



## **PROCUREMENT RULES**

### **GLOBAL GREEN GROWTH INSTITUTE**

## **PREAMBLE**

Through its Procurement Rules, the Council issues the broad legislative directives governing the procurement activities of the Global Green Growth Institute (“the GGGI”). The Council hereby promulgates the Procurement Rules of the GGGI.

These Procurement Rules are intended to provide a suitable and a uniform framework to govern procurement administration across all the GGGI offices and activities. The Rules shall standardise the activities pertaining to the procurement administration and provide guidance to staff for smooth execution of their duties.

These Rules are effective from 8 June 2013 by approval of the Council on the same date.

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## Article 1

### DEFINITIONS

- a. **“Coercive practice”** - means impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of a party to influence improperly the actions of a party.
- b. **“Collusive practice”** - means an arrangement between two or more parties designed to achieve an improper purpose – any action or inaction violating the objectives and provisions of the Procurement Rules - including to influence improperly the actions of another party.
- c. **“Commercial Bid”** - The section of the proposal submitted by a Supplier that includes the commercial/financial aspects of the Contract (as defined below) including bid validity, payment terms, etc.
- d. **“Contract”** - Legally binding and enforceable agreement, undertaking or commitment, or license creating a legal obligation and which is signed on behalf of the GGGI by an official having the legal authority to do so, and includes agreements concluded with Suppliers and institutional contractors, including consultants.
- e. **“Corrupt practice”** - means the offering, giving, receiving, or soliciting directly or indirectly of anything of value to influence improperly the actions of another party.
- f. **“Cumulative Analysis Methodology”** - Method of evaluation used for the evaluation of complex goods and services when factors other than price shall be considered.
- g. **“DoA” or “Delegation of Authority”** - The GGGI internal system that sets out the decision-making responsibilities within the GGGI.
- h. **“Ethics”** - Ethics is the discipline relating to right and wrong, moral duty and obligation, moral principles and values, and to moral character.
- i. **“EoI” or “Expressions of Interest”** - Publicly advertised notices intended to solicit interest. Generally used to request information from suppliers that may be used to identify potential suppliers before seeking proposals. Information sought is usually high-level and specific.
- j. **“Fraudulent practice”** - means any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation.
- k. **“LCB” or “Limited competitive bidding”** - Transparent procurement method in which bids only from pre-selected contractors, suppliers, or vendors are invited by describing the scope, specifications, and terms and conditions of the proposed contract as well as the criteria by which the bids will be evaluated .
- l. **“Lowest priced compliant offer methodology”** - Method of evaluation of proposal where the lowest cost offer among the compliant offers is selected.

- m. **“OCB” or “Open competitive bidding”** - Transparent procurement method in which bids from competing Suppliers are invited by openly advertising the scope, specifications, and terms and conditions of the proposed contract as well as the criteria by which the bids will be evaluated.
- n. **“Procurement Officer”** - The person responsible for undertaking all procurement-related activities within the GGGI.
- o. **“RFP” or “Request For Proposal”** – Method of solicitation used for competitive procurement. An RFP is used when the requirements cannot be quantitatively and qualitatively determined, usually for consulting services.
- p. **“ITB” or “Invitation to Bid”** - Method of solicitation used for competitive procurement. An ITB is used when the requirements can be specified quantitatively and qualitatively, usually for goods, design of other works and non-consulting services.
- q. **“RFQ” or “Request For Quotation”** - Method of solicitation commonly used for low-value procurement.
- r. **“Value for money”** - Value for money in procurement requires: encouraging competitive and non-discriminatory processes; using resources in an efficient, effective, economical and ethical manner; making decisions in an accountable and transparent manner; considering risks; and conducting a process commensurate with the scale and scope of procurement. The price of the goods and services is not the sole determining factor in assessing value for money. A comparative analysis of the relevant financial and non-financial costs and benefits of alternative solutions throughout procurement will inform a value for money assessment. Factors to consider include: fitness for purpose; a potential supplier’s experience and performance history; flexibility (including innovation and adaptability over the lifecycle of the procurement); environmental sustainability (such as energy efficiency and environmental impact); and whole-of-life costs.
- s. **“Supplier”** - An entity or individual that is responsible for providing goods, works, consulting and non-consulting services to the GGGI.

## Article 2

### INTRODUCTION

#### Rule 2.1

##### *Purpose*

The purpose of these Procurement Rules of the Global Green Growth Institute (hereinafter “the GGGI”) is to govern the activities of the GGGI carried out for procuring goods, works and consulting and non-consulting services. A detailed Procurement Policies and Procedures Manual, governed by these Procurement Rules, shall be promulgated after approval from the Director-General.

These Procurement Rules shall be read in conjunction with the GGGI Delegation of Authorities (“DoA”) Manual. In case of any discrepancies between the two documents, the Procurement Rules shall prevail.

#### Rule 2.2

##### *Principles*

The procurement policies, rules and practices are based on the following principles:

- a) Accountability: Responsibility for the actions and decisions taken in relation to procurement and for the resulting outcomes;
- b) Effective Competition: Encourage competitive and non-discriminatory processes;
- c) Fairness and Transparency: Treat all Suppliers in a fair and equal manner and take steps to enable appropriate scrutiny of procurement activity;
- d) Sustainability: Meet the needs for goods, services, works and utilities whilst generating benefits not only to the organisation but also to the society and the economy and minimising damage to the environment;
- e) Best Value for money: Use resources in an efficient, effective, economical and ethical manner.

#### Rule 2.3

##### *Applicability of Rules*

The Procurement Rules apply to all activities with financial implications for the GGGI, including the acquisition of services provided by individual consultants and consulting firms. However, for the purposes of the present Procurement Rules, procurement shall not be deemed to refer to the acquisition of services provided under employment contracts.

Where a cooperating institution has established guidelines, consistent with those of the GGGI, and assumes responsibility for project administration and supervision on behalf of the GGGI, then that institution's own procurement guidelines may be followed for the procurement activities of the co-financed project. The GGGI Procurement Rules shall be followed for all projects administered by cooperating institutions that do not have their own procurement guidelines or for all projects directly supervised by the GGGI.

When a Supplier enters into any sub-contracts in the course of carrying out the project, the Supplier shall seek prior approval of the GGGI and inform the GGGI of its own procurement plan and procedures. When the GGGI deems that the Supplier's own procurement approach or procedures are inadequate, the GGGI will require the Supplier to adopt the procedures outlined in these Procurement Rules.

## **Rule 2.4**

### ***Procurement Ethics***

The GGGI shall seek to treat all Suppliers in a fair and equal manner in accordance with the principles of fairness, integrity and transparency.

Nothing should prevent Suppliers from competing for the GGGI business on a fair, equal and transparent basis. Procurement staff members, therefore, are responsible for preserving the integrity of the procurement process and maintaining fairness in the GGGI's treatment of all Suppliers.

All GGGI personnel, and others, involved in the procurement process on behalf of the GGGI shall abide by the following standard of conduct:

- During the pre-solicitation phase, no one must allow Suppliers any access to specific, privileged information on a particular acquisition before such information is available to the business community at large.
- During the solicitation phase, all Suppliers must receive identical information. Any clarifications to the solicitation documents must be provided at approximately the same time, in writing, to all Suppliers.
- Specifications should be linked to function. They should not include conditions limiting competition (e.g. branding), nor be unnecessarily restrictive, to the extent that it discourages competition.
- Individuals with a personal or financial interest in a Supplier responding to a solicitation are prohibited from any involvement in the relevant procurement process.
- During the evaluation process, the evaluation criteria specified in the solicitation documents shall be applied in the same manner to each offer being evaluated.
- Any procurement personnel who is or should reasonably be aware that he or she has a conflict of interest or potential conflict of interest should immediately remove himself/herself from the relevant procurement process.

**Rule 2.5*****Complaints and Appeals Mechanism***

A Supplier that claims to have suffered or claims that it may suffer loss or injury because of the alleged non-compliance of a decision or action of the GGGI with the provisions of these Rules may challenge the decision or action concerned. A two-tier mechanism shall be set up for the Complaints and Appeals Mechanism whereby the protest shall first be submitted to the Procurement Officer, who shall provide a written decision stating the basis upon which it was made. The protestor has the right to file a written appeal to an internal Independent Review Committee, whose decision will be final and conclusive. The decisions of the Independent Review Committee will be published.

**Rule 2.6*****Fraud and Corruption***

It is the GGGI's policy to require that Suppliers under the GGGI's Contracts observe the highest standard of Ethics during the procurement and execution of such Contracts.

The GGGI may reject a proposal for award, cancel an award or debar a Supplier if at any time it determines that the Supplier has, directly or through an agent, engaged in coercive, collusive, corrupt or fraudulent practices in competing for, or in executing, a Contract.

In case that a staff member of the GGGI violates the Procurement Rules, he or she will be subject to the disciplinary measures under the GGGI's Staff Regulations and (Provisional) Staff Rules

**Article 3****PROCUREMENT ACTIONS****Rule 3.1*****Procurement Planning***

The Director-General shall prepare and maintain annual procurement plans that facilitate transparency and the effective and efficient purchase, delivery and final disposition of goods and services. The procurement plan shall be published on the GGGI's website.

**Rule 3.2*****Description of Requirements***

Solicitation documents circulated by the GGGI to its Suppliers shall provide a description of requirements and shall include:

- Description of the procurement such as nature, scope, quantity of goods and services.
- Performance requirements to be fulfilled including (neutral) technical specifications, plans, drawings, instructional materials; terms of reference for consulting services; desired outcomes; etc.
- Any conditions for participation, including financial guarantees and information on documents potential suppliers are required to submit.
- Minimum content and formal requirements.

**Rule 3.3*****Methods of procurement and their conditions for use***

The GGGI may conduct procurement by using the following means:

- a) Procurement of goods, works and non-consulting services
  - a. Open Competitive Bidding (OCB)
  - b. Limited Competitive Bidding (LCB)
  - c. Request for Quotation (RFQ)
  - d. Minor Purchase
  - e. Direct Contract

- b) Procurement of consulting services by firms
  - a. Competitive Selection with Expression of Interest (EoI)
  - b. Competitive Selection based on Shortlist
  - c. Single Source Selection
- c) Procurement of consulting services by individuals
  - a. Comparative Selection
  - b. Single Source Selection

The following rules are applicable to the selection of a procurement method:

- a) Procurement of goods, works and non-consulting services

Except as otherwise provided, the GGGI shall conduct procurement of goods, works, and non-consulting services by means of **Open Competitive Bidding (OCB)**. Tenders shall be solicited by causing an Invitation to Bid (ITB) that shall be published to be widely accessible to Suppliers (GGGI website, external (international) websites, and local newspapers and periodicals, as appropriate).

The GGGI may engage in procurement by means of **Limited Competitive Bidding (LCB)** when the subject matter of the procurement, by reason of its highly complex or specialized nature, is available only from a limited number of Suppliers or when the time and cost required to examine and evaluate a large number of tenders would be disproportionate to the value of the subject matter of the procurement. In LCB, tenders shall be solicited from all Suppliers from which the subject matter of the procurement is available. If the procurement value is below the threshold defined in Appendix 1, GGGI shall select a sufficient number of suppliers in a non-discriminatory way to ensure effective competition.

The GGGI may engage in procurement by means of **Request for Quotation (RFQ)** for the procurement of readily available goods or services so long as the estimated value of the procurement is less than the threshold set out in Annex 1. The GGGI shall request quotations from as many Suppliers as practicable, but from at least three.

The GGGI may solicit bids from a single Supplier when the value of procurement is below the threshold defined in Appendix 1 for **Minor Procurement** or when exceptional circumstances apply as per Rule 3.5 (Direct Contract).

- b) Procurement of consulting services by firms

Except as otherwise provided, the GGGI shall conduct the procurement of consulting services by firms by means of **Competitive Selection**.

For large contracts with firms (estimated contract value above the threshold defined in Appendix 1) a formal notice soliciting **Expressions of Interest (EoI)** from qualified firms shall be published (GGGI website, external (international) websites, and local newspapers

and periodicals, as appropriate) to identify consulting firms that are qualified. The principle required terms and conditions of the consulting contract and the criteria and procedures to be used for ascertaining the qualifications of consulting firms shall be specified. Based on an evaluation of the firms' proven experience and expertise related to the assignment, a Shortlist of qualified firms shall be prepared. Proposals shall be solicited by causing a **Request for Proposal**.

For contracts up to the threshold defined in Appendix 1, a simplified procedure, i.e. a **Competitive Selection based on a Shortlist** of qualified consulting firms may be conducted. Shortlists of consulting firms shall normally include no less than three and no more than six qualified and experienced firms. The shortlisted consulting firms shall receive a **Request for Proposal**.

The GGGI may solicit proposals from a single consulting firm when the value of the contract is below the threshold defined in Appendix 1 for **Single-Source Selection** or when exceptional circumstances apply as per Rule 3.5.

c) Procurement of consulting services by individual consultants

For contracts with individual consultants, which exceed the thresholds or contract durations defined in Appendix 1, the GGGI will conduct a **Comparative Selection**. This selection procedure will be based on interviews and/or the comparison of at least 3 CVs. GGGI may select an individual consultant by means of **Single-Source Selection** when the value and the duration of the contract is below the thresholds defined in Appendix 1 or when exceptional circumstances apply as per Rule 3.5.

The threshold for applying the various procurement methods are annexed to these Procurement Rules and will be updated from time to time by the Council based on the proposal of the Director-General.

Activities must not be separated into smaller activities just to avoid using the specified procurement method, solicitation documents, evaluation methodology and Contract type defined by the financial thresholds issued by the Director-General.

## **Rule 3.4**

### ***Selection of Evaluation Criteria and Methodology***

The evaluation criteria shall relate to the subject matter of procurement. The solicitation documents shall set out the evaluation criteria and the evaluation methodology to be applied.

The evaluation criteria will be divided into the following categories:

- a) Formal criteria to be met by all Suppliers in order for their quotations or proposals to be considered for a technical and commercial evaluation by the GGGI. Examples include place and deadline for submission and (applicable if included in solicitation documents) registration documents, bid security, price schedules, separate technical

and commercial bid submission, seal or signature affixed by bidders.

- b) Commercial criteria may include: price; the cost of operating, maintaining and repairing goods or of construction; the time for delivery of goods, completion of construction or provision of services; functional and environmental characteristics of the subject matter; and the terms of payment and of guarantees in respect to the subject matter of the procurement.
- c) Technical criteria such as approach of provision of consulting services, previous experience with similar assignments, qualifications and available capacity of Supplier.

The “Lowest priced compliant offer Methodology” shall be used for the evaluation of goods and simple works or services, where requirements are clear, compliance is easy to determine, and price/cost is the overriding evaluation criterion. In this method, the lowest cost offer among the compliant offers is selected. The “Cumulative Analysis Methodology” shall be used for the evaluation of complex goods and services and when factors other than price shall be considered. The solicitation documents shall indicate the relative weights of all evaluation criteria including the weights assigned to the technical and commercial aspects of the proposal. To the extent practicable, all non-price evaluation criteria shall be objective, quantifiable and expressed in monetary terms.

### **Rule 3.5**

#### ***Direct Contract***

Direct contract is contracting without competition and may be an appropriate method under any of the following circumstances:

- a) Minor Purchases and Single Source Selections with consulting firms and individuals as per Rule 3.4 and Appendix 1.
- b) There is no competitive marketplace for the requirement, such as where a monopoly exists; where prices are fixed by legislation or government regulation; or where the requirement involves a proprietary product or service;
- c) Due to the urgency of the project, the subject matter of the procurement may not be procured by means of a competitive procedure;
- d) The purchase or lease of real property;
- e) In emergency cases, such as in response to a natural disaster, conflict and post conflict, or in countries where there are restrictions to free markets and enterprises.
- f) The subject item is procured to replace parts or components or to expand facilities, which were already procured from the considered Supplier for reasons of standardization or because of the need of compatibility.

- g) Agreements between the GGGI and other international organizations or governments;
- h) The Director-General may request approval of direct contracting in circumstances not covered above from the Council, based on a recommendation from the Facilitative Sub-Committee.

When Direct Contract is used, the GGGI shall record the reasons in writing in a Justification of Direct Contract with supporting documentation.

### **Rule 3.6**

#### ***Language***

All documentation regarding bidding shall be in English. Bids in other languages shall be considered if they are provided with strong justification and approved as per the DoA issued by the Director-General.

### **Rule 3.7**

#### ***Currency***

In principle, USD is the bid currency to be used.

### **Rule 3.8**

#### ***Bid Opening Procedure***

The official bid opening shall be conducted at such place and time/date as specified in the bidding notice, and such opening of tenders may be attended by bidders or their representatives who intend to do so.

### **Rule 3.9**

#### ***Bid Security***

The GGGI may require a bid security whenever it is deemed appropriate to do so. If the successful bidder fails to enter into the Contract within the prescribed period of time found in the instruction to bidders, the bid security deposited by the bidder shall not be refunded.

If advance payments are requested by a Supplier on appointment, then a performance guarantee shall be obtained unless waived by the Director-General's approval.

**Rule 3.10*****Rejection of all Bids***

Rejection of all bids is justified where there is lack of effective competition, or where bids are substantially non-responsive or nullified. If all bids are rejected, the GGGI shall review the causes justifying the rejection and consider making revisions to the conditions of contract, design and specifications, scope of the contract, or a combination thereof, before inviting new bids.

If the rejection of all bids is due to lack of effective competition, wider advertising shall be considered. If the rejection is due to most or all of the bids being non-responsive, new bids may be invited from the initially pre-qualified Suppliers.

All bids shall not be rejected solely for the purpose of obtaining lower prices. If the lowest evaluated responsive bid exceeds the GGGI's pre-bid cost estimates by a substantial margin, the GGGI shall investigate causes for the excessive cost and consider requesting new bids as described in the previous paragraphs. Alternatively, the GGGI may negotiate with the lowest evaluated bidder to obtain a satisfactory contract by reducing the scope and/or reallocating the risk and responsibility that can be reflected in a reduction of the contract price. However, substantial reduction in the scope or modification to the contract documents may require re-bidding.

**Rule 3.11*****Evaluation of Bids***

The three phases of evaluation (formal, technical, commercial evaluation) will be followed by the GGGI to evaluate each procurement proposal:

**Formal Evaluation**

Offers shall be evaluated for their compliance with any formal criteria stated in the solicitation documents. Offers not meeting the formal criteria shall be rejected and the suppliers will be informed in writing.

**Technical and Commercial Evaluation**

The Technical and Commercial Evaluation will depend on the Evaluation Methodology defined in the solicitation document.

**Lowest priced compliant offer Methodology**

The Lowest priced compliant offer Methodology shall consist of the following steps:

- a) Determining which offers are compliant, and rejecting non-compliant offers. Only bids offering goods/works/services meeting or exceeding the requirements in the specifications shall be considered compliant.
- b) Choosing the lowest cost offer among the compliant offers.

Normally, a one-envelope system where Suppliers submit one offer including all technical and financial information shall be used when applying this method of evaluation. However, a two-envelope method where technical and financial offers are sealed separately may also be used if it is deemed necessary to complete the technical evaluation without knowing the price of the respective offers.

#### Cumulative analysis methodology

This method shall require a two-envelope procedure where Suppliers are requested to submit their technical and financial offers separately in two sealed envelopes. The evaluation of the technical offers, based on the defined technical evaluation criteria, shall be completed prior to the opening and evaluation of the financial offer.

The financial offer shall be opened only for those offers where the scores in the technical evaluation meet or exceed the stated threshold. For those offers where the technical proposal does not reach the minimum specified score, the corresponding financial offer is not eligible for further consideration.

The proposal obtaining the overall highest score after adding the score of the technical proposal and the financial proposal is the proposal that offers best value for money.

#### Responsibility for Evaluation

All Procurement evaluation shall be done by Procurement Officer or through the Procurement Committee. Contracts Review Committee (CRC) recommendation shall be required for contracts above a certain threshold (See Appendix 1). The committee(s) involved in procurement shall provide a report on how a decision was reached on a particular procurement.

#### Confidentiality of Evaluation

Any noticeable discrepancies, drastic scoring differences, suspected fraudulent activity, or other improper actions during the bidding process or improper discussions with Suppliers before award will be investigated. Any individual suspected of favouring one Supplier/proposal in a manner inconsistent with the evaluation guidance/ criteria may face administrative action as per the Staff Regulations and Provisional Staff Rules. The Supplier involved faces potentially being removed from inclusion on future bidders lists.

### **Rule 3.12**

#### ***Final Procurement Approval***

The Director-General shall be the final approver of all procurement actions, before the GGGI enters into a Contract with a Supplier. The Director-General may delegate authority to issue final approval for procurement actions up to a certain threshold, and such delegations shall be documented in a Delegation of Authority Manual.

**Rule 3.13*****Conditions of Contract***

The Contract documents shall clearly define the scope of work to be performed, the goods to be supplied, the consulting services to be delivered, the rights and obligations of the GGGI and of the Supplier, the final deliverables of the Contract and supplementary documents including financial reports and proof of spending. All participating bidders shall be aware of the general and special conditions particular to the Contract of the projects listed in the bidding documentation. Contract performance clauses shall include the obligation to comply with fundamental human rights as guaranteed by the ILO core conventions. The successful bidder shall not be allowed to alter the material terms of the Contract. Those bidders who could not abide by the terms of the Contract are allowed to request for the change of the terms or obligations by written request.

As a point of principle, the GGGI shall have audit right to inspect a bidder's accounts and records and other documents relating to the bid submission and Contract performance and to have them reviewed prior to entering into a Contract with the GGGI, unless approval is obtained from the Director-General to waive this from a potential Contract if necessary, based on negotiations with the bidder.

**Rule 3.14*****Award of Contract***

After the announcement of the bid evaluation result, the first ranked bidder shall submit to the GGGI the documents required for Contract award. Within the prescribed period of time found in the instruction to bidders, the first ranked bidder shall finalize the terms and details of the Contract with the GGGI and execute the Contract. If the first ranked bidder fails to enter into the Contract within the prescribed period of time found in the instruction to bidders, the GGGI may negotiate with and enter into the Contract with the second ranked bidder.

In the course of executing the Contract, material deviation from the standard Contract the GGGI has provided in the bidding documents shall not occur. The Contract shall be final when the successful bidder and the GGGI's contracting officer (as per DoA) affix their respective seal or signature to the Contract. Unsuccessful bidders shall subsequently be informed and debriefed.

**Rule 3.15*****Contract Management***

The GGGI shall continuously monitor the compliance and performance of Suppliers against the Contract. It is the responsibility of the project owners to ensure that Suppliers are in compliance with the contractual terms and regulations. Therefore, the project owner must develop and implement the necessary and sufficient on-going monitoring procedures. Disbursements and commitments in connection with procurement activities shall be incurred only after allocations for the GGGI activities, allotments in respect to the GGGI budget

approved by the Council, or other appropriate authorizations, have been made in writing under the authority of the Director-General.

An existing Contract, awarded in accordance with procedures acceptable to the GGGI, may be extended for additional goods, works or services including consulting services of a similar nature to a maximum of 20 per cent of the original Contract value, with the prior approval as per DoA, provided that no advantage can be reasonably obtained by further competition and that the prices on the extended Contract are reasonable. Provision for such an extension, if considered likely in advance, shall be included in the original Contract. Further, this extension does not include contract renewals.

All Contracts above USD 500,000 shall be published on the GGGI's website.

### **Rule 3.16**

#### ***Accumulation of Low Value Procurement Activities***

Where low value procurement activities are grouped together under one tender for purposes of achieving economies of scale, the total cumulative estimated amount of the tender should be used to determine the procurement method, solicitation documents, evaluation methodology and Contract type.

### **Rule 3.17**

#### ***Framework Agreements***

The need for Framework Agreements shall be identified by the GGGI, either during the Procurement Planning phase or while implementing the Procurement Plan, to meet repetitive requirements for standard goods or services including consulting services. A competitive procurement process shall be conducted for creating Framework Agreements with Suppliers for the provision of these goods and services, in order to select the Supplier offering the most appropriate goods or services at a competitive price, with favourable terms and conditions for the GGGI. Once a Framework Agreement is awarded to a Supplier, a Contract or Purchase Order will be signed with the Supplier for every new project delivered within the Framework Agreement, without the requirement for a tendering process.

All Framework Agreements shall have a limit to the scope of allowable services under the Framework Agreement, and a limit to the consolidated value of goods or services that can be procured under the Framework Agreement. A tendering process will be required to award a Contract for the provision of goods or services either outside the allowable scope of goods or services, or once the value-limit has been reached, even if the award is made to the Supplier with whom the GGGI has entered into a Framework Agreement.

Framework Agreements shall usually be signed for three years, with an option of extension based on satisfactory performance of the Supplier. The terms and conditions of the agreement shall also be reviewed every three years.

**Article 4****EVALUATION COMMITTEES AND CONFLICT OF INTEREST****Rule 4.1*****Conflict of Interest***

All members of any of the committees, involved in the procurement process, shall declare their conflict of interest, if any, and ask to be removed from the committee and procurement process. Any noticeable discrepancies, drastic scoring differences, suspected fraudulent activity, or other improper actions during the bidding process or improper discussions with Suppliers before award will be investigated. Any individual suspected of favouring one Supplier or proposal in a manner inconsistent with the evaluation guidance/criteria may face administrative action up to and including termination. The Supplier so involved may be removed from inclusion on future bidder's lists or may have its tender cancelled.

**Rule 4.2*****Procurement Officer***

The GGGI shall designate a Procurement Officer who shall be responsible for all procurement activities under the supervision of the CFO. The Procurement Officer will be responsible for annual procurement planning, all the processes relating to preparation and management of bidding process, including reporting and performing secretarial activities to the Contract Review Committee and supplier relationship management.

**Rule 4.3*****Contract Review Committee***

The Contract Review Committee shall evaluate any high-value, critical or complex procurement proposals, as per the criteria and thresholds defined in Appendix 1.

**Rule 4.4*****Composition and Role of the Contract Review Committee***

The Contract Review Committee shall be chaired by the Deputy Director-General for Management and Administration and will consist of the Chief Financial Officer, Legal Counsel and a Director from the relevant operational area.

The Committee shall conduct the following tasks for all procurement actions as per Rule 4.3:

- a) To review and confirm that the proposed procurement actions are based, inter alia, on

compliance, fairness, integrity and transparency, and, as such, are impartial;

- b) To provide general advice regarding the financial, commercial, operational implications of any proposed procurement action, comment where appropriate as to whether, in its view, the proposed action, inter alia, is in the best interest of the GGGI, and advise whether the proposed procurement case is appropriate;
- c) To evaluate and review the adequacy or necessity of the requirement being met under the proposed procurement action related to the selection of bidder and award of Contract; and,
- d) To make a final procurement recommendation to the Director-General to approve bidding process and Supplier selection.

#### **Rule 4.5**

##### ***Composition of the Procurement Committee***

The composition of Procurement Committee shall be:

- a) Representative from End User Department or Division, with knowledge of the technical aspects of the bid
- b) Procurement Officer
- c) Representative from Finance
- d) A neutral external subject matter expert, in case the bid is very technical and the knowledge of the technical aspects of the bid is not available within the GGGI.

#### **Rule 4.6**

##### ***Expertise***

All committee members shall have appropriate technical and procurement expertise and experience.

**Article 5**

**SUPPLEMENTARY CLAUSES**

**Rule 5.1**

*Effective Date*

These Procurement Rules are effective from 8 June 2013 by approval of the Council on the same date.

## Appendix 1 – Selection of Procurement Method, Solicitation Documents, Evaluation Methodology and Contract-type

Criteria (Ref: Rule 3.3)	Procurement Method and Solicitation Documents		Description and Objective of Procurement Method	Evaluation Methodology	Contract-type
- Greater than USD 200,000	Goods, works, non-consulting services: Open Competitive Bidding (OCB)	Invitation to Bid (ITB)	The objective of OCB is to provide all eligible prospective bidders with timely and adequate notification and an equal opportunity to bid for the required goods, works and services.  Advertisement on GGGI website, external (international) websites, and local newspapers and periodicals, as appropriate to be widely accessible to Suppliers.	<ul style="list-style-type: none"> <li>• Lowest priced compliant offer Methodology if price/cost is the overriding evaluation criterion, or</li> <li>• Cumulative Analysis Methodology when price and quality criteria shall be considered, ex: consulting services.</li> <li>• Procurement Committee conducts evaluation.</li> <li>• When two-envelope system is used, Technical Evaluation completed before Commercial Bids opened and evaluated.</li> <li>• Contract Review Committee (CRC)'s recommendation required above USD 500,000</li> <li>• Approval as per DoA</li> </ul>	<ul style="list-style-type: none"> <li>• Contract, signed as per DoA</li> </ul>
	Consulting Services: Competitive Selection with Expression of Interest (EoI)	- Request for EoI - Request for Proposal (RFP)			
- Between USD 80,001 and USD 200,000 or  - Limited number of Suppliers	Goods, works, non-consulting services: Limited Competitive Bidding (LCB)	Invitation to Bid (ITB)	Competitive procedures using direct invitations to bid without advertisement.  There are a limited number of Suppliers who are able to provide goods or services or cost or time to conduct an OCB/EoI would be disproportionate.	<ul style="list-style-type: none"> <li>• Contract Review Committee (CRC)'s recommendation required above USD 500,000</li> <li>• Approval as per DoA</li> </ul>	<ul style="list-style-type: none"> <li>• Contract, signed as per DoA</li> </ul>
	Consulting Services: Competitive Selection based on Shortlist	Request for Proposal	For individual consultants: Evaluation of CVs from at least three potential candidates.		
- Between USD 7,001 and USD 80,000	Goods, works, non-consulting services: Request for Quotation (RFQ)		Written price quotations from at least three Separate Suppliers to ensure competitive prices.  Appropriate for readily available, off-the-shelf goods or standard specification goods/services that are small in value.	<ul style="list-style-type: none"> <li>• Lowest-priced, technically compliant offer is selected.</li> <li>• Approval as per DoA</li> </ul>	<ul style="list-style-type: none"> <li>• Purchase Order acceptable but Contract may be developed depending on the complexity of goods or services to be procured. Signed as per DoA</li> </ul>
	Consulting Services: Single Source Selection		Written proposals from one consulting firm. CVs from at least three potential individual consultants.		
- Up to USD 7,000	Goods, works, non-consulting services: Minor Purchase		Off-Shelf Purchase	<ul style="list-style-type: none"> <li>• Direct Contract</li> <li>• Monitored by Procurement Officer</li> <li>• Approval as per DoA</li> </ul>	<ul style="list-style-type: none"> <li>• Purchase Order signed as per DoA</li> </ul>
	Consulting Services: Single Source Selection		Single Source Selection for Consulting Services.		

Detailed criteria outlined in paragraph 3.5	Direct Contract /Single-Source Selection	Contracting without competition (single-source) under specified circumstances as per Rule 3.5.	<ul style="list-style-type: none"><li>Any request for direct contracting must be accompanied by a written, sufficiently detailed justification</li></ul>	<ul style="list-style-type: none"><li>Contract required above USD 50,000, below which Purchase Order acceptable. Signed as per DoA</li></ul>
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The thresholds in the table above may be reconsidered and revised from time to time by the Council based on the proposal of the Director-General.