



Policy Name	
<b>Purchasing Policy at Al-Mamoun University</b>	
Policy Information	
Issue Date	2023
Revision Date	July, 2024
Evaluation Frequency	Yearly
Level of Confidentiality	Public
Policy Approval Date	December 30, 2024
Policy Statement	
<h3>1. Introduction</h3> <p>The purchasing policy is one of the fundamental pillars of supply chain management in any organization. It outlines the principles and procedures to be followed when acquiring materials, equipment, or services to ensure that operations continue efficiently and cost-effectively while maintaining quality standards.</p>	
<h3>2. Objectives of the Purchasing Policy</h3> <ol style="list-style-type: none"><li>1. To provide the organization's needs for materials and services on time.</li><li>2. To obtain the best quality at the most reasonable cost.</li><li>3. To control costs and minimize waste.</li><li>4. To select the most competent suppliers and build strategic partnerships.</li><li>5. To ensure transparency and fairness in the purchasing process.</li><li>6. To comply with local and international laws and regulations.</li></ol>	
<h3>3. Scope of the Policy</h3> <p>This policy applies to all types of procurement, including:</p> <ul style="list-style-type: none"><li>• Raw materials</li><li>• Machinery and equipment</li><li>• Office supplies</li><li>• Contractor and vendor services</li><li>• Technical products and services</li><li>• Logistics and transportation</li></ul>	

#### 4. Types of Purchasing

1. **Direct Purchasing:** For urgent or low-value needs.
2. **Scheduled/Planned Purchasing:** Based on annual needs forecasting.
3. **Emergency Purchasing:** For breakdowns or unexpected issues.
4. **Contractual or Tender-Based Purchasing:** Large-scale purchases through bids or tenders.

#### 5. Purchasing Process Steps

1. **Needs Identification:** Initiated by departments.
2. **Purchase Requisition:** Sent to the procurement department.
3. **Supplier Search:** Based on a vendor database or quotations.
4. **Comparison & Selection:** Based on price, quality, and lead time.
5. **Purchase Order Issuance:** Formal and documented order.
6. **Receiving & Inspection:** Ensuring compliance with specifications.
7. **Data Entry into Accounting System.**
8. **Payment Processing:** According to agreed terms.

#### 6. Supplier Selection Criteria

- Reputation and reliability
- Product/service quality
- On-time delivery capability
- Competitive pricing
- After-sales support
- Legal and regulatory compliance

#### 7. Monitoring and Control Tools

- ERP systems for tracking orders
- Periodic reports on procurement and inventory
- Regular review of supplier contracts
- Internal audits of purchasing and inventory processes

#### 8. Financial Policies Related to Purchasing

- Defined financial authorities for purchase approvals
- Use of advance or deferred payment methods

- Continuous review of the purchasing budget

## 9. Challenges and Risks

- Supplier delays
- Price fluctuations
- Poor product quality
- Overstocking or understocking
- Non-compliance with contracts

## 10. Recommendations

- Periodic updates to the purchasing policy
- Staff training on modern procurement procedures
- Building long-term strategic relationships with reliable suppliers
- Utilizing digital tools like AI for demand forecasting and process optimization

## Conclusion

An effective purchasing policy is a vital tool to ensure operational continuity, financial stability, and reduced risks. It must remain flexible and be continuously improved to adapt to market changes and organizational needs.