

Procurement Policy

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I. Scope of this Policy:

The activities of CORDAID and its Partners are guided by the respect of international law and the core humanitarian principles of humanity, impartiality, neutrality and independence¹. To truly observe the highest ethical standards during the procurement and execution of contracts, the Contracting Authorities, Tenderers and Candidates, must ensure, to the greatest extent possible, that their suppliers and contractors further down the supply chain also maintain high standards of *ethical procurement, ethical treatment of workers and ethical use of resources*.

2. Procurement Principles:

I. Social Procurement

Contracting Authority (CA), Tenderers and Contractors and sub-contracts shall assure the following conditions:

- a) Respect of social rights: the procurement procedure should take into account the positive effects on issues such as sustainable development, fair-trade and human rights.
- b) Respect of working conditions: procurement contracts should support freedom of association, ensure decent working conditions and protect vulnerable workers from exploitation/forced labor and abuse of any nature;
- c) Prohibition of any form of child labor².

II. Transparency and right to access:

The Contracting Authority must ensure that all the information on procurement procedures, opportunities and processes are well defined, known and accessible. Tender opportunities *must be advertised widely enough to ensure competition*.

III. Value For the Money:

Best value for the money means finding the offer that meets the necessary requirements in the most cost-effective way. The Contracting Authority shall consider factors such as efficiency, quality, fitness for purpose and effectiveness. Protection of the environment and social development are effects that should be taken into consideration and, therefore, act as an equal factor amongst others for the award of the contract.

IV. Equal treatment

Comparable situations must not be treated differently and that different situations must not be treated in the same way unless such treatment is objectively justified.

V. Proportionality

The measures and procedures adopted in the procurement process and the contract awarding, shall be proportional to the objectives pursued and should not go beyond what is necessary to achieve them.

VI. Non-Discrimination: without prejudice to the principle of supporting local economy, the Contracting Authority shall ensure, within the applicable procurement procedure, that no discrimination or unjustified differentiation is made between legal or natural persons, regardless of the origins of supplies or the nationality of the tenderer and candidate³.

VII. Competitiveness:

All the qualified companies and/or individuals should be allowed to submit bids and proposals on requirements for which they are qualified.

VIII. Due Dilligence⁴:

The Contracting Authority shall follow up on the timely delivery and satisfactory quality of the received supplies, works or services. Where delivery is late or where the quality or quantity falls below what was agreed with the

¹ The European Consensus on Humanitarian Aid, Joint Statement by the Council and the Representatives of the Governments of the Member States meeting within the Council, the European Parliament and the European Commission (2008/C 25/01). <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2008:025:0001:0012:EN:PDF>

² In the terms of the ILO Convention, 182. For more information, please follow the website: ilo.org

³ Annex II: Principles and Procedures applicable to Procurement Contracts, DGEcho, 2014.

⁴ Annex II: Principles and Procedures applicable to Procurement Contracts, DGEcho, 2014

contractor, the CA shall take remedial measures, in order to mitigate any negative consequences for the beneficiaries and to ensure sound financial management.

IX. Humanitarian Principles

The humanitarian principles refer to Humanity, Neutrality, Impartiality and Independence. Therefore, the CA shall observe the following:

- a) human suffering must be addressed wherever it is found with particular attention with the most vulnerable;
- b) humanitarian aid must not favor any side in armed conflict or other dispute;
- c) humanitarian aid must be provided solely on the basis of need without discrimination;
- d) autonomy of humanitarian objectives from political, economic, military or other objectives.
- e) untied aid: no restrictions should be placed on the procurement process limiting the pool of potential tenderers and candidates on the basis of their nationality and country of origin of the supplies.

3. Exclusion Criteria:

Contracting Authority (CA) will exclude from the procurement procedure all bidders that infringe or have infringed the law or who have demonstrated highly reprehensible professional behavior. In cases of joint tendering⁵, the exclusion grounds apply to all tenderers.

Mandatory Exclusion:
Economic operators who have been convicted of one of the following legal offenses must be excluded from any procurement procedure.
Corruption and Fraud.
Terrorism.
Money Laundering.
Participation in a criminal organization.
Child labor or human trafficking.
Non-compliance with environmental, social or labor law.
Serious professional misconduct affecting the economic operator's integrity.
Collusion and any other form of competition distortion.
Conflict of interest that cannot be resolved with other measures than exclusion.
Significant deficiency in carrying out a previous contracts with Cordaid and/or ICCO.
Failure to provide information to verify absence of grounds for exclusion.
Exerting undue influence on the on the decision-making process of the contracting authority, to obtain confidential information conferring undue advantages in the procurement procedure or to negligently provide misleading information that may have a material influence on decisions concerning exclusion, selection or award.
Bankruptcy or being subject to insolvency proceedings.

4. Award Criteria

The award criteria must be clearly defined and weighted in the contract notice and procurement documents. The evaluation reports must be documented and kept in the files.

Following procurement principles, the CA shall adopt the Most Economically Advantageous Tender (MEAT Criteria) as basis for the set of award Criterion. The box below contains examples on how to use MEAT:

BOX Most Economically Advantageous Tender⁶:

Life cycle cost: direct comparison of technical alternatives, for example: ecological products versus conventional ones, decentralized versus central;
Operating costs, i.e. energy consumption throughout the life cycle of device X;
Maintenance costs, i.e. . maintenance interval and replacement interval for component/item X;
Other costs/revenue, i.e. taxes and charges when operating device X, subsidies for technology Y;
The monetary evaluation of emissions (CO2 eq, SO2 , NOx , particles, etc.) as part of the award evaluation ⁷ .

Note: The Contracting Authority may explicitly prioritize in the selection criteria, factors that contribute to the achievement of the objectives of the Project/Action, such as the support to local livelihoods, support to most vulnerable, women-owned businesses or prioritizing bids received from disadvantaged groups, etc. These criterion will be accepted when there is a link between the objectives of the Program/Action and the procurement strategy.

5. Procurement Roles and Responsibilities

The Box below lists the main procurement roles in the process. Please note that, according to the Countries organizational structure and/or complexity of the procurement process, other roles and responsibilities may be added.

⁵ Joint Tendering: several economic operators form a consortium to submit a common tender.

⁶ Adapted from the Toolbox Sustainable Procurement - A guide on how to include aspects of sustainability in public procurement procedures for Financial Cooperation projects. German Federal Government, 2016, pages 37-39.

⁷ Can be applied especially in the services of infrastructure and construction and the acquisition of vehicles.

Key Roles: Procurement Process⁸

<i>Role</i>	<i>Responsibilities</i>
Procurement Official/Procurement Officer	Defining the strategy and procurement method, in collaboration with the requisitioner; conducting the procurement processes in a transparent, accountable and cost- efficient manner; maintaining instructions, procedures, processes, control mechanisms; providing guidance on procurement activities; reviewing the requirements definition and ensuring these are appropriate from a procurement perspective; creating purchase orders; - preparing requests for payment upon receipt of appropriate documentation; - performing contract management duties, in support of the Project Leader/requisitioner.
Contracting Authority	The buyer as party in a contract. CA examples are: Country Director, Operational Manager Programs. The CA procurement activity strictly complies with Cordaid financial rules and procedures, the procurement manual and other relevant Cordaid instruments or with the procurement procedures of Cordaid's partners or funding sources when such procedures have been agreed to by Cordaid. The CA will assure sufficient budget and funds are available for the commitment; The CA will ensure the procurement activity is in the best interest of Cordaid and; the CA will undertake other control functions set in this Procurement Manual Procurement.
Requisitioner	The person initiating a purchase requisition of goods, works and services. Often the Project Leader/Project Manager. The Project Leader has the following responsibilities: preparing the procurement plan of the project, drafting the requirements, evaluating submissions received when appointed by the evaluation team, accepting goods, services or works delivered by suppliers, lead the contract management activities, among other tasks. The Requisitioner is responsible for securing specific funding allocated only to the applicable procurement, both at the time of contract award and during the entire life of the contract. The requisitioner will lead the contract management duties including vendor performance evaluation, where appropriate, in coordination with the end-user, if applicable.

⁸ Adapted from Cordaid Afghanistan Procurement Manual, 2020, page 10-11 and United Nations Procurement Manual, 2020, pages 26-27.