**APPENDIX**

**Location: Global Procurement -HQ**

**The processes and procedures in this section apply to the CRS Global Procurement-HQ**

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1. **Introduction**

## a. CRS Global Procurement Mission Statement:

“It is the mission of CRS’s Global Procurement department to procure high quality goods and services in a manner that maximizes support to our customers worldwide and the Agency’s strategic objectives in both normal and emergency situations. We shall support and empower other parts of the Agency to procure goods and services in accordance with Agency Procurement objectives. These objectives will be accomplished through optimized Procurement economies of scale, the use of leading-edge technologies and concepts, and highly professional practice at all levels with the goal of achieving continuous improvement, efficiency, and innovation.”

## Organization Chart:

## Global Procurement Baltimore reports directly to the Chief Financial Officer



## Global Procurement Process - CRS Baltimore:

**Section II. – Applies to CRS staff located in the United States.**

[**Note: For Sanctioned Countries, please also see Section II (i) – Sanctioned Countries and Military Items**](#sanctioned) **in core procurement manual.**

## Business Process Mapping - Global Procurement Baltimore Flow:



* **Types** **of purchases NOT requiring a requisition (Global Procurement -HQ):**

[**Note: For Sanctioned Countries, please also see Section II (i) Sanctioned Countries and Military Items**](#sanctioned).

CRS departments may make purchases without going through the Baltimore Global Procurement department for the following types of material/services. All other purchases regardless of dollar value should go through Procurement.

* Any seminars, or training classes
* Subscriptions, memberships, dues, newspaper or magazines (printed publications, on-line publications)
* Books (less than $100)
* Any travel (inclusive of air and/or ground travel), hotel reservations, shows, or exhibits related bookings. See “Key Travel”
* Any catering services or related “meeting” meals
* Cell phones or repairs of such. (Arrange through CRS Baltimore GKIM department by filling out a “request form” which is available via the CRS intranet, under agency “forms” then “GKIM department” then search for form. For country/regional offices that don’t have access to CRS Intranet email requests to “HELP DESK”. Include shipping address, account number to be charged, quantity, description of item, and delivery request dates.)
* Postage – This is a direct “pass through” from the supplier. Invoices should be sent directly to the appropriate staff member who will then approve the invoice, generate a “check request” or “wire transfer request” and forward all documents to Finance for payment.
* Utility expenses
* Office space/housing rental fees
* Advertising for employment, or fees incurred in hiring new employees or temporary employment services.
* Consulting contracts – please click on link for [Global HR Consultant Policy](https://global.crs.org/communities/EmployeeServices/Policies/_POL-HRD-EMP-0004.htm)
* Interest expenses on agency loans
* Grants approved by an executive
* Employee benefits programs established by Human Resources
* Invoices – in cases where either goods or services have been delivered or performed and Procurement adds no value to the process. In these cases, and where it may also be a sole source supplier, it’s more efficient to do a simple “check request”.

## Requisitions:

User departments should use the standard agency requisition form that can be found on the home page of the CRS Global Intranet under **“Popular Links”** then **“Purchasing requisition form”.** This document is utilized to communicate to Global Procurement what, when, and how many products or services they need. Procurement relies on this information in its process of soliciting quotes from suppliers.

## Requisition Approvals and Dollar Thresholds:

Any CRS staff member may initiate purchase requests. However, before the request reaches the *Procurement department*, it must be reviewed by the relevant CRS authorizing official(s) for their concurrence and signature. Verification of budgets, valid business unit account numbers, and available resources should be performed, by CRS authorizing officials, prior to authorizing purchase requests. Please note that the “requisitioner” and the “authorizing official” should not be the same person and a CRS employee may not act as a sign off for a purchase that has any direct benefit to her/him, such as training, subscriptions, etc.

**Approvals for Requisition Transactions:**

The definition of a purchase requisition is any single item or the sum of multiple items that make up a single purchase request.

* **When the total estimated value of the purchase requisition is less than $5,000, the request to purchase requires an authorized CRS official, a department/unit manager, of BAND D or above**. (Note: any exceptions need to be authorized in writing from the agency CFO or designated official.)
* **When the total estimated value of the purchase requisition is between $5,000 and $24,999, the request to purchase requires an authorized CRS official, a department/unit head, of BAND E or above.** (Note: any exceptions need to be authorized in writing from agency CFO or designated official.)

## When the total estimated value of the purchase requisition equals or exceeds $25,000, the request to purchase requires an ELT or deputy authorization.

Note: All requisitions estimated to be greater than $10,000 require two signoffs by a CRS authorizing official(s). Departments/units must provide the names of the authorized individuals to Procurement and Accounts Payable and must provide timely notice of any temporary changes as a result of absences and the time period for which this change will be in effect.

Note: Only (1) CRS authorization for a “Household Goods move” regardless if the amount of the move is above the $10K threshold is required.

## Approving and Routing of Requisitions:

When the requisition formis prepared via the CRS Global Intranet method, the requisitioner has the responsibility of following through to make sure that a CRS authorizing official(s) approves the request for purchase and that the document is routed to Procurement department for processing. Requisitioners should retain a copy of the requisition for future reference if needed. The “authorization” process is as follows:

Both requisitioner and CRS authorizing official will receive, via email, the “system-assigned requisition number”, along with a link to the Requisition form with instructions that say:

“This is to confirm your requisition number as **#####** per your requisition submitted below. Please refer to this requisition number regarding all inquiries.

**Instructions:  
Both the Requisitioner and CRS authorizing official are receiving this purchase request, the requisition # notification. The CRS authorizing official should click on link and review and “Forward” this notification to “Procurement” stating their approval, and copy the requisitioner. Procurement cannot move forward with this request until CRS approval is given.**

**Please note: If CP is requesting a “local purchase” the requisitioner, once they receive the CRS authorizing approval, should attach their bids to the email (usually three supplier bids) and “Forward” to HQ “Procurement”. If documentation is included HQ Procurement will issue a “Local Purchase Approval”.**

The CRS “authorizing official” will, by clicking on the attached link, review the purchase request and **forward** the email to CRS Global “Procurement”, copying the originating requisitioner. The authorizing official should have, as part of the email text, a statement indicating approval of the order, i.e., **“I have reviewed and approve requisition number “#####”.**

## Bidding/Quoting Solicitation Procedures:

The first step in the bid process is the preparation of specifications for the product or service requested. The development, selection, and use of a particular type of specification are dependent on the situation, time, information available and needs of the user.

There are several types of specifications:

• Performance specifications communicate what a product is supposed to do, rather than how it is to be built. These would include the operating parameters required to perform a specific function.

• Design specifications employ dimensional and other physical requirements and concentrate how a product is made, rather than what it should do. These would include dimensions, tolerances, drawings, and specific construction processes.

• “Brand name or equal” is used when a specification mentions a manufacturer’s brand name or model number. Brand names may only be used to describe a standard of quality or performance, and may not be used to limit or restrict competition. The term “or equal” must be used when referencing brand names.

• Scope of work for services is used for the procurement of professional or other services. Service related specifications should clearly state the specific tasks to be performed; performance milestones; time limitations; and a definition of the final project deliverables.

The next step is the selection of suppliers based on the type of procurement being conducted. For example if it’s a health procurement prequalified suppliers by organizations like WHO may specify a list of suppliers eligible to receive a RFQ. If donor requirements don’t specify prequalified suppliers then the Procurement Agent’s should select suppliers off the CRS Approved Supplier List that are rated as “consistently meets and/or exceeds quality, delivery, and pricing” requirements. Utilizing the CRS ERP system the Agents will electronically attach suppliers to the RFQ via the ERP address book and send these ‘request for quotes’ with clear concise specifications to each of the approved suppliers via a PDF attachment to email.

**Because accepted standards of conduct establish that Procurement transactions must maximize "open and fair competition”, the CRS procurement communityis required to “attempt” obtain at least three quotes from different suppliers for any procurements expected to exceed $1,000.00 USD (one thousand dollars) or more.** If more quotes can be easily obtained, it is advisable to do so. If three quotes cannot be obtained, the purchaser must document the reasons on the Bid Review form. Then the purchase will be made based on the quotes that are available.

When sending out the requests for quotes to the selected suppliers, be sure to give as much information as possible on the items desired. Potential bidders should have a clear idea of what is being asked of them. Also, specify in your request that the bidders are to quote their prices including the delivery cost to CRS or any other specified location(s).

In accordance with Title 22 CRF 226.43 (USAID) Competition – in order to ensure supplier performance and eliminate unfair competitive advantage, suppliers that develop or draft specifications, requirements, statements of work, and invitations for quotes and/or requests for proposals shall be excluded from competing for such procurements. Awards shall be made to the supplier whose bid or offer is responsive to the CRS solicitation and is most advantageous to the recipient, quality, price, and other factors considered. CRS solicitations shall clearly establish all requirements that the supplier must fulfill in order for the bid or offer to be evaluated by the CRS recipient. Any and all quotes or offers may be rejected when it is in the recipient’s interest to do so.

Ideally, quotes should be submitted in sealed envelopes. However, in this age of electronic e-mails, faxes, and global communication, it is now accepted practice to request and receive quotes by e-mail or fax. In these cases, however, the *Global* *Procurement department* – Baltimore must take great care not to divulge the offers received to competing suppliers or to other CRS staff that might have a preference for a particular supplier. All quotes received should be on official supplier letterhead.

**Repeat/follow on purchases:** Repeat orders, which have previously under gone a bidding process, do not need to go through the bidding process again if the supplier has already agreed to “hold” specifications and pricing for a specified amount of time. Document this fact by making copies of the previous quotes and include as documentation with the new Purchase Order or reference the original PO #. If the ‘repeat order’ is more than (6) six months after original order then re-bid entire purchase request as market prices may have changed.

## Selection of Winning Supplier

Responsibility for actual Procurement should always rest with the Procurement departmentunless otherwise authorized*.* The Procurement department should be copied on any correspondence between a user department and suppliers. However, consultations between suppliers and CRS personnel regarding technical or creative information may take place, preferably with the knowledge of the *Procurement department*. It is normal for extensive discussions to occur between requisitioning departments and suppliers in order to establish and finalize specifications or statement-of-work or to clarify issues and questions arising from RFP responses. This is normally phase one of a two-phase approach in order for potential suppliers to quote on goods or services or to finalize and clarify RFP responses. Once the requisitioning department, not the supplier, has established specifications or statement-of-work then, phase two, Procurement’s request for quote solicitations from suppliers, can begin.

Although the technical or creative evaluation of the requisitioning department will be an important consideration in the selection of a supplier, the final decision regarding the selection of the supplier will rest with the Procurement department.

In order to facilitate and document the selection of the winning bidder, the Procurement department will enter “quote responses” in the Enterprise Resource Planning (ERP) system. Explanation via a “text attachment” should be entered into the ERP system or the “bid review form” whenever the chosen supplier is not the lowest bidder. Via the ERP system the Agents will electronically select the supplier offer that best meets the requestor’s requirements.

Suppliers will be selected based on the following criteria:

* Capacity to supply the item/service when required
* Quality of the item quoted
* Price
* Warranties offered
* Estimated time of delivery/effectiveness
* Past performance (if information is available)

For large dollar and/or complex procurement CRS will utilize a Bid Committee that will consist of cross-functional experts with specific technical or functional knowledge for the type of procurement being conducted.

## Awarding Purchase Orders and Contracts

Once the Global Procurement department– Baltimore has selected a supplier, it will issue a ***Purchase Order***. This document, when signed by the signatory authority, and acknowledged by the supplier, becomes a legal contract between CRS and the supplier, with responsibilities and liabilities stipulated therein. The purchase order will be executed by an authorized CRS Procurement professional and signed by the required CRS Procurement personnel depending on dollar level of purchase order. Financial transactions that require a formal “contract” are typically handled by the CRS Office of Legal Counsel, OLC with Procurement Department involvement. Please reference the Procurement Contracts policy # POL-PUR-POS-001. This policy provides guidance and criteria for determining whether a formal contract rather than a Purchase Order (“PO”) should be the legal instrument to effect the purchase of goods or services.

## Receiving of Goods:

All goods must be received and processed by the “Receiving department”, which is separate and independent of the Procurement and Accounting departments, segregation of duties.

At the time of delivery to the agency, the receiving staff will compare the received goods to the Purchase Order in the Enterprise Resource Planning (ERP) system. Great care must be taken to accurately count the items received, verify labeling and note any damages or shortages.

If there are any discrepancies, the receiving staff will document these by using the “text attachment” feature in the ERP system for the specific Purchase order and detail line items. All discrepancies will be immediately reported to the Procurement professional responsible for that order to determine whether the shipment will be accepted. If the goods are visually damaged then Receiving should note this on the shipping documents or “Bill of Lading” and either refuse shipment or receive, pending inspection. The decision as to whether or not to accept the goods will be made by either “Receiving” or “Procurement” depending on the specific situation.

If the goods received have the right quantity and quality, the receiving staff will accept the goods and enter a receipt in the ERP system.

Click here for Global Procurement Baltimore:[**Returned Goods Policy**](https://global.crs.org/communities/PurchasingAcquisition/Community%20Documents/PRO-PUR-RETURNS%20Policy.doc)

Click here for Global Procurement Baltimore: [**Returned Goods Form**](https://global.crs.org/communities/PurchasingAcquisition/Community%20Documents/Return%20Goods%20Form.xls)

## Payments – Finance:

## Goods:

**Finance Accounts Payable Department – Baltimore** will perform a standard 3-way document match. A 3-way match consists of the Purchase Order, the Receipt, and the supplier Invoice documents, which can be found in the ERP system. Country Programs/Regional Offices need to confirm receipt of materials/goods ordered through Baltimore’s Procurement Department with designated staff in Accounts Payable. Sending a scanned copy of the receiving document via e-mail is acceptable. In case scanning facility is not available, the CP should notify (via email) the designated person in Accounts Payable of the receipt of the goods and follow up by faxing the receiving documents. The PO # should be referenced on all documentation. This will help to minimize any delay of payment to the supplier. A copy of the receiving documents should be kept in Country Programs/Regional Offices. The assigned A/P person should verify that the Purchase Order number is on the supplier’s invoice, that the prices equal the prices per the Purchase Order, and that the quantities invoiced equal both the quantities ordered as well as those received. If the purchase order **price** does not match the supplier invoice, then Accounts Payable will contact the Procurement department for resolution. If the invoiced **quantities** do not match the system receipts, then Accounts Payable will contact the Receiving department.

## Services:

**Finance Accounts Payable Department - Baltimore** will perform a standard 2-way document match. A 2-way match consists of the Purchase Order in the ERP system and the supplier Invoice. The assigned A/P person should have the person(s) who received the services being invoiced approve payment by signing, and dating the original invoice. The approved invoice should then be returned to the A/P department where it will be matched up with the Purchase Order number. Accounts Payable will take any discrepancies between the invoice and the purchase order to the requisitioning department for resolution. An invoice should not be paid until all discrepancies are resolved.

## III. Documentation (Records and Reports):

Personnel turnover and the frailties of the human memory make accurate documentation of the negotiation essential. The documentation must permit a rapid reconstruction of all significant considerations and agreements. It is critical that we, as an Agency, perform due diligence and demonstrate good stewardship over all donor fund sources.

Documentation begins in the Procurement department with the receipt of a purchase requisition and continues with the selection of suppliers and their proposals. Documentation of the actual purchase must be adequate to allow someone other than the buyer to understand each purchase's supplier selection.

In accordance with Title 22 [USAID] CFR 226.46 – Procurement records – Procurement records and files for purchases shall include the following at a minimum:

* Basis for Supplier selection
* Justification for lack of competition when competitive quotes or offers are not obtained, and
* Basis for award cost or price

Procurement documentation and records should be maintained either in “electronic” or “paper” format for a period of time dictated by law and Catholic Relief Services’ Standard Operating Procedures (SOP). Regulations calls for maintaining, “Procurement” records for twelve (12) years, three years in the office.

## IV. Favorite links to forms, catalogues, and policies:

**CRS employees can view and access standard CRS procurement business forms and other information by logging on to CRS Global Intranet, then click via front page, clink on “Programs & Communities”, and then click on “Procurement-Global.”**

* [**Global Requisition Form**](https://global.crs.org/Applications%20%20Tools/Purchasing.aspx)
* [**Local Purchase Approval and Bid Review Form**](https://global.crs.org/communities/PurchasingAcquisition/Community%20Documents/Local%20Purchase%20Approval%20and%20Bid%20Review%20Form.doc)
* [**CRS Hardware Specifications**](https://global.crs.org/communities/Global_Information_Technology/MIT%20Documents2/CRS%20HARDWARE%20Specs%20%202013.docx)
* [**CRS ICT4D Equipment Catalog**](https://global.crs.org/communities/KnowledgeAndInnovation/Lists/Suggested%20Technologies/AllItems.aspx)
* [**CRS Brand Item Catalogue**](https://global.crs.org/Applications%20%20Tools/CRS%20Brand%20Item%20Catalogue.aspx)
* [**Global Procurement SharePoint site**](https://global.crs.org/communities/PurchasingAcquisition/)
* [**POL-PUR-SUM-001 - Procurement policy - Executive Summary and Key Highlights**](https://global.crs.org/communities/PurchasingAcquisition/Community%20Documents/Executive%20summary%20-%20POL-PUR-SUM-001.doc)
* [**POL-PUR-SUP-001 - Approved Supplier List Policy**](https://global.crs.org/communities/PurchasingAcquisition/Community%20Documents/POL%20PUR%20SUP%20001%20Approved%20Supplier%20List%20policy.docx)
* [**Format for CP Approved Supplier Lists**](https://global.crs.org/communities/PurchasingAcquisition/Community%20Documents/CP%20Approved%20Supplier%20List%20Format%20%2019%20April%202013.xlsx)
* [**CFR Section 226**](http://www.ecfr.gov/cgi-bin/text-idx?c=ecfr&SID=517436742df602b98bba3c9e2ba71f6b&rgn=div5&view=text&node=22:1.0.2.22.23&idno=22)
* [**CFR Section 228**](http://www.ecfr.gov/cgi-bin/text-idx?c=ecfr&SID=517436742df602b98bba3c9e2ba71f6b&rgn=div5&view=text&node=22:1.0.2.22.25&idno=22)
* [**POL-FIN-DOC-008 - Transaction Documentation**](https://global.crs.org/communities/FinancialManagement/Community%20Documents/POL-FIN-DOC-008,%20Documentation%20Policy.docx)
* [**POL-FIN-ICS-024 - Internal Control**](https://global.crs.org/communities/FinancialManagement/Community%20Documents/POL-FIN-ICS-024%20-%20IC%20Policy%20%2004-03-09%20Final.doc)
* [**Emergency Waiver Request Form**](https://global.crs.org/communities/PurchasingAcquisition/Community%20Documents/CRS%20Emergency%20Local%20Purchase%20Approval%20Waiver%20Request%20Form.docx)
* [**Procurement Contracts POL-PUR-POS-001**](https://global.crs.org/communities/PurchasingAcquisition/Community%20Documents/Procurement%20Contracts%20POL-PUR-POS-001.docx)