




calidad en infraestructura



## Purchasing Policy


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**March 2022**

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|  | <b>PURCHASING POLICY</b> |                 |
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**1 OBJECTIVE**

Publicizing guidelines governing the procurement of goods and services of the organization, so that the process is developed within the framework of the principles, values, and organizational policies and the applicable law.

**2 REACH**


Applies to all purchases of goods and services made by the purchasing department.

**3 REFERENCE DOCUMENTS**

- ISO 9001:2015
- P-C C-01 Purchases and Services
- P-D P-CO-01 Advance Payment Management

|  |  |  |
|--|--|--|
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#### 4 DEFINITIONS

**Occasional purchase:** any purchase that is not frequent and has a purchase difference of more than two months.

**Emergency purchase:** a purchase that is required to be attended to in less than 24 hours because it is indispensable for the continuity of the operation.

**Recurrent purchase:** purchase that is made at least once a month during the whole year.

**Contractor:** a natural or legal person that provides a service for the organization, it may be critical or non-critical.

**Framework contract:** commercial agreements that are carried out to supply products and services according to the needs of the organization.

**Specialist:** a natural or legal person who provides professional services to the organization and because of his/her influence on the quality of the product and/or service is defined as critical.

**Purchase order:** the document sent to the supplier in which the need to acquire a good or service is expressed.


**Supplier:** an organization that provides a product or service.

**Recurring supplier:** organization that provides a product or service at least once a month throughout the year.

**Strategic supplier:** an organization that provides a good or service through which a framework contract is generated.

#### 5 POLICY

At Joyco SAS BIC, the management of our purchasing process is developed

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within the framework of our organizational principles, our Transparency and Business Ethics Policy and our Integrated Management System. We have standardized procedures for the adequate planning, execution, and control of the process, from the identification of the need for resources and services to their satisfactory receipt and payment to our suppliers. We promote the participation of local companies, minorities, and women. We develop selection and proper diligence processes that guarantee suitability, objectivity and impartiality for their linking. Our suppliers are strategic allies for the fulfillment of our purpose: Transformation, progress, and well-being with quality infrastructure.

## **6 GENERAL GUIDELINES**


It is the responsibility of all employees involved in one way or another in the activities of the process, to maintain the good name of the organization by establishing and preserving good relations between Joyco SAS BIC and its suppliers, ensuring good practices and compliance with the present policy.

The following is a list of the guidelines that must be taken into account in all procurement processes for the acquisition of goods and/or services:

- The acquisition of goods and/or services will be based on the organizational values of Integrity, Humanity, Optimism, and Mastery.
- The organization is committed to giving priority to contracting with local suppliers, minorities and women, in accordance with its equity and gender policy and environmental and SOH policy to generate a significant impact on society and the environment.
- The purchase of goods and/or services shall respond to the needs of each of the organization's processes or projects and shall seek the most appropriate conditions to meet the expected quality, price, delivery time, and responses.
- All purchases of goods and/or services must be approved in accordance with the stipulations of the Purchases and Services procedure, P-CC- 01.
- Those responsible for the purchasing process in the organization must comply with the Purchasing and Services procedure, P-CC-01, in order to avoid favoritism towards certain suppliers or contractors.
- Those responsible for purchases in each of the processes and projects may not acquire any goods or services without managing the

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procurement and contracting process, with the exception of purchases made via petty cash.

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- For emergency or petty cash purchases, it is necessary to present an invoice and RUT for the purchase legalization, with a maximum of purchases in cash of COP 200,000.
- If the cashier needs to make a purchase greater than COP 200,000 it must be approved by financial management and its payment must be made via the card that was issued for the management of petty cash; for no reason can the purchase be made in cash.
- The purchase of goods or services in installments with petty cash payments is not allowed.
- The acquisition of goods and/or services must be preceded by the respective quotation, purchase order, or contract, as the case may be, and in accordance with the provisions of the Purchases and Services procedure, P-CC-01.
- Employees who are related up to the fourth degree of consanguinity, second degree of affinity, and first civil relationship with a supplier that will be part of a selection and evaluation process, must abstain from participating in the purchase decision-making process.
- Payment of suppliers and/or contractors shall be timely according to the terms of the contract or purchase order.
- Within the linking process, all suppliers, whether natural or legal persons, shall be consulted in restrictive lists as part of the due diligence process; if there are any positive matches on such lists for Colombia, the relationship shall not be established.
- The Purchase process will request updated information from recurring suppliers every year. For urban transportation services (mission transfers), employees must use the application (APP) established by the organization.
- Foreign suppliers that do not have representation in Colombia will be required to demonstrate their legal incorporation in the country of origin and must attach the equivalent documentation to meet the established requirements.


## **7 POLICY DEVELOPMENT**

### **7.1 Attribution**

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The attributions of each Department shall be in accordance with the current budget approved by the General Management and the Board of Directors.




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Any adjustments or additions to the budget must be approved beforehand by the General Management and the Board of Directors.


## 7.2 Criteria for the preparation of a contract or purchase order

The criteria for the preparation of a contract or purchase order have been identified according to the needs of the organization and its operation, and must be complied with as stipulated in the following chart:

| Criteria  | PO | Contract | Comments                             |
|---|----|----------|--------------------------------------|
| Payment is subject to prior reception of the product or service.  | X  |          | N/A                                  |
| Purchases from 200,000 COP (Minimum Legal Monthly Wage) up to 10 MLMW.  | X  |          | N/A                                  |
| When the purchase exceeds 10 MLMW.  |    | X        | Exception: non-customizable software |
| Advance payment for an amount greater than one (1) (1) MLMW.  |    | X        | N/A                                  |
| The contractor requires personnel for the contract execution and the provision of the service is carried out at the site of the project being executed. |    | X        | N/A                                  |
| Reception of the service is less than eight (8) calendar days.  | X  |          | N/A                                  |
| The service to be acquired may affect the organization by a legal or contractual breach with a term of time.  |    | X        | N/A                                  |

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| Provision of services that may generate delays in the operation in which the terms of compliance of execution must be controlled. |                   | X        | For instance, software implementation                    |
| Framework Contract  |                   | X        | No policy is required if not requested by the applicant. |

*Chart 1 Criteria for the preparation of a contract or purchase order*

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It is important to take into account that the good or service may respond to several criteria, however, if any of them corresponds to the preparation of a contract, this will prevail over the purchase order.


Note: for the acquisition of insurance policies for the submission of commercial offers, the generation of a purchase order or contract is not required.

### 7.3 Warranties


The warranties that the organization has implemented to guarantee compliance by its contractors are:

- a. Insurance policies, which include the following coverages:
  - Compliance Coverage: 30% of the contract value is covered, for a term the same as the contract term plus five (5) months.
  - Quality Coverage: 10% of the contract value is covered if it includes salaries; if it does not include salaries, it is 20% of the contract value, with a term of five (5) months from the termination or liquidation.
  - Wages Coverage: 10% of the contract value is covered, for a term of the same term of the contract plus three (3) years.
  - Advance Payment Coverage: 100% coverage of the value of the advance payment, for a term the same as the contract term plus five (5) months.
  
- b. The guarantee, refers to the confirmation of compliance by the project manager or the person responsible for the contract (as the case may be) and is materialized with the acceptance of the invoice issued to the Financial Management.

The application of these guarantees is described below, and will depend on the following criteria chart:

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|                       |                        |   | Warranties |         |       |         |           |
|-----------------------|------------------------|---|------------|---------|-------|---------|-----------|
|                       |                        |   | Policies   |         |       |         | Guarantee |
|                       |                        |   | Compliance | Quality | Wages | Advance |           |
| <b>Natural Person</b> | <b>Amount</b>          | COP 1 - 3.500.000   |            |         |       |         | X         |
|                       |                        | COP 3.500.001 onward  | X          | X       |       |         |           |
|                       | <b>Term</b>            | 1 day - 6 months  |            |         |       |         | X         |
|                       |                        | 6 months onwards  | X          | X       |       |         |           |
|                       | <b>Form of Payment</b> | Advance   |            |         |       | X       |           |
|                       |                        | For satisfactory delivery   |            |         |       |         | X         |
|                       |                        | Monthly   | X          | X       |       |         |           |
|                       | <b>Reach</b>           | Project   | X          | X       |       |         |           |
| Head Office           |                        |   |            |         |       | X       |           |
| <b>Legal Person</b>   | <b>Amount</b>          | Advance Payment   |            |         |       | X       |           |
|                       |                        | COP 1 - 5.000.000   |            |         |       |         | X         |
|                       |                        | COP 5.000.000 Onwards   | X          | X       |       |         |           |
|                       | <b>Term</b>            | 1 day- 6 months   |            |         |       |         | X         |
|                       |                        | 6 months onwards  | X          | X       |       |         |           |
|                       | <b>Personnel</b>       | Has personnel in charge at the place where the contract is to be executed |            |         |       | X       |           |
|                       | <b>Reach</b>           | Project   | X          | X       |       |         |           |

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|   |  | Head Office       |  |  |          |  | X |


*Chart 2. Warranties*

In case two variables imply the application of different guarantees, the amount criteria shall prevail.

#### 7.4 Quotations

The number of quotations required to initiate the purchase process will depend on the number of MLMW of the value of the purchase and the frequency of the purchase, as follows:



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| Purchase Amount         | Minimum of Quotations | Exceptions                        |
|-------------------------|-----------------------|-----------------------------------|
| ≤ COP 500.000           | 1                     | Purchases made through petty cash |
| > COP5000.000 ≤ 10 MLMW | 2                     | N/A                               |
| >10 MLMW                | 3                     | N/A                               |

*Chart 3 Quotation request*

In addition to the previous criteria, it is allowed to request only one quotation when:

- Acquisitions of goods or services required for emergency situations as natural disasters and that impact the operation of the organization.
- Services that, due to their specific nature, only one supplier can provide them.
- Goods that are only offered in the market by one supplier.
- When several quotations have been requested, but after eight (8) days, only one response has been received and its handling becomes a priority.

Note: For frequent purchases totaling more than \$1,000,000 per month, two quotations must be submitted.

### **7.5 Purchase of Assets**

One of Joyco's accounting policies is the non-acquisition of fixed assets.

### **7.6 Credit Card Purchases**

The acquisition of goods or services via credit card will be managed by the head of purchases and approved by financial management, such acquisitions are limited to a maximum amount of COP 5,000,000 and their use will be for:

- Subscriptions to platforms, apps, software, domains, and hosting.
- Appliances that are not considered assets (ovens, coffee makers, fans, etc.).
- Training (courses, seminars, certifications, etc.).
- Emergency purchases.

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### **7.7 Purchase Payments**

Purchase payments will be subject to commercial conditions established or negotiated with the supplier; however, with recurring suppliers, a 30-day credit must be arranged.

No purchase made may be paid in cash.

### **7.8 Prepayment and/or Advance Payment**

Prepayments and/or advances payment shall be made in accordance with the commercial conditions agreed with the supplier; however, if such prepayments are greater than one (1) MLMW, they must comply as specified in chart 1.

In the event that the advance payment is 100% of the value of the purchase of the good or service, policies are requested according to the amounts established in chart 2.

In the case of an emergency purchase that exceeds COP200,000 it must be treated as a prepayment.


All advance payments must be handled as established in the *Handling of Prepayments procedure, P-CO-01*.

### **7.9 Master Agreements**

Master agreements will only be defined when the organization requires to make a strategic alliance with a supplier in order to fix or negotiate prices for a period, where delivery times, performance, quality of service and exclusivity are guaranteed. The executions of such contracts will depend on the demand and complexity of the good or service to be acquired and will only be executed with suppliers that the organization has defined as strategic.

### **7.10 Supplier Management**

All suppliers must be evaluated and selected in accordance with the organization's *Purchasing and Services procedure, P- CC-01*.

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## 8. CHANGE CONTROL

| <b>Version</b> | <b>Date</b> | <b>Changes made</b> |
|----------------|-------------|---------------------|
| 1              | March 2022  | Initial Version     |