

AZERBAIJAN STATE OIL AND
INDUSTTRY UNIVERSITY



PROCUREMENT POLICY





Azerbaijan State Oil and Industry University

Those charged with governance

Procurement Committee

Procurement Policy

October 2025

34 Azadlig dst., Main Campus

Email: suscom@asoiu.edu.az

Download this policy: [click the link](#)

Approved by Rectorate

Issued: February 2022

Revised: October 2025

Effective date: 31 October 2025

CONTENT

1. POLICY STATEMENT AND PURPOSE	4
2. KEY TERMS AND DEFINITIONS	5
3. SCOPE AND APPLICABILITY	6
4. GOVERNANCE AND RESPONSIBILITIES	7
5. PROCUREMENT PRINCIPLES AND PROCEDURES	8
PROCUREMENT PLANNING AND APPROVALS	8
FAIR AND TRANSPARENT PROCESS	9
SUSTAINABLE AND ETHICAL PROCUREMENT CRITERIA	9
SUPPLIER SELECTION AND PERFORMANCE EVALUATION	9
CONFLICT OF INTEREST AND GIFTS HANDLING	10
DOCUMENTATION AND RECORD RETENTION	10
EXEMPTIONS AND EMERGENCY PROCUREMENT	10
6. MONITORING, REPORTING AND KPIS	11
MONITORING RESPONSIBILITIES	11
REPORTING FRAMEWORK	11
KEY PERFORMANCE INDICATORS (KPIs)	12
IMPLEMENTATION REVIEW AND CORRECTIVE ACTION	12
7. REVIEW AND CONTINUOUS IMPROVEMENT	12
APPENDIX A – THRESHOLDS AND METHODS	14
APPENDIX B – CORE CONTROL FORMS (INFORMATIONAL ANNEX)	15

1. POLICY STATEMENT AND PURPOSE

Azerbaijan State Oil and Industry University (hereinafter “ASOIU”) is committed to conducting all procurement activities in a manner that is transparent, ethical, accountable, and consistent with the principles of sustainability and value for money. This Procurement Policy (hereinafter the “Policy”) establishes a unified governance framework for acquiring goods, works, and services that support ASOIU’s academic, research, administrative, and operational functions.

ASOIU recognises that responsible procurement is not limited to obtaining the lowest price but involves making informed decisions that consider economic efficiency, social responsibility, and environmental impact. Procurement decisions must demonstrate integrity, fairness, and respect for competition while upholding the highest standards of professional conduct.

The purpose of this Policy is to ensure that all procurement undertaken by ASOIU:

- complies with the legislation of the Republic of Azerbaijan, including the Law on Public Procurement¹ and other applicable regulations²;
- aligns with international good practice, including ISO 20400 Sustainable Procurement Guidance, the United Nations Convention Against Corruption (UNCAC), and the Sustainable Development Goals (particularly SDG 12: Responsible Consumption and Production);
- integrates ethical, social, and environmental considerations into purchasing decisions in line with ASOIU’s Climate Action Plan and Holistic Ethical Policy;
- guarantees transparency, equal opportunity, and accountability in all stages of the procurement lifecycle;
- establishes clear roles, responsibilities, and reporting lines for staff, committees, and offices engaged in procurement activities; and
- ensures that procurement outcomes deliver value for money, safeguard institutional integrity, and contribute to ASOIU’s long-term sustainable development goals.

This Policy applies to all individuals and entities involved in or affected by ASOIU’s procurement activities and serves as a foundational reference for the accompanying Procurement Standard Operating Procedures (SOP) and related guidance documents.

¹ Public Procurement Law (<https://e-qanun.az/framework/54966>)

² The Anti-Monopoly Law (<https://competition.gov.az/en>, <https://e-qanun.az/framework/8249>); Trade Secret Law (<https://e-qanun.az/framework/2861>); Competition Law (<https://e-qanun.az/framework/56187>)

2. KEY TERMS AND DEFINITIONS

Defining key terminology ensures clarity, consistency, and shared understanding across all ASOIU units, committees, and partners engaged in procurement activities. Clear definitions support effective communication, governance, and reporting under this Policy:

- **Procurement:** The process of acquiring goods, works, or services from external suppliers through purchase, lease, or other contractual means, covering the entire lifecycle from planning to contract closure;
- **Value for Money (VfM):** The optimum combination of whole-life cost, quality, and sustainability that meets ASOIU's needs. VfM is achieved when goods, works, or services deliver the desired outcomes efficiently, ethically, and sustainably;
- **Supplier / Contractor / Vendor:** Any external individual or organisation that provides goods, works, or services to ASOIU under a contractual or purchase arrangement;
- **Sustainable Procurement:** A process whereby ASOIU meets its needs for goods, works, and services in a way that achieves value for money on a whole-life basis while generating benefits to the organisation, society, and the environment;
- **Conflict of Interest (COI):** Any situation in which an individual's private interests or relationships could improperly influence, or appear to influence, decisions made on behalf of ASOIU;
- **Gift and Hospitality:** Any item of value, favour, or benefit offered or received in connection with ASOIU business. Gifts or hospitality above the threshold defined in the Anti-Corruption and Anti-Bribery Policy (currently 55 AZN) are prohibited;
- **Procurement Committee:** A body designated by the Rectorate to oversee major procurement activities, evaluate tenders, approve awards, and validate exemptions or single-source procurements;
- **Procurement and Supply Office (PSO):** The central administrative office responsible for implementing procurement processes, maintaining documentation, managing supplier records, and coordinating reporting in line with this Policy;
- **Associated Persons:** Individuals or entities performing services for or on behalf of ASOIU, including contractors, consultants, agents, or representatives;
- **Threshold:** The financial limit that determines which procurement method applies and what level of approval is required, as detailed in Appendix A of this Policy;
- **Emergency Procurement:** A procurement conducted in response to an urgent and unforeseen need where delay would pose a serious risk to life, property, or the continuity of ASOIU's essential operations;

- **Reasonable Person Standard:** The principle that decisions under this Policy should reflect what a reasonable person would consider appropriate, fair, and responsible under similar circumstances.

3. SCOPE AND APPLICABILITY

This Policy applies to all ASOIU faculties, departments, administrative divisions, research centres, and affiliated entities that plan, request, approve, or execute the purchase of goods, works, or services, regardless of the source of funding. It extends to activities financed through state budgets, tuition fees, grants, donations, or third-party contributions.

The Policy governs the full procurement lifecycle, including:

- planning and budgeting for procurement needs;
- preparation of specifications, tender documentation, and evaluation criteria;
- sourcing, tendering, and selection of suppliers;
- contracting, delivery, and performance monitoring; and
- contract closure, reporting, and audit.

All employees, contractors, consultants, and associated persons acting on behalf of ASOIU are required to comply with this Policy and related procedures. Specific obligations include:

- adhering to ethical and transparent procurement practices;
- ensuring fairness and equal opportunity for all suppliers;
- maintaining complete and accurate records of procurement decisions; and
- reporting any suspected conflict of interest or irregularity through approved channels.

Procurement decisions made under external grants or donor-funded projects must follow this Policy unless the terms of the funding agreement expressly require otherwise. In such cases, ASOIU ensures that equivalent ethical, legal, and transparency standards are applied.

This Policy also applies to all procurement activities conducted jointly with other institutions or under international collaborations. Where ASOIU acts as the lead partner, this Policy shall prevail. Where ASOIU is a participating institution, the external framework shall be followed provided it meets or exceeds ASOIU's standards for integrity and accountability.

4. GOVERNANCE AND RESPONSIBILITIES

Effective governance ensures that procurement at ASOIU is transparent, accountable, and aligned with institutional integrity. Clear allocation of roles supports consistency, oversight, and separation of duties across all procurement stages:

RECTOR

Provides overall strategic leadership and institutional accountability for procurement governance. Approves this Policy, the annual procurement plan, and major contract awards above the established threshold. Ensures adequate resources for effective policy implementation.

PROCUREMENT COMMITTEE

Oversees competitive processes above specified thresholds, validates exemption requests, reviews supplier appeals, and ensures compliance with ASOIU's ethical, financial, and sustainability standards. The Committee reports quarterly to the Rectorate on procurement performance and integrity matters.

SUSTAINABILITY COMMITTEE

Oversees integration of sustainability principles into all procurement activities. The Committee ensures that procurement plans and major tenders reflect ASOIU's environmental, social, and ethical commitments and align with the Climate Action Plan and Sustainable Investment Policy. It works with the Procurement Committee and PSO to promote transparent reporting and continuous improvement in sustainable procurement.

PROCUREMENT AND SUPPLY OFFICE (PSO)

Acts as the central coordinating body responsible for implementing procurement procedures. The PSO:

- prepares and updates the annual procurement plan;
- manages tendering and contract documentation;
- maintains the supplier register and contract database;
- ensures compliance with financial and ethical requirements; and
- consolidates reports and performance data for submission to the Procurement Committee and Rectorate.

ANTI-BRIBERY OFFICER

Monitors integrity compliance within procurement, maintains the Gift and Hospitality Register and Conflict of Interest declarations, and coordinates investigations of potential breaches in collaboration with the PSO and Rectorate.

HEADS OF INSTITUTIONS (DEANS, DIRECTORS, AND DEPARTMENT HEADS)

Integrate procurement planning into annual budgets, ensure staff awareness of this Policy, verify that purchase requests meet operational needs, and confirm that adequate funds and approvals are secured before initiating procurement.

FINANCE DEPARTMENT

Verifies budget availability, ensures timely payments to suppliers, and collaborates with the PSO to maintain financial compliance and audit readiness.

STAFF, STUDENTS, AND ASSOCIATED PERSONS

All individuals participating in procurement activities must comply with this Policy, declare conflicts of interest, maintain confidentiality, and uphold ethical standards. They must report any irregularities, suspected fraud, or unethical behaviour to the PSO or Anti-Bribery Officer.

EXTERNAL SERVICE PROVIDERS AND SUPPLIERS

All external entities engaged in business with ASOIU are expected to comply with the ethical and sustainability requirements set out in this Policy and related documents. Non-compliance may result in disqualification, contract termination, or legal action.

5. PROCUREMENT PRINCIPLES AND PROCEDURES

This section outlines the fundamental principles and procedures that guide ASOIU's procurement activities. It ensures that all purchasing decisions are carried out with fairness, accountability, sustainability, and value for money at their core:

PROCUREMENT PLANNING AND APPROVALS

Procurement begins with sound planning and needs identification. Each unit is responsible for aligning its procurement requirements with institutional objectives, available budgets, and sustainability commitments. All planned purchases must be incorporated into the approved annual procurement plan managed by the Procurement and Supply Office (PSO).

Key requirements include:

- early identification of goods, works, and services required for the academic or operational year;
- submission of procurement needs with technical specifications and budget verification; and
- approval of planned procurements and funding by the relevant Head of Institution before initiation.

FAIR AND TRANSPARENT PROCESS

ASOIU conducts all procurement through fair, open, and transparent processes that promote competition and equal opportunity. Each procurement action must be traceable and capable of withstanding external scrutiny.

The following principles apply:

- tender opportunities and evaluation criteria must be published in advance;
- supplier selection must follow consistent and pre-approved procedures;
- segregation of duties must be maintained between initiators, evaluators, and approvers;
- supplier and bid information must remain confidential; and
- all procurement decisions must be documented and filed for audit and review.

SUSTAINABLE AND ETHICAL PROCUREMENT CRITERIA

ASOIU integrates sustainability and ethics into every stage of procurement. Decisions must balance economic efficiency with social responsibility and environmental stewardship. ASOIU favours goods, works, and services that minimise environmental impact, uphold fair labour conditions, and contribute to local economic development.

Procurement activities shall demonstrate alignment with ASOIU's Climate Action Plan, Sustainable Investment Policy, and Holistic Ethical Policy. Where practicable, sustainability requirements such as reduced energy use, recyclable materials, or verified ethical sourcing shall be embedded in tender specifications and supplier evaluations.

SUPPLIER SELECTION AND PERFORMANCE EVALUATION

Suppliers are selected on the basis of objective, measurable criteria to ensure quality, reliability, and compliance with ASOIU's ethical and sustainability standards.

Supplier management standards include:

- eligibility checks confirming financial, technical, and ethical capability;
- assessment of prior performance and references for major contracts;
- inclusion of measurable performance indicators and reporting obligations in contracts; and
- review of supplier performance with corrective actions applied when necessary.

CONFLICT OF INTEREST AND GIFTS HANDLING

Individuals engaged in procurement must act solely in ASOIU's best interests and disclose any potential or actual conflict of interest before participating in a procurement process. Gifts, hospitality, or benefits that could influence, or appear to influence, procurement decisions are strictly prohibited.

Key controls include:

- completion of Conflict of Interest Declarations by evaluators and decision-makers;
- prohibition of accepting or offering gifts or hospitality exceeding 55 AZN, as stipulated in the Anti-Corruption and Anti-Bribery Policy; and
- immediate reporting of any potential conflict or integrity concern to the Anti-Bribery Officer.

DOCUMENTATION AND RECORD RETENTION

Procurement must be fully documented to ensure transparency, accountability, and compliance with audit requirements. The PSO maintains a complete and secure record of all procurement transactions.

Each procurement file must include:

- requisition and approval documentation;
- tender advertisement or request for quotations;
- evaluation reports and signed COI declarations;
- award decision and contract; and
- delivery, acceptance, and payment records.

All documentation shall be retained for at least five years or longer if required by law, donor regulations, or contract terms.

EXEMPTIONS AND EMERGENCY PROCUREMENT

While competitive tendering is the preferred approach, certain exceptional circumstances may justify limited or direct procurement. Exemptions must remain rare, fully justified, and properly approved.

Exemptions may be applied only when:

- delay would pose a risk to health, safety, or continuity of essential operations;
- a single supplier possesses exclusive rights or technical compatibility; or

- products or services are required for immediate response to unforeseen emergencies.

All exemptions must include written justification, price verification, and approval by the Procurement Committee or Rectorate, depending on value. Emergency procurements must be documented retrospectively and reported to the Procurement Committee for review.

These principles apply uniformly across all ASOIU procurement activities and form the operational foundation for the detailed processes described in the Procurement Standard Operating Procedures (SOP).

6. MONITORING, REPORTING AND KPIS

Effective monitoring and reporting ensure that ASOIU's procurement activities remain transparent, efficient, and continuously improved. This section defines how procurement performance is tracked, reviewed, and reported across the ASOIU:

MONITORING RESPONSIBILITIES

The Procurement and Supply Office (PSO) oversees ongoing monitoring of procurement performance and compliance. The Procurement Committee provides independent oversight, while the Sustainability Committee verifies integration of sustainability criteria into procurement decisions.

Monitoring responsibilities include:

- verification of compliance with procurement methods and thresholds;
- review of documentation completeness and audit readiness;
- validation of supplier performance reports and contract management data; and
- consolidation of findings into quarterly and annual reports for the Rectorate.

The Anti-Bribery Officer monitors integrity-related indicators, including conflict of interest declarations and the Gift and Hospitality Register, and coordinates investigations when required.

REPORTING FRAMEWORK

Procurement performance information flows from operational units to the PSO, which consolidates and submits quarterly summaries to the Procurement Committee. The Committee reviews outcomes, identifies risks, and presents its consolidated report to the Rectorate for review and decision-making.

The Sustainability Committee conducts an annual review of sustainability-related procurement indicators and submits its observations to the Rectorate in coordination with the PSO.

KEY PERFORMANCE INDICATORS (KPIs)

The following KPIs are used to measure the effectiveness of procurement and ensure accountability:

- percentage of total procurement spend completed through competitive processes;
- percentage of tenders including sustainability and ethical criteria;
- average procurement cycle time (from requisition to award);
- percentage of procurement files with complete documentation and COI forms;
- percentage of suppliers meeting contractual performance targets;
- percentage of exceptions or exemptions reviewed within required timeframes; and
- number of integrity incidents reported and resolved.

Targets for these indicators are reviewed annually and approved by the Rectorate. Performance against KPIs is analysed quarterly by the PSO and submitted to the Procurement Committee for review.

IMPLEMENTATION REVIEW AND CORRECTIVE ACTION

Where monitoring identifies non-compliance, inefficiency, or performance gaps, the PSO prepares a corrective action plan in consultation with the relevant units. The Procurement Committee monitors progress and reports unresolved issues to the Rectorate. Lessons learned are incorporated into subsequent policy updates and procedural revisions.

7. REVIEW AND CONTINUOUS IMPROVEMENT

This Policy is subject to biennial review, or earlier when significant regulatory, institutional, or market changes occur. The Procurement and Supply Office is responsible for initiating the review process in consultation with the Procurement Committee, Sustainability Committee, and Anti-Bribery Officer.

The review shall include:

- assessment of policy relevance and alignment with legal and institutional changes;
- analysis of procurement performance trends and KPI results;
- evaluation of feedback from internal and external stakeholders; and
- recommendations for improving procurement governance, efficiency, and sustainability.

This Policy shall be reviewed at least once every two years. Revised versions of this Policy are submitted to the Rectorate for approval. Once approved, updates are communicated to all ASOIU units and published on the University's official communication platforms. The Procurement and Supply Office ensures that all related procedures and training materials are updated accordingly.

ASOIU remains committed to continuous learning and improvement in its procurement practices, ensuring that all purchasing decisions contribute to transparency, sustainability, and institutional excellence.

APPENDIX A – THRESHOLDS AND METHODS

This appendix defines the procurement categories, indicative financial thresholds, and corresponding approval levels. It establishes the procedural boundaries that govern which procurement method must be applied and who has the authority to approve transactions.

Thresholds are reviewed periodically and may be updated by the Rectorate upon recommendation of the Procurement Committee.

Procurement Category	Value Range (AZN, indicative)	Method	Approval Authority
Micro-procurement	≤ 10 000	Direct purchase based on at least one quotation; documentation retained for audit.	Head of Institution + PSO verification
Simplified procurement	> 10 000 – 100 000	Request for at least three written quotations; evaluation recorded in standard template.	Procurement Committee endorsement
Open tender / competitive bidding	> 100 000	Public tender with advertisement, evaluation panel, and formal award report.	Rectorate approval
Single-source / proprietary procurement	Any value	Permitted only with full written justification and approval by Procurement Committee and Rectorate.	Rectorate
Emergency procurement	Any value (urgent)	Direct purchase where delay would endanger life, property, or continuity of operations; post-factum reporting required.	Rector or delegated authority

All thresholds are expressed exclusive of VAT and comply with the applicable laws of the Republic of Azerbaijan. Procurement methods and approval levels must follow the principles established in this Policy and may be further detailed in the Procurement Standard Operating Procedures (SOP).

APPENDIX B – CORE CONTROL FORMS (INFORMATIONAL ANNEX)

This appendix lists the mandatory registers and control forms that ensure compliance, traceability, and transparency of procurement activities. The Procurement and Supply Office (PSO) maintains the master versions of these instruments and ensures that only current templates are used across ASOIU.

MANDATORY FORMS AND REGISTERS

- Annual Procurement Plan Template – outlines planned procurements by category and estimated budget.
- Requisition and Approval Form – initiates procurement and confirms financial availability.
- Conflict of Interest Declaration – signed by all evaluators and decision-makers.
- Supplier Evaluation Sheet – records the results and rationale of supplier selection.
- Award Recommendation Report – documents evaluation outcomes and final decision.
- Gift and Hospitality Register – maintained by the Anti-Bribery Officer.
- Contract Performance Review Template – used for supplier monitoring and performance rating.
- Procurement Exception / Exemption Form – captures justification and approvals for non-standard procedures.

All forms are subject to periodic review and update by the PSO in consultation with the Procurement Committee and Anti-Bribery Officer. Updates to templates do not require Rectorate approval but must remain consistent with the principles of this Policy.