

## **Procedure for Purchasing**

The Purchasing procedure at AUA includes the following steps.

1. A department requesting purchase of certain item (after checking on its availability in the storage of AUA supply provider) submits a filled in (date, dep. name, project funds from which the disbursement shall be made, purpose the money will be spent for) Purchasing Request Form to the Purchaser at least three days prior to the effective date, providing information on the type, characteristics, estimated price range, quantity required, and other details concerning the requested item. Requests can be made either by the department head or by an employee upon department head's written authorization.
2. AUA uses a simplified purchasing process for acquisitions of goods and services not exceeding 200,000 AMD for AUAF in Armenia or 1000\$ for AUAC in the U.S. (This threshold may be revised from time to time on the basis of 75% of actual purchases made in the prior fiscal years not exceeding that amount. Thus, the University purchasing unit tracks all acquisitions by fiscal year and when the actual percentage drops below 75% in two (or three) consecutive fiscal years, AUA will revise the threshold upward to reflect the average amount spent on 75% of actual purchases. This simplified purchasing process is established to save both the University and the providers of goods and services bidding and proposal costs and time, as well as other administrative burdens associated with the process required for larger acquisitions.)
3. The purchaser schedules and conducts market research of the requested item(s) and proceeds with filling the request within three days from receipt. Though in all cases the provider is chosen on the basis of best value to the University, a minimum of three quotations are required for acquisitions of goods and services having initial cost estimates within the simplified procurement range (\$1,001-20,000 for AUAC in the U.S. and AMD 200,001-10,000,000 for AUAF in Armenia).
4. For procurements exceeding the thresholds stated above (greater than \$20,000 for AUAC in the U.S. and greater than AMD 10,000,000 for AUAF in Armenia), the Standing Procurement Committee may decide to designate a Project-Specific Procurement Committee (PSPC) comprising the University Purchaser, technical expert(s) corresponding to the specific procurement, project team member(s), and a principal liaison from the SPC.
5. The purchaser adds the recommended price on the Purchasing Request Form and submits to the Head of Department or Research Center head for purchase approval and for authorization. In case the amount of the purchase is more than 200,000 AMD, the request should be approved by one of the executive authorities (President, Provost, COO, and CFO). All on-line purchases to be made with the University Credit Card should be approved by the appropriate executive.
6. The AUA Financial Services department disburses the amount indicated in the approved Purchasing Request Form within one day (for the amounts less than 200,000 AMD) or two days (for the amounts more than 200,000 AMD) of receiving the order. The disbursement of cash more than of 300,000 AMD is not allowed by RA law. The payments mostly should be made by bank transfer.
7. Once a purchase is made, the purchased item is submitted to the storage along with the completed Storage Input Form, signed by the Purchaser. The Warehouse Manager

accepts the purchased item by adding his signature on the form and then carries further responsibility for item storage and control. Copies of the document are kept at the warehouse, in the Financial Services department and in the Purchasing Office. If a particular grant has additional purchasing requirements, then the Purchaser must also adhere to these requirements.

8. The purchaser is the authorized person to receive money and to conduct purchasing. In those cases, when advice for technical specifications is needed, he/she may request for the company of the appropriate specialist in a certain department. Similarly, the department may request that its technical specialist accompany the Purchaser. In complex purchase cases the appropriate departments (Computer Services, Facilities) are expected to conduct professional market research and then recommend the best alternative to the department having made the purchase request.
9. It is the Purchasing Office's duty to use the minimum prices for the best quality products. For this the purchaser does daily market research for the items purchased on regular basis.
10. The department heads are expected to follow the minimum 2-day requirement for making a purchasing request. However, in rare cases, the AUA Purchasing Office and the Financial Services department will make all efforts to meet the unexpected, urgent requests.
11. For receiving supplies, materials, furniture or equipment from the warehouse the Storage Output Form should be filled in and signed by the Head of Department. After receiving the requested items, the form should be signed by the receiver and the Warehouse Manager. The forms will serve as documents for keeping proper accounting records.