

**DOCUMENT OF THE EUROPEAN BANK
FOR RECONSTRUCTION AND DEVELOPMENT**

CORPORATE PROCUREMENT POLICY

As approved by the Board of Directors at its meeting of 29 January 2014

CORPORATE PROCUREMENT POLICY

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EXECUTIVE SUMMARY

The proposed revisions to the Corporate Procurement Policy and Corporate Procurement Procedures modify the last version of those two documents Policy and Procedures (BDS08-253 (Final)) which was approved on 19 May 2009. As before, it sets out the Bank's approach to obtaining goods, works and services for its Headquarters operation and for its Resident Offices funded by its own administrative budget.

The objectives of the proposed revisions now presented to the Board are to:

- simplify the procurement process and remove process burdens, most notably via the discontinuation of the Corporate Procurement Review Committee; and
- update the Bank's approach to Corporate Procurement from the current 'transactional' approach to the 'strategic' support of the Bank's efficiency and modernisation programmes.

The main considerations for the revisions in the current Policy relate to:

- the addition of further limited exceptions to competitive procurement;
- the allocation of Consultancy services (as defined in the Policy) to CPU alone following the reorganisation of Bank vice presidencies with an impact on processes for Corporate Procurement;
- the introduction of the concepts of the Significant Contract Team and the Procurement Lifecycle; and
- facilitating greater efficiency in Corporate Procurement decision-making through the direct approval of Contracts and other matters by the Vice President responsible for Corporate Procurement on the advice of CPU, eliminating the purely advisory role previously played by the CPRC.

1. Introduction

- 1.1 The Corporate Procurement Policy (the "**Policy**") of the European Bank for Reconstruction and Development (the "**Bank**") is designed to ensure that the Corporate Procurement of all Goods, Works and Services including Consultancy services required for the operation of the Bank's Headquarters and Resident Offices is handled in a transparent, timely, efficient and effective manner with due regard to the objectives of the Bank.
- 1.2 Specific authority is granted to certain User Departments of the Bank, as provided below, with each such User Department retaining responsibility and not required to apply the rules of this Policy and the Procedures within the area specified¹:
- (a) Treasury and Banking to conduct transactions related to all borrowing activities, and activities falling under the Treasury and Treasury Risk Management Authority and for the selection of brokers for sale of listed and unlisted investments of the Bank²;
 - (b) in connection with consultant services not for the operation of the Bank's Headquarters and Resident Offices, the Technical Cooperation Department (or any successor unit or department within the Bank responsible for arranging for such consultant services) in relation to the selection and engagement of such consultants³;
 - (c) for OGC for the purpose of selecting and contracting external legal services⁴; and
 - (d) the Bank's Retirement Plans Investment Committee, with respect to the management and investment of the assets of the Bank's retirement plans⁵.
- 1.3 In the event it is unclear whether certain services (such as certain consultant, professional or advisory services) would fall under the purview of the Bank's Procurement Policies and Rules or under this Policy and the Procedures, the Heads of the Technical Cooperation Department and CPU shall meet to arrive at a reasoned decision as to which policy and rules should govern and which department or unit should be responsible for the procurement of such services.

2. Definitions

In this Policy, unless the context requires otherwise, the following terms shall have the following meanings:

¹ Leases of real estate for Resident Offices are not classified as Service, Work, Goods or Consultancy and therefore shall not be covered by this Policy.

² Addressed in special procedures agreed between Treasury, Banking and CPU.

³ Covered by the Bank's Procurement Policies and Rules, Section 5 and respective procedures.

⁴ Covered by the Bank's Procurement Policies and Rules, Section 5 and respective procedures.

⁵ Upon a decision being made by the Retirement Plans Investment Committee to adopt an approach broadly consistent with the approach mandated by this Policy.

"Bid" a written response submitted by a prospective supplier to the Bank, indicating the terms and conditions of the prospective supplier's offer in a formal Tendering process.

"Consultancy" shall mean services concerning professional expert advice and services with predominantly intellectual input in connection with the operation of the Bank's Headquarters and Resident Offices to be provided for the benefit of the Bank and funded by the Bank's budget⁶.

"Corporate Procurement" refers to the selection (and attendant processes) of Suppliers to supply specific Goods, Works and Services for the Bank's internal consumption together with the negotiation of terms and conditions of contracts and the entering into, modification, management, administration and supervision of such contracts.

"Corporate Procurement Unit" or **"CPU"** means the unit within the Bank responsible for managing Corporate Procurement in accordance with this Policy.

"Contract" or **"Contract Amendment"** means an agreement between the Bank and a Supplier which contains details of the particular terms and conditions relating to the Goods, Works and Services to be purchased. It shall be signed by the authorised signatory of both parties and once signed, it may be altered only through a formal Contract Amendment.

"CPRC" means the Corporate Procurement Review Committee, a committee established under the previous policy on Corporate Procurement responsible for reviewing compliance of the previous policy and procedures for Corporate Procurement.

"Crisis Management Team" or **"CMT"** means the team responsible for ensuring staff welfare and business continuity in the event of an emergency or crisis affecting the Bank.

"Goods" means tangible products in connection with Corporate Procurement, such as: stationery supplies, office equipment, furniture, computer hardware and standard 'off-the-shelf' software, audio-visual equipment, photocopiers, vehicles, etc.

"Initial Award" means the Initial Award of a Contract or Purchase Order which encompasses the full value of the Contract or a specific Purchase Order, taking into account all of the payments to be made by the Bank under such Contract or Purchase Order during the whole of its term.

"Invitation to Tender" means a formal Written Solicitation to invite prospective suppliers to participate in a Tendering process initiated by the Bank.

⁶ The Policy governs consultancy services required for the operation of the Bank's Headquarters and Resident Offices only.

"Offer" means a written response submitted by the prospective supplier to the Bank for an RFP or RFQ, indicating the terms and conditions of the Supplier's offer to the Bank.

"Pre-Qualification" means a competitive process during which the Bank identifies a number of prospective suppliers who are able to provide certain pre-defined Goods, Works or Services without concluding Contracts or issuing Purchase Orders.

"Procurement Lifecycle" means the eight-stage process followed by the Bank's Corporate Procurement projects as detailed in section 1.10 of the Procedures (Annex 1).

"Procurement Policies and Rules" means those policies and rules that govern the procurement by the Bank and its clients of goods, works and services in connection with their operations and management responsibilities, including certain consultancy or advisory services, required for the development and/or implementation of specific Bank projects in the public and private sector (being distinct from this Policy and the Procedures).

"Project Plan" means the document outlining the various details of a particular Corporate Procurement project for tendering, as further detailed in Section 5 of this Policy.

"Purchase Order" or "Purchase Order Amendment" means a simple contract using the standard conditions to be used for simple and low value transactions for Goods, Works and Services. A Purchase Order can be entered into on a stand-alone basis or be part of a Contract. A Purchase Order is issued by the Bank and has to be accepted by the Supplier. A Purchase Order Amendment is an amendment to a prior Purchase Order which must be evidenced in writing.

"Request for Proposal" or "RFP" means a Written Solicitation used when the Bank is not able to issue a clear and complete Scope of Work and prefers the option of making an award following initial proposals and/or conducting discussions and negotiations with prospective suppliers.

"Request for Quotation" or "RFQ" means a Written Solicitation used when the requirement is clearly and completely quantified and specified in the form of bill of quantities and a Scope of Work and the basis for award is primarily price.

"Retroactive Contract" means a Contract or Purchase Order in which Goods, Works or Services have already been delivered or performed, fully or in part, prior to obtaining the advice of the CPU or the completion of the approval steps required under this Policy and/or the Procedures.

"SAP PO" means an electronic purchase order created for each purchase, using the SAP system of the Bank and containing all of the key data relating to the specific purchase irrespective of whether the purchase is made by a Purchase Order or Contract.

"Scope of Work" or "Schedule of Requirements" means a set of terms defining the contractual performance required of Suppliers and varies in format with the type and complexity of the respective Goods, Works or Services.

"Services" means non-tangible services in connection with Corporate Procurement, including major labour contracts such as security, cleaning, catering, building maintenance, and complex computer software development, configuration, implementation and installation, IT hardware and software licensing and maintenance, as well as more incidental assistance in the form of equipment rental, installation and repair, international mail delivery, etc. For the purpose of this Policy and the Procedures, the term "Services" shall also include associated Consultancy services where the purchase is governed by the rules of this Policy and the Procedures in accordance with Sections 5.7 and 5.8 below.

"Significant Contract Team" means a cross-disciplinary team established at the outset of operationally significant and high value Corporate Procurement projects. The team consists of at least the Contract Manager and the CPU Manager. The size and composition of the team depends on the nature, scope, value, level of risk and complexity of the Corporate Procurement project.

"Specifications" means a generic description of the Goods, Works or Services to be delivered by the supplier, but does not contain a detailed Technical Specification.

"Supplier(s)" means all third parties who enter into a Contract or accept a Purchase Order to supply Goods, Works and Services to the Bank.

"Technical Specification" means a detailed technical description of the Goods, Works or Services to be procured by the Bank (usually part of the Scope of Work) used to state the Bank's needs for the purchase of specialized Goods, Works or Services using definitive quantitative standards and specifications.

"Tendering" means a formal competitive procurement process undertaken by the Bank for contracts for Goods, Works and Services with an Initial Award of GBP 150,000 and above.

"TEP" means an evaluation committee which includes representatives of the respective User Department and other staff members having the knowledge required for the technical evaluation of Bids. The TEP is responsible for establishing evaluation criteria included in a Written Solicitation and for reviewing and evaluating the Bids accordingly. A pre-qualification panel similar to a TEP is to be established to evaluate responses received following an invitation for Pre-Qualification.

"User Department" means the department or team within the Bank making a specific Corporate Procurement request. Its director or principal decision-maker is known as the **"Head"**.

"VPCP" has the meaning ascribed to it in Section 5.11.

"**Works**" means those activities in connection with Corporate Procurement where there will be elements of supply of both Goods and Services present, such as office refurbishment, carpentry, electrical, and other works.

"**Written Solicitation**" means a formal procurement request issued by the Bank to prospective Suppliers.

3. Overview

- 3.1 This Policy sets out the objectives, the overall approach, key principles and procedures for the acquisition of Goods, Works and Services related specifically to the Bank's Headquarters operations and those of its Resident Offices. It is intended to control, guide and serve as a reference to all staff authorised to perform, or who are involved in any way with Corporate Procurement functions.
- 3.2 The procedures and principles set out in this Policy are to be followed by all staff of the Bank. The detailed rules of Corporate Procurement are contained in the Corporate Procurement Procedures (the "**Procedures**"). This Policy and the Procedures also implement the Bank's commitment, in its Environmental and Social Policy, to take into account sustainability issues in Corporate Procurement. A copy of the Procedures is appended at Annex 1. The Procedures will be adopted by Bank management in parallel to and contingent upon the adoption of this Policy by the Board of Directors. In the event of any inconsistency or discrepancy between the terms of this Policy and the Procedures, the terms of this Policy shall prevail.
- 3.3 The approval of this Policy and of amendments thereto is by the Board of Directors. The approval of the Procedures and of amendments thereto is by Bank management. Subject to such approval mechanisms, the Corporate Procurement Unit ("**CPU**") has the responsibility for the formulation of this Policy and of the Procedures, including any amendments thereto and for its implementation, as provided for therein.
- 3.4 At the planning stage for Tendering for Contracts with a significant impact upon the Bank's business, if the User Department in its judgment considers it important to allow the Executive Committee to exercise its judgment on a key purchasing decision then the Executive Committee may be informed by the Executive Committee member with responsibility for the User Department or directly by the User Department if it does not have an Executive Committee member
- 3.5 At the planning stage for operationally significant and high value Corporate Procurement projects a Significant Contract Team will be established and operate in accordance with the provisions of the Procedures.
- 3.6 The CPU shall monitor the Corporate Procurement activity of the Bank and ensure proper implementation of this Policy.
- 3.7 An annual report on Corporate Procurement by the Bank shall be published on the Bank's website in accordance with the Bank's Public Information Policy. This annual report shall include the details of unauthorised exceptions and Retroactive Contracts as set out in the Procedures.

3.8 In this Policy, values are given in GBP with the equivalent in contracting currencies for any particular instance of Corporate Procurement to be assessed, if applicable, at the time of consideration of the approval of such instance.

4. Principles

4.1 The fundamental objective for Bank's Corporate Procurement is to obtain the appropriate Goods, Works and Services for the stated purpose, at the appropriate time, place and cost and in a manner which balances the overall institutional requirements for:

- (a) economy;
- (b) efficiency;
- (c) transparency;
- (d) accountability;
- (e) environmental and social sustainability; and
- (f) responsiveness to particular operational circumstances.

4.2 Corporate Procurement is to be effected with the highest level of ethical standards, allowing for fair and equitable treatment of Suppliers and of potential suppliers of Goods, Works, and Services to the Bank. The Bank will seek to work with Suppliers who follow best practices in environmental management (including energy and resource efficiency, waste reduction and recycling) and human resources management (such as equal opportunity, work/life balance, health and safety).

4.3 In the course of Corporate Procurement, it is not permitted to evade the application of a stricter procurement procedure or the requirement of competition by splitting Contracts or Purchase Orders with the same Supplier for the same or for a substantially connected subject matter. If separate Contracts or Purchase Orders are to be concluded, then the Initial Award must be calculated by consolidating the Initial Award of all the respective Purchase Orders or Contracts and the form or method of Corporate Procurement must be selected in accordance with the consolidated Initial Award.

5. Roles and Responsibilities

Corporate Procurement Unit

5.1 CPU has functional responsibility for Corporate Procurement in the Bank. CPU implements those elements of Corporate Procurement within its direct responsibility, as specified in this Policy and the Procedures and has authority to oversee those elements not within its direct responsibility which include oversight of compliance with this Policy and the Procedures. CPU delegates authority for purchases with a value of up to GBP 20,000 to accredited members of the Bank's staff in User Departments. If CPU finds non-compliance with this Policy by an individual or by the User Department, it has the authority to revoke the delegated authority granted to the individual or the User Department. CPU is also responsible for the procedures covering the disposal of fixed assets and for the formulation of any amendments to this Policy or the Procedures, subject in each case to the approval of same by the Board of Directors or Bank management, as the case may be. The respective roles and

accountabilities of CPU and User Departments in terms of the process, authority and responsibility for a specific procurement, commitment or disposal shall be governed by this Policy and are more particularly described in the Procedures. CPU shall determine the appropriate method of procurement as set out in Section 6 for the required Goods, Works, and Services and advise the User Departments accordingly.

- 5.2 CPU shall conduct a periodic review of Suppliers, together with User Departments, in order to develop procurement strategies for the Bank's operational needs in order to achieve value for money.
- 5.3 CPU has responsibility for negotiation of the contractual terms and conditions to effect the Bank's Corporate Procurement with technical input from the relevant User Department, and if applicable, with the Office of General Counsel ("**OGC**").
- 5.4 CPU will work closely with User Departments to ensure that the Bank, while responding to particular operational circumstances, receives the best value taking into account such factors as price, fitness for purpose, environmental and social sustainability, energy and resource efficiency, labour standards and working conditions, maintenance provisions, operating costs, guarantees and warranties, delivery and installation, as well as terms and conditions of payment while preserving the principles set out in this Policy.
- 5.5 Any complaints relating to the Tendering process or contract awards should be made in writing to, and will be handled by, the Head of CPU. The review of any complaints with respect to Tendering and Contract awards shall be referred to the Procurement Complaints Committee ("**PCC**"). Complaints relating to fraud or corruption must be referred to the Office of the Chief Compliance Officer for further investigation.
- 5.6 Accountability in terms of technical content of a Contract or Purchase Order, budget and usage of the purchased Goods, Works and Services remains with the User Departments. As specified in Section 6.1, User Departments shall keep complete records of Written Solicitations, Bids, Offers, evaluations and other documents concerning the decision making process, and shall ensure that the User Department approves all such decisions. User Departments shall record compliance and confirm, from time to time, compliance by self-certification testing in accordance with controls to be established and approved by CPU. CPU shall verify specific compliance of this Policy and the Procedures by the User Departments on a selective basis.
- 5.7 Consistent with the Bank's principles of budget and management accountability, User Department managers are responsible for ensuring that sufficient funds are available to cover the purchase of Goods, Works, and Services. User Departments should raise any potential budget issues with the Budget and Financial Policy Department at an early stage.
- 5.8 The creation and maintenance of the Supplier database is a joint responsibility between CPU for completeness and accuracy of details of the Suppliers and Accounts & Invoice Control for bank payment details and applicable VAT.

- 5.9 CPU will prepare an annual purchasing plan based on the information provided by the User Departments. The annual purchasing plan will be submitted to the VPCP for approval.
- 5.10 CPU will carry out periodic monitoring for compliance with this Policy and the Procedures and report it to Bank management and the Audit Committee of the Board.

Decisions by the Vice President responsible for Corporate Procurement

- 5.11 When any of the following applies to a Purchase Order or Contract, the advice of the CPU and approval of the Vice President with responsibility for Corporate Procurement (currently the Chief Administrative Officer, but shall include any future vice president of the Bank with responsibility for Corporate Procurement, such person to be known in this Policy as the “VPCP”) shall be obtained prior to any contractual commitment on behalf of the Bank:-
- (a) all Contracts for Goods, Works and Services to be entered into which involve obligations to a Supplier by the Bank in respect of a single Purchase Order or a single Contract which is expected to have an Initial Award of GBP 150,000 or more;
 - (b) any amendment, modification or renewal of a Contract or a Purchase Order not previously reviewed by the CPRC or CPU, where the Purchase Order or Contract for Goods, Works and Services as so amended (whether by one amendment or a series of amendments) in the aggregate increases the Initial Award to more than GBP 150,000;
 - (c) all exceptions from this Policy concerning Contracts or Purchase Orders of GBP 50,000 or more in value;
 - (d) any amendment or modification of a Contract or a Purchase Order previously reviewed by the CPRC or CPU where in the judgment of CPU, the significance of the Contract Amendment or the Purchase Order Amendment in relation to the criteria on which the original award was made would significantly affect the procurement process including the cost and period or duration of the contractual relationship between the Bank and its Supplier; and
 - (e) all Retroactive Contracts with the Initial Award above GBP 20,000.
- 5.12 In order to facilitate timely decision-making by the VPCP for the efficient operation of Corporate Procurement in the Bank, the Head of CPU and the VPCP may develop and establish written protocols and procedures between themselves (as may be amended from time to time) to enable the VPCP’s timely review and approval of the categories of cases listed in Section 5.11 above, including specific delegation of the VPCP’s approval and/or review powers within certain defined instances.

6. Approach to Procurement

- 6.1 This Policy applies to the procurement of Goods, Works, and Services by the Bank required for the operation of the Bank’s Headquarters and Resident Offices.

- 6.2 In accordance with Section 7 and subject to the Bank’s internal rules, if the Initial Award is less than GBP 5,000, then the User Department is permitted to raise a Purchase Order or use a purchasing card for Goods, Works and Services with the selected Supplier.
- 6.3 In accordance with Section 7, if the Initial Award amounts to GBP 5,000 or above but is less than GBP 20,000, then the User Department is permitted to raise a Purchase Order for Goods, Works and Services from a competitively selected Supplier. For all Contracts CPU approval shall be sought prior to signature.
- 6.4 If the Initial Award amounts to GBP 20,000 or above, the Goods, Works and Services to be contracted, with the exceptions listed in Section 7.5, must be contracted for the User Department by the CPU.
- 6.5 Any Purchase Order linked to and issued under an established and approved Contract registered in the SAP system of the Bank will not require prior CPU authorisation.

7. Procurement Methods and Thresholds

7.1 In Corporate Procurement, the following procurement methods and thresholds shall be applied:

Contract Value (in GBP)	Method	Quotations or Offers Requested & Received by	Form	Purchase Order/ Contract Authoriser		Records (*)
				User Dept	CPU	
Less than 5,000	Direct Contracting	-	SAP Purchase Order / Purchasing Card	Yes	No	User Dept.
5,000 and less than 20,000 (Purchase Order)	Minimum 3 Competitive Offers requested	User Department	SAP Purchase Order	Yes	No	User Dept.
5,000 and less than 20,000 (Contract)	Minimum 3 Competitive Offers requested	User Department	Contract	Yes	Yes	CPU
20,000 and less than 150,000	Minimum of 3 Competitive Offers requested	CPU	SAP Purchase Order or Contract	Yes	Yes **	CPU
150,000 and more	Tendering (pre-qualification, if appropriate) and Advertising***	CPU	SAP Purchase Order or Contract	Yes	Yes **	CPU

Key:

CPU – Corporate Procurement Unit

* - Records means keeping evidence / audit trail of compliance with this Policy as detailed in the Procedures;

** - Any SAP Purchase Order linked to an established contract in SAP would not require CPU authorisation – see Section 6.5 above;

*** Advertising shall conform to the standards described in the Procedures.

7.2 *Direct Contracting*

All Purchase Orders estimated to cost less than GBP 5,000 at Initial Award can be awarded directly by User Departments.

7.3 *Competitive Procurement*

- (a) All Purchase Orders estimated to cost GBP 5,000 and above but less than GBP 20,000 at Initial Award shall normally be awarded as a result of competition as described in the table above. Competition should be accomplished by issuing a Written Solicitation to potential suppliers as detailed in the Procedures.
- (b) All Contracts estimated to cost GBP 5,000 and above but less than GBP 20,000 at Initial Award should normally be awarded as a result of competition as described in the table above. Competition should be accomplished by issuing a Written Solicitation to potential suppliers as detailed in the Procedures. User Departments shall seek and receive the approval of CPU prior to signature of any Contract.
- (c) For Purchase Orders and Contracts estimated to cost GBP 20,000 or more and less than GBP 150,000 there must be a minimum of three competitive offers requested, considered and evaluated by the User Departments and approved by CPU prior to creation of a Purchase Order or a Contract.
- (d) For Purchase Orders and Contracts estimated to cost more than GBP 150,000, and prior to signing any such Purchase Orders and Contracts, the CPU must be consulted by the User Department and all proposed Contract awards must then be approved by the VPCP on the advice of the CPU.
- (e) For all Purchase Orders and Contracts with the Initial Award of GBP 50,000 or more and where a technical evaluation of Bids is required a TEP should be set up to evaluate the technical proposals. The TEP shall operate in compliance with this Policy and the Procedures.

7.4 *Exceptions to Competitive Procurement*

- (1) Exceptions to the procurement methods above, including direct contracting without competition for any Contract or Purchase Order with the Initial Award of GBP 5,000 or more may only be considered and approved in accordance with the procedure described below where fully justified under any of the following criteria:
 - (a) standardisation of supplies or equipment is determined to be important and justified such that further competition is impractical;

- (b) the proposed contract relates to specialised services or technical equipment, where the User Department has made a qualitative judgment that the selected Supplier is uniquely suited to furnish the Goods or carry out the Works or Services;
 - (c) the Goods, Works or Services are available under a special discount arrangement offering lower costs than commercially available. In such cases other commercial sources should be checked to verify that more beneficial pricing is not obtainable;
 - (d) extreme urgency or emergency requires expedited processing;
 - (e) the Crisis Management Team identifies certain Goods, Works or Services as essential in the Bank's response to a crisis; and
 - (f) the Supplier has been or is involved in the early phases of a Corporate Procurement project such as feasibility study or design and it has been determined: (i) by the User Department that continuity is necessary and; (ii) by CPU that no advantage would be derived from further competition.
- (2) For all exceptions under 7.4 (a), (b), (c), (d), (e) and (f), the User Department or an authorised representative of CMT in case of (e), and the Head of CPU must both be satisfied that the reasons given for an exception from competitive procurement are valid. Where the exception concerns Contracts or Purchase Orders of GBP 50,000 or more but not in the case of 7.4(e) CPU must seek the approval of the VPCP for the exception. In all cases, decisions and approvals concerning direct contracting will be documented in the file of the relevant Purchase Order or Contract.
- (3) For exceptions under 7.4 (d) and (e), where circumstances do not allow the User Department to submit a formal request for exception from competitive procurement to the Head of CPU prior to award of the Purchase Order or the Contract, the User Department shall provide such request promptly ex-post and, where possible, before the relevant Contract is signed by the Bank and the relevant Supplier.

8. Retroactive Contracts

- 8.1 Retroactive Contracts shall be avoided and may be justified only in exceptional circumstances as specified in Section 7.2. All Retroactive Contracts must be submitted to the CPU. All Retroactive Contracts with the Initial Award above GBP 20,000 shall be submitted for approval to the VPCP by CPU. The User Department Managers concerned who authorised the Retroactive Contract in the first instance remain fully responsible and financially accountable for the decision to permit performance without a properly authorised Contract or Purchase Order.
- 8.2 Retroactive Contracts will only be considered justifiable in situations in which:

- (a) the operations or the operational capability of the Bank would be seriously jeopardised without permitting such delivery or performance; or
- (b) the matter is beyond the reasonable control of the User Department; or
- (c) the Crisis Management Team has determined that swift execution of the Contract with the relevant Supplier for specific Goods, Works or Services is essential to facilitate the Bank's response to a crisis.

9. Environmental and Social Sustainability Considerations

9.1 The Bank is committed, in its Environmental and Social Policy, to take into account sustainability issues in Corporate Procurement. In order to translate this objective into successful practical outcomes, the Bank has adopted corporate principles for environmentally and socially sustainable procurement, and to that end, the Bank will:

- (a) seek to purchase Goods, Works and Services that lessen the burden on the environment in their production, use and final disposition, whenever possible and economical, technically feasible and cost-effective;
- (b) support the 4 "R" strategies, i.e. re-think the requirements to reduce environmental impact; reduce material consumption; recycle materials/waste; and reduce energy consumption;
- (c) promote the sustainable use of resources;
- (d) give preference to Goods, Works and Services certified to internationally recognised principles of environmentally and/or socially sustainable management, where available; and
- (e) promote the application of good labour standards and working conditions amongst its Suppliers of Goods, Works and Services.

9.2 In order to implement these principles in its day to day Corporate Procurement activities, the Bank will, as appropriate:

- (a) incorporate environmental and social considerations, standards and requirements in procurement planning, Specifications, Technical Specifications and Scope of Work;
- (b) incorporate in Contracts and EBRD's standard terms and conditions for Corporate Procurement, compliance conditions regarding labour standards and working conditions; and
- (c) review the environmental and social sustainability of Suppliers of Goods, Works and Services in its evaluation of Bids and Offers.

10. Ethical Behaviour

10.1 The Bank requires that all Suppliers to the Bank observe the highest standard of transparency and integrity during the Corporate Procurement process, the execution and implementation of its contracts. Any occurrence, or suspected occurrence, of a Prohibited Practice⁷ in the procurement, award, or implementation of a Bank contract subject to the application of this Policy shall be dealt with in accordance with the provisions of the Bank's Enforcement Policy and Procedures. All Suppliers to the

⁷ Prohibited Practices consist of any one or more of a fraudulent practice, corrupt practice, collusive practice and coercive practice as those terms are defined in the Bank's Enforcement Policy and Procedures.

Bank are required to fully cooperate with the Bank in any investigation into an alleged Prohibited Practice to be carried out pursuant to the Enforcement Policy and Procedures and to permit the Bank or its representative to inspect such of their accounts and records as may be relevant for such investigation and to have such records and accounts audited by the auditors appointed by the Bank. The Bank is not able to contract with EBRD debarred entities.

- 10.2 All staff undertaking any Corporate Procurement activity shall ensure that they comply with the Bank's Code of Conduct.
- 10.3 Without limiting the generality of the forgoing, staff must not make personal purchases through open contract catalogues, using Purchase Orders or Contracts, either for themselves or for anyone else. This restriction does not prevent Bank staff from buying goods from the Bank's Suppliers, through wholly separate arrangements, at rates which are not specifically favourable to Bank staff.

11. Disposal of Fixed Assets

- 11.1 CPU has the functional authority for disposal of the Bank's fixed assets.
- 11.2 CPU exercises this authority through the issue of separate procedures and standards to sell or otherwise dispose of assets no longer required by the Bank in such a way as to maximise the return to the Bank in an efficient and cost effective manner.