, including but not limited to the purchase of specific goods or services, pricing, terms and conditions, and quality requirements.

- **Issues discussed** - an enumeration of the topics and issues addressed during the negotiations.
- **Decisions made** - a summary of the decisions and agreements reached during the meeting.

These blocks of the protocol structure are not exhaustive and may be supplemented with additional elements as necessary, depending on the specific negotiation process.

The protocol serves as an official record of the negotiation process and forms the basis for drafting the procurement contract. To ensure accuracy and agreement, the protocol should be signed by all participants involved in the negotiation process.

4. Execution of purchase contracts

Purchase contracts are concluded in accordance with the norms of the Civil and Economic Codes of Ukraine, taking into account the features defined by this Law.

The winner of the procurement procedure during the conclusion of the procurement contract must provide:

- *Relevant information about the right to sign a purchase contract.*
- A copy of a license or a document of a permissive nature (if available) for conducting a certain type of economic activity, if obtaining a permit or license for conducting this type of activity is provided for by law and if this was indicated in the tender announcement/request for price quotation or required by the authorized person during negotiations in the case of applying the negotiated procurement procedure.

If the winner of the procurement procedure is an association of participants, a copy of the license or permit is provided by one of the participants of such an association of participants.

The terms and conditions of the procurement contract must not differ from the content of the participant's tender offer (including the price per product unit) of the winner of the procurement procedure or the agreed price of the participant's offer in the case of the negotiation procedure, except in cases where the introduction of changes is necessary for the performance of the contract and is agreed by both parties.

Amendments to the contract must be made by signing additional agreements to the contract by mutual agreement of the parties. The grounds for making changes to the contract may be the following:

- An increase in the price per unit of the product in proportion to the increase in the price of such a product on the market in case of fluctuations in the price of such a product on the market, provided that such a change does not lead to an increase in the amount specified in the purchase agreement.
- Improvement of the quality of the subject of procurement, provided that such improvement does not lead to an increase in the amount specified in the procurement contract.
- Approval of price changes in the purchase contract, including in case of fluctuations in the price of goods on the market.
- Price changes in the purchase contract in connection with changes in tax rates and fees and/or changes in conditions for granting tax benefits.

5. Ethical considerations during the procurement process

5.1. Ethics business behaviour

The Authorized Person and other employees of the Organisation involved in procurement must be guided by the rules of the Code of Conduct of the Organisation. Engaging suppliers to procure goods and services is an activity that can be vulnerable to fraud and/or corruption. If an electronic system is used for procurement, it must ensure appropriate measures to prevent, investigate and, if necessary, punish fraudulent actions. Procurement by the Organisation must be carried out in accordance with ethical standards with absolute impartiality and without obtaining any advantages.

The Authorized Person and/or other employees of the Organisation involved in procurement must comply with the following norms:

- Promote fair, ethical, and legal procurement practices.
- Act quickly and courteously in an atmosphere of good faith and equality, and without deliberate misrepresentation of facts.
- Treat all information received from suppliers as confidential and ensure the confidentiality of all specifications and price quotations received.
- Do not allow the situation of manipulation of supplier errors and their use against the supplier and demonstrate cooperation.
- Avoid unnecessary costs or inconvenience when requesting offers.
- Make every reasonable effort to negotiate a fair and mutually acceptable resolution of any dispute with the supplier.

5.2. Conflict of interest

A conflict of interest is considered to be an example of private interest of an employee of the Organisation or any person or body acting on behalf of the Organisation, and participating in the procurement procedure or that may affect the results of this procurement procedure, which may affect the objectivity or impartiality of their decision-making or the performance or non-performance of actions during the procurement procedure, and/or the presence of a conflict between the private interest of an employee of the Organisation, or any person or body acting on behalf of the Organisation and participating in the procurement procedure and its official or representative powers, which affects the objectivity or impartiality of decision-making or the performance or non-performance of actions during the procurement procedure.

Employees of the Organisation must avoid conflicts of interest, particularly in the following circumstances:

- The behaviour of the Authorized Person of the Organisation should not cause any suspicion of a conflict between professional duty and personal interest.
- No one shall directly or indirectly solicit or accept any gift, privilege, treat, loan, or any item of value from suppliers or potential suppliers.
- Suppliers who provide a proposal for the Organisation cannot participate in the preparation and development of specifications for goods or services.

In order to minimize the risks of unethical behaviour of the Organisation's employees and conflicts of interest during procurement, the work of an internal monitoring specialist is envisaged, which will record any violations or risks of violations, which will allow them to be minimized as quickly and effectively as possible.

Approved by:

Sumara Artem

Director of CHARITABLE ORGANIZATION
"CHARITABLE FOUNDATION "UKRAINE RESILIENCE"

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