



**RULES FOR THE PROCUREMENT OF
GOODS, WORKS AND SERVICES FROM FIRMS
FOR
THE GLOBAL GREEN GROWTH INSTITUTE**

Article 1

DEFINITIONS

- **“Consultant”** – means an entity providing Consulting Services to GGGI.
- **“Consulting Services”** – means technical services for a project performed by a Consultant.
- **“Contribution Agreements”** – means an agreement, memorandum of understanding or other forms of written arrangement on the terms and conditions of a financial or non-financial contribution to be provided to GGGI by one or more contributors. For the avoidance of doubt, Sponsorship Agreements shall be considered a type of Contribution Agreement.
- **“Cumulative Analysis Methodology”** – means a method used for the evaluation of complex Goods, Works or Services when factors other than price will be considered.
- **“Defrayment of Attendance Costs” or “DOAC”** – means defrayment of attendance costs as defined in the General Guidelines on Defrayment of Attendance Costs for GGGI Events.
- **“Delegation of Authority” or “DoA”** – means the corporate instrument that sets out the decision-making responsibilities, authority levels and segregation of duties within GGGI, as the same may be amended from time to time.
- **“Direct Procurement”** – means a method of contracting without prior competition under exceptional circumstances as provided in Rule 3.5.
- **“Engagement Agreements”** – means letters of appointment for staff members, agreements for secondees, visiting scholars, visitors-on-loan or interns and other employment contracts over which the Human Resources department has authority.
- **“Expressions of Interest” or “EOI”** – means publicly advertised notices intended to solicit interests from potential Tenderers before issuing formal Requests for Proposals.
- **“Framework Agreement”** – means an agreement that governs the relationship between GGGI and the Consultant, Supplier or Service Provider generally, and which defines the terms and conditions for subsequent Suborders during a predefined period (see Rule 3.24). A Framework Agreement is a type of Procurement Contract.
- **“GGGI”** – means the Global Green Growth Institute.
- **“Goods”** – means tangible items, including assets and expendable items that are purchased, hired, leased or rented.
- **“Honorarium”** – means an ex gratia payment made to a person for his or her services in an unpaid capacity or for services for which fees are not traditionally required. Payment of Honorarium is addressed in more detail in separate guidelines.

- **“Individual Consultant”** – means an individual person who is responsible for providing Services to GGGI. The engagement and use of Individual Consultants is governed by the *Rules Concerning the Engagement and Use of Individual Consultants*, as the same may be amended from time to time.
- **“Institutional Arrangements”** – means arrangements between GGGI and one or more public or private entities or institutions, in the form of an agreement, memorandum of understanding or other written arrangement, where (i) the parties agree to collaborate and coordinate to serve common objectives and/or (ii) GGGI agrees to provide funds to finance activities being implemented by a party other than GGGI that are not for the direct benefit or use of GGGI but serve to accomplish objective(s) that are in furtherance of GGGI’s mandate (which could include, for the avoidance of doubt, GGGI contributing to the cost of an event organized or hosted by a party whether ex gratia or in return for the right to attend, participate and/or advertise during the event). Institutional Arrangements under these Rules shall be narrowly construed and applied, to prevent any procurement activity to fall under the definition. Institutional Arrangements will be addressed in more detail in separate guidelines.
- **“Invitation to Tender” or “ITT”** – means a Request for Proposals or Quotations. The formal initiation is either a publication or a simultaneous submission of Invitations to Tender to potential Tenderers.
- **“Lowest Cost Methodology”** – means a method of evaluation where the lowest cost among the compliant Tenders is selected.
- **“Market Consultation”** – means an open invitation to the market actors to submit comments on a draft ITT prior to Tendering, conducted to improve the quality of the Terms of Reference. The purpose is to better align with the market availability, but also to increase the opportunity of receiving innovative Tenders.
- **“Other Services”** – means services other than Consulting Services performed under a contract by a Supplier, Service Provider or Consultant.
- **“Procurement”** – means, for purposes of these Procurement Rules, all activities that entail a financial commitment on the part of GGGI, except those excluded by Rule 2.3.
- **“Procurement Contract”** – means an agreement, in writing, between GGGI and a Consultant, Service Provider or Supplier, which contains the terms and conditions relating to the Services, Goods or Works to be purchased, leased or rented, as the case may be, by GGGI, and includes any amendment thereto undertaken in accordance with Rule 3.20. For the avoidance of doubt, a Purchase Order is a type of Procurement Contract.
- **“Procurement Contract Manager”** – means a person responsible for managing the contractual relation (follow up, change management, handling of disputes, etc.) with the Suppliers, Service Providers or Consultants. This is normally delegated to the Head of Procurement.
- **“Procurement Contract Owner”** – means a person who is authorized to sign a Procurement Contract in accordance with DoA.
- **“Procurement Contract Project Manager”** – means a person overseeing the day-to-day performance of a Procurement Contract, excluding management of contractual relations

with the Suppliers, Service Providers, and Consultants for which a Procurement Contract Manager is responsible.

- **“Procurement Office”** – means the office within GGGI responsible for undertaking Procurement-related activities for GGGI subject to these Procurement Rules.
- **“Procurement Officer”** – means a person responsible for undertaking Procurement-related activities within GGGI subject to these Procurement Rules.
- **“Proposal”** – means a formal reply from a Tenderer in response to an RFP.
- **“Purchase Order”** – means a simple contract used for transactions of Low Value Services, Goods or Works to a Consultant, Service Provider or Supplier.
- **“Quotation”** – means a formal reply from a Tenderer to an RFQ.
- **“Request for Information” or “RFI”** – means a method of soliciting information from the market actors for preparation of TOR or specifications before initiating a Procurement process.
- **“Request for Proposal” or “RFP”** – means a method of solicitation commonly used for High or Very High Value or complex Procurement and/or when the requirements cannot be quantitatively and qualitatively determined in detail.
- **“Request for Quotation” or “RFQ”** – means a method of solicitation commonly used for Low- or Medium Value Procurement. An RFQ is used when the requirements can be specified quantitatively and qualitatively.
- **“Service Provider”** – means an entity providing Other Services to GGGI.
- **“Services”** – means Consulting Services and Other Services, collectively.
- **“Specification”** – means the technical description of GGGI’s requirements for Goods or Works to be procured.
- **“Sponsorship Agreement”** – means an agreement between GGGI and one or more individuals or public or private entities, institutions or organizations pursuant to which the non-GGGI party(ies) agree to contribute to the cost of an event organized or hosted by GGGI, whether ex gratia or in return for the right to attend, participate and/or advertise during the event. Sponsorship Agreements will be addressed in more detail in separate guidelines.
- **“Suborder” or “SO”** – means an order submitted to a Supplier, Service Provider or Consultant under a Framework Agreement, specifying the quantity of Goods, or the scope of work/TOR for Services.
- **“Supplier”** – means an entity that is responsible for providing Goods or Works to GGGI.
- **“Tender”** – means a Proposal or Quotation submitted by a Tenderer in response to an Invitation for Tenders.
- **“Tenderer”** – means a Supplier, Service Provider or Consultant that is invited to submit, or has submitted, a Proposal or Quotation, that has not been awarded a contract.

- **“Tendering”** – means the procedure for invitation to potential Tenderers to submit Tenders.
- **“Terms of Reference” or “TOR”** – means the technical description of GGGI’s requirements for Services to be procured. The TOR includes requirements on activities, scope of work, methodology, competences, allocation of resources, deliverables, etc.
- **“Value for Money”** – means procurement taking into consideration all life cycle costs, including fitness for purpose, experience and performance history of a Tenderer, flexibility (including innovation and adaptability over the lifecycle of the procurement), CSR, environmental sustainability (such as energy efficiency and environmental impact), maintenance and service, and other whole-of-life costs.
- **“Works”** – means the construction, reconstruction, demolition, outfitting, repair or renovation of premises or related infrastructure where there are elements of both Goods and Services present.

Definition of Procurement values

Type of Procurement	Value in \$	Description
Services, Goods, Works	0-1,000	Minor Purchase
Services, Goods, Works	1,001-10,000	Low Value
Services, Goods, Works	10,001-100,000	Medium Value
Services, Goods, Works	100,001-500,000	High Value
Services, Goods, Works	500,001-above	Very High Value

Article 2

INTRODUCTION

Rule 2.1

Purpose

The purpose of these Procurement Rules is to implement the Procurement Regulations issued by the Council, to ensure that the procurement by GGGI of Services, Goods and Works is carried out in a manner that adheres to the principles of Value for Money, transparency, ethical behavior and professionalism, with due regard to the mission and objectives of GGGI.

These Procurement Rules are intended to provide a suitable, uniform and detailed framework to govern Procurement across all GGGI offices and activities, and provide clear rules to staff for smooth and correct execution of their duties.

The Rules shall be read in conjunction with the Procurement Regulations and the Delegation of Authority (“DoA”). In case of any discrepancies, the Procurement Regulations shall prevail over these Procurement Rules, and the Procurement Rules shall prevail over the DoA.

Rule 2.2

Principles

The Procurement Regulations, which these Procurement Rules implement, define the scope and governing principles of all GGGI Procurement as follows:

- The overarching scope of GGGI Procurement is to achieve most Value for Money;
- GGGI being substantially financed by tax money requires transparency;
- Having the GGGI’s vision and mission in mind, GGGI Procurement should also include sustainable environmental criteria and CSR requirements;
- All GGGI personnel involved in Procurement, and all Suppliers, Service Providers and Consultants under GGGI Procurement Contracts shall observe the highest standard of ethics and comply with GGGI’s Code of Conduct; and
- All GGGI Procurement shall be conducted in a professional manner.

In view of the above, all staff and other personnel involved in Procurement activities must adhere to the following principles:

- Responsibility for the actions and decisions taken and for the resulting outcomes;
- Encourage competitive and non-discriminatory processes;
- Treat all Suppliers, Service Providers and Consultants in a fair and equal manner and take steps to enable appropriate scrutiny of Procurement activities;
- All requirements have to be proportional and relevant to GGGI’s needs;

- The requirements meet GGGI's needs for Services, Goods, and Works, whilst generating benefits not only to the organisation but should also be cognizant of the incorporation of green growth aspects; and
- Use resources in an efficient, effective, economical and ethical manner.

Rule 2.3

Applicability of Rules

These Procurement Rules apply to all activities concerning the procuring of Services, Goods and Works for or by GGGI; except arrangements entered into by GGGI concerning Engagement Agreements, Individual Consultants, Institutional Arrangements, Contribution Agreements, Honoraria, DOAC, or arbitration and mediation services, to which these Procurement Rules shall not apply.

These Procurement Rules shall be followed for (1) all projects implemented by other entities that do not have their own procurement rules or procedures or whose rules or procedures are assessed by GGGI to be insufficient, (2) all projects directly supervised by GGGI and (3) all corporate and institutional procurement by GGGI.

Where an implementing entity has established procurement rules and procedures that have been assessed and deemed adequate by GGGI and consistent with those of GGGI or otherwise in line with best practices, and such entity has sufficient capacity to assume responsibility for project implementation and supervision on behalf of GGGI, then GGGI may provide its approval for that entity's procurement rules and procedures to be followed for procurement activities relating to the project; however, all major procurement documentation shall be submitted to GGGI for its prior review and written 'no objection' in accordance with the procurement plan to be submitted by the implementing entity and approved by GGGI.

Rule 2.4

Procurement Ethics, Conflict of Interest and Confidentiality

GGGI staff and other personnel engaged in Procurement activities shall maintain the highest standards of ethical conduct, integrity and complete impartiality throughout the procurement process. GGGI staff and other personnel involved in any aspect of procurement are prohibited from accepting any offers of gifts, hospitality or other similar favours from Tenderers, and shall also avoid all situations in which they would or could appear to have a conflict of interest. Failure of GGGI staff and other personnel to comply with GGGI's ethical standards and Code of Conduct constitutes misconduct and can lead to disciplinary action.

GGGI shall endeavour to ensure that Tenderers are able to compete for GGGI Procurement on a fair, equal, non-discriminatory, and transparent basis. Procurement Officers, and staff members and other personnel involved in Procurement, are responsible for preserving the integrity of the Procurement process and maintaining fairness in GGGI's treatment of all Tenderers.

Rule 2.5

Award Complaints Procedures

For Very High Value Procurement Contracts (as specified in Article 1), award complaints procedures are available only to a Tenderer who participated in a competitive procurement process and was not awarded a Procurement Contract.

Award complaints procedures are not available to Tenderers who did not participate in the Procurement process; non-responsive, late or incomplete submissions; or where the Procurement process was cancelled by GGGI.

GGGI's response to all award complaints will be prepared and signed by the Head of Procurement.

An unsuccessful Tenderer who wishes to complain on an award based on a claim to have suffered actual loss or injury because of the alleged non-compliance by GGGI with the provisions of these Procurement Rules must follow the mechanism set out below:

1. The complaint must be submitted in writing to the Head of Procurement within ten (10) days (the "Notice Period") from receipt of the regret letter informing the Tenderer that it was not successful. The complaint notification must include the following information:
 - a. The complainant's name, postal address, telephone number and email address;
 - b. GGGI's Tender reference;
 - c. A detailed statement of grounds for the complaint and an explanation of how the complainant was wrong suffered; and
 - d. Copies of relevant documents supporting the complainant's statement.
2. Complaint notifications submitted after the Notice Period or that do not indicate a basis for the complaint will not be considered.
3. Upon receipt of a written complaint from an unsuccessful Tenderer, the Head of Procurement shall, after consultation with the Head of Legal:
 - a. Provide the complainant with a written acknowledgement within five (5) working days. If the complainant has not received an acknowledgement within five working days, the complainant has the right to escalate the complaint to the Deputy Director-General and Head of Management & Governance;
 - b. Initiate a review of the complainant's allegations;
 - c. Following the conclusion of the review, notify the complainant in writing of the decision and the basis upon which it was made.
4. The decision of the Head of Procurement shall be final and conclusive unless, within five (5) days of receipt of the decision, the complainant files a written appeal to GGGI's internal Independent Review Committee (IRC). The IRC will examine the appeal de novo and make a written determination. The decision of the IRC shall be final and conclusive. The decision of the IRC will be promptly notified to the complainant by the Head of Procurement.

Composition of the Independent Review Committee

The Independent Review Committee (IRC) shall be chaired by the Director-General and will consist of the Deputy Director-General and Head of Management and Governance, Head of Legal and a Director from the relevant operational area. The Head of Procurement will be available to present the case, but shall not participate in the decision-making process. A meeting secretary shall make minutes reflecting the decision of the IRC.

Rule 2.6

Fraud, Corruption and Criminal Activities

Tenderers, Suppliers, Service Providers and Consultants shall observe the highest standard of Ethics during the Procurement process and execution of Procurement Contracts.

GGGI may reject a proposal for award, cancel an award or the Tenderer, Supplier, Service Provider or Consultant be declared ineligible to participate in future biddings, if at any time it determines that the Tenderer, Supplier, Service Provider or Consultant has, directly or indirectly, engaged in coercive, collusive, corrupt or fraudulent practices or criminal activities, including terrorist activities, as defined in the GGGI Anti-Corruption Policy, the ITT documents and/or Procurement Contract, in competing for, or in executing, a Procurement Contract.

In case any GGGI personnel, including staff members, personnel engaged through an arrangement with the United Nations Office for Project Services (UNOPS) and Individual Consultants, violates the Procurement Regulations, the Procurement Rules or the GGGI Code of Conduct, s/he may be subject to disciplinary measures under the Staff Regulations and Rules or termination of his/her contract with GGGI, as applicable.

Article 3

PROCUREMENT ACTIONS

Rule 3.1

Procurement Planning

To facilitate efficient planning of resources, and the effective and efficient purchase, delivery and final disposition of Services, Goods and Works, the Divisions of GGGI shall prepare and maintain annual procurement plans for Procurement exceeding USD10,000. The Head of Procurement shall consolidate the procurement plans, based on information approved, in accordance with the DoA, and obtained from the Divisions and Departments.

Rule 3.2

Description of Requirements

Invitations to Tender shall provide a clear, non-discriminatory, proportionate, and transparent description of requirements.

Rule 3.3

Methods of Procurement and their conditions for use

GGGI shall make appropriate use of competition to achieve most Value for Money.

The following rules are applicable to the selection of a Procurement method, depending on the values defined in Article 1:

- High Value, Very High Value, and complex Procurement should be conducted by means of RFP, unless another Procurement method is more suitable, and be concluded with a Procurement Contract.
- Medium Value Procurement may be conducted by means of RFQ, or RFP if more suitable, and be concluded with a Procurement Contract.
- Low Value Procurement may be conducted by means of a simplified RFQ or informal invitation, and be concluded with a Purchase Order or, if more suitable, a Procurement Contract.
- Minor Purchases may be conducted without using a specific Procurement method or submission of a formal Procurement request. However, supporting documents of such purchases should be submitted when making a disbursement request.

In relation to Medium Value Procurement and High Value, Very High Value, and complex Procurement, the Head of Procurement may decide to use a method of Procurement intended for a higher value, in order to increase competition.

Request for Information (RFI)

Before initiating a Procurement process, a market assessment can be made by means of an RFI, to have a market review of a draft TOR or specification, to gather information for drafting a TOR or specification, to increase the level of competition by reducing limiting criteria, to better

align with what is available on the market, to increase the market participation and interest by making use of the technical knowledge, and/or to include options for innovative Tenders. An RFI must clearly state that this is not a part of the Procurement process, but a pre-procurement scoping phase, and be managed by the Procurement Office.

Request for Proposals (RFP)

An RFP may be used to invite Tenders by publication through media widely accessible to Tenderers (GGGI website, external (international) websites, as appropriate). To enhance competition, by increasing the awareness of the market, a notification of the publication may simultaneously be submitted to potential Tenderers. The number of potential Tenderers notified should be at least five (5). The Head of Procurement may exceptionally approve a lower number, in case reasonable efforts have been made to find a sufficient number of relevant market actors.

Request for Quotations (RFQ)

When an RFQ is used, GGGI shall request Quotations from at least three Tenderers in a non-discriminatory way to ensure effective competition. An RFQ may be published, in order to increase competition, or if a sufficient number of market actors is not known.

Expressions of Interest (EOI)

For large or complex Procurement where submission of many Tenders is expected, a formal notice inviting Expressions of Interest (EOI) from Tenderers may be published (using GGGI website, external (international) websites, as appropriate) to identify qualified Tenderers. The criteria and procedures to be used for ascertaining the qualifications of Tenderers shall be specified. Based on an evaluation of the Tenderers' proven experience and expertise related to the assignment, a shortlist of qualified Tenderers shall be prepared. Proposals shall be solicited by issuing a Request for Proposal to the shortlisted Tenderers.

Direct Procurement

GGGI may invite a quotation from a single Tenderer for Minor Purchases or Low Value procurement as defined in Article 1, and in those exceptional circumstances set out in Rule 3.5 (Direct Procurement).

Rule 3.4

Selection of Evaluation Criteria and Methodology

The evaluation criteria shall be proportionate, relevant and balanced, reflecting the needs of GGGI. The invitation documents shall set out the evaluation criteria and the evaluation methodology to be applied.

The evaluation criteria should be divided into:

- a) Formal criteria to be met by all Tenderers in order for their Tenders to be considered for a technical and financial evaluation by GGGI. Examples include meeting deadline for submission, completeness of tender documents, specified mandatory requirements, separate submission of technical and financial Tender components, and signature affixed by Tenderers.
- b) Technical criteria such as description of Services, Goods or Works; the time for delivery of Goods, completion of construction or provision of Services; functional and

environmental characteristics of the subject matter; previous experience with similar assignments and references; and qualifications and available capacity of Tenderer.

- c) Financial criteria may include: price/fees and expenses; the cost of operating, maintaining and repairing Goods or cost of construction; and the terms of payment and guarantees in respect to the subject matter of the Procurement.

The Lowest Cost Methodology may be used for the evaluation of Services, Goods, or Works, where requirements are clear, compliance is easy to determine, and cost is the overriding evaluation criterion. In this method, the lowest cost Tender among the compliant Tenders is selected.

The Cumulative Analysis Methodology shall be used for the evaluation of Services, Goods, or Works, when factors other than cost are to be considered. The ITT shall indicate the relative weights of all evaluation criteria, including the weights assigned to the technical and financial aspects of the proposal. To the extent practicable, all non-cost evaluation criteria shall be objective, quantifiable and expressed in measurable terms.

Rule 3.5

Direct Procurement

GGGI shall take advantage of the competition in the market to achieve Value for Money in Procurement. Direct Procurement is an exceptional means of contracting without competition and may be approved under any of the following circumstances:

- a) Minor Purchases or procurement of Low Value Services, Goods or Works as per Article 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; in countries where there are restrictions to free markets and enterprises; on the spot market; or where the requirement involves a proprietary or unique product or service;
- c) For reasons of extreme urgency, in so far as is strictly necessary where, brought about by events reasonably unforeseeable by GGGI, the time limits for competitive procedures cannot be complied with, including e.g. if, following a Procurement procedure performed in compliance with these Procurement Rules, no valid Tenders were received in time, and this creates an unavoidable urgency. The circumstances invoked to justify extreme urgency should not be attributable to poor planning and/or processing delays on the part of GGGI personnel;
- d) Purchase or lease of real property or office space;
- e) Financial services (e.g. GGGI's 'Working Capital Fund', etc.), excluding banking services;
- f) There is a compelling reason to protect confidentiality of certain information which may not be disclosed to the public under the Disclosure Policy, or to protect GGGI safety or security interests;
- g) The subject item needs to be procured to complete or continue Services, to replace parts or components, or to expand facilities, which were already procured from the considered Consultant, Service Provider or Supplier, for reasons of standardization, compatibility or need to avoid significant establishment or start-up costs, provided that no advantage can be reasonably obtained by further competition; or

- h) The Director-General may approve Direct Procurement in circumstances not covered by the above-mentioned exceptions, based on a recommendation from the Procurement Review Committee. Such cases shall be reported to the Council.

The Head of Procurement shall review the use of Direct Procurement regarding 3.5 b-h, which shall be subject to approval in accordance with the DoA. When Direct Procurement is used, GGGI shall record in writing the justification and approval for Direct Procurement with supporting documentation, which will be kept by the Procurement Office.

Rule 3.6

Language

In accordance with the Policy on English Language Contracts, all documentation regarding Tendering shall be in English, including Procurement Contracts and Purchase Orders. Tenders in other languages may, in consultation with the Head of Procurement, be considered for minor local Procurement Contracts or Purchase Orders, if they are provided with strong justification, the essential parts translated into English.

All reports, work products and other deliverables deriving from Procurement Contracts must be in the English language and may, if and to the extent specified in the Procurement Contract, also be provided in additional languages.

Rule 3.7

Currency

As a main rule, USD shall be used in all Tenders. Other currencies may be used, for minor local Procurement Contracts or Purchase Orders, or in other special circumstances, as approved by the Head of Procurement in consultation with the Head of Finance.

Rule 3.8

Advance payments

Advance payments shall be approved in accordance with the DoA. If advance payments are requested by a Consultant, Service Provider or Supplier, then a performance guarantee, in form and substance acceptable to GGGI, shall be obtained, unless waived by an appropriate authority in accordance with the DoA.

Rule 3.9

Payment Method

The method of payment shall normally be by means of bank (wire) transfer against a correct invoice, referring to the Procurement Contract or Purchase Order, in accordance with the instructions provided therein. In exceptional cases, where the supplier is not able to submit an invoice, e.g. for on-line purchases, credit card payment may be used, following receipt of approvals in accordance with the DoA.

Rule 3.10

Tender Submission

All Tenders shall be submitted electronically, unless instructed otherwise.

Rule 3.11

Tender Receipt and Opening Procedure

The official tender opening shall be conducted as soon as possible after the latest time and date for submission of Tenders, as specified in the ITT. Such opening of tenders shall be performed by at least two personnel of GGGI, of whom at least one shall be from the Procurement Office.

Tenders that are not in compliance with the instructions in the ITT, or are not fully and completely received by the stipulated last date and time for submission, shall be rejected, and this shall be noted in the opening minutes. If non-compliant, missing or incomplete information is of minor or insignificant character, an exception can be made, and such information can be requested to be immediately corrected and submitted. Such exception shall be decided by the Head of Procurement.

Rule 3.12

No Valid Tenders

If no Tenders were received on or before the latest time and date for submission, or if the received Tenders were incomplete or for other reasons not valid, the reasons therefore shall be investigated, documented and kept at the Procurement Office.

Depending on the reasons for non-submission and taking into account time requirements, the Procurement may be reopened, unless there is urgency as defined under Rule 3.5 (c). Before reopening, the ITT may be modified as necessary taking into account the reasons for non-submission. If the main reason for non-submission was insufficient time allowed for preparation of Tenders, an extended time for submission should be considered.

If all Tenders were received after the time for submission, the Head of Procurement may exceptionally allow such Tenders to be subject to evaluation. Such an exception shall only be approved if it is (i) clear that a reopening would not be possible due to urgency and the time schedule cannot be modified, (ii) there were at least three valid Tenders received, and (iii) a reopening would result in severe consequences for GGGI.

Rule 3.13

Rejection of all Tenders

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

If the rejection of all Tenders is due to lack of effective competition, wider advertising shall be considered. If the rejection is due to all of the Tenders being non-responsive or non-compliant, new Tenders may be invited from the same Tenderers.

All Tenders shall not be rejected solely for the purpose of obtaining lower prices, unless collusion, corruption, or other foul play is reasonably suspected. If the lowest evaluated responsive Tender exceeds GGGI's pre-tender cost estimates by a substantial or unacceptable margin, GGGI shall investigate causes for the cost difference and consider requesting new Tenders as described in the previous paragraphs. Alternatively, GGGI may negotiate with the Tenderer who received the highest scoring, to obtain a satisfactory Procurement Contract by

reducing the scope and/or reallocating the risk and responsibility that can be reflected in a reduction of the Procurement Contract price. However, substantial reduction in the scope or modification to the tender documents may require reopening of the Procurement.

Rule 3.14

Evaluation of Tenders

Tenders shall be evaluated in three phases: formal, technical and financial evaluation.

Formal Evaluation

Tenders shall be evaluated for their compliance with any mandatory formal requirements stated in the ITT. Tenders not meeting the mandatory requirements shall be rejected and the affected Tenderers so informed in writing. The formal evaluation will be conducted by the Procurement Office for all Procurements above Low Value Procurement, unless separately decided by the Head of Procurement.

Technical and Financial Evaluation

The Technical and Financial Evaluation will be conducted in accordance with the methodology defined in the ITT.

Lowest Cost Methodology

The Lowest Cost Methodology shall consist of the following steps for evaluation:

- a) Determining which Tenders are compliant, and rejecting non-compliant Tenders. Only Tenders meeting or exceeding the requirements in the specifications shall be considered compliant.
- b) Choosing the lowest cost Tender among the compliant Tenders.

Normally, a single Tender system where Tenderers submit one Tender including all technical and financial information shall be used when applying this method of evaluation. However, a two Tender method where technical and financial Tenders are sent separately may also be used if it is deemed necessary to complete the technical evaluation without knowing the price of the Tender concerned.

Cumulative Analysis Methodology

This method shall normally require a two Tender procedure where Tenderers are requested to submit their technical and financial Tenders in two separate files or documents. The evaluation of the technical Tender, based on the defined technical evaluation criteria, shall be completed prior to the opening and evaluation of the financial Tender.

The financial Tender shall be opened only for those Tenders which meet or exceed the stated threshold, in case such is defined. For those Tenders which do not reach the minimum specified threshold, or were deemed technically insufficient, the corresponding financial Tender is not eligible for further consideration.

The Tender obtaining the overall highest score after adding the score of the technical Tender and the financial Tender is the Tender that offers best Value for Money.

Responsibility for Evaluation

Evaluation of Tenders shall be done by a Procurement Officer or a Procurement committee as provided in Article 4. A Procurement Review Committee recommendation shall be required for Very High Value Procurement and Direct Procurement that are not specifically provided for in these Procurement Rules (See Rules 4.3 and 4.4). The Procurement Officer or Procurement committee(s) involved in the evaluation shall provide a report on how a decision was reached on a particular Procurement.

Unreasonably low price

If a Tender presents an unreasonably low price compared with other Tenders, it may be rejected. Before rejection GGGI shall investigate the reason behind, e.g. whether the technical component does not meet a satisfactory level, or there may be an obvious miscalculation. If necessary, GGGI shall ask the Tenderer for an explanation of the abnormally low price.

Rule 3.15

Final Procurement Approval

All Procurement activities and actions shall be approved in accordance with the DoA.

Rule 3.16

Terms and Conditions of Procurement Contracts

The Procurement Contract and Purchase Order documents shall clearly define the Terms of Reference, the Services to be delivered, the scope of Works to be performed, the Goods to be supplied, the rights and obligations of GGGI and the Consultant, Service Provider or Supplier, start date and end date (or in exceptional cases, for 'open ended' Procurement Contracts, a clearly defined notification time and procedure for termination) or delivery date, the final deliverables and supplementary documents including financial reports and proof of spending to be submitted. All participating Tenderers shall be aware of the general and special terms and conditions of the Procurement Contract included in the Invitation to Tender.

Those Tenderers who cannot accept the terms and conditions of the Procurement Contract or Purchase Order are allowed to request for changes to the terms or conditions by written request. The successful Tenderer shall not be allowed to alter the material terms of the Procurement Contract.

Proposed changes to the GGGI standard terms and conditions of ITT's or Procurement Contracts shall be restricted. The standard terms and conditions, as reflected in GGGI templates, shall be categorized, in separate guidelines and in instructions to templates, to reflect different levels of approval for changes, to define which changes to terms and conditions may be decided by the Head of Procurement, and which can be changed only after consultation with the Head of Legal.

Rule 3.17

Award of a Procurement Contract

After the evaluation has been finalized, the first ranked Tenderer will be awarded the Procurement Contract, subject to successful conclusion of a Procurement Contract. The successful Tenderer shall submit to GGGI the documents and information required for finalizing the Procurement Contract. Within the prescribed period of time found in the award letter, the first ranked Tenderer shall cooperate with GGGI in finalizing the terms and conditions of the Procurement Contract, after which, GGGI and the first ranked Tenderer will execute the Procurement Contract. If the first ranked Tenderer fails to enter into the Procurement Contract within the prescribed period of time, GGGI may negotiate with and enter into the Procurement Contract with the second ranked Tenderer, or reopen the Procurement.

During the negotiation of a Procurement Contract, material deviation from the GGGI's terms and conditions provided in the Tendering documents is not allowed. The Procurement Contract shall be final when the successful Tenderer and GGGI's Procurement Contract Owner (as per DoA) both sign the Procurement Contract. Unsuccessful Tenderers shall be informed of GGGI's decision to award the contract to another Tenderer or to reopen the Procurement.

Rule 3.18

Unauthorised Commitments

There shall be no retroactive Procurement Contracts. No commitment shall be made to a Tenderer by any staff member or any other person on behalf of GGGI prior to the conclusion of a Procurement Contract.

A retroactive Procurement Contract constitutes an unauthorised commitment, which is an agreement that is not binding to GGGI, since it was made without proper authority. Tenderers are not allowed to start the Services or supply Goods or Works without a fully executed contract.

Retroactive Procurement Contracts, including amendments to Procurement Contracts, will only be ratified in exceptional circumstances, for example, in situations in which the operations or the operational capability of GGGI would be seriously jeopardised without permitting such delivery or performance in advance of concluding the proper processes and obtaining the necessary approvals. The Deputy Director-General, for amounts of USD 500,000 or less, and the Director-General for amounts in excess of USD 500,000, shall be immediately informed, and, in consultation with the Head of Procurement, shall determine whether or not the circumstances were such that the unauthorised commitment should be ratified by GGGI.

In case the unauthorised commitment is ratified, a retroactive Procurement Contract shall be processed, signed and sent to the Supplier, Consultant or Service Provider.

Should the unauthorised commitment be deemed not to have been justified, the staff member or any other person who took the decision may be found to have engaged in misconduct under the Staff Regulation, the Staff Rules and/or the Code of Conduct and be subject to disciplinary measures or contractual remedies, as applicable.

The justification and decision on a retroactive Procurement Contract must be submitted to the Procurement Office.

Rule 3.19

Procurement Contract Management

GGGI shall continuously monitor the compliance and performance of Suppliers, Service Providers or Consultants against the terms and conditions of the Procurement Contract. The *Procurement Contract Manager* shall be responsible for all contractual matters of the Procurement Contract, such as change management and amendments and ensuring appropriate approvals in accordance with the DoA are obtained in relation to the Procurement Contract. All changes to a Procurement Contract shall be documented in an amendment in accordance with Rule 3.20.

It is the responsibility of a *Procurement Contract Project Manager* to ensure that Suppliers, Service Providers or Consultants are in compliance with the terms and conditions of the Procurement Contract and GGGI's regulations, rules and policies. Therefore, the Procurement Contract Project Manager must develop and implement the necessary and sufficient on-going monitoring procedures. The Procurement Contract Project Manager must inform the Procurement Contract Manager if he/she is aware of any breach of the Procurement Contract or there is need for any amendment to the conditions of the Procurement Contract. The Procurement Contract can only be amended with a binding effect on GGGI by the officer delegated with such authority in the DoA.

Detailed rules, responsibilities, and procedures shall be defined in separate guidelines.

Summary of roles:

<i>Procurement Contract Owner</i>	<i>Signs Procurement Contract as of DoA</i>
<i>Procurement Contract Manager</i>	<i>Manages the Procurement Contract</i>
<i>Procurement Contract Project Manager</i>	<i>Manages the day-to-day Project Management</i>

Rule 3.20

Procurement Contract Amendments

Any change to a Procurement Contract or Purchase Order shall be executed before the end date of the Procurement Contract. In case of a Procurement Contract, the change shall be issued by the Procurement Office by means of a written numbered amendment signed by both parties, with reference to the relevant Procurement Contract. A change to a Purchase Order shall be issued by means of a written numbered amendment, with reference to the relevant Purchase Order and submitted to the Supplier, Service Provider or Consultant.

Amendments to Procurement Contracts shall be approved in accordance with the DoA. In the event that an amendment results in an increase in the contract value, the authority to approve such an amendment is based on the cumulatively added value of the Procurement Contract or Purchase Order, taking into account such amendment and all prior amendments.

Minor adjustments to the scope of work and budget, such as minor changes to travel schedules and minor transfers of expenses between line items, that do not have any impact on the total contract value and do not materially change contractual obligations of the parties can be approved by the Procurement Contract Project Manager without a formal Procurement Contract or Purchase Order amendment. However, such changes should be recorded in writing by means of agreed and mutually signed meeting minutes between the contracting parties.

Rule 3.21

Procurement Contract Extension

An existing Procurement Contract, awarded in compliance with the Procurement Rules, may exceptionally be extended for additional Services, Goods, or Works of a similar nature up to a maximum of 20 per cent of the total value of a Procurement Contract (including extensions contemplated in the Procurement Contract), by means of a Procurement Contract amendment; provided, that no advantage can be reasonably obtained by further competition and that the terms and conditions of the Procurement Contract for the extension period remain essentially unchanged. In accordance with the DoA, the authority to approve such an amendment depends on the cumulatively added value of the Procurement Contract taking into account the extension and all prior amendments and extensions.

A request for an extension with a cumulatively added value of modifications exceeding 20 per cent of the Procurement Contract value, shall follow the approval procedures in accordance with Rule 3.5 for Direct Procurement and the DoA for Direct Procurement. If approved, it may be executed as an amendment to the original Procurement Contract, subject to compliance with Rule 3.20.

Rule 3.22

Procurement Contract Performance Assessments

After the end date or, in case of Procurement Contracts with a longer duration, during the term of the Procurement Contract, a performance assessment shall be conducted by GGGI, for High and Very High Value Procurement Contracts. For Medium Value Procurement Contracts, performance assessments may be conducted when the Head of Procurement so decides. In accordance with the DoA, responsibility for performance evaluation in relation to a Procurement Contract is with the Head of the Division to which the Procurement Contract Project Manager is assigned.

The result of the performance assessment shall be communicated to the Procurement Contract Owner and other relevant recipients within GGGI, and be kept at the Procurement Office.

Rule 3.23

Accumulation of Low Value Procurement Activities

To achieve beneficial terms and conditions and higher efficiency, and make use of accumulated volumes, scale of economy, and to reduce administration, activities shall not be separated into smaller activities. Neither shall it be done to avoid using the specified Procurement method. Procurement of Goods, Works or Services of similar nature (i.e. from the same market actors) shall be accumulated per financial year, in the procurement plan, and the total value of the accumulated Procurement shall determine the applicable Procurement method.

Where Minor Purchases or Low Value Procurement of the same or similar type are recurring, the total cumulative estimated amount of the budget calendar year for GGGI shall be used to determine the procurement method, Procurement Contract type and Procurement Contract signatory. Establishing Framework Agreements for such Services, Goods or Works shall be considered by the Head of Procurement.

Rule 3.24

Framework Agreements

The need for Framework Agreements shall be identified by GGGI to meet repetitive requirements for standard Services and Goods. A competitive procurement process, in accordance with these Rules, shall be conducted for creating Framework Agreements in order to select the Tenderer offering the most appropriate Tender for such Services and Goods at a competitive cost, with favourable terms and conditions for GGGI.

If a Framework Agreement is concluded with one Supplier, Service Provider or Consultant, a Suborder will be sent to the Supplier, Service Provider or Consultant for every new project to be delivered within the scope of the Framework Agreement, without the requirement for a separate tendering process.

If a Framework Agreement is entered into with more than one Supplier, Service Provider or Consultant, a limited competition shall be performed between all the participants in the Framework Agreement, unless the Framework Agreement clearly specifies the procedure for direct submission of Suborders.

Framework Agreements shall have a limit to the scope of allowable Services or Goods and a limit to the consolidated value of Services and Goods that can be procured under the Framework Agreement. A separate tendering process will be required to award a Procurement Contract for the provision of Services and Goods either outside the allowable scope of Services or Goods, or once the value-limit has been reached.

Framework Agreements may be signed for up to three years, with an option of extension based on satisfactory performance of the Supplier, Service Provider or Consultant.

Rule 3.25

Documentation

Procurement activities and information, from Market Consultation to performance assessments, shall be documented in accordance with these Rules and supplementary instructions in procurement guidelines approved and issued in accordance with the DoA.

For Minor Purchases, no documentation in the form of Procurement Request or Purchase Order has to be submitted; however, supporting documentation should be submitted when making the related disbursement request.

Rule 3.26

Archiving of Procurement documents

Procurement documents, from those related to Market Consultation to performance assessments, for Medium, High, and Very High Value Procurement, shall be filed and maintained by the Procurement Office, and for Minor and Low Value Procurement by the unit or country office, in a systematic, transparent and traceable manner.

Article 4

PROCUREMENT GOVERNANCE

Rule 4.1

Conflict of Interest and Confidentiality

All members of any of the Procurement committees and other persons involved in the Procurement process shall have signed a declaration of impartiality and confidentiality before receiving any documents for evaluation or participating in a Procurement committee, or immediately declare their conflict of interest, if any, and consult with the Head of Procurement and, if it is deemed that there is a conflict of interest, ask to be removed from the Procurement committee and Procurement process.

Any noticeable discrepancies, drastic scoring differences, suspected fraudulent activity, or other improper actions during the Tendering process or improper discussions with Tenderers before award will be investigated. Any individual determined to have favoured a Tenderer or Tender in a manner inconsistent with the evaluation guidance/criteria, or a person being aware of such behaviour with another individual, and not acting or reporting this, may face administrative action in accordance with Staff Regulations and Rules. The Tenderer so involved may have its Tender cancelled and/or be declared ineligible to participate in future Tenders.

Rule 4.2

Procurement Committee Tasks

Individuals and committees involved in Procurement shall conduct the following tasks for all Procurement actions before them:

- a) To review and confirm that the proposed Procurement actions have been in compliance with the Procurement Regulations and Rules and are based on the principles set out in Rule 2.2; and
- b) To evaluate and review the adequacy or necessity of the requirement(s) under the proposed Procurement action related to the selection of Tenderer and award of Procurement Contracts.

Decisions by the Procurement committees shall be unanimous, and recorded in writing. If a unanimous decision is not possible, a voting procedure shall take place to reach a decision based on majority rule, with the results also recorded in writing.

Rule 4.3

Procurement Review Committee

The Procurement Review Committee shall review any Very High Value Procurement proposals and proposals for Direct Procurement in accordance with Rule 3.5 h, or are not specifically provided for in these Procurement Rules.

Rule 4.4

Composition and Role of the Procurement Review Committee

The Procurement Review Committee shall be chaired by the Deputy Director-General and Head of Management and Governance and will further consist of the Head of Finance, Head of Procurement and the Head of the Division of the relevant operational area. The Head of Procurement will present the result of the Procurement Committees. The Procurement Review Committee shall make a final Procurement recommendation to the Director-General to approve the Procurement process and selection of the Supplier, Service Provider or Consultant. A secretary will document the conclusions and recommendations of the Procurement Review Committee in meeting minutes, which shall be kept by the Procurement Office. External experts may be invited to provide expert opinions.

Rule 4.5

Composition of the Procurement Committees

The chair and the secretary shall not have any decision-making role of the Procurement Committees.

A. For non-complex or Medium Value Procurement

If Lowest Cost Methodology is used, the Head of Procurement may perform the evaluation, replacing the Procurement Committee. The result of the evaluation shall be documented and approved in accordance with the DoA.

A single Procurement Committee shall be established and consist of the following members:

- a) A Procurement Officer (chair);
- b) One or more representatives from the relevant operational Department or Division, with knowledge of the technical aspects of the Procurement, as appointed by the Head of the Division or Department;
- c) A representative from Finance Department, as appointed by the Head of Finance;
- d) One or more neutral external subject matter experts may be invited to provide expert advice, in case the Procurement is very technical and the knowledge of the technical aspects of the Procurement and/or Tender is not available within GGGI. An external expert shall not have any decision-making role with respect to the Committee's decision; and
- e) A secretary drafting minutes of the Committee meeting. The minutes shall be signed by all participants, except external experts, and be kept by the Procurement Office.

B. For complex, High or Very High Value Procurement

In case of a Procurement with separate Technical and Financial Proposals, there shall be two committees, one Technical Procurement Committee, and one Financial Procurement Committee. If during the Financial Procurement Committee evaluation, information is found that may be of importance for the Technical Procurement Committee, the Head of Procurement may appoint a joint committee which will make a final recommendation.

- i. *The Technical Procurement Committee* shall consist of the following members:

- a) A Procurement Officer (chair);
 - b) Two or more representatives from the relevant operational Department or Division, with knowledge of the technical aspects of the Procurement, as appointed by the Head of the Division or Department;
 - c) One or more neutral external subject matter experts may be invited to provide expert advice, in case the Procurement is very technical and the knowledge of the technical aspects of the Procurement and/or Tenders is not available within GGGI. An external expert shall not have any decision-making role with respect to the Committee's decision;
 - d) A secretary drafting minutes of the Committee meeting. The minutes shall be signed by all participants, except external experts, and be kept by the Procurement Office; and
 - e) In exceptional cases, a cooperating partner or government may participate in the Technical Procurement Committee, if GGGI deems it valuable, or if requested by such a cooperating partner or government. A representative from a cooperating partner or government shall not have any decision-making role with respect to the Committee's decision.
- ii. *The Financial Procurement Committee* shall consist of the following members:
- a) A Procurement Officer (chair);
 - b) One or more Representatives from the relevant operational Department or Division, with the authority to review or approve in accordance with the DoA, as appointed by the Head of the Division or Department;
 - c) A representative from Finance Department, as appointed by the Head of Finance; and
 - d) A secretary drafting minutes of the Committee meeting. The minutes shall be signed by all participants and be kept by the Procurement Office.

Rule 4.6

Award

The Procurement Contract shall be awarded and signed in accordance with the DoA.

Rule 4.7

Expertise

All committee members shall have appropriate technical, financial, and/or procurement expertise and experience.

Article 5

MISCELLANEOUS

Rule 5.1

These Rules shall be effective retroactively as of 15 April 2016.

Rule 5.2

Separate guidelines will be issued by the Head of Procurement to implement these Procurement Rules.