

# INTERNATIONAL DEVELOPMENT LAW ORGANIZATION (IDLO)

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## PROCUREMENT POLICIES AND PROCEDURES

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## Table of Contents

1.	Introduction.....	8
1.1	Purpose and Application. ....	8
1.2	Regulatory Framework.....	8
1.3	Deviations.....	8
1.4	Update and Maintenance.....	8
1.5	Procurement Principles. ....	8
1.6	Ethical Standards.....	9
1.6.1	Prohibited Activities .....	9
1.6.2	Maintenance of Transparency, Disclosure and Accountability.....	10
1.6.3	Investigation .....	10
1.6.4	IDLO Supplier Code of Conduct .....	10
2.	Organization of Procurement.....	11
2.1	Overview of the Procurement Process.....	11
2.2	Responsibilities of Organizational Units.....	11
2.2.1	Headquarters Procurement. ....	11
2.2.2	Non-Headquarters Locations .....	12
2.2.3	Headquarters Procurement Review Committee.....	12
2.2.4	Non-Headquarters Locations Procurement Review Committees.....	12
2.3	Scope of Procurement Coverage.....	12
2.4	Procurement Authority. ....	13
2.4.1	Delegation of Authority.....	13
2.4.2	Directly Delegated Authority.....	13
2.4.3	Temporary Delegation of Authority in Field Offices. ....	13
2.4.4	Modification of Individual Procurement Authority.....	14
2.4.5	Delegation of Authority under Framework Agreements. ....	14
3.	Procurement Strategy and Planning .....	14
3.1	Acquisition Planning.....	14
3.2	Requirements Definition. ....	14
3.3	Standardization. ....	14
3.3.1	Basis for Justification of Standardization. ....	15

3.4	Procurement of Used Equipment.....	16
3.5	Funding requirements.....	16
4.	Sourcing.....	16
4.1	Sourcing of Suppliers.....	16
4.2	Advertisement.....	16
4.3	Sources of Information.....	16
4.4	Additional Supplier Qualifications.....	17
4.4.1	Limited Sources.....	18
4.5	Expression of Interest.....	18
5.	Solicitation.....	18
5.1	Overview.....	18
5.1.1	Requests for Procurement of Goods.....	19
5.1.2	Requests for Solicitation of Services.....	20
5.1.3	Framework Agreements.....	20
5.2	Types of Competition.....	20
5.2.1	Request for Quotation.....	21
5.2.2	Invitation to Bid.....	21
5.2.3	Request for Proposal.....	21
5.2.4	Special Situations.....	21
5.2.5	Blended Approach.....	21
5.2.6	Pro-bono and Discounted Rate.....	22
5.2.6	Adjustments to Value Thresholds.....	22
5.3	Solicitation Methods and Documentation.....	22
5.3.1	Solicitation Documents.....	22
5.3.2	Solicitation Documents for RFQs.....	22
5.3.3	Solicitation Documents for ITBs.....	22
5.3.4	Solicitation Documents for RFPs.....	23
5.3.5	Other Requirements.....	23
5.3.6	Samples.....	23
5.4	Invitation of Suppliers.....	24
5.4.1	Number of Suppliers.....	24
5.4.2	Transmission of Solicitations for Quotations, Bids and Proposals.....	24
5.5.	Communication with Suppliers.....	24

5.5.3	Amendment of Solicitation Documents .....	25
5.5.4	Meetings with Invited Suppliers.....	25
5.6.	Exceptions to Competitive Tendering.....	25
5.6.1	Exceptions to Competitive Solicitation.....	26
	Notes on Low Value Procurement: .....	26
5.6.2	Procedures for Direct Procurement (single sourcing).....	27
5.6.3	Review of Direct Procurement. ....	28
5.6.4	Approval of Direct Procurement. ....	28
5.6.5	Special Considerations for Lease or Purchase of Real Estate.....	28
5.6.6	Emergency Situations.....	28
6.	Management of Submissions .....	29
6.1	Receipt and Safeguarding of Submissions.....	29
6.1.1	Requirements for Submissions.....	29
6.1.2	Safeguarding of Submissions.....	29
6.2	Cancellation of Solicitation.....	29
6.3	Late and Unsolicited Submissions.....	30
6.3.1	Revalidation of Late Submissions.....	30
6.3.2	Revalidation of Unsolicited Submissions.....	30
6.3.3	Other. ....	30
6.4	Opening and Recording Submissions. ....	30
6.4.1	Opening and Recording Procedures.....	31
7.	Evaluation of Offers.....	31
7.1	Overview.....	31
7.2	Evaluation Panels. ....	31
7.2.1	Procurement focal point Responsibilities. ....	31
7.2.2	Contact with Suppliers during Evaluation. ....	32
7.2.3	Responsive Offers.....	32
7.2.4	Establishing Evaluation Panels. ....	32
7.3	Evaluation Criteria.....	32
7.3.1	Establishment and Approval of Evaluation Criteria and Methodology.....	32
7.3.2	Evaluation Criteria for Quotations. ....	32
7.3.3	Evaluation Criteria for Bids.....	32
7.3.4	Evaluation Criteria for Proposals.....	33

7.3.5	Evaluations of presentations as part of technical proposals. ....	33
7.4	Evaluation Methodologies. ....	33
7.4.1	Evaluation Methodologies.....	33
7.4.2	Evaluation of Quotations.....	33
7.4.3	Evaluation of Bids (ITBs). ....	33
7.4.4	Evaluation of Proposals. ....	34
7.5	Further Aspects of Evaluation .....	35
7.5.1	Evaluation Options. ....	35
7.5.2	Partial Quantity Offers.....	35
7.5.3	Incomplete Bids and Proposals. ....	36
7.5.4	Request for Additional Information. ....	36
7.5.5	Request for Clarifying Information.....	36
7.5.6	Supplier Request to Provide Additional Information. ....	37
7.5.7	Confidentiality .....	37
7.5.8	Cancellation. ....	37
7.5.9	Mis-tenders. ....	37
7.6	Sanctions check. ....	38
7.7	Discussion with Suppliers/Negotiations.....	38
7.7.1	Negotiation Methods. ....	38
7.7.2	Direct Negotiations.....	38
7.7.3	Application of Direct Negotiations.....	39
7.7.4	Conduct of Direct Negotiations.....	39
7.7.5	Best and Final Offers. ....	39
7.7.6	Application of Best and Final Offers.....	40
7.8	Confidentiality.....	40
7.8.1	Segregation of duties. ....	40
8.	Procurement Review .....	41
8.1	Organization of Procurement Review.....	41
8.2	Membership/Composition.....	41
8.2.1	Headquarters Procurement Review Committee.....	41
8.2.2	Non-Headquarters Procurement Review Committee.....	41
8.2.3	Absences.....	41
8.2.4	Conflict of Interest.....	41

8.3	Organization of Work/Schedule .....	42
8.4	Scope of Review. ....	42
8.4.1	Responsibilities of the HQPRC.....	42
8.4.2	Responsibilities of the Non-Headquarters PRC.....	42
8.5	Submissions to Review. ....	42
8.5.1	General.....	42
8.5.2	Review Thresholds.....	43
8.6	Decisions/Recommendations.....	43
8.7	Minutes and Circulation. ....	43
8.8	Ex post facto. ....	43
9.	Awards.....	43
9.1	Award and Finalization.....	43
9.1.1	Competitive Award.....	43
9.1.2	Exceptional Award.....	44
9.1.3	Direct Procurement.....	44
9.1.4	Cooperative Award.....	44
9.1.5	Multiple Awards. ....	44
9.1.6	Awards based on Partial Quantities. ....	45
9.1.7	Distributed Awards.....	45
9.1.8	Awards based on Reuse of Tender Results. ....	45
9.1.9	Disagreement on Award.....	46
9.1.10	Approval. ....	46
9.1.11	Emergencies. ....	46
9.2	Supplier Notification.....	47
9.2.1	Communication of Award Prior to Signature. ....	47
9.2.2	Notification of Unsuccessful Suppliers.....	47
9.2.3	Publication of Award. ....	47
10.	Framework and Contractual Instruments .....	47
10.1	Overview.....	47
10.2	Standard Contract Elements. ....	47
10.2.1	.....	47
10.2.2	The following elements may also be applicable where required: .....	48
10.2.3	Determination of Contractual Instrument. ....	48

10.2.4	Change of Contractual Instrument.....	48
10.2.5	Modification of Organization’s General Terms and Conditions.....	48
10.3	Framework Agreements.....	48
10.4	Purchase Orders.....	49
10.5	Works and Construction Services.....	49
10.5.1	Construction Contracts.....	49
10.5.2	Work Orders.....	50
11.	Contract Management.....	50
11.1	Overview.....	50
11.2	Supplier Performance Evaluation.....	50
11.3	Disputes.....	50
11.4	Payments.....	50
11.4.1	Documentation for Purchase Orders or Work Orders.....	51
11.4.2	Documentation for Contracts.....	51
11.4.3	Advance Payments.....	51
11.5	Amendments, Extensions and Renewals.....	52
11.5.1	Amendments.....	52
11.5.2	Renewals and Extensions.....	53
11.6	Contract Termination or Closure.....	54
11.6.1	Termination upon Fulfillment or Expiration.....	54
11.6.2	Termination for other Reasons.....	54
11.6.3	Cancellation of a Contractual Instrument.....	55
11.6.4	Responsibility for Determination of Actual or Liquidated Damages.....	55
11.6.5	Documentation.....	55
11.7	Maintenance of Files.....	55
11.7.1	Documentation for Purchase Orders and Contracts.....	56
11.7.2	Memorandum to the file.....	56
11.7.3	Supplier evaluation.....	56
12.	Cooperation.....	57
12.1	Cooperation with Other Entities.....	57
12.1.1	Reuse of Another Entity’s Tender Results.....	57
12.1.2	Another Entity Contract or Agreement.....	57
12.1.3	Outsourcing to another Entity.....	58

12.2	Requirements for Cooperation. ....	58
APPENDIX A – GLOSSARY AND ACRONYMS .....		59
	GLOSSARY .....	59
	ACRONYMS.....	63
APPENDIX B - Procurement Delegation of Authority .....		64
APPENDIX C - Solicitation and Submission Method Selection .....		66
APPENDIX D - Headquarters Procurement Review Committee .....		67
	Terms of Reference .....	67
APPENDIX E – IDLO Supplier Code of Conduct.....		68



## 1. Introduction

**1.1 Purpose and Application.** These Procurement Policies and Procedures apply to procurement of all goods and services on behalf of the International Development Law Organization (IDLO or the Organization), in all offices and locations, with the exception of the procurement actions described in Section 2.3 (“Scope of Procurement Coverage”).

The definitions of terms used in these Procurement Policies and Procedures are set forth in Appendix A.

**1.2 Regulatory Framework.** The Agreement for the Establishment of IDLO and, more specifically, the power allocated therein to the Director-General to administer IDLO (Art. VI (4)) provides the regulatory basis for these Procurement Policies and Procedures.

**1.3 Deviations** from the requirements of these Procurement Policies and Procedures are to be avoided. However, in exceptional cases, deviations which are determined to be in the best interests of IDLO need to be submitted with a full justification for approval by the Global Procurement Lead for transactions up to 20,000 Euros and by the Director, Department of Finance and Support Services (DFSS), for amounts above that limit.

**1.4 Update and Maintenance.** These Procurement Policies and Procedures replace the IDLO Procurement Policies and Procedures dated March 1, 2016.

Any amendment to these Procurement Policies and Procedures must be approved by the Director-General.

**1.5 Procurement Principles.** IDLO procurement activities shall adhere to the principles of fairness, competition and transparency.

**1.5.1 Objective.** The overall objective of procurement in IDLO is the timely acquisition of goods and services in support of IDLO activities in a competitive and transparent manner while ensuring fitness of purpose and the Best Value for Money.

**1.5.2 Additional Objectives.** In implementing this objective, procurement activities should also:

(a) promote standardization and the use of Framework Agreements in order to maximize the use of resources; and

(b) give due consideration to attaining an equitable international distribution of Suppliers while encouraging developing and emerging economies and supporting capacity-building.

**1.6 Ethical Standards.** The funds used by IDLO are entrusted to it by its Member Parties and other donors. Transactions committing IDLO to spend such funds must be conducted according to the highest standards of accountability to ensure the utmost degree of public trust. Personnel associated with the procurement function are responsible for protecting the integrity of the procurement process. This includes, but is not limited to, all personnel with a direct procurement function, as well as personnel involved in the development of specifications and evaluation of offers. The obligation to maintain the confidentiality of the procurement process continues after separation from IDLO.

**1.6.1 Prohibited Activities.** Personnel will not engage in any corrupt, fraudulent, collusive or coercive practices in the carrying out of their functions in the procurement process. IDLO personnel must not engage in any activity or personal business transaction with individuals or entities with which IDLO has a business dialogue which could be perceived as a conflict of interest or prevent the effective operation of fair competition. In accordance with the general prohibition on engaging in any of the above-described practices, personnel involved directly in or associated in any way with a given procurement action may not, *inter alia*:

- (a) allow any potential Supplier access to information with respect to a particular procurement action before such information is available to all invited Suppliers;
- (b) withhold information provided to one or more invited Suppliers from other invited Suppliers;
- (c) use unnecessarily restrictive specifications or statements of work that may discourage competition;
- (d) solicit or accept, directly or indirectly, any gratuity, gift, favor, entertainment, or any promise of future employment from anyone who has supplied or is seeking to supply goods or services to IDLO;
- (e) have any involvement in any procurement action in which such personnel or any immediate family (parent, spouse, domestic partner, child, sibling, grandparent, step- (parent, child, siblings), or in-laws (parent, child, and sibling) or any other person living in the same household) may obtain a personal benefit from the procurement action or has more than a nominal financial interest (including a financial interest in a Supplier);
- (f) disclose, directly or indirectly, confidential or proprietary information or information related to the Supplier selection process to any person other than a person authorized to receive such information; or
- (g) alter or modify an offer, documents or other materials supporting an offer or related to a solicitation process for the purpose of providing an advantage to any Supplier.

1.6.2 Maintenance of Transparency, Disclosure and Accountability. Personnel involved in a procurement action have an obligation to protect the integrity of the procurement activity by maintaining the transparency of the procurement process, including the following:

(a) The confidentiality of information received in the course of duty must be respected and never used for personal gain; information given in the course of duty must be true and fair and never designed to mislead.

(b) Sufficient, relevant and authoritative documentation demonstrating compliance with procurement rules as set forth in these Procurement Policies and Procedures and any other applicable guidelines must be maintained, consistent with any applicable records retention policy.

(c) Personnel involved in a procurement action who have been offered any gratuity, gift, favor or entertainment or any promise of future employment from anyone who has supplied or is seeking to supply goods or services to IDLO shall promptly notify such circumstances in writing to the Procurement Unit at Headquarters (HQPU).

1.6.3 Investigation. Should there be sufficient indication that an IDLO personnel involved in the procurement process may have engaged in any of the activities set forth in Section 1.6.1, this may constitute misconduct for which the imposition of a disciplinary measure may be appropriate and shall be addressed in accordance with relevant provisions of the Employee Regulations and Rules, Chapter 10; the Human Resources (HR) Manual, Chapter 10; or the personnel's terms of employment and relevant IDLO policies.

1.6.4 IDLO Supplier Code of Conduct. In doing business with IDLO, Suppliers and potential Suppliers are advised that they are expected to abide by the IDLO Supplier Code of Conduct (attached herewith as appendix E). This annex may be revised and updated from time to time by IDLO. The Code of Conduct reflects well-established principles aligned with those embraced by the United Nations addressing such areas as human rights, labor, environment and anti-corruption.

## 2. Organization of Procurement

**2.1 Overview of the Procurement Process.** The procurement process consists of seven major functions:

- (a) Needs assessment
- (b) procurement planning;
- (c) write technical specifications;
- (d) choose a procurement method;
- (e) seek, clarify and close offers;
- (f) evaluate offers;
- (g) award and sign Contractual Instruments; and
- (h) review of certain procurement actions.

All personnel are accountable to the Director-General for the regularity of the actions taken by them in the course of their official duties. Personnel who undertake any action, either orally or in writing, contrary to the applicable terms and conditions of employment or to the procedures and processes set forth in these Procurement Policies and Procedures may be held personally responsible and financially liable for the consequences of such action pursuant to the terms of the Employee Regulations and Rules, HR Manual, and/or the personnel's terms of employment and relevant IDLO policies.

### 2.2 Responsibilities of Organizational Units.

**2.2.1 Headquarters Procurement.** Overall responsibility for procurement and for implementation of the provisions of these Procurement Policies and Procedures lies with the Director, DFSS.

The HQPU in DFSS is responsible for: applying procurement policy and establishing procedures; providing advice and guidance to other IDLO departments, units and offices regarding procurement policies and procedures; and interpreting the provisions of these Procurement Policies and Procedures (with input, as appropriate, from the Office of the General Counsel (OGC)).

The HQPU shall also undertake:

- (a) Procurement actions at Headquarters for goods and services and for goods or services for which HQ has been designated as the Procurement focal point. Such procurement actions will be undertaken on the basis of a formal request made in conformance with the requirements set forth in Section 5.1 below.
- (b) Procurement actions expected to result in expenditure in excess of the delegated financial authority of the Authorized Official in Non-Headquarters Locations (as set forth in Appendix B) on the basis of a formal request made in conformance with the requirements set forth in Section 5.1 below.
- (c) Processing requests for goods and services subject to Framework Agreements or other agreements where it is foreseen by the procedures established to implement the agreement.

**2.2.2 Non-Headquarters Locations** are responsible for procurement actions undertaken outside Headquarters which are expected to fall within the delegated financial authority of the relevant Authorized Official as set forth in Appendix B. Non-Headquarters Locations may also directly procure goods and services subject to existing Framework Agreements, where permitted by the procedures established to implement the agreement at issue. Furthermore, Non-Headquarters Location Managers are responsible for responding to internal and external audit requests and observations and reporting on all procurement actions that they have initiated and/or authorized in accordance with their delegation of authority.

For procurement actions exceeding the delegated financial authority of the relevant Authorized Official as set forth in Appendix B, Non-Headquarters Locations are responsible for making a formal request to the HQPU to initiate the procurement action (see Section 5.1 for requirements relating to such requests).

Subject to Headquarters approval, Non-Headquarters Locations may establish Procurement Units. These offices shall be responsible for the procurement activities of their respective locations and operate in accordance with their delegation of authority.

**2.2.3 Headquarters Procurement Review Committee.** The Procurement Review Committee (PRC) at Headquarters undertakes an independent review and makes recommendations to the relevant Authorized Official on the appropriateness of certain proposed procurement actions. Such review will be undertaken on the request of the HQPU or a Requester and will be conducted in accordance with Section 8 and Appendix D of these Procurement Policies and Procedures.

**2.2.4 Non-Headquarters Locations Procurement Review Committees.** Subject to HQ approval, as set forth in Section 8, a Procurement Review Committee (Non-Headquarters PRC) may be established at Non-Headquarters Locations to review certain proposed procurement actions on the request of the Procurement focal point, the Authorized Official or a Requester, and will make a recommendation to the relevant Authorized Official as to the appropriateness of the proposed action. Such review will be conducted in accordance with Section 8 of these Procurement Policies and Procedures and Appendix D, with the review threshold to be determined.

**2.3 Scope of Procurement Coverage.** The procedures contained in these Procurement Policies and Procedures are limited to the procurement of program and non-program goods and services, including construction works and major rehabilitation of infrastructure. The following actions are not governed by these Procurement Policies and Procedures:

- (a) Single engagement contracts with individuals, which are executed in accordance with applicable rules and procedures of the Department of Human Resources and Office Services (HROS)<sup>1</sup>;
- (b) contracts with universities and not-for-profit organizations, except:
  - when the value of the procurement action is in excess of € 50,000; or
  - the purpose of the contract is the delivery of goods/services of a commercial nature;
- (c) individual travel expenses not covered under a Framework Agreement;
- (d) sub-grants issued to partner organizations that are designed to develop their technical capacity;
- (e) contracts where superseding donor rules or requirements may apply.

**2.4 Procurement Authority.** Authority to engage in procurement activities, approve procurement actions and enter into contractual obligations for the procurement of goods and services under these Procurement Policies and Procedures is delegated by the Director-General of IDLO. The Director-General may revoke any delegation of authority granted under these Procurement Policies and Procedures, whether issued directly or as a sub-delegation.

The delegation of authority is per transaction. Splitting Purchase Orders or Contracts that has the effect of circumventing delegated authority is not allowed. IDLO personnel may be held personally responsible and financially liable for the consequences of such action.

**2.4.1 Delegation of Authority.** The authority to engage in procurement activities is delegated to the departments, units and offices of IDLO as set forth in Sections 2.2.1 and 2.2.2 above. Only personnel so designated to undertake procurement actions (such as contacting Suppliers to obtain Quotations, Bids or Proposals) are authorized to do so on behalf of IDLO.

**2.4.2 Directly Delegated Authority.** The authority to enter into contractual obligations on behalf of IDLO is directly delegated under these Procurement Policies and Procedures as set forth in Appendix B.

Except as otherwise provided in these Procurement Policies and Procedures, authorities that have been delegated by the Director-General cannot be sub-delegated unless authorized by the Director-General. Said delegations are to the relevant position and not to the person.

**2.4.3 Temporary Delegation of Authority in Field Offices.** Field Office Managers are authorized to sub-delegate signing authority to a direct report, and as set forth in Appendix B, when absent from the office for more than 5 consecutive days.

<sup>1</sup> **Note:** When an individual consultant is engaged on a repeated or ongoing basis under a Framework Agreement, his/her contract will be managed via the Procurement function and not Human Resources.



2.4.4 **Modification of Individual Procurement Authority.** Any sub-delegation of authority shall be addressed in writing to the person concerned and shall be for a specific period of time and shall be countersigned by the person concerned. A copy of the written sub-delegation of authority shall be provided to HQ for monitoring purposes.

2.4.5 **Delegation of Authority under Framework Agreements.**

(a) All Framework Agreements regardless of value must be reviewed by OGC and HQPU

(b) Framework Agreements shall be subject to prior approval by the Director, DFSS, following competition and with no upper monetary limit, for signature by the Authorized Official as set forth in Appendix B.

This authority includes renewal/extension/expansion of no-cost amendments to these Contractual Instruments.

(c) Work Orders (an order issued against a Framework Agreement, see Glossary) must be approved by the relevant Authorized Official in accordance with Appendix B.

### 3. Procurement Strategy and Planning

3.1 **Acquisition Planning.** To support the principal objectives of procurement, IDLO programs and departments should establish an annual procurement plan for the procurement of Goods and Services to support IDLO programs (for transfer to, and use by counterparts and partners) as well as to support IDLO office operations which will be the basis of requests for procurement actions. The annual procurement plan will be provided to the HQPU before the end of November each year for consolidation. Revision of the plan may be done at the end of July. The HQPU is responsible for guiding this acquisition planning effort including release of specific instructions to all IDLO personnel on a yearly basis. The aim of supply planning is to ensure procurements are well spaced over the year, undertaken well ahead of needed delivery to ensure quality of the process, and, where practical to allow for the clustering/combination of bidding processes to be efficient and cost effective for the organization.

3.2 **Requirements Definition.** The procurement plan will include a description and quantities of goods and services to be procured, estimated budget and source of funding, schedule of procurement activities and proposed method of procurement and should consider, as far as possible, grouping together similar items with similar deadlines and destinations. In situations where exact information is not yet available, the procurement plan will contain reasonable estimates that will be updated as information becomes available.

3.3 **Standardization.** In certain situations, it may best serve IDLO to standardize procurement of certain goods for a specific brand or model of product or on a service available from a sole service provider. It is the policy of IDLO to

standardize equipment that is needed and that is purchased on a recurring basis (for example, computers, printers, copiers, vehicles). The reason for standardization is to create a more effective inventory control and maintenance program. In addition, standardization streamlines operational processes and can save financial resources through the purchase of large quantities.

Standardization of equipment does not mean, in most cases, that only one Supplier has a monopoly on the standardized item. For example, if IDLO determines that a certain brand is to become the official standardization of computers purchased by IDLO, there will probably be many Suppliers that are capable of supplying this particular brand. Requesters shall liaise with the HQPU prior to requesting a direct Purchase Order on the basis of standardization in order to determine if competition must be undertaken.

### 3.3.1 Basis for Justification of Standardization.

(a) Standardization Based on Technical Requirements. Standardization may be applicable where one product or service has been identified as being the most appropriate product or service able to meet certain the technical requirements. A request for standardization will include technical justification and clearance from the Technically Competent Unit(s) or officer(s), an estimate of the total annual requirements in terms of quantity and value and the period of time for which the approval is requested. Standardization may be approved by the relevant Authorized Official after review by the appropriate Procurement Review Committee, for application Organization-wide, at regional or country level or for a specific project, will normally be for a limited period of time, and unless fully justified, should not exceed five years. A request for standardization that is intended to be applicable for HQ, Organization-wide or for more than one country is subject to approval by the Director, DFSS. A request for standardization that is intended to be applicable in a single country is subject to HQ review in accordance with the provisions of these Procurement Policies and Procedures prior to action by the relevant Authorized Official.

(b) Standardization Based on Previous Supply. To avoid undue switching costs or operational inefficiencies, a Requester may request, for a single procurement action or series of related procurement actions, the same model, brand or service previously supplied, including where the pre-existing model, brand or service was not procured by IDLO. Where the choice of a specified model, brand or service would limit sourcing to fewer than three Suppliers, the Requester must obtain approval for standardization based on previous supply. The request must include full justification for the standardization, as well as written confirmation of the recommendation for standardization from the government counterpart, if applicable, clearance from the Technically-Competent Unit(s) or officer(s) and an estimate of the total quantity and value of the procurement action(s) covered by the request. Review requirements and approval levels will be determined by the total value of the procurement action(s) for which approval is requested. Where review is required, the Requester is responsible for submitting the request



through the Procurement focal point to the relevant Procurement Review Committee in accordance with the review thresholds set forth in Section 8. Authorized Officials will have the authority to approve standardization based on previous supply within the delegated authority limits set forth in Appendix B.

**3.4 Procurement of Used Equipment.** Generally, equipment procured should be new with full warranty coverage. In exceptional circumstances, including in connection with an Emergency Situation (as defined in the Glossary), consideration can be given to procurement of used or reconditioned equipment. Requests for used or reconditioned equipment must establish that such procurement is justified (e.g. significant cost savings, speed of availability versus new equipment, only source of supply) and constitutes a reasonable alternative with respect to the purchase of new equipment. When the procurement of used or reconditioned equipment is proposed primarily on the basis of significant cost savings, the request will include consideration of the risks associated with procurement of used or reconditioned equipment. When procuring used or reconditioned equipment either:

- (a) the Supplier will be required to offer product warranties comparable to those offered for similar new equipment; or
- (b) a satisfactory quality assessment of such equipment will need to be obtained as a condition of purchase.

**3.5 Funding requirements.** IDLO's policy is that every Purchase Order or Contract must have certified funds prior to IDLO entering into a contractual arrangement. Certification confirms that funds are available based on budgetary allotments and other authorizations to incur obligations and that proposed obligations or expenditures are in line with approved work plans.

## 4. Sourcing

**4.1 Sourcing of Suppliers.** Procurement focal points and HQPU should endeavor to maintain good knowledge of their procurement markets. Based on procurement plans (see Section 3.1), targeted market surveys or Expressions of Interest may be launched for repetitive, strategic or high value procurements.

**4.2 Advertisement.** As a general rule, public advertising of bidding should be undertaken to ensure maximum competition. The bid may be shared on any relevant media forum with the goal of enhancing free competition. Links to the public advertisements may also be shared with known Suppliers in the market.

Where it is determined that it is not in the best interest of IDLO to publicly advertise a bid – for example, for security reasons - and therefore restricted competition is applied, an explanation must be submitted to the Global Procurement Lead for their prior approval.

**4.3 Sources of Information.** Where approval has been granted for restricted bidding, it is the responsibility of the Procurement focal point to compile

a list of Suppliers to contact for a Quotation or to invite to submit a Bid or Proposal. To identify Suppliers which may be in a position to supply the requested goods or services the Procurement focal point may consult one or more of the following sources:

- (a) any existing Supplier lists previously defined for the commodity or service requested;
- (b) previously received Offers and satisfactory supply/delivery for comparable goods or services;
- (c) any other databases or lists maintained by IDLO that may identify potential sources of supply;
- (d) Suppliers suggested by the Requester and/or technical services (subject to the Procurement focal point's evaluation of their suitability);
- (e) available reference resources including, for example, the Internet and lists maintained by other inter-governmental or non-governmental organizations, whether at the international, regional or country level;
- (f) central procurement agencies or trade/commodity associations;
- (g) market surveys or published calls for interest which may include establishment of pre-qualification criteria; and/or
- (h) other sources of information which, in the opinion of the Procurement focal point, may assist in identifying potential sources of supply.

**4.4 Additional Supplier Qualifications.** In consideration of the nature and value of the procurement action, additional qualifying requirements may be used in developing the list of Suppliers. These include, but are not be limited to, the following:

- (a) demonstrated technical competence, experience, satisfactory performance and financial soundness in past dealings with IDLO or similar inter-governmental or non-governmental organizations to mitigate the risk of non-performance, particularly in the case of procurement in connection with an Emergency Situation;
- (b) the location of the Supplier:
  - i. to reduce total price through lower transportation costs;
  - ii. to conform to local regulations;
  - iii. to meet a short delivery deadline to the country or region concerned, particularly in the case of procurement in connection with an Emergency Situation; or
  - iv. where development of local or regional economies or support of local/regional Supplier capacity building is an objective of the program or project for which the procurement action is being undertaken; and/or
- (c) the ability to provide after-sales and/or maintenance service.

**4.4.1 Limited Sources.** When restricted buying is required and the Procurement focal point is unable to identify at least three Suppliers which may be in a position to provide the goods or services required and which meet the minimum commercial requirements, these circumstances must be documented as justification for inviting fewer than three Suppliers and a request made to HQPU for reduced solicitation. The Procurement focal point must exercise due diligence in sourcing and compiling the list of Suppliers.

**4.5 Expression of Interest.** An Expression of Interest may be issued where the market is unknown and the Procurement focal point is unsure about the availability of Suppliers, or where the work is of a highly technical nature such that a restricted bid is required but no current Suppliers list exists. An Expression of Interest should set forth a statement of the goods or services required, documentation to be provided by interested Suppliers and the deadline for submission. An Expression of Interest is generally used as a pre-qualification tool to screen potential Suppliers and to this end must give clear indication of the criteria that will be used to select invitees to the formal tender solicitation, including clear instructions as to any Mandatory Criteria.

Note: An Expression of Interest does not replace the solicitation process of Request for Quotation, Request for Proposal or Invitation to Bid.

## 5. Solicitation

Solicitation is the mechanism used to communicate a procurement requirement and request an Offer from potential Suppliers.

**5.1 Overview.** Competition is the basis for all purchasing and contracting activities of IDLO; Direct Procurement (see Section 5.6 below) is used only in exceptional cases. Purchasing refers to the procurement actions undertaken on the basis of a Purchase Order for goods and equipment (including minor works or services requiring limited personnel inputs for installation and/or maintenance related to such goods or equipment). Contracting refers to the act of acquiring complex goods or obtaining services to include those of a technical, construction, architectural, advisory or assistance nature through a contractual agreement between IDLO and a Contractor.

Once a needs assessment has been done and budget confirmed, procurement actions are initiated by a Requester through a requisition to a Procurement focal point which accurately and completely specifies the goods and/or services required, along with any other relevant terms and conditions necessary to ensure fitness for purpose to meet the Requester's requirements and which do not unnecessarily restrict potential competition.

It is prohibited to: (i) artificially divide up the same category of goods or services intended for the same purpose with the aim or effect of having each individual procurement subject to a lower monetary threshold, or (ii) artificially combine different types of goods or services, or goods *and* services, with the aim or effect of restricting the number or potential Suppliers.

All requests for procurement must be in writing. The Procurement focal point will assess the adequacy of the information provided and request clarification or additional information from the Requester when considered necessary.

Procurement and contractual documentation shall be in English unless otherwise justified and approved by the HQPU and OGC. Where an alternative language is deemed necessary, a translated version of the Bid and resulting Contract may be prepared and shared along with the English version. Under “Special Conditions” in the Bid and Contract it must be stated that: “This bid/Agreement is executed in both English and [specify OTHER LANGUAGE]. In case of a discrepancy the English version shall be treated as authoritative.” (Alternate language may be used only upon the approval of HQPU and OGC.)

Note: The General Terms and Conditions must also be translated and attached to any Bid or resulting Purchase Order or Contract for goods and services.

Standard IDLO practice is that Framework Agreements shall not extend beyond five years, including renewals. It is recommended that Framework Agreements be limited to 12 months with an option to extend at the same price, terms and conditions for a second 12-month period (see also Section 11.5.6). In exceptional cases a justification for further extension to the Framework Agreement should be submitted to HQPU for review by the HQ PRC.

**5.1.1 Requests for Procurement of Goods.** Requests for Procurement of Goods shall be made via a Purchase Requisition and include the following:

- (a) specifications for the goods to be procured, cleared by the Technically Competent Unit(s) or officer(s), as applicable, which provide sufficient information to permit Responsive Offers;
- (b) all necessary background information and any available supporting documentation (e.g. brochures, catalogues);
- (c) an indication of required quantities and delivery terms (destinations, modalities, and delivery deadlines), as well as any proposed deviations from IDLO’s General Terms and Conditions;
- (d) an indication of whether inspection services are required for supplies requiring specialized inspection to confirm their conformity to bid and item specifications;
- (e) a preliminary indication of the nature of the request: new solicitation, reuse of tender results, Direct Procurement, Contract amendment or renewal, procurement under a Framework Agreement or other;
- (f) a recommendation of the method of solicitation of offers (see Section 5.3) or, in the case of Direct Procurement, appropriate justification;
- (g) as applicable, preliminary criteria for the evaluation of Offers and methodology to be applied (see Section 7); and suggested

Suppliers where possible or, in the case of Direct Procurement, the proposed Supplier; and

(h) a confirmation of budget availability by the Budget Holder and the DFSS.

**5.1.2 Requests for Solicitation of Services.** Requests for Solicitation of Services shall be made via a Purchase Requisition and include the following:

(a) a preliminary indication of the nature of the request: new solicitation, reuse of tender results, Direct Procurement, Contract amendment or renewal, procurement under a Framework Agreement or other;

(b) a recommendation of the method of solicitation of offers (see Section 5.3 below) or, in the case of Direct Procurement, appropriate justification;

(c) a general indication of the type of services requested or, if available, a description of works or services requested, technical specifications and any applicable bill of quantities, or terms of reference, as appropriate, cleared by the Technically Competent Unit(s) or officer(s) and sufficiently detailed to permit Responsive Offers;

(d) estimated service delivery requirements;

(e) as applicable, preliminary criteria for the evaluation of Offers and weights to be assigned to such criteria (see Section 7 below);

(f) where possible, an estimate of the costs for the services requested or the available budget;

(g) suggested Suppliers where possible or, in the case of Direct Procurement, the proposed Supplier; and

(h) a confirmation of budget availability by the Budget Holder and the DFSS.

**5.1.3 Framework Agreements.** A Framework Agreement may be requested where the Requester anticipates sustained and significant demand over a period of time for a specific type of goods or service, and the establishment of an agreement which defines the terms and conditions of supply for a defined period will result in a more efficient use of resources.

Requests for Framework Agreements, whether for goods or services, are subject to the same requirements as set forth in Section 5.1.2 above.

**5.2 Types of Competition.** Competitive offers for the supply of goods or services to IDLO over €2,500 will be solicited using one of three methods: Requests for Quotation, Invitations to Bid or Requests for Proposal. The

Procurement focal point will determine the appropriate solicitation method to be used based on the estimated value of the procurement action, in accordance with the value thresholds set forth in Appendix C and taking into consideration the nature of the goods or services to be procured and the information provided by the Requester.

**5.2.1 Request for Quotation.** A Request for Quotation (“RFQ”) is a method of solicitation for supplies or services in the price range between €2,500 and €20,000. An RFQ should be used where the defined requirement for supplies or services is clear and specific. Any RFQ issued must use IDLO templates. RFQs must have clear submission dates and any request for clarification from bidders must be received and responded to in writing. Awards against an RFQ are made based on the “lowest priced, most technically acceptable/compliant offer” evaluation methodology. The minimum solicitation for an RFQ is 5 working days.

**5.2.2 Invitation to Bid.** An ITB is an invitation by IDLO to a Supplier to submit an offer in accordance with a specified procedure for the supply of goods or services meeting precise specifications (“Bid”). In general, an ITB is used for the procurement of higher value goods or services with objectively measurable quantitative and qualitative specifications. Any ITB issued must use IDLO templates. ITBs must have clear submission dates and any request for clarification from bidders must be received and responded to in writing. Awards against an ITB are made based on the “lowest priced, most technically acceptable/compliant offer” evaluation methodology. Depending on the specificity of the service and detail required in the price schedule, the minimum solicitation period for an ITB is 15 calendar days.

**5.2.3 Request for Proposal.** An RFP is an invitation to submit an offer in accordance with a specified procedure to supply higher value or more complex goods or services. An RFP is used where the goods or services required cannot be quantitatively or qualitatively expressed in a complete and definitive manner, such as for complex goods or services, or for where the requirements may be met in a variety of different ways and so a cumulative analysis is most appropriate. An RFP requires a technical proposal outlining a solution to the requirement specified in the bid and a separate financial proposal detailing all costs associated. The financial proposal must be separated from the technical proposal. The evaluation criteria are established in the RFP and represent the extent to which criteria are assigned importance in the evaluation of the proposals. (See also Section 7.4.4). The minimum solicitation period for an RFP is 21 calendar days.

**5.2.4 Special Situations.** When, due to the particular nature of the goods or services to be provided, it is not feasible to use one of the solicitation methods indicated above, special solicitation procedures that comply with the principles set forth in Section 1.5 above must be agreed to by HQPU.

**5.2.5 Blended Approach.** Developing a scope of work and then issuing invitations or requests for both individual and institutional suppliers (blended approach to contracting) is discouraged. It can be difficult to demonstrate fairness to individuals in the process. The Terms of Reference should lead the Procurement focal point to issue the appropriate type of Bid



or the Procurement focal point should approach HQPU for guidance. If there is no alternative to a blended approach, a contracting approach (RFQ, ITB, RFP) rather than a recruitment approach must be applied.

**5.2.6 Pro-bono and Discounted Rate.** IDLO may solicit goods or services on a pro-bono or discounted rate basis. In such a case, the Procurement focal point, in consultation with the Requester, will determine whether IDLO's interests are best served by conducting a procurement action through competitive tendering or through Direct Procurement. The Procurement focal point may also consider that the Special Situations provisions apply. If the Procurement focal point considers that the Deviations provisions are needed they must follow rules in section 1.3.

The formal invitation to Supplier(s) shall clearly indicate that the goods or services are requested on a Pro-bono or Discounted Rate basis. The evaluation of the Offers shall focus on the nature, characteristics and quality of the goods or services.

**5.2.6 Adjustments to Value Thresholds.** At the discretion of the Director, DFSS, and with the approval of the Director-General, the value thresholds in Appendix C which determine the permitted solicitation and submission method(s) may be adjusted periodically.

### 5.3 Solicitation Methods and Documentation.

**5.3.1 Solicitation Documents.** The Procurement focal point is responsible for preparing the invitation to invited Suppliers which consists of the documentation necessary to fully describe the requirements of the procurement action, as well as the procedures for submission of Offers ("Solicitation Documents"). The Solicitation Documents shall meet the requirements of these Procurement Policies and Procedures. Unless there is a compelling reason agreed to by HQPU, the budget for the activity should never be disclosed as part of a solicitation process.

**5.3.2 Solicitation Documents for RFQs.** For Quotations, a clear description of the goods or services to be procured is required. See also Section 5.4.2 (a).

**5.3.3 Solicitation Documents for ITBs.** Solicitation Documents for ITBs must contain the following:

- (a) detailed, clear and complete specifications for the goods or terms of references for services to be procured;
- (b) commercial requirements, including payment terms, and as applicable, quantities of goods or bill of quantities for Works and delivery terms or timetable for performance;
- (c) a request that Suppliers provide costs of freight, insurance, installation or other ancillary services, where applicable;
- (d) an indication that IDLO will award the tender on the basis of the "lowest priced, most technically and commercially acceptable" Responsive Offer received; and

(e) if applicable, a clear indication of the objectively measurable non-price criteria that will be considered in evaluating the Bids (e.g. acceptable deviations from technical specifications, delivery date, warranty period), the methodology that will be used and relative importance of each criterion.

**5.3.4 Solicitation Documents for RFPs.** Solicitation Documents for RFPs must contain the following:

- (a) specifications for goods or terms of references for services to be procured which provide sufficient information to permit Responsive Offers including technical evaluation criteria informing bidders of the relative weighting of financial and technical proposals;
- (b) commercial requirements, including payment terms, and as applicable, quantities of goods or bill of quantities for works and delivery terms or timetable for performance;
- (c) a request for any other information necessary to evaluate the Proposal;
- (d) an indication that IDLO will award the tender to the Supplier offering the “Best Value for Money”; and
- (e) a clear indication of all criteria that will be considered in evaluating the Proposal, the methodology that will be used, and the importance of each criterion.

**5.3.5 Other Requirements.** Solicitation Documents, whether for ITBs or RFPs, must also include:

- (i) clear and complete instructions regarding the procedures for submission of the Offers;
- (ii) the closing date for receipt of the Offers;
- (iii) a statement regarding the acceptability of partial offers, if appropriate;
- (iv) IDLO’s General Terms and Conditions. If required, a draft Contract may also be shared (in pdf format) applicable to the specific procurement activity, together with a request that the invited Supplier indicate, as part of its submission, acceptance in writing of the terms and conditions or draft Contract or specify any requested deviations;
- (v) a statement of the IDLO’s applicable tax exemptions, if any, and that all Offers should be submitted exclusive of any tax and duties;
- (vi) a clear statement that, prior to the closing date, no communication between the invited Supplier and IDLO is permitted except with the Procurement focal point in writing or as otherwise specified in the instructions;
- (vii) a request that invited Suppliers inform IDLO of their reasons for not submitting an Offer, if applicable; and
- (viii) applicable donor requirements, if any.

**5.3.6 Samples.** If samples of goods offered are required as part of the evaluation, the Solicitation Documents must state the quantity, size and other detailed specifications for the required goods, as well as a description of the tests that will be applied. The Solicitation Documents also must clearly state that samples will be provided free of charge and that they are usually



not returnable but may be returned upon request at the expense of the Supplier in “as-is” condition.

## 5.4 Invitation of Suppliers.

5.4.1 **Number of Suppliers.** In the case of restricted bids, in determining the number of Suppliers to invite, the Procurement focal point will balance the objectives of competitiveness, fairness and an equitable international distribution of Suppliers with the nature and estimated value of the procurement action, with a view to obtaining a minimum of three Responsive Offers, where possible and appropriate. The number of Suppliers to be solicited should increase in proportion with the estimated value of the procurement action. Where the number of Suppliers identified with the required qualifications is excessive relative to the nature and value of the procurement action, or when circumstances justify limiting the number of invited Suppliers, such as in connection with an Emergency Situation, provided that the selection process maintains transparency, the Procurement focal point may choose to limit the list of Suppliers to those that fulfill one or more of the following conditions:

- (a) received a previous award for the same goods or services and performed satisfactorily;
- (b) submitted a Responsive Offer for a similar requirement within the last three years; or
- (c) responded to an Expression of Interest.

## 5.4.2 Transmission of Solicitations for Quotations, Bids and Proposals.

(a) Quotations may be requested directly by e-mail, Internet, or other media. The Quotation that is the basis for the award must be documented by written confirmation from the Supplier or a copy of the published price list. The Procurement focal point must also document the sources from which such Quotations were obtained and any other relevant information. See Section 5.6.1 (a) regarding RFQs for Low Value Procurement.

(b) Solicitation Documents for ITBs and RFPs will be sent simultaneously to all invited Suppliers by any means which provides confirmation of receipt (including but not limited to registered letter, courier, facsimile, e-mail, e-tendering, etc.). In cases where it is considered expedient, documents may also be transmitted for delivery through the relevant Field Office for onward delivery to the invited Supplier(s). It is the responsibility of the Procurement focal point to determine the method of transmission, taking into consideration the circumstances of the specific procurement action and the objective of providing all invited Suppliers with a substantially equal opportunity to respond. All procurements with an expected value over €20,000 must be channeled through the HQPU, global tendering email system.

## 5.5. Communication with Suppliers.

5.5.1 Contact with Invited Suppliers. During the solicitation period, the Procurement focal point is IDLO’s sole point of contact for invited Suppliers, except in cases where the Solicitation Documents provide for meetings with

invited Suppliers. All communication with invited Suppliers during the solicitation period will be documented.

**5.5.2 Supplier Requests for Additional Information.** If additional information or clarification is requested by one of the invited Suppliers, the same information or clarification will be made available to all invited Suppliers. The Procurement focal point will prepare and dispatch written replies to Suppliers' queries, and make all replies known, together with the text of the queries, to all Suppliers, without disclosing the source of the queries. Examples of information that can be released to all invited Suppliers include:

- (a) additional information and/or clarification relative to specifications, Work or other provisions;
- (b) opinions on whether an alternative item is acceptable; and
- (c) general information regarding IDLO's Bid and Proposal opening procedures.

**5.5.3 Amendment of Solicitation Documents.** If it becomes necessary before the closing date to modify the Solicitation Documents in any way, an amendment will be issued to all invited Suppliers. The Procurement focal point will evaluate whether sufficient time remains for invited Suppliers to consider the amended Solicitation Documents. If the remaining time is not considered sufficient, the Procurement focal point may also extend the closing date. If the Procurement focal point determines that the modifications of the Solicitation Documents represent a substantial change in IDLO's requirements, the solicitation will be cancelled and re-issued based on the new requirements.

**5.5.4 Meetings with Invited Suppliers.** Where the Solicitation Documents provide for meetings between invited Suppliers and IDLO prior to the closing date, the procurement focal point will arrange the proceedings. It is the joint responsibility of IDLO personnel who participate in meetings with invited Suppliers to produce a record of the proceedings as part of the official documentation.

Where Solicitation Documents provide for meetings with invited Suppliers, such as site visits/surveys or so-called "bidders' conferences" so that invited Suppliers may gain a better understanding of the specific requirements, the Solicitation Documents will include instructions for the arrangement of any meetings foreseen. IDLO personnel should be present at any such meeting.

If presentations by Suppliers submitting an Offer are foreseen as part of the evaluation process, the procedures and timing of such presentations will be specified in the Solicitation Document.

**5.6. Exceptions to Competitive Tendering.** A competitive solicitation procedure is considered the standard for ensuring a fair, transparent and efficient procurement process. Procurement may, however, be undertaken without competition ("Direct Procurement") when a competitive solicitation procedure is not possible or feasible or would not efficiently and effectively meet the interests and objectives of IDLO. The Procurement focal point must exercise sound judgment in applying any of the exceptions noted below and

will ensure that in each case the justification for not seeking competitive offers is adequately documented.

5.6.1 **Exceptions to Competitive Solicitation.** The Procurement focal point may obtain an Offer from or enter into negotiations with a single Supplier when the Procurement focal point determines that one of the following situations applies:

(a) *Low Value Procurement.* Low value procurement refers to once-off procurements of less than € 2,500. It is a facility offered by IDLO where the time and cost of a formal procurement exercise would exceed the value of the procurement and is therefore not in the best interest of the organization. Procurement actions within the threshold established for Low Value Procurement may be affected by the Procurement focal point when the goods or services are readily available on the market, the cost of the goods or services is generally known, and the Procurement focal point determines that the price is reasonable. In determining price reasonableness, the Procurement focal point may consider, *inter alia*, results of previous competitive solicitations for similar goods or services, the cost of undertaking a new solicitation, the public availability of price information, and general knowledge of the market. It is recommended to obtain 3 quotes from vendors for any Low Value Procurement. These quotes may be handwritten (scanned) or email but should be attached to the Purchase Requisition. They do not need to be in response to a formal bid issued;

#### Notes on Low Value Procurement:

- i. Procurement values are cumulative, including awards either for the same goods and services or to the same vendor, i.e. to qualify as Low Value Procurement:
  - a. Within a 12-month period, awards to the same vendor cannot exceed € 2,500;
  - b. Within a 12-month period, awards for the same commodities and services (even if split between multiple vendors) cannot exceed € 2,500;
- ii. At any time, the Procurement focal point may be required to provide justification of reasonableness of price of the award of a Low Value Procurement;
- iii. Historical performance by a service provider is not an indicator of price reasonableness nor of a certainty of the quality of deliverable;
- iv. Where the award is not made to the lowest cost of the 3 quotes, a written explanation must be approved by the Authorizing Officer;
- v. Where a Direct Procurement is required for a low value order, Section 5.6 still applies, and an explanatory email or note for file

should be attached to the Purchase Requisition noting why competitive solicitation was waived;

(b) *No competitive marketplace.* The goods or services can only be purchased from one source because only one manufacturer and/or source exists including for procurement of spare parts directly from the manufacturer of existing equipment; the product or service is proprietary; or the product or service can only be procured locally and is subject to a government authorized monopoly;

(c) *Approved standardization.* The goods or services have a source of supply designated by IDLO at the organizational, regional, country or local field level based on an approved standardization which limits the procurement to only one Supplier (see Section 3.3--Standardization); if multiple Suppliers can fulfill the standardized requirement, competition must still be sought;

(d) *Emergency Situation.* The procurement action is in connection with an Emergency Situation (see Glossary for definition) and because of the nature or phase of the particular emergency, urgency of the procurement does not allow sufficient time to undertake a solicitation process, even on the basis of a shortened submission deadline (subject to the conditions of Section 5.6.6);

(e) *Lease or purchase of real estate.* The proposed procurement is for the lease or purchase of real estate (subject to the conditions of Section 5.6.5);

(f) *Other.* Other cases in which a formal solicitation is not expected to give satisfactory results, include but are not limited to:

i. when the proposed procurement relates to obtaining services that cannot be evaluated objectively, such as certain creative or advertising services;

ii. when within a reasonable prior period (i.e. at least six months), one or more formal solicitations have not produced satisfactory results;

iii. when Offers for identical goods or services have been obtained during the past twelve months, except if the Procurement focal point determines there has been a substantial change in market price or trends (see Section 9.1.8 on Awards Based on Re-use of Tender Results); or

iv. when, for security reasons it is determined that direct procurement is needed and a written prior submission to the Global Procurement Lead is made to that effect by the security officer.

5.6.2 **Procedures for Direct Procurement (single sourcing).** Direct Procurement will be affected in accordance with the procedures provided for in these Procurement Policies and Procedures governing

contact with Suppliers. The Procurement focal point may choose any method for obtaining Offers set forth in Section 5.3 above regardless of the value of the procurement action. The Procurement focal point may undertake Direct Negotiations (see Section 7.6 below) and may recommend an award to the selected Supplier, provided that the Offer substantially conforms to the requirement and the price is acceptable to the Requester.

**5.6.3 Review of Direct Procurement.** Where the value of the procurement action falls within the review threshold of the relevant Procurement Review Committee set forth in Appendix D, the Procurement focal point will ensure that the *ex-ante* recommendation has been obtained or that *ex post* review, if requested in Emergency Situations, is undertaken.

**5.6.4 Approval of Direct Procurement.** The Authorized Official may approve in accordance with the delegated financial authority limits set forth in Appendix B for any single procurement action. The total value of all procurement actions undertaken on the basis of Direct Procurement from the same Supplier for essentially the same goods or services to satisfy a single request or a series of related requests that could have reasonably been grouped together as a single request, will be considered a single procurement action for the purposes of applying the financial authorization limit.

**5.6.5 Special Considerations for Lease or Purchase of Real Estate.** A Procurement focal point may directly negotiate the lease or purchase of real estate when directly comparable property meeting the requirements is not available in the reasonable geographical area where it is required. The services of a qualified real estate broker or consultant may be considered to assist in the identification of suitable real estate and the establishment of the appropriate lease or sale price. In such cases, care must be taken that any commissions or fees charged are consistent with those generally applied in the local market.

When directly comparable, suitable real estate is available (e.g. for commercial warehouse or garage space), a competitive solicitation process should be used.

For purposes of applying the delegated authority limits set forth in Appendix B, the value of the procurement action will be the annual lease cost, including any related fees and assessments, or, for leases with a term of less than a year, the total value of the lease, including any related fees and assessments. A procurement action for the purchase of real estate must be cleared *ex ante* by, and conducted under the supervision of, the Director, DFSS.

**5.6.6 Emergency Situations.** In Emergency Situations, the Procurement focal point should consider whether it is feasible to procure through Direct Procurement only those goods or services immediately required and fulfill the balance of the requirement through a competitive selection process, provided such action is acceptable to the Requester and does not unduly impinge on operational

requirements and efficiency. For procurement undertaken in connection with Emergency Situations, adequate funds to cover the procurement action may not yet be available at the time the action is initiated. The Procurement focal point may proceed with the procurement action based on a request approved by the Budget Holder for a nominal amount, provided that specifications have been finalized and cleared by the Technically Competent Unit(s) or officer(s) and the Budget Holder indicates that availability of adequate funding is imminent. However, the Authorized Official will not approve, sign or allow issuance of a contractual instrument committing IDLO for the expenditure of funds until the Budget Holder has confirmed availability and commitment of adequate funding.

## 6. Management of Submissions

**6.1 Receipt and Safeguarding of Submissions.** It is the responsibility of the Procurement focal point to determine the method(s) according to which Bids and Proposals must be submitted by invited Suppliers and to provide clear instructions in the Solicitation Documents. The submission method comprises the means of submission (e.g. registered mail, courier, e-mail with attachments), specification of the consignee, as well as any requirements regarding form or markings.

**6.1.1 Requirements for Submissions.** All Submissions shall be considered to be Sealed Submissions (duly completed, stamped and signed by an authorized representative of the company bidding). The Procurement focal point must, however, ensure that the submission method meets the following requirements:

- (a) all invited Suppliers are provided with a suitable means for submitting their Offers;
- (b) the time and date of receipt can be documented;
- (c) upon receipt, access to the contents of Offers can be restricted so as to maintain confidentiality; and
- (d) in the case of Proposals, the contents of the technical proposal can be accessed for evaluation while maintaining the confidentiality of the financial proposal.

**6.1.2 Safeguarding of Submissions.** The Procurement focal point is responsible for ensuring that submissions received are kept securely to ensure their confidentiality pending the closing date of the solicitation. For all submissions received, the Procurement focal point or the designated personnel will register the name of the Supplier, the time and date of receipt, and any proof of transmission, delivery or receipt.

**6.2 Cancellation of Solicitation.** It may become necessary to cancel the solicitation prior to the closing date, for example, if the goods or services are no longer needed, the requirements change substantially, funding is no longer available, or continuation of the solicitation is no longer in the best interests of IDLO. In this case the Procurement focal point will notify all invited Suppliers in writing that the solicitation has been cancelled, as well as document the reasons for the cancellation. Any Offers already received at the time of cancellation will be



returned or destroyed, in which case the Suppliers will be notified. The relevant action will be appropriately documented.

**6.3 Late and Unsolicited Submissions.** Submissions received late or otherwise not in accordance with the specified instructions or unsolicited submissions will be declared invalid and documented as such in the record of the opening. The Procurement focal point, in the case of an Informal Opening procedure, or in the case of a Formal Opening Panel, and upon the request of the Procurement focal point or the Requester, may consider revalidation of an invalid Submission where circumstances justify. Justification for revalidation of a Submission originally declared invalid must be documented.

**6.3.1 Revalidation of Late Submissions.** Submissions received after the closing date indicated in the Solicitation Documents may be revalidated, provided that:

- (a) it is clear that the Submission was sent sufficiently in advance of the closing date and the delay in delivery under normal circumstances could not be reasonably foreseen; and
- (b) there is no indication that confidentiality has been, or may have been, compromised.

**6.3.2 Revalidation of Unsolicited Submissions.** In the case of restricted bidding, a Submission received from a Supplier not invited to submit an Offer may be revalidated provided that:

- (a) it complies with the requirements of the Solicitation Documents;
- (b) it is received from a Supplier who is replacing one of the invited Suppliers;
- (c) the invited Supplier confirms having forwarded the Solicitation Documents, indicating the reasons and any relationship with the Supplier submitting the unsolicited Offer; and
- (d) the Procurement focal point deems the Supplier submitting the unsolicited submission to be in a position to supply, based on an assessment of both the invited Suppliers and the Supplier submitting the unsolicited Offer in consideration of, for example, demonstrated technical competence, experience, financial soundness and past performance.

**6.3.3 Other.** Offers submitted on time but in a manner not conforming to the instructions indicated in the Solicitation Documents may be revalidated provided that there is no indication that confidentiality has been, or may have been, compromised.

**6.4 Opening and Recording Submissions.** The purpose of the opening is to verify that all formalities indicated in the Solicitation Document are met, e.g., timeliness of the receipt, their sealed condition, completeness of the documentation required, in order to ensure that only valid Offers are to be evaluated. Opening of Submissions is confidential in its nature and it is therefore essential that any information gained in the process be kept reserved.

**6.4.1 Opening and Recording Procedures.** The Global Procurement Lead , or the Field Office Manager as applicable is responsible for establishing procedures for the opening and recording of all Submissions Procurement focal point. The procedures must:

- a) provide a means to verify that confidentiality of the Offers submitted has been maintained, that Offer contents have not been tampered with, and that submission was in accordance with the instructions specified in the Solicitation Documents;
- (b) ensure that financial offers cannot be modified;
- (c) ensure that the confidentiality of the opening and/or recording of proceedings is maintained as appropriate;
- (d) for Proposals, ensure that the confidentiality of the financial proposal can be maintained pending evaluation of the technical proposal;
- (e) require a record of the invited Suppliers, the dates and times of receipt of Offers or other replies, if any; the validity of the Offers received and any other relevant observations, including documentation of any late Offers, unsolicited Submissions or revalidated Offers (see Section 6.3).

## 7. Evaluation of Offers

**7.1 Overview.** In accordance with the principles governing IDLO's procurement activities, evaluation of Offers will be carried out to obtain Best Value for Money in the fulfillment of IDLO's requirements. The evaluation process will be transparent while maintaining appropriate confidentiality; the evaluation will be fair, reasonable, objective and in accordance with the established evaluation criteria and evaluation methodology specified in the Solicitation Documents. All steps in the evaluation of Offers must be appropriately documented.

**7.2 Evaluation Panels.** Evaluation of Offers is the shared responsibility of the Procurement focal point and the Requester, assisted by personnel from the Technically Competent Unit(s) or officer(s), if applicable. All personnel involved in evaluation of Offers will maintain the transparency, fairness and confidentiality of the evaluation process.

**7.2.1 Procurement focal point Responsibilities.** The Procurement focal point is responsible for the financial evaluation of Offers received, confirmation of Responsive Offers (see Section 7.2.4 below), as well as for the final recommendation to the Authorized Official for award. The Procurement focal point is also responsible for determining whether the identity of the Supplier should be made known to the Requester prior to a final recommendation for award. In making this determination, the Procurement focal point may consider, *inter alia*, the value of the procurement activity, the urgency of the requirement particularly with



respect to Emergency Situations, and the risk of introducing bias in the evaluation process. (See also Section 7.4.2.)

**7.2.2 Contact with Suppliers during Evaluation.** During the evaluation, the Procurement focal point is IDLO's sole point of contact with Suppliers for requests for additional information or clarification, except in cases where the Solicitation Documents provide for presentations with Suppliers who have submitted Offers as provided for in Section 5.5.4 above.

**7.2.3 Responsive Offers.** The Procurement focal point will review the technical assessments of the Offers to ensure that the assessment is based on the criteria specified in the Solicitation Documents. Taking into consideration the assessment provided by the Requester, the Procurement focal point will identify as Responsive Offers the Valid Offers that materially conform to the technical specifications contained in the Solicitation Documents and any mandatory requirements ("Responsive Offer"). In cases where a Valid Offer is not considered to be a Responsive Offer, the Procurement focal point will inform the Requester and document the basis for this determination.

**7.2.4 Establishing Evaluation Panels.** The Requester shall establish an Evaluation Panel to assist in the evaluation of Technical Proposals. The Evaluation Panel should include representation from the Technically Competent Unit(s) and, to the extent possible, other units having an interest in the goods or services under consideration. The composition and proceedings of the Evaluation Panel will be included in the documentation supporting the evaluation. Panel members will be held to the same standards of ethics and requirements for confidentiality as other personnel involved in procurement activities (see Section 1.6 on Ethical Standards).

### 7.3 Evaluation Criteria.

**7.3.1 Establishment and Approval of Evaluation Criteria and Methodology.** Evaluation criteria for Bids and Proposals, as well as the methodology to be used for evaluation and any weighting or threshold or mandatory requirements to be assigned to the evaluation criteria, will be established by the Requester and the Technically-Competent Unit(s) or officer(s), and reviewed and accepted by the Procurement focal point prior to the issuance of the ITB or RFP. The proposed evaluation criteria and methodology shall aim to ensure selection of the Supplier who offers the Best Value for Money to IDLO.

**7.3.2 Evaluation Criteria for Quotations.** Evaluation criteria for Quotations are based on the lowest priced Quotation meeting requirements.

**7.3.3 Evaluation Criteria for Bids.** Evaluation criteria for Bids are established to identify the "lowest cost, technically substantially compliant" Bids are subjected to a preliminary screening to confirm eligibility to any mandatory criteria stated in the ITB. All eligible Bids are then assessed whether they are compliant, i.e., meet or exceed the specifications of the ITB. The award is recommended to the lowest cost compliant Bid. In exceptional

cases, however, a Bid other than the lowest cost compliant Bid may be evaluated as the “Best Value for Money” to IDLO. An award to such a Bid would require justification and approval as a procurement deviation (See Section 1.3 on Deviations)

**7.3.4 Evaluation Criteria for Proposals.** Evaluation criteria for Proposals are established to identify the Offer considered to provide the “Best Value for Money” to IDLO. The relative influence of the financial proposal on the overall evaluation will be no less than 20%. Evaluation criteria for the technical proposal may include, *inter alia*, the completeness of the proposal, the effectiveness of the proposal in meeting the technical requirements, competency in terms of managerial and technical capabilities and performance history, as well as financial viability and capacity to perform without risk of default.

**7.3.5 Evaluations of presentations as part of technical proposals.** Consideration can be given to including Supplier presentations in the weighting of the evaluation; however, in general, the Supplier presentation should not impact the overall evaluation criteria by more than 10% of the total weight. The need for the presentation must be clearly articulated in the Terms of Reference of the RFP. Especially for publicly advertised bids, it is recommended to include a pass mark for the technical proposal in order to be invited to make a final presentation. If this has not been specifically articulated in the RFP, all bidders submitting technical proposals should be given equal opportunity to make a technical proposal.

## 7.4 Evaluation Methodologies.

**7.4.1 Evaluation Methodologies.** The evaluation methodology and criteria, including any Mandatory Criteria, to be used for the evaluation will be set forth in the Solicitation Documents. Only the methodology and criteria stated in the Solicitation Documents will be taken into account during the evaluation and all criteria will be applied equally to all Offers. Once the solicitation has been issued, there may be no changes to the evaluation criteria without an amendment to the Bid document and advice to all bidders of the change with sufficient time given for response.

**7.4.2 Evaluation of Quotations.** The Quotation that is the basis for the award must be documented by written confirmation from the Supplier or a copy of the published price list. If fewer than three Quotations were obtained, the Procurement focal point will document the reasons for not obtaining three Quotations which will be reviewed and approved by the Authorizing Officer with delegated financial authority (see Appendix B).

**7.4.3 Evaluation of Bids (ITBs).** Evaluation of Bids is based on an assessment of conformity to specifications and a financial evaluation based on the established evaluation criteria and evaluation methodology.

- (a) **Assessment of Bids.** The Procurement focal point will provide to the Requester the non-financial information, if any (e.g. Mandatory Criteria), contained in the Bids for review. The Procurement focal point will determine whether to concurrently release to the Requester the

financial information contained in the Bids. In making this determination, the Procurement focal point may consider, *inter alia*, the value of the procurement activity, the urgency of the requirement particularly with respect to Emergency Situations, and the risk of introducing bias in the evaluation process. The Requester will provide or obtain from the Technically Competent Unit(s) or officer(s) or from an Evaluation Panel, as applicable, an assessment of whether each Bid materially conforms to the specifications contained in the Solicitation Documents. The Requester will document the assessment and will provide the Procurement focal point with the following:

(i) a list of Bids which do not conform to the specifications contained in the Solicitation Documents and the basis for this determination; and

(ii) any other relevant information or considerations.

(b) **Financial Evaluation.** The Procurement focal point will identify Responsive Offers, taking into consideration the assessment provided by the Requester, and any mandatory requirements and will prepare a financial evaluation of the Responsive Offers in accordance with the evaluation criteria and evaluation methodology indicated in the Solicitation Documents. The Procurement focal point will prepare the recommendation(s) for the award and confirm the commercial suitability of the recommended Supplier(s). The Procurement focal point will provide the Requester with the financial evaluation, the financial information contained in the Bids (if not provided previously) and the proposed recommendation(s) for the award to obtain clearance from the Requester.

**7.4.4 Evaluation of Proposals.** The evaluation process for Proposals begins with the evaluation of the technical proposals. Only after the technical proposals have been evaluated and ranked by the Technical Evaluation Panel and reviewed and accepted by the Procurement focal point will the financial proposals be reviewed, and a consolidated evaluation prepared.

(a) **Evaluation of Technical Proposals.** The Procurement focal point will forward the technical proposals received to the Technical Evaluation Panel for technical evaluation and scoring based on the established evaluation criteria and methodology. If the evaluation criteria foresee presentations, evaluation of these presentations will also be included in the final ranking of the technical proposals. The Requester and Procurement focal point will document the assessment and the technical evaluation and ranking and will provide the following:

(i) a list of Proposals which have been assessed to materially conform to the specifications contained in the Solicitation Documents;

(ii) a ranking of the Proposals listed in (i) above, based on the technical evaluation criteria;

(iii) a list of Proposals that do not conform to the specifications contained in the Solicitation Documents and the basis for this determination; and

(iv) any relevant documentation or information.

(c) Evaluation of Financial Proposals. The Procurement focal point will only open the financial proposals that have passed the technical evaluation. The Procurement focal point will prepare a financial evaluation of the financial proposals and will provide both the evaluation and the financial proposals to the Requester.

(d) Consolidated Evaluation. The Requester and/or Procurement focal point will review the financial proposals and the financial evaluation and prepare a consolidated evaluation of the technical and financial proposals in accordance with the established evaluation criteria and methodology. Based on the consolidated evaluation, the Requester and Procurement focal point will make a recommendation to the Authorized Official or PRC for the award which will include the following:

(i) a consolidated ranking of Proposals which have been assessed to materially conform to the specifications contained in the Solicitation Documents;

(ii) a recommendation for award and the basis for award; and

(iii) any relevant documentation or information.

## 7.5 Further Aspects of Evaluation

**7.5.1 Evaluation Options.** For solicitations which permit the grouping of multiple items or distinct services, and/or which involve multiple destinations or service locations and permit offers for single or groups of items, services or destinations/locations, the Procurement focal point may elect to evaluate Offers on the basis of an individual item, service or destination/service location; on the basis of subsets of items, services or destinations/service locations; or on the basis of all items or services and/or destinations/service locations together. In making such a determination, the Procurement focal point should ensure that the interests of IDLO are best served, considering not only the direct costs for the goods or services, but also the operational costs associated with the issuance and administration of multiple orders or Contracts.

**7.5.2 Partial Quantity Offers.** In cases where the solicitation does not specifically exclude partial quantity offers and where the highest-ranked Supplier submitted an Offer for less than the entire quantity of goods or services required, the Procurement focal point may elect to split the total requirement among the highest-ranked Suppliers who submitted Responsive Offers, successively exhausting the quantities available in accordance with the Supplier ranking until the requirement has been fulfilled. However, should a single lower-ranked Supplier or a group of lower-ranked Suppliers be in a position to supply the entire requirement, the Procurement focal point may determine that recommending the award to

other than the highest-ranked Supplier(s) is in the best interests of IDLO, because:

- (a) it represents the most cost-effective option;
- (b) based on an analysis of not only the direct costs of the goods or services, but also the incremental operational costs associated with the issuance and administration of multiple orders or contracts;
- (c) it is considered to be the most appropriate and/or lowest risk means to fulfill a requirement associated with an Emergency Situation, notwithstanding the higher direct costs; or
- (d) it is considered to maintain a more equitable balance between the quantities requested in the original solicitation and the Offers received.

**7.5.3 Incomplete Bids and Proposals.** During the evaluation process, it may become apparent that additional information is required to evaluate one or more Offers. The Procurement focal point may request one or more Supplier(s) to submit the additional information after considering the number of Responsive Offers received, the potential delay associated with a request for additional information for procurement activities undertaken in connection with Emergency Situation, the recommendation of the Requester, and whether solicitation of the Supplier(s) to submit the required information is in line with a transparent and fair process. This should be only be done on advice from HQPU and applied with high caution as it may also jeopardize the integrity of the procurement process to allow some bidders an additional chance to respond. Supplier responses can be sent directly to the Procurement focal point, who will forward them to the Requester. If the additional or clarifying information obtained impacts the financial evaluation, the Procurement focal point may declare a mis-tender (see Section 7.5.9), may elect to exclude the Offer(s) from the evaluation, or may elect to make use of the Best and Final Offer procedure as set forth in Section 7.6.6. The Procurement focal point will obtain the approval of the Authorized Official and notify the Requester of the decision.

**7.5.4 Request for Additional Information.** If the Solicitation Documents omitted to request required information or there is reason to believe that specification of the requirements may have been ambiguous, the Procurement focal point may determine that it is appropriate to solicit the additional information, provided that the request would not negatively impact the transparency or fairness of the process and depending on such factors as the nature of the solicitation, the stage of the evaluation and the materiality of the impact, if any, on the financial evaluation. The Procurement focal point will solicit the additional information from all Suppliers who have submitted Valid Offers. If, however, the Procurement focal point determines that the request would negatively impact the transparency or fairness of the process, the Procurement focal point will decide whether the evaluation can proceed without the additional information or whether to declare a mis-tender (see Section 7.5.10).

**7.5.5 Request for Clarifying Information.** If the information required was requested in the Solicitation Documents but (i) clarification of information provided is necessary to determine whether the Offer meets the technical specifications, or (ii) it is necessary to clarify apparently minor deficiencies or clerical errors and it is not expected that such clarification will materially impact the financial evaluation (e.g. error or ambiguity in the Offer, such as



confirmation of unit prices where there is an error in calculation of total costs), the required clarifying information will be solicited from the relevant Supplier or Suppliers. The clarification to be provided should not be used to cure proposal deficiencies or material omissions, or materially alter the technical or financial elements of the proposal. If the Procurement focal point determines that the request would negatively impact the transparency or fairness of the process, the Procurement focal point, in consultation with the Requester, will decide whether the Offer of the Supplier or Supplier(s) should be considered non-responsive and eliminated from the evaluation process. All such requests will be in writing and properly documented in the respective file. No information obtained from one Supplier will be shared with the other Suppliers.

**7.5.6 Supplier Request to Provide Additional Information.** Modification of an Offer by the Supplier will not be accepted after the opening. The Procurement focal point may, however, agree to accept additional or clarifying information from a Supplier prior to the final award provided that the additional or clarifying information would not negatively impact the transparency or fairness of the process. Circumstances where acceptance of additional information may be considered include the following:

- (a) to rectify errors in totaling, whereby the unit prices quoted will govern, except in the case of apparent clerical errors in unit price;
- (b) to furnish information requested in the Solicitation Documents but omitted in the submission which does not affect the price or specifications (e.g. evidence of quality certification); or
- (c) to provide clarification of information furnished in the submission which does not affect the price or materially modify the specifications.

**7.5.7 Confidentiality.** Information relative to Offers must remain confidential during the evaluation process and may be disclosed only to IDLO personnel involved in the evaluation process or other persons appointed to the Evaluation Panel and only on a need-to-know basis.

**7.5.8 Cancellation.** If it becomes necessary to cancel the procurement action during the evaluation process because the goods or services are no longer needed, the requirements have changed substantially, funding is insufficient or no longer available, or continuation of the solicitation is no longer in the best interests of IDLO, the Procurement focal point will notify all Suppliers who submitted an Offer that the solicitation has been cancelled, as well as document the reasons for the cancellation.

**7.5.9 Mis-tenders.** During the evaluation process, the Procurement focal point or the Authorized Official may declare a mis-tender. In such cases, the Procurement focal point will inform the Requester and the Authorized Official of the reasons for the decision, documenting the reasons. The Procurement focal point will also notify the Suppliers who submitted Offers that the bid has been cancelled. The Procurement focal point will make a recommendation to the Authorized Official regarding the appropriate course of action following a mis-tender which may include a new solicitation, direct

negotiations, or any other appropriate action. A mis-tender may be declared in, but is not limited to, the following situations:

- (a) no Responsive Offers have been received;
- (b) all Responsive Offers are considered to be excessive in relation to normal market prices;
- (c) the Procurement focal point determines that a Contractual Instrument different from that anticipated in the Solicitation Documents would better serve the interests of IDLO and that, to maintain transparency, new Solicitation Documents are required;
- (d) it is determined that the Solicitation Documents did not provide the information required to allow Suppliers to submit Offers meeting the requirements of IDLO or to allow IDLO to equitably evaluate the Offers; or
- (e) it is ascertained that the distribution of the Solicitation Documents was not consistent with a transparent procurement process or did not allow invited Suppliers adequate time to submit Offers.

**7.6 Sanctions check.** Before finalizing any award recommendation, the recommended Supplier(s) must be checked against relevant sanctions lists. The results of this check must be indicated in the award recommendation.

**7.7 Discussion with Suppliers/Negotiations.** Generally, negotiations are not undertaken after a competitive selection process, but may be used for Direct Procurement. However, in the interests of obtaining the Best Value for Money and without compromising the competitiveness of the solicitation process, negotiations may be undertaken after completion of the evaluation of Offers. Negotiations may be initiated by the Procurement focal point or recommended by the Requester and undertaken at the discretion of the Procurement focal point. The reasons for undertaking negotiations must be documented. When negotiations are undertaken, requirements and quantities should not be changed substantially so as not to prejudice the transparency of the process (except as provided for in Section 8.6.5(c) below). The Procurement focal point must determine whether modifications to requirements or quantities would require cancellation of the solicitation and initiation of a new one. If more than one Supplier is involved in a negotiation, no Supplier must be provided any information with respect to the chances of award or otherwise be given an unfair advantage.

**7.7.1 Negotiation Methods.** Negotiations may take the form of direct discussions between the parties (“Direct Negotiations” see Section 7.7.2 and 3) or through a unilateral written request by the Procurement focal point to improve specific aspects of an Offer (“Best and Final Offer” see Section 7.7.6 below) or both. The negotiation method chosen will depend on the solicitation method, the number of Suppliers involved as well as the reason for undertaking negotiations.

**7.7.2 Direct Negotiations.** Direct Negotiations are discussions between the parties conducted in person, via video or audio conference, or through other means, including e-mail and facsimile. Direct Negotiations will be conducted

by the Procurement focal point with support from HQPU, who may invite the Requester, as well as representatives of Technically Competent Unit(s) or officer(s). All participants representing IDLO will be responsible for ensuring that the terms and conditions are fair and acceptable and that IDLO's best interests have been fully served. The Procurement focal point is responsible for keeping a record of all discussions relative to Direct Negotiations.

**7.7.3 Application of Direct Negotiations.** Direct Negotiations are generally used in the case of Direct Procurement or an RFP and conducted only with the Supplier whose Proposal was ranked highest in the consolidated evaluation. Permission to engage in Direct Negotiations should be sought from the Authorizing Officer and HQPU. The objective of the Direct Negotiations may be to seek improvements in both the technical and financial aspects of the Offer or to clarify specifications or application of terms and conditions (e.g. qualifications made by the invited Suppliers, questions arising from ambiguities in the Solicitation Documents, and changes in the commercial terms or payment conditions in the Offer).

**7.7.4 Conduct of Direct Negotiations.** All discussions relative to Direct Negotiations will be conducted within IDLO premises. In exceptional circumstances, at the discretion of the Authorized Official, negotiations may be undertaken at the premises of the Supplier. In such cases, the persons representing IDLO will be given a letter of instruction cleared by the Requester concerned and signed by the Authorized Official setting out the extent of any delegated authority for the negotiations. Suppliers participating in negotiations must be advised that such negotiations do not represent any obligation on the part of IDLO with respect to the final award, that any proposed terms and conditions tentatively agreed to during negotiations will not represent any final commitment on the part of IDLO. Any travel of Supplier representatives in connection with negotiations will be at the Supplier's expense.

**7.7.5 Best and Final Offers.** The Best and Final Offer ("BAFO") method should be used judiciously so as not to unduly affect the transparency of the procurement action, nor to prejudice future dealings with Suppliers. BAFOs may be appropriate for either ITBs or RFPs. BAFOs can be used when:

- (a) the Offer(s) exceed(s) the planned or available budget;
- (b) the Offer(s) contain(s) additional equipment or services that were not required in the Solicitation Document;
- (c) the Requester notifies the Procurement focal point of a modified requirement for higher quantities than those indicated in the Solicitation Documents which could result in a lower unit price including for procurement activities based on Re-use of Tender Results (see Section 9.1.8);
- (d) the Procurement focal point has reason to expect that improvement in one or more aspects of the Offer(s) could be obtained; or
- (e) use of BAFOs is standard market practice for the goods or services to be procured.



**7.7.6 Application of Best and Final Offers.** A BAFO must be conducted in accordance with the following procedure:

- (a) The Procurement focal point will share the request for a BAFO with all technically qualified (RFP) or compliant (ITB) bidders.
- (b) The Procurement focal point will request the short-listed Suppliers to improve specific aspects of the Offer, either technical, commercial or both, and to submit a revised Offer by a specified date according to the same submission method set forth in the Solicitation Documents.
- (c) All requirements, guidelines, documents, clarifications or other information communicated will be communicated on an equal basis in writing to all Suppliers requested to submit a BAFO. To ensure the integrity and fairness of the process, the Procurement focal point will in general not make more than one request for a BAFO to any one Supplier for a given procurement action, except in cases where multiple requests for revised offers is standard market practice for the goods or services to be procured (e.g. so-called “reverse auctions”).
- (d) The Procurement focal point will inform the Requester in cases of requests for BAFOs to more than one Supplier where the solicitation and submission method uses a Formal Evaluation Panel.
- (e) The request for BAFOs may only permit Suppliers to improve their Offers (e.g. to lower costs, prolong warranties, give additional discounts, shorten delivery times). Suppliers will be informed that they may decline to improve the original Offer and that such decision will not disqualify the original Offer.
- (f) The Procurement focal point is responsible for documenting any modifications to the recommendation resulting from BAFOs.

**7.8 Confidentiality.** Technical, commercial, price and all other information relative to all negotiations with Suppliers must remain confidential and may be disclosed only to IDLO personnel involved in, or other persons nominated to participate in, the negotiation process and only on a need-to-know basis.

**7.8.1 Segregation of duties.** To preserve the integrity of the procurement process segregation of duties must be applied. The Requester, Budget Holder and Procurement focal point tasks may not be performed by the same person for the same procurement. Specifically:

- (i) Personnel who draft the Purchase Requisition cannot approve it.
- (ii) Personnel who draft the Purchase Order or Contract cannot approve it.
- (iii) Personnel who approve the Purchase Order should not approve the payment request.
- (iv) The vendor profile including banking details cannot be created by the Procurement focal point or Requester.
- (v) The Procurement focal point cannot participate on the technical evaluation panel of his/her own RFP.

- (vi) When opening bids, it is strongly advised to have a witness present.
- (vii) For some procuring units and especially small offices it may not be possible to establish the required segregation of duties. Any deviation must be properly documented on file and approved by the Field Office Manager with support from the Director, DFSS.

## 8. Procurement Review

**8.1 Organization of Procurement Review.** A Procurement Review Committee (PRC) is established at Headquarters and may be established in Field Offices, in accordance with IDLO requirements.

The Director-General establishes the Headquarters Committee's composition. The Headquarters Procurement Review Committee ("HQPRC") undertakes an independent review and makes recommendations to the relevant Authorized Official on the appropriateness of certain proposed procurement actions.

In Non-Headquarters Locations, and subject to approval by the Director, DFSS, the Field Office Manager may appoint a Non-Headquarters Procurement Review Committee for their respective offices, which shall undertake an independent review on the appropriateness of certain proposed procurement actions and make recommendation to the relevant Authorized Official. The TORs of Non-Headquarters PRCs must be approved by the Headquarters PRC.

### 8.2 Membership/Composition.

**8.2.1 Headquarters Procurement Review Committee.** The HQPRC will comprise three Members. The Director-General shall appoint the Members and alternate Member(s) who will serve for an agreed period. Membership of the HQPRC shall consist of the Director, DFSS, who shall serve as Chair of the Committee, a representative from OGC, and one regular member and an alternate regular member. All members are voting members. The Global Procurement Lead will act as Secretary of the committee. The Committee may request the attendance of representatives from other offices when agenda items require their presence.

**8.2.2 Non-Headquarters Procurement Review Committee.** The Field Office Manager nominates the Procurement Review Committee members in their respective office for approval by the Director, DFSS. The Committee shall consist of a minimum of three Members.

**8.2.3 Absences.** In the absence of a regular Member, the alternate Member may be called to serve on the Committee. The remaining permanent members will make this decision.

**8.2.4 Conflict of Interest.** Members shall be free from conflict of interest and have no financial or personal interest with prospective Suppliers

that may infringe upon the principles of transparency, independence and fairness of the Committee proceedings.

**8.3 Organization of Work/Schedule.** The HQPRC shall meet as often as required to fulfil its review and advisory function. The Non-Headquarters Procurement Review Committee shall meet as often as required to fulfil its independent review and examination functions. Review by circulation may be permitted when deemed necessary, keeping in mind the requirements of Section 8.4 below.

#### 8.4 Scope of Review.

**8.4.1 Responsibilities of the HQPRC.** The Committee shall examine the proposed procurement actions as set forth in Appendix D and such additional proposed procurement actions as may be requested by the Director, DFSS, or a Requester, and shall make recommendations to the relevant Authorized Official. The Committee shall review the fairness, efficiency integrity and transparency of the procurement action under review and make recommendations as to the appropriateness of the procurement process with respect to obtaining Best Value for Money and may also provide its observations to the Authorized Official on other aspects of the procurement process. In making its assessment it will take into consideration the best interests of IDLO and the additional objectives set forth in Section 1.5. The Committee is not, however, responsible for reviewing or providing advice on the adequacy or necessity of the goods and services being requested under the proposed procurement action.

**8.4.2 Responsibilities of the Non-Headquarters PRC.** Any Non-Headquarters PRCs, if established, will examine the proposed procurement actions set forth in Appendix D in addition to the HQPRC, and any other proposed procurement action as may be requested by the relevant Authorized Official. The Non-Headquarters PRC shall review the fairness, efficiency, integrity and transparency of the procurement action under review and make recommendations as to the appropriateness of the procurement process with respect to obtaining Best Value for Money. In making its assessment it will take into consideration the best interests of IDLO and the additional objectives set forth in Section 1.5. The Non-Headquarters PRC is not, however, responsible for reviewing or providing advice on the adequacy or necessity of the goods and services being requested under the proposed procurement action.

#### 8.5 Submissions to Review.

**8.5.1 General.** Prior to tender issuance or at the award stage, depending on the expected or actual total value of the procurement action, the nature of the procurement action, the term of the Contract or agreement and/or the Award Basis, review by the PRC may apply. Requests for HQPRC review must be submitted *ex ante* by the Requester through the Procurement focal point. Before proceeding with a procurement action, the Procurement focal point will ensure that the HQPRC or Non-Headquarters PRC, as appropriate, has reviewed the submission and provided its recommendation or, in Emergency Situations, that *ex post* review, if requested, is justified. The

Requester is responsible for preparing the HQPRC or the Non-Headquarters PRC submission as applicable and for submitting it through the Procurement focal point.

**8.5.2 Review Thresholds.** The thresholds for HQPRC review (“Review Threshold”) is set forth in Appendix D. The thresholds for a Non-Headquarters PRC shall be determined at the time and in the event that a Non-Headquarters PRC is established. An Authorized Official may establish a lower threshold in consideration of the circumstances of a specific procurement action. The total value of a procurement action includes transportation costs, if any, and excludes value added tax (VAT) or any other taxes, unless applicable. For multi-year contracts the value of the procurement action is the total estimated value of the Contract over its term excluding any renewal periods.

**8.6 Decisions/Recommendations.** Recommendations will be made on the basis of consensus.

**8.7 Minutes and Circulation.** All recommendations of the PRC must be documented in writing. All Members shall clear the summary record and indicate their respective recommendation to the Director, DFSS. The documented recommendations shall become part of the official Order/Contract file. The Procurement Lead or designate shall be responsible for drafting the summary record of the meeting and ensuring that the Members in attendance at that meeting have an opportunity to review the summary record and provide any comments prior to or at the following meeting of the Committee. In the absence of any comments, the summary record will be considered approved at the following meeting.

**8.8 Ex post facto.** For procurement actions undertaken in connection with Emergency Situations, for which the finalization of the procurement action cannot await the delay attendant upon receipt of *ex ante* review by the PRC, the PRC will, with the agreement of the Authorized Official, undertake an *ex post* review of the procurement action. The Requester will provide the HQPU with a complete submission in the standard format together with a full explanation of the reasons for the request for *ex post* review. In the case of *ex post* submissions, the PRC will note the request providing, if any, comments to the Authorized Official regarding the appropriateness of the procurement action and the justification for the *ex post* submission.

## 9. Awards

**9.1 Award and Finalization.** The number and type of Quotations or Responsive Offers that are obtained and included in the evaluation determines the basis for the recommendation for the award (“Award Basis”). The Award Basis may be Competitive, Exceptional, Direct Procurement or Cooperative as set forth below.

**9.1.1 Competitive Award.** In cases where at least three Quotations or Responsive Offers were obtained, and the recommendation for the award is

made in accordance with Section 7.4.2 – Evaluation of Quotations, Section 7.4.3 – Evaluation of Bids, or Section 7.4.4 – Evaluation of Proposals, the award basis is considered to be competitive (“Competitive Award”).

The Award is considered Competitive irrespective of the quantity of obtained offers if the solicitation is advertised in relevant media and sufficient time is provided for market to respond as per Section 6.2 – Types of Competition.

**9.1.2 Exceptional Award.** In the following cases, a recommendation for award is considered to be exceptional (“Exceptional Award”):

- a) the recommendation for award is not made in accordance with Section 7.4.2 – Evaluation of Quotations, Section 7.4.3 – Evaluation of Bids, or Section 7.4.4 – Evaluation of Proposals, regardless of the number of Quotations or Responsive Offers obtained;
- b) fewer than three Quotations or Responsive Offers were obtained and the Procurement focal point determines that there is sufficient justification to proceed with recommendation of the award on the basis of the Offer(s) received; or
- c) the recommendation for award exceeds by 10% or by € 10,000 the planned or available budget, whichever comes first; or
- d) the recommendation for award is considered a deviation from these Procurement Policies and Procedures Section in accordance with Section 1.3 (Deviations).

**9.1.3 Direct Procurement.** In cases where the Procurement focal point determines, in accordance with Section 5.6 (Exceptions to Competitive Tendering) that a competitive solicitation procedure is not possible or feasible or would not efficiently and effectively meet the interests and objectives of IDLO, the recommendation for the award will be made on the basis of Direct Procurement.

**9.1.4 Cooperative Award.** In cases where procurement is made in accordance with the provisions of Section 12.1 (Cooperation with Other Entities), the award basis is considered to be a Cooperative Award. Such award is applicable to awards based on reuse of another Entity’s solicitation (Section 12.1.1), use of the terms and conditions of an existing Contract or agreement of another Entity (Section 12.1.2), procurement from another Entity (Section 12.1.3), or outsourcing to another Entity (Section 12.1.4).

**9.1.5 Multiple Awards.** Where the evaluation was based on subsets of items, services and/or destinations as provided for in Section 7.5.1 and the Procurement focal point recommends that more than one award be made for a given solicitation, the Award Basis must be determined for each evaluation and its associated award. In cases where at least three Quotations or Responsive Offers were not obtained for all items or services included in the evaluated subset, the Award Basis must be determined separately by item, distinct service and/or destination or service location. For those items, services and/or destinations of the evaluated subset for which fewer than

three Quotations or Responsive Offers were obtained, the recommendation for award is considered to be an Exceptional Award.

**9.1.6 Awards based on Partial Quantities.** In cases where the highest-ranked Supplier is not in a position to supply the entire quantity of goods or services required, the Award Basis for each recommendation for a partial quantity award depends on the number of Responsive Offers obtained and an evaluation of both the direct costs of the goods or services as well as the associated operational cost.

(a) Competitive Award. A recommendation for award is considered to be a Competitive Award when at least three Responsive Offers were obtained and:

(i) the recommendation is to award to the highest-ranked Supplier who submitted Responsive Offers, successively exhausting the quantities available in accordance with the Supplier ranking until the requirement has been fulfilled; or

(ii) the recommendation is to award to the Supplier(s) considered by the Procurement focal point to provide the Best Value for Money to the Organization on the basis of both direct and indirect costs, as provided for in Section 7.5.2(a).

(b) Exceptional Award. A recommendation for award is considered to be an Exceptional Award when:

(i) the recommendation for award is based on receipt of less than three Responsive Offers; or

(ii) the award is recommended to other than the highest-ranked Supplier(s) because the Procurement focal point considers it to be in the best interest of IDLO and/or lowest-risk means to fulfill a requirement associated with an Emergency Situation, notwithstanding the higher direct costs, as provided for in Section 7.5.2(b).

**9.1.7 Distributed Awards.** When the interests of IDLO would be best served, particularly to mitigate the risk of non-performance, the Procurement focal point may, after undertaking a documented risk assessment, recommend that the award of required quantities of goods or services be distributed to two or more Suppliers (“Distributed Award”). The Award Basis for the award to the highest-ranked Supplier will be considered to be a Competitive Award, provided that at least three Quotations or Responsive Offers were obtained. The Award Basis for recommendations for award to the highest-ranked Supplier where only two Quotations or Responsive Offers were obtained and for all recommendations for award to other than the highest-ranked Suppliers(s) will be considered to be Exceptional Awards.

**9.1.8 Awards based on Reuse of Tender Results.** In support of a more efficient use of resources, the Procurement focal point may recommend reuse of the results of a previous solicitation within twelve (12) months of the



closing date to procure substantially the same goods or services. Such procurement is considered to be based on a competitive process. The Award Basis for each reuse of solicitation results will be determined to be a Competitive Award or an Exceptional Award based on the nature of the reuse. The reuse must be approved by the relevant Authorizing Official and/or PRC at the cumulative value of the initial procurement and new award. Tender results may be used as an alternative to a new solicitation only if:

- (a) the competitiveness of the solicitation was not unduly conditioned by an Emergency Situation, unless the reuse of the results is undertaken in similar circumstances;
- (b) there has been no evidence of a substantial change in market conditions during the intervening period;
- (c) substantially the same terms and conditions as the original Offer are confirmed by the Supplier; and
- (d) the quantity of the goods or the value of the works/services does not materially exceed that on which the relevant Offer was based or upon which a request for a BAFO was made (see Sections 7.6.6 and 6).

**9.1.9 Disagreement on Award.** In cases where the Procurement focal point and the Requester disagree on the final recommendation for the award after completion of the evaluation and any subsequent negotiations, the matter will be referred to the Authorized Official. If the Requester disagrees with the recommendation of the Authorized Official, the matter will be referred to the relevant PRC for advice. If the Authorized Official disagrees with the recommendation of the relevant PRC, the matter shall be submitted to the Director, DFSS, for final determination and, as relevant, approval.

**9.1.10 Approval.** After obtaining final clearance for the recommendation from the Requester and ensuring that any PRC recommendation has been obtained or that *ex post* review is permitted and justified, the Procurement focal point will finalize and document the basis for each award recommendation for submission to the Authorized Official for approval in accordance with the delegation of authority limits set forth in Appendix B. The Authorized Official will not approve or sign any Contractual Instrument committing IDLO to the expenditure of funds without documented confirmation from the Budget Holder that adequate funds for the procurement activity can be committed.

**9.1.11 Emergencies.** For procurement undertaken in connection with Emergency Situations, adequate funds to cover the procurement action may not yet be available at the time the action is initiated. The Procurement focal point may proceed with the procurement action based on a request approved by the Budget Holder for a nominal amount, provided that specifications have been finalized and cleared by the technically-competent unit(s) or officer(s) and the Budget Holder Officer indicates that availability of adequate funding is imminent. However, the Authorized Official will not approve, sign or allow issuance of a Contractual Instrument committing IDLO for the expenditure of funds until the Budget Holder has confirmed availability and commitment of adequate funding.



## 9.2 Supplier Notification.

**9.2.1 Communication of Award Prior to Signature.** In exceptional cases (emergencies), based on documented justification, the Director, DFSS, may, by e-mail or letter, authorize an OIC to instruct the supplier to proceed with performance of a Purchase Order or Contract prior to signature and issuance. In such cases, the communication will set out, to the extent possible, the essential terms and conditions of the formal Purchase Order or Contract which will subsequently be sent to the Supplier. Such communication may be sent only when the availability of funds has been certified and provided that the Supplier has not requested modifications to the IDLO's terms and conditions.

**9.2.2 Notification of Unsuccessful Suppliers.** The Procurement focal point should ensure that unsuccessful Suppliers are notified either directly or through publication when it is determined that the successful Supplier(s) can perform and has/have signed a Contractual Instrument with IDLO.

**9.2.3 Publication of Award.** For public solicitations, the Procurement focal point will determine the appropriate means for publication of the solicitation results and carry it out if required.

## 10. Framework and Contractual Instruments

**10.1 Overview.** For procurement of goods and services the following principal Contractual Instruments are used:

- (a) Contracts;
- (b) Purchase Orders; and
- (c) Work Orders or other commitment under Framework Agreements.

**10.2 Standard Contract Elements.** A Contract is a legally binding agreement between IDLO and a Supplier which provides for the performance of works or services or the supply of goods for IDLO. Contracts are generally used when the goods to be supplied are sophisticated, the services to be performed are complex, require detailed written explanation to achieve a clear understanding of the obligations of the parties, or where performance of the Works or service is a critical component of a procurement action which includes both goods and services. Contracts will be prepared by the Procurement focal point based on one of IDLO's standard OGC-approved templates, modified as necessary for the relevant procurement action. Contracts will be approved and signed by the Authorized Official prior to transmission to the Supplier. Any deviation from the OGC-approved templates must be reviewed and approved by OGC prior to submission to the Supplier or signature by IDLO personnel.

**10.2.1** A Contract will at a minimum clearly identify the parties and include:

- (a) a statement of work or description of the goods;

- (b) the period of validity;
- (c) the price and the payment terms;
- (d) requirements and instructions for notifications;
- (e) the appropriate version of IDLO's standard terms and conditions;
- (f) designation of IDLO's representative responsible for management of the Contract; and
- (g) signature of the Authorized Official and Supplier and dates of signature.

10.2.2 The following elements may also be applicable where required:

- (a) a statement of the responsibilities of IDLO;
- (b) requirements for Contract monitoring, supervision & reports;
- (c) right to inspect Supplier accounts and records related to the Contract and to have them audited by auditors appointed by IDLO;
- (d) liquidated damages clause;
- (e) performance bond clause;
- (f) bank guarantee clause;
- (g) responsibility for insurance;
- (h) warranties;
- (i) provision and procedures for amendment;
- (j) provisions for copyright or other intellectual property rights;
- (k) non-disclosure clause; and/or
- (l) any other special conditions.

10.2.3 **Determination of Contractual Instrument.** The Procurement focal point will determine the appropriate Contractual Instrument to be used for a given procurement action, also taking into consideration the information provided by the Requester. Any questions regarding the appropriate Contractual Instrument may be addressed to OGC.

10.2.4 **Change of Contractual Instrument.** In cases where Solicitation Documents have been issued anticipating the use of one Contractual Instrument and at a later date it is determined that it would be more appropriate and better serve the interests of IDLO to use a different instrument, the Procurement focal point will review the procurement action and determine whether, in the interests of transparency, new Solicitation Documents should be issued.

10.2.5 **Modification of Organization's General Terms and Conditions.** Any modifications of IDLO's standard General Terms and Conditions for any Contractual Instrument must be reviewed and approved by OGC. In any event modifications cannot be made to the General Terms and Conditions document itself, but when authorized by OGC can be included in a separate annex to the Contract.

**10.3 Framework Agreements.** A Framework Agreement defines the terms and conditions under which the Supplier commits to supply goods or services over the term of the agreement but places no obligation on IDLO to procure. Framework Agreements must specify by what means and by whom the goods or services will

be ordered as and when required by IDLO. Procurement of specific goods or services under a Framework Agreement will take the form of a Purchase Order or a Work Order (see Section 10.4 and Section 10.5.2 below). In Framework Agreements a Supplier may also agree to fixed prices for a defined period of time for goods and services that are required by IDLO on a recurring basis.

**10.4 Purchase Orders.** A Purchase Order is a legally binding contract between IDLO and a Supplier. A Purchase Order is generally used for the procurement of goods including any services incidental to their supply. A Purchase Order may either be: (i) a self-contained agreement between IDLO and a Supplier; or (ii) issued to create a commitment by IDLO to purchase goods or services under the terms and conditions established by an existing Framework Agreement. Purchase Orders may also be used for standard or uncomplicated services where the Procurement focal point determines that a simplified contractual format is acceptable. Purchase Orders will be raised by the Procurement focal point and approved and signed by the Authorized Official prior to transmitting the order to the Supplier.

10.4.1 A Purchase Order will at a minimum clearly identify the parties and include:

- a) specification of the goods and related services, if any;
- b) the required quantities and delivery terms (destination(s), consignee(s), modalities, and delivery deadlines);
- c) the unit price(s) and other costs;
- d) payment terms;
- e) responsibility for insurance;
- f) requirements and instructions for notifications;
- g) the appropriate version of IDLO's standard terms and conditions; and
- h) signature of the Authorized Official and date of signature.

10.4.2 The following elements may also be applicable:

- (a) requirements for inspection services;
- (b) marking instructions;
- (c) liquidated damages and/or warranty clauses;
- (d) right to inspect Supplier accounts and records related to the contract and to have them audited by auditors appointed by IDLO; and/or
- (e) any other special conditions.

## 10.5 Works and Construction Services.

10.5.1 **Construction Contracts.** It is IDLO policy that construction works of any type are to be awarded as a fixed-cost contract, following a competitive process based on the Best Value for Money evaluation concept, as described in these Procurement Policies and Procedures. Construction

Contracts may provide for new facilities, renovation of the entire or a portion of an existing facility and/or the supply of a new or the repair of an existing system. Construction contracts may also be structured as a Framework Agreement.

**10.5.2 Work Orders.** Work Orders or other formats may be specified under the terms and conditions of an established Framework Agreement as the instrument for creating the obligation by IDLO to procure the goods or services covered by the agreement and may only be used for this purpose. Work Orders will generally be issued by the Requester directly to the Supplier as and when the goods or services are required. A Work Order must be a written communication and will at a minimum reference the Framework Agreement, specify the goods or services required, including location and timing of delivery, and indicate the estimated cost of the works or services. The Requester will also be responsible for ensuring adequate funds for the goods or services ordered are available. Approval to sign such orders shall be in accordance with the delegation of authority as set forth in Appendix B.

## 11. Contract Management

**11.1 Overview.** The Requester is responsible for executing and managing Purchase Orders, Work Orders and Contracts. The name, title of the officer and the office location shall be considered as a necessary component of all Purchase Order and Contract documentation.

**11.2 Supplier Performance Evaluation.** After each Purchase Order or Contract issued pursuant to a formal Solicitation Document (ITB/RFP) has been concluded, the performance of the Supplier should be evaluated. The Requester is responsible for completing an evaluation of performance and forwarding it to the HQPU. The HQPU will either concur with the Requester's evaluation or state reasons for not concurring and maintain such evaluations in the official procurement file. Unsatisfactory performance evaluations shall be noted in the Supplier database and shall be referred to when new procurement actions are being evaluated.

**11.3 Disputes.** As an inter-governmental organization, IDLO disputes generally are not subject to the jurisdiction of national courts of any single system of national law and instead are governed by general principles of international law. As specified in IDLO's OGC-approved standard templates, all disputes arising between the parties in the performance of duly approved Purchase Orders and Contracts shall be settled in the first instance between the parties. In the event that the dispute cannot be resolved through consultation and then negotiation, the dispute shall be referred to arbitration under the terms and conditions set forth in the UNCITRAL rules. Such settlement of disputes provision shall be referred to in the Contract documentation.

**11.4 Payments.** A list of all required payment documentation must be included in Purchase Orders and Contracts, as well as the address where invoices should be submitted. Invoices and bills presented for payment must be checked against approved Purchase Orders and Contracts and must be verified by the Responsible Officer before final approval for payment can occur.

11.4.1 Documentation for Purchase Orders or Work Orders. The following is required for payment of Purchase Orders or Work Orders:

- (a) Supplier's original invoice with reference to Purchase or Work Order Number;
- (b) acceptance by the Requester in writing that the items have been delivered in accordance with Purchase Order or Contract terms and conditions. If the person who receives is different than the Requester, the Requester is responsible for confirming in writing the receipt of items and services at the time of delivery, and for payment documentation purposes. Only in exceptional cases (see Section 12.4.3 below) when advance or progress payments were approved, the acceptance of the goods delivered is not needed; and
- (c) for international Suppliers, the bill of lading/air waybill, insurance certificate, packing list, certificate of origin and signed copy of Purchase Order.

11.4.2 Documentation for Contracts. The following is required for payment of Contracts:

- (a) Supplier's original invoice;
- (b) acceptance by the Requester in writing that service has been satisfactorily performed and in accordance with Contract terms and conditions. Only in exceptional cases, when advance or progress payments were approved, the acceptance of the services performed is not needed (see Section 11.4.3 below); and
- (c) any other documentation requested by the DFSS.

11.4.3 Advance Payments. The Authorized Official may authorize advance payments, when availability of funds has been confirmed by the Budget Holder, for the following purposes:

- (a) in cases where generally accepted commercial terms require advance payment (e.g. subscriptions for magazines or services, licensing arrangements, membership fees, conference facilities rental, radio/TV broadcasting, insurance coverage);
- (b) for transactions with governmental, regional, inter-governmental, parastatal, civil society organizations or not-for-profit institutions or associations (including non-governmental organizations, universities and academic institutions, and public research institutions) for the provision of goods or services up to a maximum of 20% of the total amount of the procurement activity, after assessing and documenting the benefit to IDLO against the risk of non-performance;
- (c) at the request of the Supplier and only in exceptional circumstances subject to approval by Director, DFSS, where the Procurement focal point considers the advance payment to be the only effective means to undertake

procurement and the associated risk to IDLO to be minimal, an advance payment without a financial guarantee may be considered appropriate and can be approved by the Authorized Official.

All requests for advance payments must be fully justified and documented including in the terms of the Contractual Instrument.

In all other cases, advance payments are not permitted without a financial guarantee (e.g. bank guarantee, performance bond, insurance for non-performance).

## 11.5 Amendments, Extensions and Renewals.

**11.5.1 Amendments.** Contractual Instruments may require amendment after approval and issuance. An amendment is any change to a Contractual Instrument which may or may not have an impact on the total value, e.g. to extend the period of performance. Amendments may only be made to Contractual Instruments which are not yet terminated or expired. Amendments to Contractual Instruments will be made in writing and must be accepted by both parties. Amendments should be pursuant to an OGC-approved template. All cumulative amendments to a Contractual Instrument cannot increase the Contractual Instrument value by more than 25% or by € 25.000, whichever is lower. For proper documentation, it is recommended that any increase between 10% and 25% of the Contract value be submitted to the PRC together with the original award recommendation and justification of the increase.

(a) Amendments to Purchase Orders. Exceptionally, it may be necessary to modify a Purchase Order that has been approved and issued. Generally, changes will be initiated by the Requester (e.g. for an increase in quantity or a change in destination or delivery) but may also be initiated by the Procurement focal point (e.g. to correct an error). A modification of the Purchase Order may in some cases be requested by the Supplier when unable to supply according to the terms and conditions of the Offer and Purchase Order (e.g. cannot meet the required delivery date). The Procurement focal point will determine, in consultation with the Requester, whether it best serves the objectives of IDLO to recommend:

(i) cancellation of the Order, in full or in part, taking into consideration any damages which may be applied by the original Supplier (see Section 11.6.4(a) below) and award, in full or in part, to the next highest-ranking Supplier(s);

(ii) retender, taking into consideration any damages which may be applied by the original Supplier (see Section 11.6.4(b) below); or

(iii) proceeding with the amendment, provided that the Supplier has indicated acceptance of the modification; where the Supplier would no longer be the highest-ranked Supplier had the evaluation been based on the modified quantities, commercial terms or conditions, the amendment is subject to the review requirements for Exceptional Awards.



(b) Special Considerations for Purchase Orders. In general, modifications of the Purchase Order which disadvantage the Supplier, such as a reduction in the original order quantity or an earlier delivery deadline, are to be avoided. The Authorized Official may consider such amendments only in exceptional cases. The following should be taken into consideration:

(i) whether at the time of the proposed amendment, the Supplier has confirmed acceptance of the Order, provided acceptance of the Order was requested in the Purchase Order;

(ii) whether the Supplier will accept the modification without changing the unit price or claiming damages;

(iii) whether any damages potentially payable by IDLO are outweighed by the benefit to IDLO of the amendment; and

(iv) whether the Supplier would no longer be the highest-ranked Supplier had the evaluation been based on the modified commercial terms and conditions.

(c) Amendment of Contracts. It may be necessary to modify commercial or other aspects of an existing Contract. Generally, an amendment will be initiated by the Requester, but may also be initiated by the Procurement focal point or the Supplier. The Procurement focal point, in consultation with the Requester, must in each case evaluate whether the requested modification would be best accommodated by an amendment or through a new solicitation.

(d) Review of Amendments to Contractual Instruments. Certain amendments require review by the relevant Procurement Review Committee, depending on the Award Basis, the value of the amendment, the value of previous amendments, as well as the total value and term of the Contractual Instrument, as amended, as set forth Appendix D.

(e) Approval of Amendments to Contractual Instruments. Amendments to Contractual Instruments will be approved and signed by the Authorized Official within whose delegated authority the value of the Contractual Instrument as amended will fall. Any deviation from the OGC-approved templates must be reviewed and approved by OGC prior to submission to the Supplier or signature by IDLO personnel.

11.5.2 Renewals and Extensions. A Contract renewal or extension is the continued use of the terms of a Contract for an additional period of time, either as provided for in the original Contract, where annual renewal is standard commercial practice for the category of services (e.g. subscriptions or certain types of insurance), or, when not provided for in the original Contract, to allow for the completion of services.



(a) Management of Renewals and Extensions. One or more renewal periods may be foreseen in the Contract and may include a provision for adjustments to the commercial terms or services to be provided (e.g. change in the number of licenses or indexed price adjustments).

The Procurement focal point must in each case evaluate whether the interests of IDLO would be best served by the requested renewal or extension, or through a new solicitation, taking into consideration, for example, Supplier performance and market conditions. Contract renewals and extensions will be affected in writing and must be accepted by both parties within the time limits provided for in the Contract.

(b) Review of Contract Renewals and Extensions. Certain Contract renewals require review by the relevant Procurement Review Committee, depending on the Award Basis, the total value and total term of the Contract and value of the Contract, including all previous renewals and Extensions, as set forth in Appendix D.

(c) Approval of Contract Renewals. Renewals of Contractual Instruments will be approved and signed by the Authorized Official within whose delegated authority the value of the renewal falls. Renewals should be pursuant to an OGC-approved template.

## 11.6 Contract Termination or Closure.

**11.6.1 Termination upon Fulfillment or Expiration.** Generally, Contractual Instruments will terminate when IDLO and the Supplier have performed their respective obligations and/or upon expiry of the Contract term. This may include cases where application of actual or liquidated damages remedies or deviations in Supplier performance relative to the terms and conditions specified in the Contractual Instrument.

**11.6.2 Termination for other Reasons.** Termination for reasons other than fulfillment of the terms or expiration of the Contractual Instrument is subject to approval by the Authorized Official and specific terms of the Contractual Instrument, and generally includes the following.

(a) Termination for Cause. Upon the occurrence of an event which is specified in the Contractual Instrument as permitting termination by IDLO and after a formal written communication by IDLO to the Supplier specifying the reason(s) for termination and the passage of the notice period foreseen in the Contractual Instrument.

(b) Termination for Non-performance. After a formal written request to the non-performing Supplier to remedy its default or non-performance and the passage of a reasonable period of time to allow the Supplier to take remedial action, IDLO may terminate the Contract. Termination for default or non-performance may give rise to damages.

(c) Unilateral Termination. If provided for in the Contractual Instrument, upon the request by either party to exercise the termination provision, after a formal written communication to the other party and upon the passage of the notice period provided for in the Contractual Instrument.

Such termination shall not be undertaken without first seeking the advice of OGC.

**11.6.3 Cancellation of a Contractual Instrument.** Full or partial cancellation by IDLO of order quantities or contracted services should generally be avoided, as cancellation may give rise to a Supplier claim for damages. Full or partial cancellation of a Contractual Instrument is subject to approval by the Authorized Official.

**11.6.4 Responsibility for Determination of Actual or Liquidated Damages.** A determination regarding the applicability of provisions for actual or liquidated damages may be made during the contractual period and/or prior to termination of a Contractual Instrument. The advice of OGC shall be sought in determining such damages.

(d) Contracts. The IDLO representative responsible for management of the Contract will identify any material breaches of the Contract including inadequate, delayed and/or partial performance by the Supplier for which actual or liquidated damages can be applied as per the Contract terms. The IDLO representative responsible for management of the Contract will be fully responsible for determining the nature and amount of any damages and to notify the Supplier in writing of the justification for application of actual or liquidated damages providing a reasonable time limit within which the Supplier may contest the claimed damages.

(e) Purchase Orders. The Procurement focal point is responsible, based on the information available at the time of payment, and in consultation with the Technically-Competent Unit(s) or officer(s), if relevant, for determining the applicability of actual or liquidated damages for quantitative and/or qualitative deviations from the specifications, or late delivery. The Procurement focal point will notify the Supplier of the application of any actual or liquidated damages and the basis for the claim. In cases where the Procurement focal point recommends the non-application or reduction of actual or liquidated damages which could otherwise be applicable, the Procurement focal point must document the reasons and obtain the approval of the Authorized Official.

**11.6.5 Documentation.** The Procurement focal point is responsible for ensuring that termination of Contractual Instruments, whether upon fulfillment of the contractual obligations and/or expiry, or for any other reason, is adequately documented.

**11.7 Maintenance of Files.** The procurement policy of IDLO is to document in a complete manner all procurement actions. Official Order / Contract

files are required to be kept by IDLO and available for Audit review for a period and later disposed of in accordance with the relevant donor agreement and any IDLO policy on the retention and disposal of records and documents.

**11.7.1 Documentation for Purchase Orders and Contracts.** A file documenting details of the procurement action shall include:

- a) Purchase/Contract Requisition;
- b) justification for waiving competition and approvals, if applicable;
- c) certification of availability of funds, including complete / appropriate account codes;
- d) list of Suppliers solicited (in the case of restricted bids approved by HQPU);
- e) copy of the solicitation to Suppliers (RFQ, ITB or RFP);
- f) estimated cost submitted by the Requesting Officer;
- g) copy of each Quotation, Bid or Proposal received;
- h) summary of all Quotations, Bids or Proposals received;
- i) determination of acceptance or rejection of late Quotations, Bids or Proposals;
- j) copy of the Opening documentation;
- k) evaluation information, e.g. ranking sheets, listings of Evaluation Panel members, including documentation on discussions held with Suppliers;
- l) transportation/packaging information;
- m) authorized Purchase Order, Contract or Framework Agreement (final version signed by both parties);
- n) copy of Performance Bond or bid security, if applicable;
- o) amendments and supporting documentation or correspondence, if applicable;
- p) evidence of goods delivered, or services rendered (delivery note) and compliance with the Purchase Order, Contract or Framework Agreement;
- q) any other pertinent Purchase Order/Contract administration, including correspondence related to termination, if applicable;
- r) any payment processing documentation; and
- s) Purchase Order/Contract Close-out document.

**11.7.2 Memorandum to the file.** In addition, a Memorandum to the File is required for ITBs and RFPs. The purpose of the Memorandum is to provide important details concerning the procurement action and shall include:

- a) date the Purchase Requisition was received;
- b) direct or competition;
- c) mode of solicitation;
- d) basis for award;
- e) important dates;
- f) chronology of events; and
- g) rationale for award.

**11.7.3 Supplier evaluation.** Once the Contract/Purchase Order or Framework Agreement has been completed, the relevant project officer/Requester should complete a supplier evaluation form. This form

should be maintained in the procurement file to inform any future procurements that may consider use of the same supplier for the same or different goods/services. Any defect or default by the Supplier is to be clearly noted and depending on severity of the Supplier default, with support from HQPU and OGC, it may be decided to remove the Supplier from future inclusion in restricted Bids or consideration of offers received in open Bids.

## 12. Cooperation

**12.1 Cooperation with Other Entities.** IDLO may determine that cooperation with other organizations, agencies or programs is appropriate to meet the procurement requirements of IDLO, provided that the tendering process was conducted in a fair, competitive and transparent manner and that any associated fees are considered reasonable for the service provided.

Cooperation may be considered appropriate to, *inter alia*, obtain volume pricing or achieve process or operational efficiencies. Such cooperation may include relying on the procurement decision of another Entity, requesting another Entity to carry out procurement activities on behalf of IDLO, or procuring goods or services from another Entity. Other Entities may include international, inter-governmental, governmental or non-governmental entities.

**12.1.1 Reuse of Another Entity's Tender Results.** For a single or related series of planned procurement actions, the Procurement focal point may rely on the competitive selection process of another Entity, when, in the Procurement focal point's estimation, the potential benefits of undertaking a new selection process would not justify the associated administrative costs. The Procurement focal point may reuse the tender results to procure goods or services without undertaking a separate selection process provided that:

- a) the award is made within a twelve (12) month period after the validity date of the Offers;
- b) the requirements for the goods or services are substantially the same and the quantities originally tendered were similar or greater;
- c) the Supplier agrees to offer the goods or services at a comparable price and the commercial terms are considered reasonable for the market; and
- d) the Supplier accepts the IDLO's terms and conditions.

**12.1.2 Another Entity Contract or Agreement.** The Authorized Official may determine that the establishment of a Contract or Framework Agreement based on the terms of an existing contract or agreement established by another Entity, or accession to such an existing contract or agreement, may best meet the requirement. Establishment of a separate IDLO Contract or Framework Agreement with the Supplier based on the terms of another Entity's existing contract or agreement or accession to an existing contract or agreement between the Supplier and another Entity will be subject to the review and approval by HQPU and OGC. In the event that

the other Entity Contract was awarded based on direct procurement, prior to accession IDLO shall perform due diligence to certify procurement process and or, if the basis for direct procurement cannot be certified, proceed to a competitive solicitation.

**12.1.3 Outsourcing to another Entity.** Under certain circumstances it may be appropriate or necessary to request another Entity to carry out certain procurement activities on behalf of IDLO. Authorization for outsourcing of procurement activities may be considered in situations such as those described below. Outsourcing agreements must be in writing and reviewed by HQPU and OGC

a) **Expertise.** When IDLO recognizes particular expertise of another Entity in the procurement of specific goods or services, the Authorized Official may authorize, within the level of delegated authority set forth in Appendix B, outsourcing for the specific goods or services and designate the other Entity as the procurement agent for IDLO.

(b) **Procurement Capacity.** When another Entity has the necessary procurement capacity that IDLO does not itself have in a given location, the Authorized Official may authorize within the level of delegated authority set forth in Appendix B, the outsourcing of certain or all procurement activities for any period and designate the other Entity as the procurement agent for IDLO for those activities.

(c) **Administrative Capacity.** When IDLO has neither procurement nor administrative capacity in a country, procurement actions may be undertaken on behalf of IDLO by the resident representative of another Entity with the necessary procurement and administrative capacity (e.g. Resident Representative of the local United Nations Development Program), in accordance with the rules and regulations of such Entity, up to the delegated financial authority limits applicable to IDLO representatives.

**12.2 Requirements for Cooperation.** The Director-General will be responsible for review and approval of the request for cooperation after considering the recommendations of the Director, DFSS, and any assessment that has been undertaken of the administrative or financial management capacity of the relevant Entity with which cooperation is requested.

## APPENDIX A – GLOSSARY AND ACRONYMS

### GLOSSARY

**Defined Terms.** The following terms will have the meanings set forth below. Additional terms are defined in the text of these Procurement Policies and Procedures.

**Authorized Official.** Personnel with the responsibility and authority to approve and sign Contractual Instruments on behalf of IDLO with directly delegated financial authority as set forth in Appendix B - Procurement Delegated Authority, or those to whom such responsibility and authority has been sub-delegated.

**Best Value for Money.** Refers to a procurement being fit for the purpose with the best combination of benefit and cost. Price and quality as well as other factors such as delivery and experience of the Supplier are used to determine Best Value for Money.

**Budget Holder.** An individual who has been allotted or delegated a budget and has the authority to confirm or certify that funds are available.

**Bid.** An Offer submitted in response to a formal invitation for the supply of goods or services meeting a specific description.

**Contract.** A legally binding agreement between the IDLO and a Supplier which provides for the performance of services or the supply of goods, whether directly or incidentally, for IDLO. For purposes of these Procurement Policies and Procedures, the term “services” will include works (e.g. construction or maintenance) as well as goods associated with the supply of such works and services. Works are considered to be a sub-set of services. Also see Purchase Order for procurement of goods.

**Framework Agreements and Contractual Instrument.** Any legally binding written document setting forth the obligations of IDLO and the Supplier and the agreed terms and conditions for the performance of such obligations. Contractual Instruments used by IDLO include but are not limited to Contracts, and Purchase Orders.

**Direct Procurement.** Procurement which may, under particular circumstances and subject to appropriate review and approval, be undertaken directly with a single Supplier when a competitive solicitation process would not efficiently and effectively meet the interests and objectives of IDLO.

**Director, DFSS.** The Director of the Department of Finance and Support Services.

**Discounted rate.** When the offered price for services or goods is substantially below the market price for similar goods or services.

**Emergency Situation.** An urgent or compelling situation where an exceptional response is needed to address the impact of a sudden onset emergency (e.g. natural disaster), a worsening or acute phase of a crisis (e.g. during a complex or protracted conflict) or when immediate action is critical to prevent serious damage, loss or injury to property or persons or significant economic loss.

**Field Office.** Any location where an IDLO program/project office is operating.



**Field Office Manager.** A person delegated by the Director-General with responsibility for management of IDLO activities in the field, including, *inter alia*, Country Manager, Field Program Manager or similar personnel.

**Framework Agreement** (also referred to as a **Long-Term Agreement**). An agreement which sets forth the terms and conditions under which procurement of goods or services can be effected over a specified period, but which places no obligation on IDLO to procure. Purchase Orders are then issued against Framework Agreements.

**Goods.** Goods refers to an item, product, commodity or equipment that is acquired pursuant to a Purchase Order.

**Headquarters (HQ).** Any Department, Division, Service or Office located at IDLO Headquarters.

**Invitation to Bid (“ITB”).** A formal invitation by IDLO to Suppliers to submit a formal offer in accordance with a specified procedure for the supply of goods or services meeting precise specifications (“Bid”).

**Low Value Procurement.** A form of Direct Procurement for simple goods or services with clearly defined or standard specifications that uses the RFQ solicitation method. See Appendix C.

**Mandatory Criteria.** Non-price criteria used to pre-qualify or evaluate Suppliers; requested as part of the Solicitation Document and assessed on a Pass-Fail basis.

**Non-Headquarters Locations.** Those offices or operations groups not located at Headquarters which have authority to undertake procurement actions under these Procurement Policies and Procedures. Non-Headquarters Locations include Field Offices and any other office which may be authorized by the Director-General.

**Offer.** A Quotation, Bid or Proposal submitted by a Supplier.

**Organizational Unit.** A Division, Department, Unit, Service or Front Office within IDLO for which the budget holder is responsible and accountable.

**Personnel.** Any individual holding any type of contract of employment with IDLO.

**Pro-bono.** Services or goods dispensed on a voluntary basis at no cost to IDLO. In doing so, the Supplier is perceived to be imparting a benefit for the greater good, rather than for the usual profit motive.

**Procurement Action.** A transaction initiated by a Requester to fulfill an IDLO requirement for goods or services, including those activities carried out by the Procurement focal point, which are intended to result in a legally binding commitment entered into by IDLO.

**Procurement focal point.** IDLO personnel designated by an Authorized Official to undertake procurement activities necessary for the selection of a Supplier in accordance with the procedures set forth in these Procurement Policies and Procedures.



Proposal. An Offer submitted in response to a formal invitation to supply goods or services meeting a general description where the goods or services required cannot be quantitatively or qualitatively expressed in a complete and definitive manner.

Purchase Order. A legally binding contractual instrument between IDLO and a Supplier for the procurement of goods, including any works and services incidental to their supply. Also see Contract for the supply of services.

Purchase Requisition. IDLO's standard documentation to request the supply of goods or services, including certification of funds availability.

Quotation. An Offer submitted in response to an Request for Quotation for the procurement of goods or services.

Requester. A person authorized by the Budget Holder to request the procurement of goods or services.

Request for Proposal ("RFP"). A formal invitation issued to Suppliers to submit a formal Offer in accordance with a specified procedure to supply goods or services meeting a general description ("Proposal").

Request for Quotation ("RFQ"). An invitation issued to Suppliers to submit an offer in accordance with a specified procedure to supply goods or services meeting a general description ("Quotation").

Responsive Offer. A Valid Offer which materially conforms to the technical specifications and any mandatory terms contained in the Solicitation Documents.

Services. Refers to acts or activities performed by a Supplier (e.g. cleaning, transportation, warehousing, and consulting) that is acquired through a Contract.

Solicitation Document. The formal invitation to potential Suppliers which consists of the documentation necessary to fully describe the requirements of the procurement action, as well as the procedures for submission of Offers.

Supplier. A company, organization, institute, or other legal entity or physical person which may supply goods or services to IDLO under the provisions of these Procurement Policies and Procedures.

Technical Services/Technically Competent Unit. A Unit or Office with specialized knowledge of or experience in an area or field that can provide expertise that may be requested to assist in designing specifications for and/or evaluating a procurement action.

Tender. Any competitive solicitation as provided for in these Procurement Policies and Procedures.

Valid Offer. An Offer which has been properly submitted in accordance with the specified instructions or which was originally declared invalid and subsequently revalidated by the Opening Panel.

Works. Activities such as construction, renovation, rehabilitation and ordinary maintenance and are considered as a sub-set of Services.

Work Order. A legally binding contractual instrument between IDLO and a Supplier for the procurement of goods or services issued against a Framework Agreement.

## ACRONYMS

BAFO	Best and Final Offer
DFSS	Department of Finance and Support Services
HQ	IDLO Headquarters Rome
HQPU	Headquarters Procurement Unit
ITB	Invitation to Bid
OGC	Office of the General Counsel
PPP	Procurement Policies and Procedures
PR	Purchase Requisition
PRC	Procurement Review Committee
RFP	Request for Proposal
RFQ	Request for Quotations

## APPENDIX B - Procurement Delegation of Authority

Application. As the officer entrusted to administer the Organization, pursuant to Art. VI(4) of the Agreement for the Establishment of IDLO, the Director-General has original delegated authority to undertake all actions related to the procurement of goods and/or services on behalf of IDLO, and accordingly is not subject to any procurement authorization limit.

The Director-General may delegate his/her authority to act under these Procurement Policies and Procedures to IDLO personnel of his/her choosing through delegated authority limits.

Authorization limits apply to the total value of each single procurement action, inclusive of transportation costs, if any, and exclusive of value added tax or any other taxes, unless applicable.

All procurement actions undertaken with a single Supplier for essentially the same goods or services to satisfy a single request will be considered a single procurement action for purposes of the financial limits indicated.

The delegated or sub-delegated authority issued to IDLO personnel under these Procurement Policies and Procedures may be modified or revoked at any time by the Director-General.

Ad hoc Delegations of authority may be issued by the Director General in connection with specific programs or activities.

Sub-delegation. Authorities that have been delegated by the Director-General cannot be sub-delegated unless authorized by the Director-General or under these PPP.

<b>Authorized Official with delegated financial authority to approve and sign contractual instruments</b>	<b>Level of Delegated Authority</b>
Budget Holder (unless different Delegation of Authority issued)	Up to € 20,000
Global Lead Procurement	Up to € 50,000*
Directors**	Up to € 50,000
Director, Finance and Support Services	Up to € 200,000
Director-General	Above € 200,000

\* For procurement of goods or services for the DFSS, the Contractual Instrument within this range will be signed by the Director, Finance and Support Services.

\*\* For purposes of this table, Directors refers to the General Counsel and Directors of the following departments: Programs, Human Resources and Office Services, Strategic Communications, and Research and Learning.

## APPENDIX C - Solicitation and Submission Method Selection

The table shown below sets forth the solicitation and submission methods to be used for a given procurement action. The Procurement focal point will determine the solicitation and submission method to be used to obtain competitive Offers for the supply of goods, works or services to IDLO based on the Procurement focal point's location, the estimated total value of the procurement action, inclusive of transportation costs, if any, and exclusive of value added tax or any other taxes, if applicable, and the nature and circumstances of the procurement action.

Permitted Methods: The Procurement focal point is permitted to use the solicitation and submission method designated in the table below with the ● symbol for procurement actions meeting the conditions shown. Depending on the nature and circumstances of a particular procurement action, the Procurement focal point may choose to use an RFP in order to include technical aspects in evaluation even when the expected value is above €2,500 and below €20,000. For all procurements above €20,000 either an RFP or ITB must be used.

If the estimated total Euro value of the procurement action is:		Permitted Solicitation Methods		
<b>All Locations</b>		Low Value Procurement	Request for Quotation (RFQ)	Invitation to Bid (ITB) or Request for Proposal (RFP)
Under or equal to	Euro 2,500	●		
Over	Euro 2,500		●	
Over	Euro 20,000			●

## APPENDIX D - Headquarters Procurement Review Committee

### Terms of Reference

1. The composition, organization of work, responsibilities, and decision-making procedures of the Headquarters Procurement Review Committee (HQPRC) are set forth in Sections 8.1-8.9 of this PPP.
2. The threshold for HQPRC review is € 50,000\* for all procurement actions.
3. Exceptions. The following procurement actions are exempt from HQPRC review:
  - 3.1.1 For lease of property.

\* Applies to the total value of each single procurement action, inclusive of transportation costs, if any, and exclusive of value added tax or any other taxes, unless applicable.



## APPENDIX E – IDLO Supplier Code of Conduct

IDLO recognizes the universal and fundamental values enshrined in international instruments in the areas of human rights, labor, environment and anti-corruption.

IDLO expects its Suppliers to respect fundamental social and human rights, and the equal rights of men and women, take responsibility for minimizing the environmental impact of their activities, endorse ethical business practices and reach the following goals:

**1. Supplier Relationships:** The provisions of this Code of Conduct set forth the expectations of all suppliers with whom IDLO does business. IDLO expects that these principles apply to suppliers, parent entities and subsidiary or affiliate entities, as well as all others with whom they do business including employees, subcontractors and other third-parties. IDLO expects suppliers to ensure that the rules and standards of this Code of Conduct are communicated to their employees and subcontractors.

**2. Promoting the Principles of this Code of Conduct:** IDLO expects that its suppliers will establish and maintain appropriate management systems whose scope is related to the content of this Code of Conduct, and that they actively review, monitor and modify their management processes and business operations to ensure they align with the principles set forth in this Code of Conduct. All principles contained in this Code of Conduct are of equal importance independently of their order of appearance.

**3. Subcontracting:** IDLO expects that its suppliers encourage and work with their own suppliers and subcontractors to ensure that they also strive to meet the principles of this Code of Conduct or equivalent set of principles.

### Labor:

**4. Freedom of Association and Collective Bargaining:** IDLO expects its suppliers to recognize and respect the rights of employees to freely associate, organize and bargain collectively in accordance with the laws of the countries in which they are employed, as well as core international principles on Freedom of Association and collective bargaining. IDLO recognizes the importance of open communication and direct engagement between workers and management and suppliers are to respect the rights of workers to associate freely and communicate openly with management regarding working conditions without fear of harassment, intimidation, penalty, interference or reprisal.

**5. Forced Labor:** IDLO expects its suppliers to prohibit any use of forced, bonded or indentured labor or involuntary prison labor, and embrace employment practices consistent with international rules on forced labor. All work, including overtime work, will be voluntary and workers should be free to leave upon reasonable notice. Suppliers should also not mandate that workers hand over government-issued identification, passports or work permits as a condition of employment.

**6. Child Labor:** IDLO expects its suppliers, at a minimum, not to engage in any practice inconsistent with the rights set forth in the Convention on the Rights of the Child. The

minimum admission to employment or work shall not be less than the age of completion of compulsory schooling, normally not less than 15 years or 14 where the local law of the country permits, deferring to the greatest age. Additionally, all young workers must be protected from performing any work that is likely to be hazardous or to interfere with the child's education or that may be harmful to the child's health, physical, mental, social, spiritual or moral development. All suppliers should also adhere to legitimate workplace apprenticeship programs and comply with all laws and regulations governing child labor and apprenticeship programs.

**7. Discrimination:** IDLO does not tolerate any form of discrimination in hiring and employment practices on the ground or race, color, religion, gender, sexual orientation, age, physical ability, health condition, political opinion, nationality, social or ethnic origin, union membership or marital status. IDLO also discourages discrimination regarding access to training, promotion, and rewards.

**8. Working Hours:** IDLO expects its suppliers to comply with all applicable working hour requirements as established by local law, and should never exceed 60 hours per week, including overtime, except in emergency or unusual situations. Suppliers must ensure that all overtime work is voluntary and compensated at the prevailing overtime rates. Suppliers are encouraged to ensure that workers are provided with one day off in every seven-day week.

**9. Compensation:** IDLO expects its suppliers to comply, at a minimum, with all wage and hour laws and regulations, including those pertaining to minimum wages, overtime wages, piece rates, other elements of compensation and to provide legally mandated benefits.

#### **Human Rights:**

**10. Human Rights:** IDLO expects its suppliers to support and respect the protection of internationally proclaimed human rights and to ensure that they are not complicit in human rights abuses.

**11. Harassment, Harsh or Inhumane Treatment:** IDLO expects its suppliers to create and maintain an environment that treats all employees with dignity and respect and will not use any threats of violence, sexual exploitation or abuse, verbal or psychological harassment or abuse. No harsh or inhumane treatment coercion or corporal punishment of any kind is tolerated, nor is there to be the threat of any such treatment.

**12. Health and Safety:** IDLO expects its suppliers to follow all relevant legislation, regulations and directives in the country in which they operate to ensure a safe and healthy workplace or any other location where production or work is undertaken. At a minimum, suppliers should strive to implement recognized management systems; reasonable access to potable water and sanitary facilities; fire safety; emergency preparedness and response; industrial hygiene; adequate lighting and ventilation; and occupational injury and illness and machine safeguarding. Suppliers will also ensure these same standards apply to any dormitory or canteen facilities.

**13. Mines:** IDLO expects its suppliers to strive not to engage in the sale or manufacture of anti-personnel mines or components utilized in the manufacture of anti-personnel mines.

**Environment:**

**14. Environmental:** IDLO expects its suppliers to comply with existing legislation and regulations regarding the protection of the environment. Suppliers should wherever possible support a precautionary approach to environmental matters, undertake initiatives to promote greater environmental responsibility and encourage the diffusion of environmentally friendly technologies implementing sound life-cycle practices.

**15. Chemical and Hazardous Materials:** Chemical and other materials posing a hazard if released to the environment are to be identified and managed to ensure their safe handling, movement, storage, recycling or reuse and disposal.

**16. Wastewater and Solid Waste:** Wastewater and solid waste generated from operations, industrial processes and sanitation facilities are to be monitored, controlled and treated as required prior to discharge or disposal.

**17. Air Emissions:** Air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting chemicals and combustion by-products generated from operations are to be characterized, monitored, controlled and treated as required prior to discharge.

**18. Minimize Waste, Maximize Recycling:** Waste of all types, including water and energy, are to be reduced or eliminated at the source or by practices such as modifying production, maintenance and facility processes, materials substitution, conservation, recycling and re-using materials.

**Drug trafficking and Terrorism:**

**19. Drug Trafficking:** IDLO expects its suppliers to warrant that neither they, nor any of their employees and subcontractors, are engaged in the manufacture, sale, transportation, or distribution of any drug or narcotic substance deemed to be illegal in either the country of manufacture or delivery of the goods or services to be provided to IDLO.

**20. Terrorism:** IDLO expects its suppliers to warrant that neither they, nor any of their employees and subcontractors, are engaged directly or indirectly in terrorism, or in the finance or support to terrorists. Further, IDLO expects its suppliers to warrant that neither they nor their staff, nor any other recipients of funds from the supply of goods or services to IDLO, are listed in any sanctions list maintained by the United Nations Security Council; the United States Department of the Treasury, Office of Foreign Assets Control; or the European Union. Should the supplier, its staff, or other recipients of funds from the supply of goods or services to IDLO be included in any of the above-listed sanctions lists, the supplier is expected to notify IDLO immediately.

**Bribery & Corruption:**

**21. Corruption:** IDLO expects its suppliers to adhere to the highest standard of moral and ethical conduct, to respect local laws and not engage in any form of corrupt practices, including extortion, fraud, or bribery, at a minimum.

**22. Conflict of Interest:** IDLO suppliers are expected to disclose to IDLO any situation that may appear as a conflict of interest, and disclose to IDLO if any IDLO official or professional under contract with IDLO may have an interest of any kind in the supplier's business or any kind of economic ties with the supplier.

**23. Gifts and Hospitality:** IDLO does not accept any type of gift or any offer of hospitality. IDLO will not accept any invitations to sporting or cultural events, offers of holidays or other recreational trips, transportation, or invitations to lunches or dinners. IDLO expects its suppliers not to offer any benefit such as free goods or services or a work position or sales opportunity to IDLO personnel in order to facilitate the supplier's business with IDLO.

**24. Monitoring and Evaluation:** IDLO may conduct on-site evaluations and inspections of its suppliers' facilities and those of their subcontractors to review their progress towards these principles. It is the expectation of IDLO that suppliers, at a minimum, have established clear goals toward meeting the standards set forth in this Code of Conduct. IDLO may monitor that milestones have been set and management systems have been put in place to ensure that the principles set out in this Code of Conduct have been met and failure to do so may impact the future ability of a supplier to do business with IDLO.