



**Goods Purchase and Control Procedure
(End-User)**

1. Background

The USA and other governments control the exports carried outside their borders and in certain cases they stipulate the granting of an export license by the fulfilment of specific conditions. The control applies to the type of the purchased item, and its designation in the destination country of the finished product. Such control is carried out on the following grounds: atomic, biological, chemical, satellite, national insurance, terror, etc.

Until now such control has been carried out by the U.S. Department of Commerce and the U.S. Department of State.

In order to enforce their policy, these Departments conduct physical inspections in the facilities of the customers to examine whether the way in which these goods are being used in practice complies with the conditions of the exports license.

Consequently, the orderer of the goods which are intended to be used for these purposes, should declare the following upon the ordering of the goods:

That they will not be used contrary to the Declaration and the authorized designation;

That they will remain at his disposal in the site declared by the latter;

That he will not transfer the goods to a third party unless with an advance authorization by the supplier or the manufacturer of the goods.

Failure to comply with the conditions of the license might result in heavy sanctions of the supervisory bodies against both the entity that purchased the goods and the State of Israel.

2. Objectives

The objective of this procedure is to define the process of an order for goods for which the supplier/manufacturer requires an End-User Declaration and to establish the process of marking, control, inventory inspection and use of the goods, in accordance with the End-User Declaration.

3. Definitions

3.1. Goods – equipment, instruments, materials and software programs purchased by either the Technion or the Technion Research & Development Foundation or made available to the latter, including goods purchased either by means of research funds or donated to the greater Technion area, as well as objects purchased by other entities, for which the Technion agreed to provide purchasing and issuance services for the goods.

3.2. End-User Declaration – the Declaration required by the authorities of the



**Goods Purchase and Control Procedure
(End-User)**

origin country, specifying the limitations applicable to the use of the goods which were purchased for specifically defined objectives. The Declaration will be listed on a formal form of the supplier or the unit's printed and signed form and will be sent, when signed, to the supplier of the goods.

- 3.3. End-user – the orderer of the goods, who signed the End-User Declaration and is responsible for the declared use of the goods.
- 3.4. End-user goods – goods for which the manufacturer requires an End-User Declaration.
- 3.5. Undertaking upon the ordering of end-user goods – an undertaking required by the Technion's Safety unit, by means of which the orderer of the end-user goods is informed with respect to the limitations applicable to the use of such type of goods.
- 3.6. Undertaking upon acceptance of end-user goods – an undertaking required by the Technion's Equipment Department and the Safety Unit, on which the information regarding these goods will be supplemented and reauthorized by the orderer of the goods.

4. Authority and Responsibility

The responsibility for conducting this procedure lies with:

- 4.1. Aspects of purchasing- Head of the Purchasing Department Buyers.
- 4.2. Aspects of the goods- Head of the Technion's Equipment Department
- 4.3. Aspects of control- Head of the Unit's administration, Head of the Technion's Equipment Department and The Technion's Security Officer.

5. The Method

5.1. Ordering end-user goods

5.1.1 The Purchasing Department will handle the ordering of end-user goods, in compliance with the Technion's purchasing procedures and with the addition of the following steps:

5.1.1.1. The end-user and the Head of the unit/unit's administration will be required to sign a number of documents:

- An End-User Declaration



**Goods Purchase and Control Procedure
(End-User)**

- An Undertaking Upon the Ordering of End-User Goods Form (Appendix A).

5.1.1.2. The originally signed documents will be sent to the Buyers in the Purchasing Department, and copies will be kept by the ordering department, with the End-User and by the Head of the Administration.

5.1.1.3. The following actions will be carried out in the Purchasing Department:

5.1.1.3.1. The Head of the Purchasing Department will sign the End-User Declaration, which will be sent to the supplier prior to the arrival of the goods. In the latter's absence, the person in charge of administrative services will sign the Declaration.

5.1.1.3.2. The Buyers of the Purchasing Department will keep the signed copies of the purchase order and the documents mentioned heretofore, in the order file, in the Purchasing Department and will send copies to the following entities:

- The Technion's Security Officer
- The Head of the Purchasing Department

5.1.1.3.3. The Buyers of the Purchasing Department will mark the goods as an 'end-user goods' order.

5.2. Acceptance and marking of end-user goods

5.2.1. Upon arrival of end-user goods to the Technion, the Purchasing Department will enter the acceptance information to the computerized systems, in accordance with the acceptance and registry instructions with respect to any goods purchased for the Technion.

5.2.2. Upon the acceptance of goods in the system, the Head of the Purchasing Department will issue the following:

- Undertaking upon Acceptance of End-User Goods Form, including the relevant information (Appendix B)
- A yellow sticker with the number of the goods
- A glowing yellow sticker identifying the end-user goods (Appendix C)

	The Technion – Israel Institute of Technology Procedures	Procedure No. 08-0208 Effective as of :11.5.2009 Edition: 1
Goods Purchase and Control Procedure (End-User)		Page 4 of 9

5.2.3. A representative of the Equipment Department will arrive at the site where the goods are located, verify their presence, complement its information, place the stickers on the goods and obtain the signatures of the goods' end-user and the Heads of the unit/unit administration on the Undertaking upon Acceptance of End-User Goods Form (Appendix B)

In the event where the end-user cannot be located in order to sign the form, it will be forwarded to the Head of the Administration and it is the latter's responsibility to obtain the end-user's signature and to send the signed form to the head of the Purchasing Department. The originally signed document will be sent to the Buyers of the Purchasing Department and a copy will be kept in the Purchasing Department. Additional copies will be sent to the ordering unit (to the end-user and the Head of the Administration) as well as to the Technion's Security Officer.

5.2.4. The Head of the Equipment Department will keep the goods list in the computer up-to-date, in accordance with the signed undertaking.

5.3. Sale/destruction/change of designation of end-user goods

5.3.1. In the event where the goods become obsolete, or the end-user wishes to sell it or to change its designation, he should forward a letter to the Purchasing Department and the Technion's Security Officer and list the reasons for such intention or the need for sale/destruction/change of designation of such goods.

5.3.2. The buyer of the Purchasing Department will contact the supplier/manufacturer of the goods, will obtain the latter's instructions with respect to the required activity and forward written instructions to the Technion's Security Officer.

5.3.3. In the event where the supplier/manufacturer of the goods no longer acts as a supplier, the Buyer of the Purchasing Department should inform the Technion's Security Officer and, together, they will address the relevant government entities of the country where the goods were purchased, in order to obtain additional instructions/ authorization. The Technion's Security Officer will forward a written authorization to the end-user.

	The Technion – Israel Institute of Technology Procedures	Procedure No. 08-0208 Effective as of :11.5.2009 Edition: 1
Goods Purchase and Control Procedure (End-User)		Page 5 of 9

5.3.4. The Technion's Security Officer will forward a written authorization to the end-user to carry out the instructions, in accordance with paragraphs 5.3.2 and 5.3.3. heretofore.

5.4. Control

- 5.4.1. The Head of the unit's administration will conduct an inspection once a year and will verify that the location of the end-user goods and its use comply with the End-User Declaration.
A report of the inspection and its results will be sent to the Head of the Equipment Department and the Technion's Security Officer.
- 5.4.2 The Head of the Unit's administration will verify the performance of the Unit's annual inspection.
- 5.4.3 The Head of the Equipment Department will carry out a bi-annual inspection and will verify that all end-user goods are located in their place, in accordance with the End-User Declaration and that they are marked by an end-user goods' identification sticker, as required. In addition, he will keep the goods' list up-to-date by indicating their most recent inspection date.
- 5.4.4 In addition to these internal control procedures, the authorities in the countries of origin of the goods usually conduct inspections at the Technion, in order to monitor the fulfilment of the undertakings included in the End-User Declaration. During such inspections, the Security Officer will be the competent entity at the Technion, to coordinate and accompany the visit, and the end-user is required to cooperate accordingly.

	The Technion – Israel Institute of Technology Procedures	Procedure No. 08-0208 Effective as of :11.5.2009 Edition: 1
Goods Purchase and Control Procedure (End-User)		Page 6 of 9

6. **Application and Validity**

This procedure applies to all the Technion's employees and academic staff.

7. **Appendices**

- a. Undertaking upon the Ordering of End-User Goods Form.
- b. Undertaking upon the Acceptance of End-User Goods
- c. Identification Sticker of End-User Goods.

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**Goods Purchase and Control Procedure
(End-User)**

Appendix A - Undertaking upon the Ordering of End-User Goods Form

Date: _____

Undertaking upon the Ordering of End-User Goods Form

1- The undertaking of the orderer of the goods

a. – I hereby authorize the ordering of the following goods:

The name of the item: _____

Request No.: _____

* SERIAL NUMBER [Manufacturer] (if any) _____

which will be permanently located at the _____ Unit

the name of the building _____ Room _____

b. I know that the above-mentioned goods will be purchased/ borrowed under as “end-user” stipulation, defined and agreed upon with the supplying entity. I therefore undertake not to move the above-mentioned goods nor to change their designation, unless with the written authorization of the Security Officer. In addition, I undertake not to copy, transfer or allow any use of the software programs, which are installed on the above-used goods.

The name of the end-user
in the unit

Position

The Unit

User's name

Date

Tel. No.:

2– The authorization of the Head of the Unit/Administration:

Head of Unit/Administration

Position

Signature

Original: The Order File in the Purchasing Department

**Copy: The Technion's Security Officer
The Equipment Department**



**Goods Purchase and Control Procedure
(End-User)**

Appendix B - Undertaking upon the Acceptance of End-User Goods Form

Date: _____

Undertaking upon the Acceptance of End-User Goods Form

1- The undertaking of the recipient of the goods

a. – I hereby authorize acceptance of the following goods:

The name of the item: _____

Request No.: _____

* SERIAL NUMBER [Manufacturer] (if any) _____

which will be permanently located at the _____ Unit

the name of the building _____ Room _____

b. I know that the above-mentioned goods will be purchased/ borrowed under as “end-user” stipulation, defined and agreed upon with the supplying entity. I therefore undertake not to move the above-mentioned goods nor to change its designation, unless with the written authorization of the Security Officer. In addition, I undertake not to copy, transfer or allow any use of the software programs, which are installed on the above-used goods.

The name of the end-user
in the unit

Position

The Unit

Head of Unit/Administration

Date

Tel. No.:

2– The authorization of the Head of the Unit/Administration:

User's name

Position

The Unit

Original: The order file in the Purchasing Department

Copy: The Equipment Department

The Unit – the end-user and the Head of the Administration

The Technion's Security Officer

	The Technion – Israel Institute of Technology Procedures	Procedure No. 08-0208 Effective as of :11.5.2009 Edition: 1 Page 9 of 9
Goods Purchase and Control Procedure (End-User)		

Appendix C – End-User Identification Sticker

End-User Identification Sticker

The Technion – Israel
Institute of Technology

These goods were purchased
subject to the end-user
stipulation, which restricts
usage to designations defined
in the Declaration only.

It has been established and
agreed with the manufacturer
and the country where the
goods were purchased, that
the goods cannot be moved
nor can their designation be
changed, unless upon
authorization of the
competent security entities.

For clarification, please
contact either the Head of the
Equipment Department or
the Security Officer.