



UNIVERSIDADE  
CATÓLICA  
PORTUGUESA

## **Purchasing Policy**



## Index

<b>I.</b>	<b>Introduction and Scope</b>	3
<b>II.</b>	<b>General Principles</b>	4
1)	<i>Purchasing function and Relations with Suppliers</i>	4
2)	<i>Conflict of Interests</i>	5
3)	<i>Ethics Code</i>	6
<b>III.</b>	<b>Organization</b>	7
<b>IV.</b>	<b>Purchasing Method</b>	8
1)	<i>Acquisitions up to €2.000</i>	9
2)	<i>Acquisitions between €2.000 and €10.000</i>	9
3)	<i>Acquisitions between €10.000 and €100.000</i>	10
4)	<i>Acquisitions above €100.000</i>	10
5)	<i>Non-competitive acquisitions</i>	11
6)	<i>Acquisitions for financed projects</i>	11
<b>V.</b>	<b>Sustainability</b>	12



## I. Introduction and Scope

The Purchasing Policy (“Policy” or “Document”) establishes the set of guidelines, procedures, and rules to be observed by any employee of the Universidade Católica Portuguesa’s Headquarters (“University” or “UCP”), teaching staff or not, regardless of the nature and regime of their employment contract, who is in any way involved in the process of purchasing goods or services.

All employees have a responsibility to know and understand the procedures presented in this Document and to act in accordance with them. Additionally, it is expected that good professional judgment will be applied in the different phases of the process.

The elaboration of the Policy is the responsibility of the Rectory, requiring the approval of the Rector.

The Document reflects the way the University works within a given juncture. Thus, any structural changes will necessarily lead to an update of the Policy, with its incorporation.

## II. General Principles

### 1) *Purchasing function and Relations with Suppliers*

Within the scope of the purchasing process, any employee involved must observe the following principles:

- **Competition** –Widespread access, by the suppliers to the purchasing processes must be guaranteed, and throughout the consultation process a wide number of suppliers must be consulted, without prejudice for special situations foreseen in the law or in the University's internal documents.
- **Efficiency** –The sourcing function rests upon a logic of continuous improvement, with the aim of increasing the efficiency and effectiveness of the purchasing processes, contributing to the reduction of wastefulness.
- **Transparency**
  - The essential characteristics of the contract and the technical requirements must be defined prior to the opening of the process and be made known to all suppliers.
  - The procedures must contain clear and precise provisions.
- **Responsibility**
  - During the exercise of the purchasing function, compliance with the law, as well as internal regulations and standards, must be ensured, this being a prerequisite for the establishment of all commercial and contractual relations.
  - The UCP, in the exercise of the purchasing function, must provide the necessary collaboration in the auditing processes, providing all the requested information and ensuring the proper registration of information regarding each purchase's process.
- **Confidentiality** – Information about suppliers' proposals must be treated with confidentiality and must not be shared with anyone outside the UCP.
- **Sustainability** – while managing the entire purchasing process, from assessing needs to choosing a supplier, the sustainability of the actions taken should be prioritized.

Likewise, any employee, representing the University, must comply with the principles presented below in their relations with suppliers:

- **Equality**
  - In the awarding criteria, factors that concern the subjective qualities of competitors may not be included.
  - During the purchasing process, no discrimination of any kind can be made between suppliers.



- Avoid all influence that could compromise the independence and impartiality of judgments and decisions to be taken while in the performance of duties.
- **Information**
  - During the purchasing process, information and clarifications requested about the procedure must be provided and disclosed to all suppliers in a clear, authentic and comprehensive manner.
  - The information to be provided by the UCP to suppliers in the context of a purchasing process must be of equal content, thus ensuring equal participation and information for all suppliers.
  - Suppliers should neither have access to any type of internal information from the UCP, nor to its computer systems or tools, except in cases where this is necessary in the context of the purchasing process.
  - The procedures must contain clear and precise provisions.
- **Responsibility**
  - The University favours working with suppliers that have high standards of environmental sustainability, ethical behaviour and labour practices.

## *2) Conflict of Interests*

All employees must carry out their duties in the purchasing process in a way such as to safeguard the interests and image of the University. Accordingly, they should refrain from participating in, and inform their hierarchical lead, of purchasing processes that directly or indirectly involve, (i) people with whom they share kinship / affinity ties or a professional relationship, or (ii) companies where they hold any type of participation as a partner, shareholder, or member of the respective corporate bodies.

The use of non-professional criteria (eg, ethnicity or sex) to exclude or give preference to certain suppliers in a purchasing process constitutes a conflict of interests and as such must be communicated and avoided.

The existence of a conflict of interests in itself is not a cause for concern. Failure to communicate a conflict of interests and the participation in a transaction in which such a conflict exists are serious acts, which violate this Policy, and should thus result in the establishment of disciplinary proceedings.



### 3) *Ethics Code*

The behaviour of employees within the scope of purchasing processes must comply with the provisions of the Code of Ethics and Conduct of the Universidade Católica Portuguesa (as disclosed in Dispatch R/1419/2015, with the addendum of October 29<sup>th</sup> 2021).

More specifically regarding the purchasing activity, any offer (goods, values, entertainment, recreational activities, etc.) from suppliers that could compromise UCP's relationship with them, and which cannot be of public knowledge, must neither be accepted nor requested. Unsolicited offers of materially irrelevant value (up to €50) can be received as long as they arise after a professional meeting and do not influence any decision of the employee concerning the University's relationship with that supplier. Any attempt to offer money by a commercial partner must be outright rejected and internally reported.

It will also be necessary to keep in mind that any employee involved in purchasing processes will not be able to receive benefits on personal purchases made to UCP suppliers, whether discounts or other advantages, which are not generally applied to all University employees.

### III. Organization

The purchasing process corresponds to the obtaining of goods or services in any form - purchase, contract, rental or lease. It is possible to perform a system breakdown into 8 sub-processes, as follows:

- **Planning** – Phase for identifying the needs and elaborating an annual purchasing plan.
- **General Purchases** – Consists in the request for proposals following the arising of purchasing needs until the contract is formalized.
- **Validation of Suppliers**– Process for validating the supplier's situation, according to what is necessary for the situation.
- **Contract Reception and Management** – Reception and validation of the goods or services acquired by the UCP and validation of the execution of contracts.
- **Conferring of Invoices** – Process that begins with the receipt of invoices and ends with the validation of the purchasing order.
- **Payments** - Payment process to suppliers or advances / refunds to UCP employees.
- **Evaluation of Suppliers** – Monitoring of the service provided by one-off and recurring suppliers.
- **Monitoring** - Process of monitoring the KPIs defined to control purchases.

The ERP Purchasing Module, implemented 100% at the University Headquarters, is the support tool for the various stages of the purchasing process, starting with requisitions, ensuring compliance with the budget and the necessary authorisations, and enabling invoices received to be matched to duly authorised purchase orders.

## IV. Purchasing Method

The process of choosing suppliers for a given good or service will depend on the monetary amount in question. This amount should correspond to the total amount (contractually) expected and should not be subdivided on purpose to follow less rigid internal procedures.

The user or requester of a particular purchase has the responsibility of correctly specifying the characteristics required for the product or service in question. In competitive acquisitions, these specifications must be conveyed in writing to potential suppliers and:

- Be clear and easily understandable, maintaining a level of detail sufficient as to avoid doubts being raised about what is intended.
- Not contain subjective expressions which may result in varied interpretations and evaluations.
- Exclude mentions of brands, models, manufacturers, etc. except if for use in existing equipment or if used only as a reference for exemplifying the desired technical characteristics.

Any employee responsible for a purchase must ensure that the costs that will be incurred comply with the following principles:

- Reasonability - if the nature and value of the cost does not exceed what would be incurred by any prudent person, following usual business practices.
- Allocability - if the cost is allocable to a cost centre in view of the benefit generated by the acquisition.
- Admissibility - if there is no restriction or limit on the occurrence of this type of costs (particularly relevant in projects financed by external entities).

All purchases require prior authorization from the person responsible for the respective Academic Unit or Central Service, who may choose to delegate this responsibility to one or more employees. Likewise, prior confirmation, that the cost of a purchase meets the budgetary slack of the respective cost centre, must occur.

Dispatches from the Rectory that have rules and regulations on the purchasing of goods and services must always be observed and strictly complied with. Orders R/0351/2010 and R/0355/2012 are currently in force and relate to the acquisition of (i) computer equipment and software, (ii) administrative equipment, (iii) books and magazine subscriptions for the Library and (iv) books and technical documentation.





In the ERP Purchasing Module, each product (or service) is associated with a Purchasing Centre (currently DO, IT and Virtual), with responsibility for managing the respective procurement processes. In the Virtual Centre, this function is carried out by the requesting internal areas themselves.

### *1) Acquisitions up to €2.000*

These purchases need not necessarily take place in a competitive process. This being said, the objective of obtaining value for the University given the expenditure to be made, remains valid. In this sense, it is essential to have a sufficient level of knowledge of the market where one is going to acquire.

As far as possible and feasible, purchases up to € 2,000 should be distributed across several suppliers, provided they are sufficiently qualified.

### *2) Acquisitions between €2.000 and €10.000*

As a rule, purchases with a value between €2.000 and €10.000 need to be preceded by a competitive exercise in the selection of suppliers. For this purpose, a request must be addressed to potential suppliers by email, RFQ<sup>1</sup> or RFP<sup>2</sup>.

It is mandatory to obtain as many quotations as is feasible and practical that comply with the minimum requirements established for the acquisition. These responses should be assessed through an evaluation matrix that contains, in addition to the price / cost, a set of criteria adapted to the purchase in question. These criteria may include, for example, the supplier's experience and its past relationship with the University.

The choice should fall on the supplier with the lowest cost, the most sustainable solution (as established in section V) or the proposal that obtains the best score in the evaluation matrix. If this is not the case, a justification document must be prepared which concisely and clearly records the reasons why another supplier was chosen.

In the event of the obtention of only a single valid offer, it will be up to the employee responsible for the purchase to show (for example through the purchase history or information available online) the reasonableness of the price presented.

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<sup>1</sup> Request for Quotation

<sup>2</sup> Request for Proposal



The choice of supplier is implemented in a purchase order that can be formalized in a confirmation document or in an email. For the supply of certain goods or services, a contract will need to be signed which, ideally, should be reviewed by the Legal Department. In no case may the selection be confirmed only by telephone or in person.

### *3) Acquisitions between €10.000 and €100.000*

The process for acquisitions between €10.000 and €100.000 should be identical to that presented in the previous point (Acquisitions between €2.000 and €10.000) with the exception of the minimum number of responses required to meet the requirements established for the acquisition, which is set at three.

### *4) Acquisitions above €100.000*

This type of acquisition requires more formalism, given the relevance of the amounts in question. An RFQ / RFP should be prepared covering, at least, the following points:

- Principles of ethics and conduct followed by the UCP and required from suppliers (in line with the provisions of the - previously mentioned - University's Code of Ethics and Conduct).
- Environmental and social responsibility (as set out in section V).
- Detailed requirements for the desired products and / or services.
- Deadline and format for submitting responses / proposals.
- Clarification of questions and issues.
- Quotation configuration.
- Payment terms and tax incidence.
- Rating criteria.
- Process' terms and conditions.

It is essential to obtain as many quotations as is feasible and practical. Proposals should only be opened and analysed after the deadline allowed for submission. The proposal appraisal process (based on an evaluation matrix with the criteria communicated in the RFQ / RFP) must be carried out in a committee, with a minimum of 3 people, including the person responsible for the acquisition, a member of the Rector's Team and an employee belonging to another Academic Unit or Central Directorate.

### 5) *Non-competitive acquisitions*

In the following situations, it may not be necessary, possible, or advisable to resort to a competitive process:

- **Acquisitions up to €2.000** – as referred in section IV.2.
- **Single Supplier** – if a single entity is able to meet the requirements, namely (i) due to the specific or technical nature of the goods or services, (ii) to ensure a continuity line or compatibility with certain equipment or materials or (iii) in the case of books and publications.
- **Acquisitions following disasters or atypical situations** - in one of the following scenarios: (i) pressing urgency for a certain good or service, which precludes waiting for the competitive process, (ii) a donor's requirement or (iii) inadequate competition, despite requests made to various entities.

For the last two situations, the occurrence of an acquisition in a non-competitive process and the reasons that justify it must be documented and submitted to a superior level.

### 6) *Acquisitions for financed projects*

In projects financed by external entities, there may be restrictions on the type of products and services that can be purchased, as well as requirements for validating suppliers or specific procurement processes.

In purchases made within projects that are financed by the United States government, or other similar federal funds, it must be ensured that any employee, consultant or supplier associated or with expenses allocated to the project is not included in any of the following listings:

- US SAM ([www.sam.gov](http://www.sam.gov));
- Specially Designated Nationals And Blocked Persons List (<https://home.treasury.gov/policy-issues/financial-sanctions/specially-designated-nationals-and-blocked-persons-list-sdn-human-readable-lists>);
- United Nations Security Council Consolidated List (<https://www.un.org/securitycouncil/content/un-sc-consolidated-list>).



## V. Sustainability

This Document constitutes a Sustainable Purchasing Policy, in that it reflects the University's concern with adopting processes that contribute to environmental sustainability, promoting social responsibility and compliance with ethical behaviour.

To this end, preferred products are:

- Of local origin (produced in Europe).
- Without excessive packaging.
- Produced with a minimum consumption of materials.
- Made from safe materials, preferably natural and environmentally friendly.
- High quality, durable and long lasting.
- Reusable and recyclable.
- Energy efficient, both in production and during use.
- Functional and easy to dismantle.
- Certified with an eco-label or fair-trade certification.

Similarly, chosen services should utilise:

- Environmentally friendly products and materials.
- Products with eco-labelling and/or fair-trade certification.
- Resource efficiency.
- Energy-saving solutions.
- Environmentally friendly means of transport.
- A system that generates less waste (correctly separated and collected).
- A certified environmental management system (at the service provider).

In the process of choosing a supplier for a given purchase, as well as in the supplier evaluation/validation system, it will be critical to include the existence of certifications as a criterion (mandatory or preferential), namely:

- Environmental
  - ISO 14001 (Environmental Management System) or EMAS (EU Eco-Management and Audit Scheme) - General.
  - FSC (Forest Stewardship Council) or PEFC (Programme for the Endorsement of Forest Certification) - Paper, wood and furniture.
  - EU Ecolabel - Compliance with strict environmental standards throughout the life of the products.
  - Energy Star / EU Energy Label (A+, A++) - Energy efficiency.



- Social and Ethical
  - SA8000 (Social Responsibility Standard) - Ethical labour practices.
  - Fairtrade - Fair trade, mainly in food and drink.
  - BCorp - social and environmental responsibility.
  - ISO 45001 (Occupational Health and Safety Management System).
- Governance and ethical procurement
  - ISO 37001 (Anti-bribery management system) - Transparent and ethical business practices.
  - ISO 20400 (Sustainable purchasing).
  - GRI (Global Reporting Initiative) - Corporate sustainability reports.
- Construction and infrastructure
  - LEED (Leadership in Energy and Environmental Design) or BREEAM (Building Research Establishment Environmental Assessment Method) - Sustainable and energy-efficient construction.