Purchasing Policy at the GUS Germany GmbH

Approval:

Name	Title	Date
Tomer Keren Zvi	Director of facilities and planning	24.06.2024

Auditor:

Name	Title	Date
Noemi Vittori	Procurement Manager GUS Germany GmbH	20.06.2024

General:

Basic provision

This guideline applies to all purchases made for all the locations in the group across Germany and abroad, including the following companies related to or part of GUS Germany GmbH:

- University of Europe for Applied Sciences GmbH
- HTK GmbH
- GUS Germany GmbH
- BSBI GmbH
- Gisma University of Applied Sciences GmbH

Purpose of this Policy

This policy was created for the following purposes:

1. **To centralize and standardize purchasing activities across all locations in the group the following measures are implemented:**

Unified Procurement Portal:

- Use of a centralized digital procurement system, such as **UNIT4**, to manage all purchasing requests, approvals, and vendor registrations.
- Ensure that all locations within the group have access to this portal for seamless collaboration.

Framework Agreements:

Establish group-wide contracts with key suppliers to standardize product and service offerings.

Negotiate discounts or benefits for bulk purchasing across all locations.

Regular Reviews:

- Monitor purchasing data across locations to identify redundancies and inefficiencies.
- Consolidate orders for similar products to minimize costs and avoid duplication.

2. **To establish clear roles and responsibilities within the purchasing process the following structures are defined:**

Role Assignments:

Clearly define responsibilities for employees involved in procurement. For example:

Requestors prepare and submit purchase requests.

Approvers (managers, department heads) authorize expenditures based on predefined limits.

Purchasing Department executes purchases, negotiates with vendors, and ensures compliance.

Approval Hierarchies:

- Create a multi-level approval structure (e.g., department head → COO/CFO → CEO), based on the value of the purchase.
- Use automated workflows in the procurement portal to streamline approvals and ensure accountability.

Training and Support:

- Provide training sessions for employees on procurement procedures, system usage, and compliance requirements.
- Establish a helpdesk or support team for resolving procurement-related queries.

3. **To ensure procurement, tendering, and contracting activities are transparent, legal, and economically viable the following practices are established:**

Documentation Standards:

- Maintain detailed records of all procurement activities, including purchase requests, vendor quotations, approvals, and contracts.
- Use standardized templates for requests, tender documents, and contracts to ensure consistency.

Transparent Tendering:

- For high-value contracts, require a competitive bidding process with clear evaluation criteria.
- Set thresholds for the number of vendor quotes needed based on the order value (e.g., 1 quote for orders up to €2,500, 2 quotes for €2,501–€20,000, 3 quotes for orders above €20,000).

Compliance Monitoring:

- Regularly review procurement practices to ensure alignment with applicable laws and internal policies.
- Include a clause in all contracts requiring suppliers to comply with legal and ethical standards.

Cost-Effectiveness Measures:

- Evaluate vendors based on pricing, quality, and reliability.
- Regularly assess market conditions to renegotiate contracts or switch to more competitive suppliers when necessary.
- Track spending patterns to identify and address areas of overspending.

4. **To promote environmentally responsible and resource-efficient practices the following measures are prioritized:**

Environmentally Friendly Materials: Preference will be given to materials and supplies that are eco-friendly and non-harmful to the environment.

Reuse of Resources: Existing furniture, equipment, and other resources will be reused whenever feasible to minimize waste and promote sustainability.

Waste Management: Procurement-generated waste or items no longer in use will be responsibly segregated.

Avoiding Overconsumption: Purchases must align with actual needs to prevent over-ordering, stockpiling, and unnecessary resource usage.

Key Initiatives

Streamlining and Standardizing Processes:

- Consolidate similar orders to reduce redundancy and promote the use of standardized products across locations, such as energy-efficient equipment and recycled supplies.
- Conduct regular reviews of purchase histories to identify opportunities for bulk purchasing, thereby reducing packaging and transportation emissions.
- Establish coordinated procurement schedules to minimize shipment frequencies.

Sustainable Procurement Practices:

- Opt for cost-effective alternatives that fulfil requirements without compromising quality.
- Focus on acquiring long-lasting items and appliances with high energy efficiency ratings, whenever possible.

Optimizing Logistics to Reduce Environmental Impact:

- Favor suppliers located nearby to lower transportation distances and associated emissions, wherever feasible.
- Consolidate deliveries from the same supplier into single shipments when possible to reduce trips and emissions.

Encouraging Circular Economy Practices

- Prioritize repairing broken devices or equipment rather than replacing them.
- Fully utilize warranties and maintenance agreements to extend product lifespans, reducing both costs and waste.

Digital Transformation to Reduce Paper Waste

- Embrace digital solutions over paper-based processes to minimize waste.
- Collaborate with departments to identify areas where digitization can streamline workflows and improve efficiency.

Responsibilities

The Purchasing Department is tasked with ensuring the efficient and timely supply of all necessary goods and services to support business operations.

Key responsibilities include:

- Aggregating similar orders over time to optimize procurement.

- Standardizing product selections for similar needs where possible.

- Prioritizing cost-effective goods and services that fulfil requirements.