



PROCUREMENT POLICY

Note: This document is an extract from the official internal documents of SmartUp – Social Innovation Lab, as approved by the Executive Board. It reproduces selected provisions verbatim and does not constitute the complete document. Provisions relating solely to internal procedures have been omitted. Where provisions from more than one source document are combined, each part is identified by its source.

Source documents: SmartUp Personnel and Operations Manual (2026).

From: SmartUp Personnel and Operations Manual (2026) – Section 8: Procurement and Contracting Procedures (8.1 to 8.3)

Procurement and Contracting Procedures

Procurement Principles

SmartUp ensures that all procurement activities are conducted in a fair, transparent, and cost-effective manner.

- **Competition:** Procurement is conducted to ensure open and fair competition. No individual involved in defining the requirements may participate as a bidder.
- **Best Value:** Contracts are awarded to the bidder offering the best value for money (balance of price and quality).
- **Conflict of Interest:** All staff involved in evaluation must declare any potential conflict of interest in accordance with the **Employee Handbook (Code of Ethics)**. If a conflict exists, the individual must recuse themselves from the process.
- **Donor Compliance:** Where donor rules differ from internal procedures (e.g., specific EU or USAID rules), the donor rules take precedence.

Conflict of Interest and Zero Gift Policy

- **Conflict of Interest:** All staff involved in procurement must sign a **Declaration of Impartiality**. If a conflict exists (e.g., a family member or close associate is bidding), the staff member must recuse themselves immediately. (Refer to the **Employee Handbook – Code of Ethics** for full definitions).
- **Zero Gift Policy:** SmartUp maintains a strict **Zero Gift Policy**. Staff involved in procurement must not accept any money, gifts, favors, or hospitality from current or potential suppliers.
 - *Exception:* Small tokens of nominal value (e.g., a pen or calendar worth less than EUR 20) may be accepted only on behalf of the organization, not the individual.
 - All such items must be registered in the **Gift Registry** maintained by the Administration Team. Refusal of gifts should be done politely by citing this internal policy.

Where organizational size requires role overlap, compensating controls (secondary review, ex-post verification, or Executive Board oversight) are applied and documented.

Procurement Thresholds

SmartUp applies the following thresholds to determine the required selection method.

- **Level 1: Direct Procurement (Under EUR 2,500 / approx. MKD 150,000)**
 - **Requirement:** No formal written competition is required.
 - **Process:** Direct purchase from a reliable supplier.
 - **Best Practice:** Price comparison between at least two suppliers is recommended but not mandatory. Market price checks for routine items (e.g., office supplies) are conducted annually.
- **Level 2: Simplified Competitive Procedure (EUR 2,500 – EUR 10,000 / approx. MKD 150,000 – MKD 600,000)**
 - **Requirement:** Minimum **three (3)** written offers (can be requested via email).
 - **Documentation:** A written **Memorandum of Selection** comparing the offers and justifying the selection.
 - **Publication:** Public advertisement is not mandatory; direct solicitation is permitted .
- **Level 3: Full Competitive Procedure (Over EUR 10,000 / approx. MKD 600,000)**
 - **Requirement:** Formal **Call for Proposals** / Tender.
 - **Publication:** The call must be published on the SmartUp website or relevant platforms.
 - **Evaluation:** An **Evaluation Commission** (min. 3 members) must score bids against pre-defined criteria.
 - **Documentation:** Full tender dossier including ToR, Evaluation Report, and Award Decision signed by the President.

Supplier Due Diligence (Background Checks)

- **Requirement:** Before entering into any contract exceeding **EUR 2,500**, SmartUp performs a mandatory **Background Check** on the selected supplier.
- **Scope:** The check verifies that the supplier is not involved in fraud, corruption, or listed on donor sanctions lists (e.g., UN Sanctions, EU Consolidated List).
- **Procedure:** The **Administration and Finance Officer** conducts the screening, saves the evidence, and attaches it to the procurement file in the SmartUp Finance System *before* the contract is signed.

From: SmartUp Personnel and Operations Manual (2026) – Section 8: Contract Management and Monitoring; Supplier Code of Conduct

Contract Management and Monitoring

- **Written Contracts:** All engagements with consultants or vendors must be governed by a written contract specifying deliverables, timelines, and payment terms.
- **Monitoring:** The **Project Manager** is responsible for monitoring contract performance.

- *Verification:* Before authorizing any payment in the system, the Project Manager must verify that the goods/services have been delivered according to the technical specifications (Three-Way Match in accordance with Financial Management Manual – Section 5.4)
- *Discrepancies:* Any performance issues must be documented immediately and reported to the Administration and Finance Officer.

Supplier Code of Conduct:

All vendors and consultants engaging with SmartUp must sign the **Supplier Code of Conduct** as a mandatory annex to their contract. This document binds the supplier to SmartUp's ethical standards, including PSEA (Prevention of Sexual Exploitation and Abuse), anti-fraud, and labor rights.