

**ANNUAL CORPORATE PROCUREMENT REVIEW**

**2013**

**Corporate Procurement Unit  
April 2014**

## **Abbreviations**

CPP	Corporate Procurement Policy
CPPP	Corporate Procurement Policy and Procedures
CPRC	Corporate Procurement Review Committee
CPU	Corporate Procurement Unit
OCCO	Office of the Chief Compliance Officer
OCE	Office of the Chief Economist
OGC	Office of the General Counsel
OSG	Office of the Secretary General
MRO	Maintenance, repair and operations
PCC	Procurement Complaints Committee
PO	Purchase Order
RO	Resident Office of the Bank
SAP	Electronic system used by the Bank

## **Executive Summary**

### **An Increase in Competitively Awarded Contracts**

- Competitively awarded contracts and extensions made-up 80% of the value of contracts awarded in 2013, a rise from 61% in 2012.

### **A Drop in Exceptions to Competitive Procurement**

- The number and value of exceptions to competitive procurement dropped from 109 (£12,912,961) in 2012 to 97 (GBP 7,848,589) in 2013; and
- Of the 97 contracts awarded as approved exceptions to competitive procurement in 2013 (GBP 7,848,589) 71 were on-going and previously approved exceptions, representing 84% of the total value (GBP 6,564,037) and 26 were newly approved exceptions, representing 16% of the total value (GBP 1,284,552).

### **Active Management of the Bank's Significant Supplier Base**

- In accordance with international best practice, Corporate Procurement and its client departments have actively sought to maximise cost-efficiency, security and quality of supply across the Bank's major areas of expenditure. The results in 2013 show good progress with:
  - 50% of the Bank's total Corporate Procurement expenditure concentrated in contracts with 20 suppliers;
  - 18 of the 20 suppliers awarded contracts following a competitive procurement process; and
  - Most of the suppliers (14) have or will be re-tendered within a three year period between 2012 and 2014.
- This active management of the significant supplier base and frequent application of competitive procurement between suppliers benchmarks the Bank as a leading organisation when compared to other international organisations and against the international best-practice standards (such as those established by the KPMG Global Survey of 585 procurement leaders).

### **Cost and Operational Efficiency Gains**

- Cost-efficiencies were achieved through the procurement and negotiation of significant contracts, including framework contracts for IT hardware & software, relocations & removal services and event management;
- The total anticipated savings generated under these contracts is anticipated to be £3.5 million; and
- Operational efficiency gains were generated through the consolidation of contracts, reducing contract management and invoicing workloads and outsourcing time-consuming, specialist services such as event management.

### **Increase in Contract Volumes and Values**

- Since 2009 the average number of contracts awarded per CPU team member has risen from 15 per annum to 52 in 2013; and
- CPU has been able to and will continue to manage this steep increase in workload by adopting advanced procurement techniques that deliver value for money through cost and resource efficient procurement processes.

## TABLE OF CONTENTS

1.	Introduction	3
2.	Corporate Procurement Expenditure	3
3.	Management of the Bank’s Suppliers	7
4.	The Bank’s Top Twenty Corporate Procurement Suppliers (by value)	8
5.	Cost and Operational Efficiency Gains	8
6.	Updated Corporate Procurement Policy & Procedures	11
7.	A Status Report on the Effectiveness of Delegated Procurement	12
8.	Contracts Awarded in 2013	13
9.	Local Purchasing in the Bank’s Countries of Operations	17
10.	Corporate Procurement Review Committee	17
11.	Participation in the Network on Procurement in International Organisations (NPIO)	18
ANNEX		19
	<i>Table A: Major Contracts in 2013 with a Value Greater than GBP 150,000</i>	20
	<i>Table B: Contracts by Procurement Thresholds in 2013 and 2012</i>	21
	<i>Table C: Contracts by Procurement Method in 2013 and 2012</i>	21
	<i>Table D: Contracts by EBRD Department / Vice-Presidency in 2013 and 2012</i>	22
	<i>Table E: Corporate Procurement Expenditure by the Resident Offices 2013</i>	23
	<i>Table F: Corporate Procurement Contracts with a Value of less than GBP 5,000 Signed by Resident Offices in 2013</i>	24
	<i>Table G: Total Value and Number of Purchase Orders in 2013 and 2012</i>	25
	<i>Table H: Distribution of Purchase Orders by Value</i>	25
	<i>Table I: Stand Alone Purchase Orders and those under SAP Contract Records in 2013 and 2012</i>	25
	<i>Table J: Distribution of Purchase Orders Linked to a Contract Record by EBRD Department/Vice-Presidency by Value Range in 2013</i>	26
	<i>Table K: Distribution of Stand-Alone Purchase Orders by EBRD Department/Vice-Presidency by Value Range in 2013</i>	26
	<i>Table L: Value and Number of Purchase Orders by EBRD Department/Vice-presidency in 2013 and 2012</i>	27
	<i>Table M: Projects Reviewed and Approved by the Corporate Procurement Review Committee in 2013</i>	28
	<i>Table N: List of Exceptions to Competitive Procurement Approved in 2013</i>	29
	<i>Table O: Distribution of Approved Exceptions to Competitive Procurement by Value</i>	31

## 1. Introduction

The Annual Corporate Procurement Review (the “Report”) provides an overview of the activities of the European Bank for Reconstruction and Development (the “EBRD” or the “Bank”) in obtaining goods, works and services required for the operation of the Bank’s Headquarters and network of Resident Offices across its countries of operations, funded by its own administrative budget during 2013.

The Bank’s Corporate Procurement activities are carried out in accordance with the Corporate Procurement Policy (“CPP”) approved by the Board of Directors in May 2009. The revised and updated CPP was approved by the Board and came into effect on 29 January 2014<sup>1</sup>.

This Report was prepared by the Corporate Procurement Unit (“CPU”), which is responsible for the Corporate Procurement function in the Bank and ensuring compliance with the Bank’s CPP.

This Report includes statistics on: (i) the Bank’s Corporate Procurement expenditure categorised by the type of goods, works and services procured; (ii) contract awards by CPU for the procurement of complex, high value and / or strategically important goods, works or services; and (iii) purchasing activity by the User Departments accounted for through electronic purchase orders (POs) committed in the SAP system of the Bank<sup>2</sup>. Also included is a summary of the 2013 activities of the Bank’s Corporate Procurement Review Committee (“CPRC”), including the details of exceptions to competitive procurement and retroactive contracts reviewed by the CPRC.

It is intended, that upon consideration by the Executive Committee and the Audit Committee of the Board and in accordance with the Bank’s Public Information Policy, this Report will be published on the Bank’s website. The 2012 Annual Corporate Procurement Review was published on the EBRD’s website in 2013<sup>3</sup>.

## 2. Corporate Procurement Expenditure

Total Corporate Procurement expenditure has risen from GBP 38,235,579 in 2011, GBP 43,518,741 in 2012 to GBP 44,785,376 in 2013. This increase reflects the Bank’s on-going programme of investment in enhancements to its IT infrastructure and the Headquarters and RO buildings. Table 1 (overleaf) lists the categories in order of the amount paid by the Bank in 2013. IT software and hardware, information services, building maintenance, refurbishment, catering and hospitality accounted for over 50% of the Headquarters’ Corporate Procurement expenditure in 2013.

---

<sup>1</sup> <http://www.ebrd.com/downloads/procurement/procurement-policy.pdf>

<sup>2</sup> Excluding purchases made by the Resident Offices. The IT system used by Resident Offices does not issue electronic POs. Section 8 of the report provides details of Resident Office corporate procurement expenditure.

<sup>3</sup> <http://www.ebrd.com/procurement/corporate-procurement.html>

**Table 1: Headquarters' Expenditure in 2013 by Category of Goods, Works and Services**

<b>Category of Goods, Works or Services</b>	<b>Amount Paid GBP</b>	<b>Percentage</b>
IT Hardware	5,340,705	12
Information Services	4,739,526	11
IT Software	4,458,388	10
Building Refurbishment	3,498,568	8
Building Maintenance	3,137,389	7
Catering and Hospitality	2,362,378	5
IT Services	2,324,020	5
Freight and Removals	1,895,340	4
Recruitment Services	1,844,332	4
Utilities	1,630,120	4
Security	1,545,340	3
Furniture and Building Equipment	1,544,998	3
Insurance	1,257,008	3
Employee Benefits	1,208,324	3
Events	1,177,876	3
Reprographics and Document Recording	913,155	2
Travel Agency	871,017	2
Auditing Services	866,904	2
Telecommunications	734,857	2
Other Outsourced Services	637,881	1
Transport Services	601,812	1
Mail and Courier	470,508	1
Training Courses	395,127	1
Health and Safety	326,767	1
Audio-visual	287,304	1
Stationery	262,167	1
Financial Services	222,943	<1
Translation and Interpretation	141,870	<1
Accommodation	50,949	<1
Funds	37,806	<1
<b>Grand Total</b>	<b>44,785,376</b>	<b>100</b>

**IT Hardware** includes the cost of purchasing hardware and its maintenance. The most significant contract award in 2013 was for provision of Cisco equipment and related services (GBP 1,532,174).

The **IT Software** category consists of software licences and the associated on-going support costs. Software licences made-up approximately 60% of the total category expenditure in 2013 with software maintenance and support accounting for the balance.

**Information Services** covers all forms of business and technical data purchased from vendors if information services. Most of the contracts awarded in this area are subject to sole source

approval as these data services are usually of a unique nature and there are few, if any, opportunities for competitive tendering. A number of the major contracts for information services are awarded on a multi-year basis to secure commercially advantageous terms. Due to continuing supplier consolidation in this market, the Bank's commitment to major suppliers continues to increase as they acquire smaller providers.

**Building Refurbishment** includes works required at both Headquarters and Resident Offices. The Bank made use of the competitive rates negotiated under framework contracts for on-going refurbishment requirements. For example, the contract for fit-out works in the Headquarters (total expenditure in 2013, GBP 1,086,118).

**Building Maintenance** includes all forms of maintenance for Headquarters including mechanical/electrical and fabric maintenance. A significant contract in 2013 was for the provision of mechanical and electrical contractors engaged to install the new chillers procured as part of the Headquarters' chiller replacement project (GBP 835,448).

Almost the entire **Catering and Hospitality** category (97%) is covered by the contract to provide catering services at the Bank. The contract was tendered in 2011 and a new caterer engaged as a result in December of 2011. The contract covers the cost of operating the Mozart Restaurant, the Executive Dining Room and Coffee Bar including the cost of food, beverages and necessary supplies. The figure quoted covers the amount spent by the Bank however it is moderated by cash receipts received via staff catering cards amounting to GBP 1,170,736 in 2013.

**IT Services** consists of significant contracts for the provision of specific technical support for the Bank's main IT infrastructure and business continuity services. Competitively awarded contracts with fixed and competitive pricing make-up approximately 90% of this category: (i) provision of the Bank's helpdesk; (ii) business continuity services; and (iii) specialist system development services.

**Freight and Removals** services are provided for almost entirely (97%) by three competitively awarded contracts with providers of relocation and removal services. A thorough review of this category by Corporate Procurement and HR revealed operational and cost-efficiency gains by engaging a single provider of all relocation and removal services. This contract was awarded in early 2014 following a rigorous procurement process (further details are provided in Section 5).

**Recruitment Services** are provided via a range of framework contracts for the recruitment of permanent and temporary staff at both the support and professional level.

**Utilities** expenditure for 2013 was GBP 1,630,120, split as follows: 91% electricity for the Headquarters and 9% gas for Headquarters.

**Security** expenditure is predominantly made up of manned guarding services (over 70%).

**Furniture and Building Equipment** includes expenditure for Headquarters and Resident Offices. The major part of Headquarters' furniture is purchased under a framework contract competitively awarded in 2010 Ltd. In anticipation of Headquarters' furniture needs in 2014 and beyond, Corporate Procurement and the Administrative Services Department negotiated preferential rates under this contract. The prices are fixed at 2011 levels until the end of 2016.

**Insurance** includes commercial, vehicle, medical, personal and travel insurance with approximately 95% of the category total paid via the Bank's contract with its competitively selected broker.

**Employee Benefits** expenditure in 2013 includes specialised services required to operate the Retirement Plan (44%) and the preferential corporate gym membership (40%).

The **Events** category includes the cost of venues for the Annual Meeting, training courses and team retreats.

**Reprographics and Document Recording** include the services of design agencies, printing firms and the in-house print room facilities which are predominantly provided via competitively awarded contracts.

The **Travel Agency** category is made-up of business travel agency services.

**Auditing Services** are provided by the Bank's external auditor, selected following a competitive procurement process.

**Telecommunications** covers data network services, mobile and landline telecommunications. Expenditure in this category is significantly lower mainly as a result of the competitive rates achieved by the mobile telephony procurement process completed in 2011.

**Other Outsourced Services** includes specialised design services and HR support services making-up 55% of the costs. The balance of the expenditure was via POs or contracts with "one-off" service providers.

**Transport Services** consist mainly of taxi services making up more than 75% of the total expenditure in 2013. The contract for taxi services was competitively awarded for three years in 2013. The procurement process and subsequent contract negotiations secured fixed prices for the duration of the contract. The prices agreed are 5.5% lower than those charged under the previous contract.

**Mail and Courier** services are bought from courier providers, with 70% of the category total, the balance relates to the Royal Mail and local couriers.

**Health and Safety** consists of medical services, protective clothing and ergonomic equipment. Approximately 80% of the expenditure was made for medical services via a competitively awarded contract.

**Stationery** provision was tendered in 2011. Substantial price reductions were achieved using an on-line "reverse auction" process for a rationalised list of regularly used items.



### 3. Management of the Bank's Suppliers

Just under half of the 822 suppliers used by the Bank in 2013 were engaged using a contract, representing 92 per cent of total expenditure. Contract managers and CPU focus on achieving value for money by designing a scope of requirements, procurement processes and contracts that include: (i) the best value for money for the service or product quality the Bank requires of its suppliers; and (ii) regular reporting by suppliers confirming they have met the agreed service levels and quality standards.

As is the case for most organisations, a significant number of suppliers are engaged by the Bank for low-value and often one-off purchases. In 2013 the Bank's expenditure with 622 of its 822 suppliers (76%) represented approximately 6% of total expenditure. Each of the 622 suppliers were paid a cumulative amount of up to GBP 20,000 in 2013 (450 suppliers in the range <GBP 5,000 and 172 in the range GBP 5,000 to GBP 20,000).

Consolidation opportunities in these value ranges are assessed in terms of the potential for cost-savings through economies of scale and efficiency gains for the Bank. Examples of such cost and operational efficiency gains are provided in Section 5 below.

**Table 2: Suppliers by Threshold under Contract and via Stand-Alone Purchase Orders**

		<b>No. of Suppliers</b>	<b>Cumulative Expenditure GBP</b>	<b>% Total no. of Suppliers</b>	<b>% Total Cumulative Expenditure</b>
Under Contract	<5k	85	188,922	10	0.4
	5-20k	111	1,227,536	14	2.7
	20-150k	116	6,499,014	14	14.5
	>150k	58	33,509,187	7	74.8
		<b>370</b>	<b>41,424,660</b>	<b>45</b>	<b>92.5</b>
		<b>No. of Suppliers</b>	<b>Cumulative Expenditure GBP</b>	<b>% Total no. of Suppliers</b>	<b>% Total Cumulative Expenditure</b>
Stand-Alone PO	<5k	393	596,228	48	1.3
	5-20k	75	691,392	9	1.5
	20-150k	22	863,010	3	1.9
	>150k	3	1,210,087	<1	2.7
		<b>493</b>	<b>3,360,717</b>	<b>60</b>	<b>7.5</b>
		<b>No. of Suppliers</b>	<b>Cumulative Expenditure GBP</b>	<b>% Total no. of Suppliers</b>	<b>% Total Cumulative Expenditure</b>
Overall	<5k	450	729,207	55	1.6
	5-20k	172	1,770,486	21	4.0
	20-150k	140	7,371,670	17	16.5
	>150k	60	34,914,014	7	78.0
		<b>822*</b>	<b>44,785,376</b>	<b>100*</b>	<b>100.0</b>

\*The 'Overall' figure is less than the sum of the 'Under Contract and 'Standalone PO' totals because some suppliers are engaged both under a contract and using a standalone PO.

#### **4. The Bank's Top Twenty Corporate Procurement Suppliers (by value)**

In accordance with international best practice, Corporate Procurement and its client departments have actively sought to maximise cost-efficiency, security and quality of supply across major areas of expenditure.

The results in 2013 show significant progress with the Bank's top 20 suppliers (by value of cumulative payment) accounting for almost 50% of the Bank's total Corporate Procurement expenditure. Table 3 (overleaf) provides details on the suppliers, the contracts awarded and the expenditure in 2013. The majority of the suppliers were awarded contracts following a competitive procurement process (18 of 20). Of the three suppliers directly contracted, one was also awarded a contract following a competitive process.

The competitive procurement undertaken to engage the majority of the suppliers (14 out of 18) has or will be undertaken within a three year period between 2012 and 2014. The other four suppliers provide goods and services for which best value for money is usually obtained under longer-term contracts, maximising the Bank's commercial leverage and generating operational efficiencies through continuity of service.

This active management of the significant supplier base and frequent application of competitive procurement between suppliers benchmarks the Bank as a leading organisation when compared to other international organisations and against the international best-practice standards.

#### **5. Cost and Operational Efficiency Gains**

Corporate Procurement continued to work closely with other departments to identify and take full advantage of cost and operational efficiency opportunities. Some notable cost-efficiencies were achieved through the procurement and negotiation of significant contracts including framework contracts for IT hardware & software, relocations & removal services and event management. The total anticipated savings generated under these contracts is anticipated to be £3.5 million. Operational efficiency gains were generated through the consolidation of contracts which reduce contract management and invoicing workloads, outsourcing of specialist services such as event management. A summary of cost and operational efficiency gains either already achieved or anticipated is provided below:

##### **IT Infrastructure**

In 2013 substantial cost-savings were achieved by negotiating fixed and discounted prices with key IT suppliers. Full advantage was taken of the Bank's investment in its IT infrastructure by competitively procuring three framework contracts for the provision of IT equipment and services. Discounts from the manufacturer's list prices of 40%, 50% and 45% were achieved and will apply to all purchases under the following framework contracts (the contract values represent the anticipated expenditure after applying the discounted rates): (i) GBP 1,532,174 for the provision of Cisco equipment and related Services; (ii) GBP 990,000 for the provision of NetApp data storage infrastructure; and (iii) GBP 400,000 for the provision of Aruba wireless networking equipment.

**Table 3: Top Twenty Corporate Procurement Suppliers 2013**

Total Expenditure in 2013 GBP	Start date if pre 2010	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Contracts Awarded Competitively</b>										
2,560,849					Provision of HP UX Server Maintenance (218,563)					
						(1,799,460)	← Provision of Cisco Equip. and Related Services			
						(25,372)	← Netscaler Support			
						(29,258)	← Riverbed Maintenance			
	Q4, 2009	Network Maintenance & Server Monitoring (149,398)								
2,309,045		Catering Services								
1,629,163		Gas Supply to HQ (151,394)								
		(1,477,770) ← Electricity Supply to HQ								
1,262,443	Q3, 2009	Building and Engineering Maintenance Services								
1,187,911	Q3, 2009	Secretarial, Administrative and Support Staff Recruitment Services								
1,183,657	Q3, 2007	Insurance Brokerage Services								
1,136,654	Q4, 2007	Provision of Manned Guarding and Reception Services								
1,099,439		EBRD HQ Fit-out and Refurbishments Works								
1,051,267		Mobile Telephony Services								
955,913	Q2, 2008	Relocation Services								
943,467		IT Helpdesk Staff								
866,904		External Auditor								
779,469		Desktops and Other IT Equipment (164,808)								
		Google API Premier Licence (7,700)								
		(23,752) ← Good Technologies Licence								
763,985		Office Furniture								
678,845	Q1, 2008	Cleaning Services (Headquarters)								
619,210	Q3, 2008	Travel Agency Services								
612,143		← Main and Temporary Chillers (Headquarters)								
309,495		Webcenter Sites License and maintenance								
761,594		Enterprise Licence								
403,969	Q1 2009	Software Licences and Maintenance Services								
695,587		Market Information Services								

## **Business Process Management Software**

CPU and the IT Department worked together to robustly negotiate a master agreement for the provision a Business Process Management (BPM) software platform which is used to automate business processes and workflows. The outcome of the commercial negotiations with the supplier delivered a substantial reduction of approximately 40% (representing a saving of approximately GBP 500,000) in the cost of this framework contract.

## **Relocations and International Removal Services**

Relocation and international removal services have been managed via three different suppliers for a number of years. In 2013 Corporate Procurement and the HR Department tendered these services as one consolidated contract to generate operational and cost-efficiencies. The new contract was awarded to an international relations specialist in February 2014 and contains a detailed service level agreement that obligates the supplier to deliver consistently to the service levels required in a detailed and demanding service level agreement. Monitoring of the service levels will be performed using sophisticated management information provided in the form of a 'dashboard' to the Bank's Contract Manager. The cost-savings are substantial. Taking the Bank's current use of relocations and removal services and applying the rates negotiated with the new provider, the anticipated cost per annum has been reduced from £1,463,963 GBP to £1,352,592 GBP (a saving of 8%). The Bank will continue to benefit from these cost-savings as the rates are fixed for the length of the 3 year contract.

## **Headquarters' Office Furniture**

CPU and the Administrative Services Department negotiated the extension of preferential rates for the Bank' office furniture needs with the supplier competitively awarded a framework contract in December 2010. The negotiations fixed the rates until the end of 2016, generating an anticipated saving of GBP 160,000.

## **Engineering Maintenance Services (Headquarters)**

The Bank has been working with a building maintenance service provider since 2004. The scope of the services and the delivery model were redesigned jointly by the Administrative Services Department and CPU, and consequently retendered in 2013. The following benefits were, or are expected to be, delivered:

- Reduced cost and simplified contract administration. The current delivery model reimburses the supplier for works undertaken. The new model shares the risk between the supplier and the client in terms of cost and encourages the contractor to ensure that preventative maintenance is carried out on a regular basis to prevent malfunctions and expensive repairs. In addition, this model also consolidates invoicing, removing the administrative burden of processing invoices for each (often low value) piece of work.
- A consolidation of services. 24 small maintenance contracts directly managed by the Administrative Services Department were incorporated into the contract to be directly managed by the building maintenance service provider.
- Contract negotiation led to an estimated 4% (GBP 43,711 a year) cost-saving.

## **Event Management**

In 2013, Corporate Procurement worked closely with the Administrative Services Department (Travel Unit) and representatives of Banking and the HR Department to competitively procure an event management company. Previously the sourcing of venues and organisation of events was time-consuming and handled by Bank staff with no or limited previous experience in

venue sourcing or event management (other than the Annual Meeting and other high profile meetings).

From June to December 2013, The event management company handled the sourcing and booking of 51 venues totalling GBP 401,493 (in 2012 the Bank put 58 contracts in place with venues totalling GBP 833,810). The event management company does not charge the Bank for its service (commissions are paid to the event management company by the venues). In addition to the operational efficiency gains generated, the event management company delivered a 21% cost saving for the Bank by negotiating preferential rates with venues.

## **Design Services**

The Communications Department frequently requires the services of external designers and specialised communication agencies to provide specific design services. Approximately 50 per cent of the assignments have a value of less than £10,000, but the average annual expenditure with such suppliers is approximately £200,000. Procuring such services on an ad-hoc basis was inefficient in terms of operations and costs. In 2013, a ‘preferred supplier list’ of 12 design agencies was established following a detailed competitive procurement process. Corporate Procurement negotiated preferential and fixed pricing with the agencies on the list. Each piece of design work is awarded following competition between s on the list. The preferred supplier list will be reviewed annually to ensure the rates remain competitive and the agencies continue to possess the range of expertise required for EBRD’s corporate communications.

## **6. Updated Corporate Procurement Policy & Procedures**

The revised and updated CPPP were approved by the Board and came into effect on 29 January 2014<sup>4</sup>. The main changes and the efficiency gains generated are summarised below:

### **More Efficient Decision-making**

The following two changes streamline Corporate Procurement decision-making:

- Discontinuation of the Corporate Procurement Review Committee (CPRC)  
The advisory role played by the CPRC has been discontinued. Decisions regarding high value contracts and exceptions are now made directly by the Vice President responsible for Corporate Procurement (Luise Hölscher).
- Fewer Memoranda to Executive Committee  
A memorandum to the ExCom was previously required for each contract with a value above £150,000. Such memoranda are now only necessary for contracts that the relevant department considers to have a major impact on the Bank’s business.

### **A Strategic Role for Corporate Procurement**

Corporate Procurement is focussing on its strategic role in high value and operationally important projects. The Bank’s approach to Corporate Procurement was previously determined primarily by contract value. The updated Procedures balance operational, risk and commercial considerations to develop the optimal procurement approach.

---

<sup>4</sup> <http://www.ebrd.com/downloads/procurement/procurement-policy.pdf>

## **A Focus on Significant Contracts**

The updated Procedures require a Significant Contract Team for operationally significant and high value projects (as determined using the table on the previous page). The Contract Manager and the Corporate Procurement Manager form the core of the team with the number and composition of the rest of the team reflecting the scope, level of risk and complexity of the project. In addition to the procurement approach the team determines:

- anticipated efficiency gains, cost savings and / or risk mitigation; and
- how to measure the effectiveness of the procurement process and the supplier's performance under the contract.

### **The First Significant Contract Team: Travel Services**

In accordance with the updated CPPP, the re-tender of the contract for the Bank's business travel agency is being overseen by a Significant Contract Team<sup>5</sup>. The main objective of this project is to provide efficient and cost effective travel management operations for the Bank. It is anticipated that operational and cost efficiencies will be generated by: (i) moving from a fixed management fee to a transaction fee; (ii) implementing a self-booking tool (SBT) with a high level of usage to take full advantage of the lower transaction fees charged by travel management companies for SBT managed bookings; (iii) reducing the workload on the Bank's Travel Bookers when making bookings using the self-booking tool; and (iv) reducing the number of dedicated in-house travel agency staff required to respond to "manual" bookings (by phone or e-mail) as a result of the higher self-booking tool adoption.

### **Consultancy Services**

The updated CPPP transfer responsibility for consultancy services required for the operation of the Headquarters and Resident Offices from the TC Team to CPU. Working with the main users of such consultancy services, Corporate Procurement has implemented a range of efficiency gains, including contract consolidation and the simplification of internal processes.

## **7. A Status Report on the Effectiveness of Delegated Procurement**

Delegated procurement was introduced in 2010 and permits CPU to delegate authority to accredited members of the Bank's staff for purchases: (i) with a value of up to GBP 20,000; or (ii) made under a CPU awarded contract (of any value). If CPU finds non-compliance with the CPPP by an individual or by a User Department, it has the authority to revoke the delegated authority granted to the individual or the User Department.

CPU continues to accredit Bank staff and oversee delegated Corporate Procurement activity using reports run weekly to identify any instances of non-compliance. End-user feedback on delegated procurement is positive, welcoming the substantial process efficiency gains it has generated. CPU training and monitoring combined with the IT system (SAP) have proved to be highly effective with only minor instances of non-compliance, none of which were sufficiently serious to warrant delegated authority being revoked.

---

<sup>5</sup> Significant Contract Teams consist of the Contract Manager and the CPU Manager. However, the size and composition will depend on the nature, scope, value, level of risk and complexity of each project. The team must possess an appropriate mix of skills and experience to provide representation across key areas such as technical and functional specialisations as well as knowledge of the Bank's business and operational requirements.

The number and value of POs within the delegated range has decreased significantly since 2009 (before delegated procurement was introduced). The percentage of the total number of POs in the delegated range has reduced from 84% of the total in 2009 to 48% in 2013. Similarly the value of delegated POs fell from 20% in 2009 to 5% in 2013. These changes reflect the substantial increase in the use of contracts rather than ad-hoc POs (both within the delegated range and above it).

In addition to monitoring CPPP compliance, the IT reporting tool (SAP BI reporting) revealed opportunities to consolidate contracts and negotiate beneficial commercial improvements and operational efficiencies with suppliers (for example the Event Management contract described in Section 5).

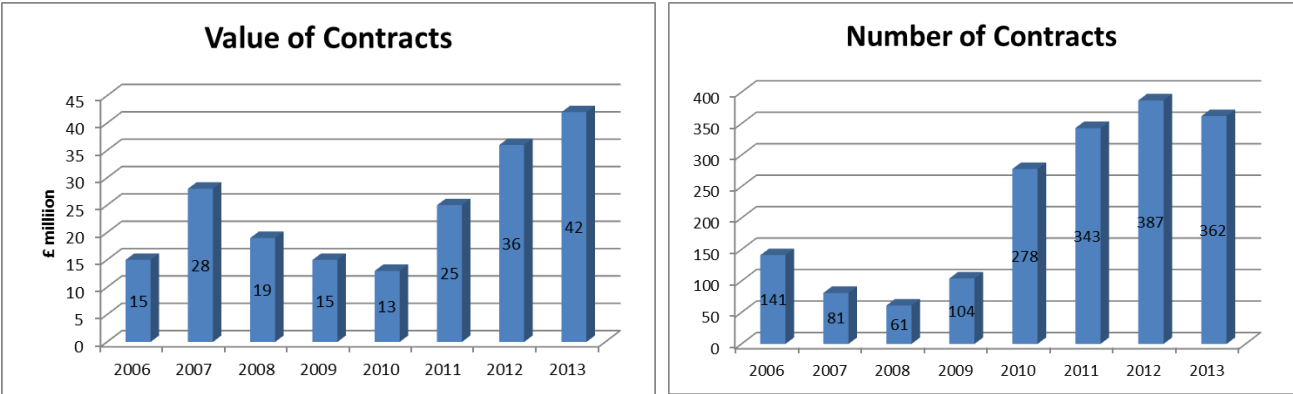
### 8. Contracts Awarded in 2013

CPU has managed the substantial rise in the number and value of contracts awarded since 2010 (see Table 4 below) within its current headcount. Since 2009 the average number of contracts awarded per CPU team member has risen from 15 per annum to between 55 and 52 in 2012 and 2013. This has been made possible by designing and implementing more effective and expedient procurement processes. The average number of contracts will rise again in 2014 with the transfer of responsibility for consultancy services contracts (for the operation of Headquarters and the ROs) from the TC Team to CPU. In 2013 the TC Team issued 209 consultancy services contracts (for the operation of Headquarters and the ROs) with a cumulative value of €15,849,008 (approximately GBP 13,097,850).

Corporate Procurement has worked closely with the main User Departments to maximise competition between suppliers and where appropriate consolidate contracts with key suppliers to maximise the Bank’s commercial leverage.

**Contract consolidation** efforts resulted in a reduction in the number of contracts awarded despite a rise in the overall value of contracts awarded in 2013. In 2013 a total of 362 contracts<sup>6</sup> and extensions were awarded through CPU which resulted in contractual commitments of GBP 41,666,098. Compared to the previous year, the number of contracts awarded fell by 6.5% and the value increased by almost 16% (in 2012, CPU reported 387 Corporate Procurement contracts and extensions with a total value of GBP 36,045,435).

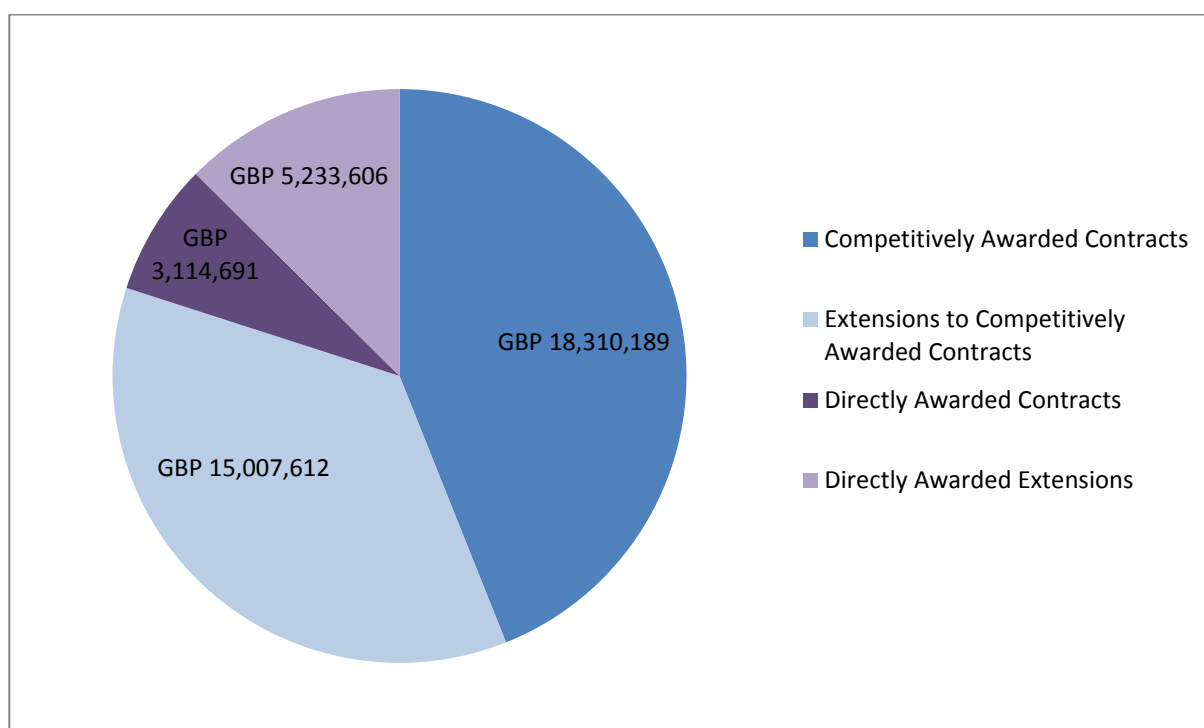
**Table 4: Overview of Corporate Procurement Contract Awards in 2007-2013**



<sup>6</sup> “Contract” means an agreement between the Bank and a Supplier which contains details of the particular terms and conditions for provision of goods, works and services but does not necessarily constitute a financial commitment. Financial commitments are recorded through POs created in the SAP system of the Bank, including those raised against contracts (each contract may have one or multiple corresponding POs).

## Competitively Awarded Contracts

In 2013 CPU and the User Department's efforts to maximise competition resulted in a significant rise in the value of contracts and extensions awarded following a competitive procurement process. Competitively awarded contracts and extensions made-up 80% of the value of contracts awarded in 2013, a rise from 61% in 2012. Competitively awarded contracts often provide for an extension subject to the performance of the supplier and the Bank's requirements. The competitive procurement process followed at the outset to award all such contracts assumes the maximum contract duration and value including all potential extensions. The chart below shows the distribution of contract by nature of awarded (direct or competitive) and by value. The value and number of the 2013 contracts by threshold and a comparison of the number and value of contracts in 2012 are provided in Table C in the Annex.



## Directly Awarded Contracts

The direct award of contracts is permitted for contracts estimated to cost less than GBP 5,000. For contracts estimated to cost more than GBP 5,000 competitive procurement is required unless an exception to the competitive procurement is approved in accordance with the CPPP.

In 2013 Direct Contracting was used for 178 contracts and extensions with a combined value of GBP 8,348,297. Of these contracts 75 totalling GBP 181,821 were in the value range of contracts less than GBP 5,000 and did not require competitive procurement.

Six of the contracts totalling GBP 317,886 related to Treasury activities and were awarded directly in accordance with Section 1.2 (a) of the CPP which does not require the application of the rules of the CPPP to areas that fall under the authority of Treasury and Treasury Risk Management.

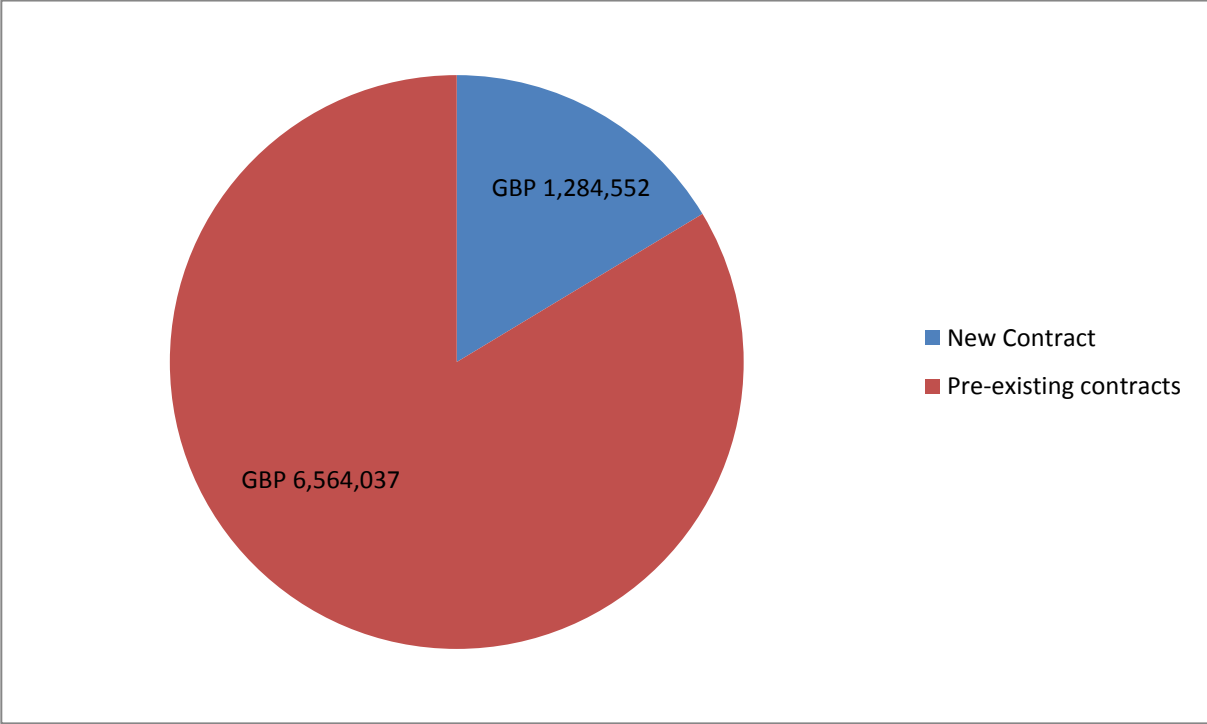


The remaining 97 contracts<sup>7</sup> were justified and approved in accordance with the CPP<sup>8</sup>, which stipulate that exceptions to the competitive procurement may be considered and approved under the certain specific criteria. All exceptions to competitive procurement for contracts estimated to cost GBP 5,000 or more but less than GBP 50,000 must be approved by the Head of the applicable User Department and the Head of CPU prior to award of the contract. All exceptions estimated to cost GBP 50,000 or more must be approved by the Vice President HR & Corporate Services prior to award of the Contract.

**Exceptions to Competitive Procurement**

The number and value of exceptions to competitive procurement dropped from 109 (£12,912,961) in 2012 to 97 (GBP 7,848,589) in 2013. Of the 97 contracts awarded as approved exceptions to competitive procurement in 2013 (GBP 7,848,589) 71 were on-going and previously approved exceptions, representing 84% of the total value (GBP 6,564,037) and 26 were newly approved exceptions, representing 16% of the total value (GBP 1,284,552).

*Exceptions to Competitive Procurement – New Contracts and Pre-Existing Contracts*

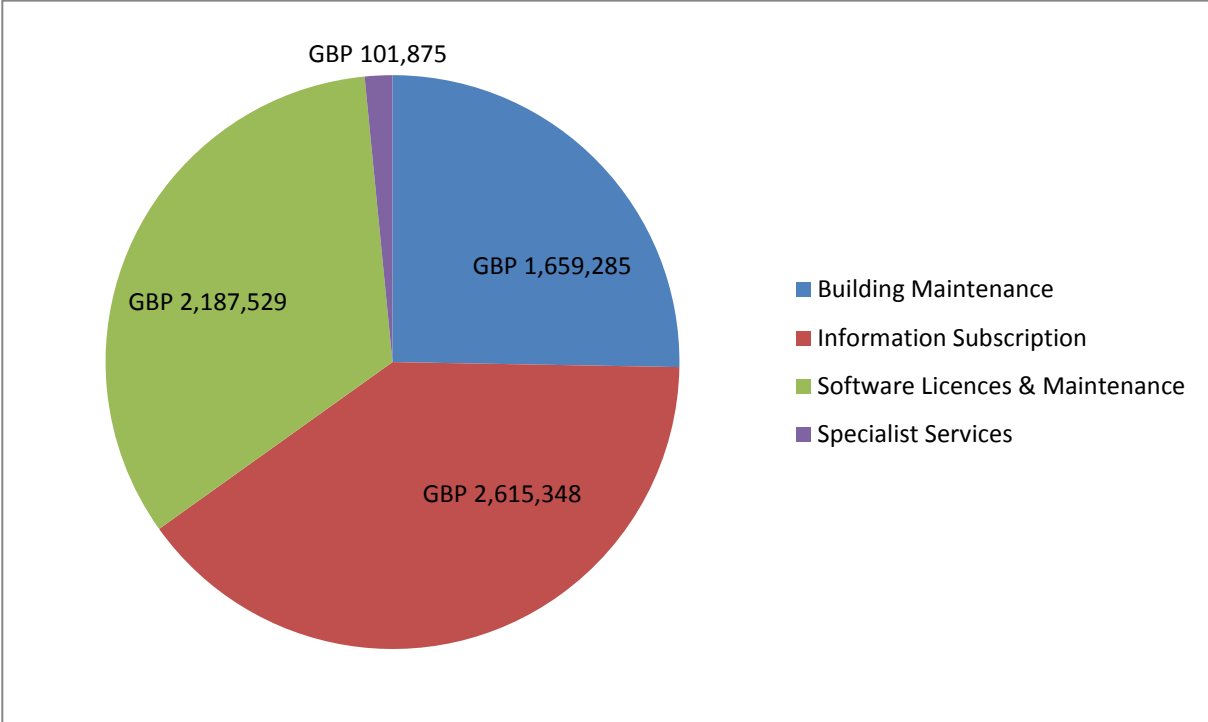


**Exceptions to Competitive Procurement Approved Prior to 2013**

Exceptions to competitive procurement are carefully scrutinised, especially in cases where the contract is long-term and of strategic or operational importance to the Bank. The chart below shows that on-going exceptions to competitive procurement relate predominantly to the provision of maintenance services (to the Bank’s IT systems and the Headquarters building) and information subscriptions. Although such services are only available from a particular source the potential risks to the Bank are mitigated by regular market research into alternatives and contingency planning in the event the supplier becomes unavailable.

<sup>7</sup> See Table C in Annex.  
<sup>8</sup> Section 7.4: Exceptions to Competitive Procurement.

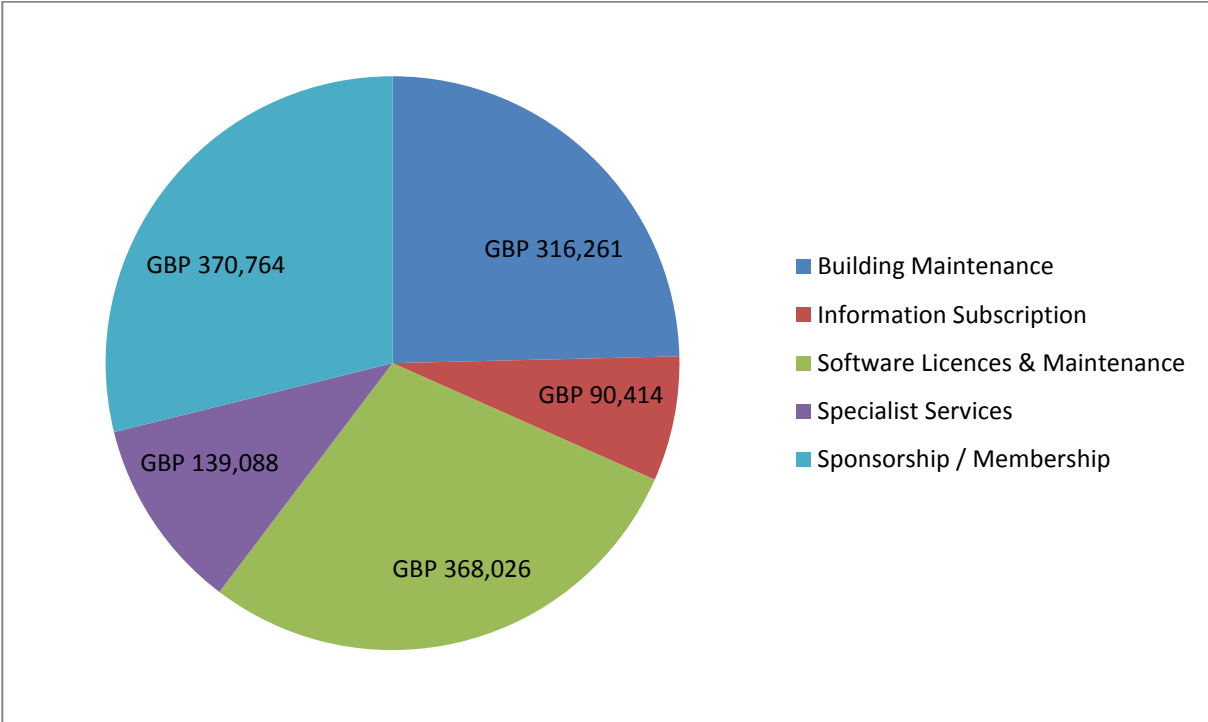
*Exceptions to Competitive Procurement – Pre-existing Contracts by Service Type*



**Exceptions to Competitive Procurement Approved in 2013**

Of the total 26 approved exceptions to competitive procurement in 2013, 10 relate to maintenance (4 for IT software maintenance and 6 for Headquarters’ maintenance), 5 are for information subscriptions, 3 for specialist services including, for example, psychometric testing, and the remaining 8 are for membership or sponsorship agreements.

*Exceptions to Competitive Procurement – New Contracts by Service Type*



## **9. Local Purchasing in the Bank's Countries of Operations**

In 2013, the total expenditure by the ROs amounted to GBP 3,311,432 compared to GBP 3,708,540 in 2012. These figures include Corporate Procurement expenditure, excluding office rent<sup>9</sup>, by the Bank's Resident Offices (ROs) in 2013 (please refer to Table D in the Annex). The Corporate Procurement expenditure by the ROs reported in this section includes the costs of office maintenance<sup>10</sup>, cleaning, service charges<sup>11</sup>, vehicle running costs, minor items of office equipment such as printers and scanners, stationery, minor repairs, etc. The Heads of RO use self-managed budgets to pay for this expenditure. In sourcing works, goods and services for the ROs' needs, preference is given to local suppliers.

The expenditure shown below excludes the cost of items purchased for the ROs using the centrally managed budget held by the Administrative Services and IT Departments. In 2013 CPU awarded 11 contracts for the needs of the ROs with a total value equivalent to GBP 1,505,833 compared to 29 contracts totalling GBP 1,044,820 in 2012 (see Table D in the Annex).

In accordance with CPU's Guidelines on Corporate Procurement in Resident Offices (issued in September 2011), when purchasing goods, works or services with a value of less than GBP 5,000 (or equivalent in local currency), the Bank will normally use the terms provided by the supplier to ensure that the Corporate Procurement process can be concluded quickly and efficiently to avoid any operational disruptions. The Guidelines require the Resident Offices to report to CPU on all Corporate Procurement contracts awarded ex-post. In 2013 the ROs report signing 372 contracts with values of less than GBP 5,000 each (please refer to Table F in the Annex).

## **10. Corporate Procurement Review Committee**

During 2013, 49 submissions were received by the CPRC as listed in Table M in the Annex. The submissions reviewed by the CPRC included:

- 16 requests were made for approval of Project Plans prior to commencement of the procurement processes.
- 7 requests were made for exemption to competitive procurement, in compliance with the Exceptions to Competitive Procurement (CPP, Section 7.4).
- 26 requests were made for approval to award a contract as a result of a procurement process.

The discrepancy between number of major contract approvals reviewed by CPRC and major contract awards listed in Tables A and M of the Annex are due to the time lag from approval to contract award including procurement process, negotiations and award.

---

<sup>9</sup> Leases of Headquarters and ROs are excluded from the Bank's CPPP which apply to goods, works and services whereas lease is classified as neither of these and as such is outside the scope of the CPPP.

<sup>10</sup> Extent of maintenance required varies under individual leases and may include air conditioning units, UPS, central heating system, generators, fire alarms, security equipment, photocopiers, and non-mechanical items such as carpets, windows, internal and external decoration, gardens and landscaped areas, gutters and rainwater down-pipes.

<sup>11</sup> Payment of service charges is the direct responsibility of the ROs and is made locally whenever possible.

## **11. Participation in the Network on Procurement in International Organisations (NPIO)**

The CPU plays a leading role in the Network on Procurement in International Organisations (NPIO). The NPIO is a network of 32 international organisations that share best-practice Corporate Procurement knowledge and experience both at its annual conference and via the International Procurement Club<sup>12</sup> on LinkedIn which provides a very useful platform for discussions, surveys and document harmonisation. The 2013 conference was hosted by the Food and Agriculture Organisation in Rome. The topics covered were: Procurement Technologies, harmonisation of procurement approaches and documentation, supplier base management and cost-savings. The Head and Senior Manager, CPU, made a series of presentations on expenditure analysis and supplier base rationalisation. Since the meeting in Rome, CPU has played an active role in the on-line discussions with the other members of the network. Preparations are underway for CPU's presentations at the 2014 conference hosted by Interpol in Lyon.

---

<sup>12</sup> [http://www.linkedin.com/groups?home=&gid=4716800&trk=anet\\_ug\\_hm](http://www.linkedin.com/groups?home=&gid=4716800&trk=anet_ug_hm)

## **ANNEX**

**Table A: Major Contracts in 2013 with a Value Greater than GBP 150,000**

(Contract value relates to anticipated expenditure under contract. Some contracts are multi-annual in duration.)

<b>Department</b>	<b>Contract Title</b>	<b>Contract Type</b>	<b>GBP Value</b>
Admin	Cleaning and Associated Services	Contract	2,345,768
Admin	Small Works Framework for HQ	Extension	1,550,000
Admin	Provision of Medical Services	Extension	1,149,242
Admin	Catering Services	Extension	1,056,025
Admin	Provision of Manned Guarding and Reception Services	Extension	1,053,639
Admin	Provision of Manned Guarding and Reception Services	Extension	1,026,743
Admin	Photocopying Facilities Management	Extension	855,377
Admin	Building Services	Extension	839,809
Admin	Corporate Meetings and Events Management Services	Contract	600,000
Admin	Travel Services	Extension	580,504
Admin	Photocopying Facilities Management	Extension	500,942
Admin	Provision of Chauffeur-Driven Services	Contract	363,339
Admin	Generator maintenance Services	Extension	324,523
Admin	Cairo Office Fit-Out Electrical Mechanical and Architectural	Contract	303,894
Admin	Casablanca Office Fit-Out	Extension	258,030
Admin	Cleaning Services	Extension	258,000
Admin	Schindler Lift Maintenance	Contract	245,600
Admin	Office Seating	Extension	200,000
Admin	Provision of Headquarters Cleaning Services	Extension	165,000
Admin	Provision of Boardroom Chairs	Extension	158,628
Admin	Office Furniture for 155 and 175 Bishopsgate	Extension	150,000
Admin ROSD	Moscow RO Fit-Out Works	Contract	347,395
Admin ROSD	Amman Office Fit-Out Electrical Mechanical	Extension	340,682
Admin ROSD	Amman Office Fit-Out	Contract	197,752
Admin ROSD	Casablanca Office Fit-Out	Extension	190,597
Admin ROSD	Casablanca Office Fit-Out	Contract	186,984
Banking	Partnership Agreement	Contract	169,796
BIS	IHS Global Insight 2013-2015	Extension	434,643
BIS	CreditView 2013-14	Extension	432,242
BIS	Global Credit Portal 2013-15	Extension	366,948
BIS	Fitch Research	Extension	231,400
BIS	World-Check	Contract	173,019
BIS	Global Credit Portal Library Licence 2013-15	Extension	166,374
Comms	Printing Framework	Extension	750,000
HR	Recruitment Contract	Extension	1,000,000
HR	Provision of Recruitment Outsourcing	Extension	904,202
HR	Recruitment Advertising Media and Related Services	Extension	500,000
HR	International Relocations Services	Extension	245,500
HR	Provision of Secretarial, Administrative and Support Staff Recruitment Managed Services	Extension	183,000
HR	International Removals, Insurance and Storage Services	Extension	175,000
HR	International Removals, Insurance and Storage Services	Extension	175,000
IT	MPLS Network Master Services Agreement	Contract	8,839,924
IT	Cisco Equipment and Related Services	Contract	1,532,174
IT	Appian On-Premise Master Agreement	Contract	1,419,600
IT	Webcenter Sites Licence	Contract	412,424
IT	Provision of Aruba Wireless Networking Equipment	Contract	400,000
IT	Provision of Cabling Services	Extension	196,812
IT	Provision of SAP Licences	Extension	196,322
IT	DR-HQ Data Link	Contract	167,780

**Table B: Contracts by Procurement Thresholds in 2013 and 2012**

(Contract value relates to anticipated expenditure under contract. Some contracts are multi-annual in duration.)

	2013			2012		
	Value GBP	% of Total Value	Number	Value GBP	% of Total Value	Number
>150k	34,320,635	82%	50	27,953,692	78%	45
50-150k	3,960,885	10%	48	3,841,255	11%	45
20-50k	1,953,172	5%	59	2,675,652	8%	82
5-20k	1,206,603	3%	110	1,308,689	3%	123
<5k	224,804	1%	95	266,147	<1%	92
<b>Grand Total</b>	<b>41,666,098</b>	<b>100%</b>	<b>362</b>	<b>36,045,435</b>	<b>100%</b>	<b>387</b>

**Table C: Contracts by Procurement Method in 2013 and 2012**

(Contract value relates to anticipated expenditure under contract. Some contracts are multi-annual in duration.)

	2013			2012		
	Value GBP	% of Total Value	Number	Value GBP	% of Total Value	Number
Competitively Awarded Contracts	18,310,189	44%	108	13,194,601	37%	146
Extensions to Competitively Awarded Contracts	15,007,612	36%	76	8,713,939	24%	48
Directly Awarded Contracts	3,114,691	7%	88	6,038,144	17%	97
Directly Awarded Extensions	5,233,606	13%	90	8,098,752	22%	96
	<b>41,666,098</b>	<b>100%</b>	<b>362</b>	<b>36,045,436</b>	<b>100%</b>	<b>387</b>

**Table D: Contracts by EBRD Department / Vice-Presidency in 2013 and 2012**

(Contract value relates to anticipated expenditure under contract. Some contracts are multi-annual in duration.)

Vice Presidency/Department	2013			2012		
	Value GBP	% of Total Value	No:	Value GBP	% of Total Value	No:
Administrative Services - Headquarters	15,511,928	37%	72	11,974,089	33%	66
Information Technology	15,008,404	36%	65	10,068,980	28%	45
Communications	4,369,892	10%	75	4,192,997	11%	71
Human Resources	4,200,118	10%	62	5,429,977	14%	72
Administrative Services - Resident Offices	1,505,833	4%	11	1,044,820	2%	29
Banking	655,432	2%	43	292,169	<1%	27
Office of the Secretary General	107,387	<1%	6	1,489,315	4%	20
Office of the General Counsel	97,416	<1%	11	552,340	1%	17
Risk Management	95,914	<1%	4	55,223	<1%	5
Finance	67,266	<1%	6	885,285	2%	25
Operational Policies	44,139	<1%	6	35,920	<1%	4
Office of the Chief Compliance Officer	2,370	<1%	1	11,696	<1%	2
Office of the Chief Economist	0	0%	0	11,525	<1%	3
Evaluation	0	0%	0	1,100	<1%	1
<b>Grand Total</b>	<b>41,666,098</b>	<b>100%</b>	<b>362</b>	<b>36,045,436</b>	<b>100%</b>	<b>387</b>



Table E: Corporate Procurement Expenditure by the Resident Offices 2013

	2013		2012	
	Expenditure GBP	% of Total	Expenditure GBP	% of Total
Moscow	352,767	11%	471,913	13%
Kiev	193,162	6%	328,744	9%
Istanbul	170,927	5%	324,313	9%
Casablanca	130,016	4%	~	~
Almaty	129,450	4%	161,900	4%
Yerevan	121,482	4%	155,601	4%
Amman	119,638	4%	~	~
Warsaw	104,110	3%	102,320	3%
Tbilisi	102,949	3%	112,076	3%
Belgrade	96,234	3%	108,049	3%
Baku	90,051	3%	84,850	2%
Vladivostok	89,520	3%	76,981	2%
Cairo	89,354	3%	~	~
Bucharest	87,863	3%	86,727	2%
Ulaanbaatar	85,989	3%	89,815	2%
Dushanbe	85,737	3%	119,850	3%
Sarajevo	80,019	2%	109,625	3%
Astana	76,939	2%	107,453	3%
Skopje	71,636	2%	66,351	2%
Bishkek	70,816	2%	115,392	3%
Tunis	70,543	2%	~	~
Zagreb	69,934	2%	71,408	2%
Sofia	62,412	2%	90,656	2%
Krasnoyarsk	61,362	2%	57,928	2%
St. Petersburg	61,348	2%	72,679	2%
Ashgabat	60,744	2%	72,893	2%
Pristina	60,687	2%	67,728	2%
Yekaterinburg	59,935	2%	76,384	2%
Minsk	57,920	2%	65,233	2%
Samara	57,912	2%	53,967	1%
Chisinau	55,984	2%	60,415	2%
Tirana	53,384	2%	81,844	2%
Podgorica	48,697	1%	49,506	1%
Ankara	38,536	1%	69,897	2%
Budapest	36,872	1%	47,992	1%
Bratislava	34,048	1%	19,861	1%
Rostov-on-Don	32,063	1%	61,252	2%
Vilnius	31,003	1%	52,993	1%
Tashkent	9,389	<1%	13,944	<1%
	<b>3,311,432</b>	<b>100%</b>	<b>3,708,540</b>	<b>100%</b>

**Table F: Corporate Procurement Contracts with a Value of less than GBP 5,000 Signed by Resident Offices in 2013**

<b>Resident Office</b>	<b>No of Contracts</b>
Almaty	40
Amman	14
Ashgabat	1
Astana	9
Baku	3
Belgrade	4
Bishkek	18
Bratislava	1
Bucharest	20
Budapest	3
Casablanca	0
Cairo	0
Chisinau	8
Dushanbe	21
Istanbul/Ankara	37
Kiev	12
Krasnoyarsk	5
Minsk	42
Moscow	15
Podgorica	5
Pristina	7
Rostov-on-Don	4
Samara	8
Sarajevo	5
Skopje	3
Sofia	1
St Petersburg	9
Tashkent	5
Tbilisi	6
Tirana	1
Tunis	13
Ulaanbaatar	4
Vilnius	2
Vladivostok	9
Warsaw	4
Yekaterinburg	1
Yerevan	32
Zagreb	0
	<b>372</b>

**Table G: Total Value and Number of Purchase Orders in 2013 and 2012**

	2013		2012	
	Value GBP	Number	Value GBP	Number
HQ rent & service charges	25,304,355	47	21,249,822	18
Other POs	51,203,595	5,133	46,733,107	4,732
<b>Total</b>	<b>76,507,950</b>	<b>5,180</b>	<b>67,982,929</b>	<b>4,750</b>

**Table H: Distribution of Purchase Orders by Value**

	2013			2012		
	Value GBP	% Total Value	Number	Value GBP	% Total Value	Number
GBP 150K +	29,537,337	58%	63	24,157,403	52%	49
GBP 20-50K	5,195,440	10%	167	7,652,249	16%	88
GBP 50-150K	6,525,604	13%	82	5,528,195	12%	174
GBP 5-20K	5,614,518	11%	569	5,110,357	11%	512
GBP 0-5K	4,330,696	8%	4,252	4,284,903	9%	3909
<b>Grand Total</b>	<b>51,203,595</b>	<b>100%</b>	<b>5,133</b>	<b>46,733,107</b>	<b>100%</b>	<b>4732</b>

**Table I: Stand Alone Purchase Orders and those under SAP Contract Records in 2013 and 2012**

	2013		2012	
	Value GBP	Number	Value GBP	Number
Stand-Alone POs	3,705,173	2,475	3,281,689	2,248
POs under SAP Contract Records	47,498,422	2,658	43,451,418	2,484
<b>Total</b>	<b>51,203,595</b>	<b>5,133</b>	<b>46,733,107</b>	<b>4,732</b>

**Table J: Distribution of Purchase Orders Linked to a Contract Record by EBRD Department/Vice-Presidency by Value Range in 2013**

Department/Vice-Presidency	GBP 0-5K		GBP 5-20K		GBP 20-50K		GBP 50-150K		GBP 150K+		Total	
	Value	Number	Value	Number	Value	Number	Value	Number	Value	Number	Value	Number
Banking	190,267	276	285,497	30	185,968	6	207,440	3	0	0	869,171	315
Communications	104,487	93	261,448	23	520,768	15	551,443	6	2,794,725	9	4,232,871	146
Office of the Chief Compliance Officer	17,083	9	5,834	1	30,000	1	0	0	0	0	52,916	11
Office of the Chief Economist	24,725	20	21,409	3	41,670	1	0	0	0	0	87,804	24
Office of the General Counsel	48,611	48	106,533	9	68,087	2	352,251	5	0	0	575,482	64
Office of the Secretary General	62,887	35	103,382	11	244,944	8	51,130	1	262,552	1	724,895	56
The Board of Directors	14,895	15	0	0	0	0	0	0	0	0	14,895	15
VP Finance	31,125	42	141,783	12	258,486	9	1,100,215	13	780,699	1	2,312,307	77
VP HR and Corporate Services	1,841,962	1232	3,746,377	379	3,254,497	106	3,192,026	42	24,466,048	50	36,500,908	1809
VP Policy	30,283	40	18,990	3	0	0	0	0	0	0	49,273	43
VP Risk	62,422	76	94,574	9	215,968	6	471,620	5	1,233,314	2	2,077,898	98
<b>Grand Total</b>	<b>2,428,747</b>	<b>1886</b>	<b>4,785,826</b>	<b>480</b>	<b>4,820,387</b>	<b>154</b>	<b>5,926,124</b>	<b>75</b>	<b>29,537,337</b>	<b>63</b>	<b>47,498,422</b>	<b>2658</b>

**Table K: Distribution of Stand-Alone Purchase Orders by EBRD Department/Vice-Presidency by Value Range in 2013**

Department/Vice-Presidency	GBP 0-5K		GBP 5-20K		GBP 20-50K		GBP 50-150K		Total	
	Value	Number	Value	Number	Value	Number	Value	Number	Value	Number
Banking	267,343	537	20,980	2	0	0	0	0	288,323	539
Communications	224,660	206	55,000	11	0	0	0	0	279,660	217
Office of the Chief Compliance Officer	1,062	3	0	0	0	0	0	0	1,062	3
Office of the Chief Economist	16,161	12	5,052	1	0	0	0	0	21,213	13
Office of the General Counsel	886	2	0	0	0	0	0	0	886	2
Office of the Secretary General	21,634	26	0	0	0	0	0	0	21,634	26
The Board of Directors	97,374	140	0	0	0	0	0	0	97,374	140
VP Finance	171,388	402	14,630	2	0	0	0	0	186,018	404
VP HR and Corporate Services	11,743	21	0	0	0	0	0	0	11,743	21
VP Policy	7,979	36	0	0	0	0	0	0	7,979	36
VP Risk	148,422	136	53,390	7	30,652	1	0	0	232,464	144
Banking	777,759	683	679,640	66	324,400	11	599,480	7	2,381,279	767
Communications	29,318	66	0	0	0	0	0	0	29,318	66
Office of the Chief Compliance Officer	126,221	96	0	0	20,000	1	0	0	146,221	97
<b>Grand Total</b>	<b>1,901,949</b>	<b>2366</b>	<b>828,692</b>	<b>89</b>	<b>375,052</b>	<b>13</b>	<b>599,480</b>	<b>7</b>	<b>3,705,173</b>	<b>2475</b>

Table L: Value and Number of Purchase Orders by EBRD Department/Vice-presidency in 2013 and 2012

Department	2013						2012		
	Stand-Alone PO		Contract PO		Total		Total		
	Value GBP	Number	Value GBP	Number	Value GBP	Number	Value GBP	Number	
Banking	288,322.64	539	869,171.31	315	1,157,493.95	854	1,027,990.00	767	
Communications	279,660.04	217	4,232,871.25	146	4,512,531.29	363	3,899,917.00	477	
Corporate Strategy	1,061.71	3	0.00	0	1,061.71	3			
Evaluation Department	21,213.47	13	0.00	0	21,213.47	13	53,435.00	18	
Office of the Chief Compliance Officer (OCCO)	885.70	2	52,916.47	11	53,802.17	13	43,781.00	22	
Office of the Chief Economist	21,634.23	26	87,803.74	24	109,437.97	50	206,413.00	48	
Office of the General Counsel <i>inc Procurement</i>	97,373.70	140	575,481.87	64	672,855.57	204			
Office of the General Counsel <i>exc Procurement</i>							661,635.00	122	
Office of the Secretary General	186,017.90	404	724,895.45	56	910,913.35	460	1,252,329.00	571	
President's Office	11,742.68	21	0.00	0	11,742.68	21	14,248.00	17	
The Board of Directors	7,979.21	36	14,895.48	15	22,874.69	51	85,144.00	58	
VP, Finance	232,464.04	144	2,312,306.93	77	2,544,770.97	221	3,060,309.00	188	
VP, Human Resources and Corporate Services	HR	117,622.87	87	6,353,061.20	823	6,470,684.07	910		
	IT	1,921,319.55	343	13,475,497.70	259	15,396,817.25	602		
	Staff Council	2,375.00	1	1,957.79	13	4,332.79	14	3,969.00	13
	Admin	331,463.27	314	16,339,125.84	703	16,670,589.12	1017		
	Other	8,498.06	22	331,265.59	11	339,763.65	33		
VP, Policy <i>exc Procurement</i>	29,317.87	66	49,273.33	43	78,591.20	109			
Operational Policies <i>inc Procurement</i>							699,309.00	162	
VP, Risk <i>exc HR, IT, Admin</i>	146,221.27	97	2,077,898.02	98	2,224,119.28	195			
Risk and Resources <i>inc HR, IT, Admin</i>							35,722,988.00	2,266	
Internal Audit	0.00	0	0.00	0	0.00	0	1,640.00	3	
<b>TOTALS</b>	<b>3,705,173.21</b>	<b>2,475</b>	<b>47,498,421.97</b>	<b>2,658</b>	<b>51,203,595.18</b>	<b>5,133</b>	<b>46,733,107.00</b>	<b>4,732</b>	

**Table M: Projects Reviewed and Approved by the Corporate Procurement Review Committee in 2013**

<b>Date</b>	<b>Project</b>	<b>Approval for</b>
10/01	Moscow Resident Office Facilities and Maintenance Services	Award of contract
17/01	IT Application Support Services	Approval of project plan
17/01	Morocco Resident Office Fit-Out Works	Award of contract
24/01	Jordan Resident Office Fit- Out Works	Award of contract
14/02	Provision of MLS, Wider Area Network Solution	Award of contract
14/02	Egypt Resident Office Fit-Out Works	Award of contract
14/02	Provision of Site Cleaning Services	Award of contract
28/02	Corporate Gym Membership Scheme	Exemption to competitive procurement
28/02	Provision of IT Equipment & Related Services	Approval of project plan
28/02	BIS Subscriptions	Exemption to competitive procurement
28/02	CPU Annual Procurement Plan	Approval of project plan
07/03	Meeting and Events Management	Approval of project plan
07/03	Web Content Management System	Approval of project plan
07/03	Request to extend Provision of Relocation Managed Services	Approval of project plan
25/04	Request to extend Chairs Framework Contract	Award of contract
25/04	Business Travel Agency Kazakhstan	Approval of project plan
25/04	Provision of Relocation Managed Services	Approval of project plan
25/04	Lotus Notes Application Support Services	Award of contract
09/05	Data Links Providers	Exemption to competitive procurement
16/05	Request to Extend Provision of Recruitment Advertising Media & Related Services Contract	Award of contract
23/05	Business Travel Services	Award of contract
23/05	Information Classification Software	Approval of project plan
13/06	Moscow Resident Office Fit-Out Works and Restack	Award of contract
20/06	Provision of Life and Working Incapacity Insurances and Dependents Life Insurance	Award of contract
11/07	Small Works for the EBRD Headquarters	Award of contract
18/07	Provision of Cloud based Collaboration Tool	Award of contract
18/07	IT Cabling Services	Exemption to competitive procurement
01/08	Provision of a Web Content Management System	Award of contract
22/08	Information Classification Automation Software	Award of contract
22/08	Information Classification Encryption Solution	Award of contract
05/09	E Tendering System for Bank Clients	Approval of project plan
05/09	Design Services Preferred Supplier List	Approval of project plan
19/09	Building Maintenance Services	Approval of project plan
03/10	Event Co ordination	Exemption to competitive procurement
10/10	Print Services	Approval of project plan
10/10	Provision of Travel Services to Kazakhstan	Award of contract
10/10	Provision of Cleaning Services to the Bank's Headquarters	Award of contract
17/10	Provision of Wireless Networking Equipment	Approval of project plan
07/11	Design Services	Award of contract
21/11	Camera Operatives	Approval of project plan
21/11	Provision of Wireless Networking Equipment	Award of contract
21/11	Recruitment Contract	Award of contract
28/11	Provision of Virtualised Storage Equipment	Approval of project plan
28/11	Provision of Printing Services	Award of contract
19/12	Provision of Managed Relocation Services	Award of contract
05/12	Research Services	Award of contract
05/12	Economic Forum	Exemption to competitive procurement
05/12	IT Software Licence	Exemption to competitive procurement
19/12	Provision of Network Storage Equipment	Award of contract

Table N: List of Exceptions to Competitive Procurement Approved in 2013

Type of Goods, Works or Services	Contract/ Extension	GBP Value	Approved in Accordance with Section 7.4 of the CPP
Small Works Framework for HQ	Extension	1,550,000	7.4 (c)
Appian On-premise Master Agreement	Contract	1,419,600	7.4 (b)
IHS Global Insight 2013-2015	Extension	434,643	7.4 (b)
CreditView 2013-14	Extension	432,242	7.4 (b)
Global Credit Portal 2013-15	Extension	366,948	7.4 (a)
Schindler Lift Maintenance	Contract	245,600	7.4 (b)
Provision of Cabling Services	Extension	196,812	7.4 (b)
Provision of SAP Licences	Extension	196,322	7.4 (b)
World-Check	Contract	173,019	7.4 (b)
Partnership Agreement	Contract	169,796	7.4 (b)
DR-HQ Data Link	Contract	167,780	7.4 (b)
Global Credit Portal Library Licence 2013-15	Extension	166,374	7.4 (a)
FT Digital Content and Print	Extension	145,437	7.4 (b)
Bespoke	Contract	108,246	7.4 (b)
Premium Research 2014/2015	Extension	95,590	7.4 (b)
CreditView Redistribution Licence 2013-2014	Extension	94,273	7.4 (b)
Provision of Insurance Brokerage Services	Extension	91,332	7.2 (a)
Caixin Event Coordination China 2013	Contract	89,941	7.4 (d)
Fitch Research Library (Redistribution) Licence	Extension	78,000	7.4 (b)
Additional Oracle Licences	Extension	75,768	7.4 (b)
CEIC Database Subscription Agreement	Extension	75,540	7.4 (b)
Provision of Data Services	Contract	72,000	7.4 (b)
Dealogic Loan Analysis	Extension	47,112	7.4 (b)
Recruiter Licence for LinkedIn	Contract	43,075	7.4 (b)
Provision of E-Recruitment System	Extension	41,344	7.4 (b)
Appian SEFF MIS	Extension	40,960	7.4 (b)
Provision of E-Recruitment System	Extension	40,296	7.4 (b)
Mergermarket Europe	Extension	40,000	7.4 (b)
Subscription to Euromonitor 2013-14	Extension	40,000	7.4 (b)
Practical Law Subscription 2013-2014	Extension	36,250	7.4 (b)
Deep Clean Escalator Maintenance	Extension	36,236	7.4 (b)
CEIC Database Subscription Agreement	Extension	35,520	7.4 (b)
Weekly Water Reports Subscription 2014-2015	Extension	33,880	7.4 (b)
WAN Circuit Maintenance and Support	Extension	32,760	7.4 (b)
Provision and Installation of Replacement Drift Eliminators	Contract	32,628	7.4 (b)
Language Training	Contract	31,725	7.4 (b)
Insurance Market Reports	Extension	31,490	7.4 (b)
CEE Market Watch	Extension	30,667	7.4 (b)
Senior Banking Meeting	Contract	28,573	7.4 (b) & (d)
Large Format Printing for 2013 AM	Contract	27,756	7.4 (b)
Maintenance Services 2014	Extension	27,570	7.4 (b)
Trust Woman Conference 2013	Contract	25,002	7.4 (b)
Energy Operations Policy Workshop	Contract	25,000	7.4 (b)
Gym Membership Subscription	Contract	23,000	7.4 (c)
BankersAccuity	Extension	22,995	7.4 (b)
Cashless Payment System	Extension	22,948	7.4 (a)
Architect Services for Annual Meeting 2014	Extension	20,000	7.4 (b)

Cont./

<b>Type of Goods, Works or Services</b>	<b>Contract/ Extension</b>	<b>GBP Value</b>	<b>Approved in Accordance with Section 7.4 of the CPP</b>
Hogan Psychometric Reporting	Contract	20,000	7.4 (b)
Secunia APS	Contract	20,000	7.4 (b)
Corporate and Structured Finance Rating File 2013-2014	Contract	19,900	7.4 (b)
EIU Country Data and Market Indicators & Forecasts 2013	Extension	18,980	7.4 (b)
OECD Membership	Contract	18,804	7.4 (b)
Bankscope Data Feed	Extension	18,359	7.4 (b)
Euroweek 2013-2014	Extension	18,158	7.4 (b)
Provision of HR Staff Salary Survey Data	Extension	18,150	7.4 (b)
McAfee Anti-Virus Software	Extension	17,500	7.4 (b)
Provision of Carpet for Boardroom	Contract	17,185	7.4 (b)
SWIFT Software & Maintenance 3103	Extension	17,000	7.4 (b)
Sponsorship Agreement	Contract	16,668	7.4 (b)
WAN Hardware Maintenance & Support	Extension	16,600	7.4 (b)
Subscription To FDI Intelligence Database	Extension	16,000	7.4 (b)
Thomson Reuters Extension to Data-File Service	Extension	14,490	7.4 (a)
Provision of Staff Salary Data 2013	Contract	14,460	7.4 (b)
Business Continuity Management Services	Extension	14,000	7.4 (a)
Maintenance and Support of QSM Software	Extension	13,849	7.4 (b)
Escalator Maintenance	Contract	13,624	7.4 (a)
Provision of Staff Salary Data 2013	Contract	13,568	7.4 (b)
Covered Bond Licence 2013-2014	Extension	13,400	7.4 (b)
X-Ray Scanning Machine Maintenance	Extension	11,498	7.4 (b)
Tricentis Software Licence and Services	Contract	11,281	7.4 (b)
Business News Services 2014	Extension	11,026	7.4 (b)
Building Management Integration HQ	Extension	10,450	7.4 (b)
Quest Software	Extension	10,429	7.4 (b)
Breakingviews Subscription	Contract	10,200	7.4 (b)
World Finance Video and Editorial	Contract	10,000	7.4 (b)
Interfax Spark & Kazakhstan Newswire 2013-2014	Extension	9,630	7.4 (b)
News and Business Database	Extension	9,600	7.4 (b)
Dun & Bradstreet Subscription	Contract	9,148	7.4 (b)
Membership of Endeavour Investor Network	Contract	9,075	7.4 (b)
Provision of Offsite Storage of Vital Records	Extension	9,000	7.4 (b)
Maintenance of UPS	Extension	8,742	7.4 (a)
Credit Ratings Reports 2 Year Extension	Extension	8,664	7.4 (b)
Entrance Systems Maintenance	Contract	8,330	7.4 (b)
IJ Online	Contract	7,748	7.4 (b)
Server and Software Support	Extension	7,737	7.4 (b)
Google Maps API Premier Licence	Extension	7,700	7.4 (b)
International Financing Review 2013-14	Extension	7,000	7.4 (b)
Tunis RO Head Office Guarding	Contract	6,852	7.4 (b)
ConsultantPlus Network	Extension	6,365	7.4 (b)
Risk Titles Subscription Renewal 2014	Extension	6,237	7.4 (b)
Subscription to LinkedIn	Contract	6,000	7.4 (b)
Generator Maintenance Services	Extension	5,787	7.4 (a) & (b)
Promos Special Agency of Milan Chamber of Commerce	Contract	5,784	7.4 (b)
Passenger and Goods Lift Maintenance	Extension	5,666	7.4 (b)
EconLIT 2014	Extension	5,616	7.4 (b)
Renewal of Loan Radar Service	Extension	5,280	7.4 (b)
World Finance Broadcast and Press	Contract	5,000	7.4 (b)



**Table 0: Distribution of Approved Exceptions to Competitive Procurement by Value**

	2013			2012		
	Value	% of Total Value	Number	Value	% of Total Value	Number
>150k	5,519,137	70%	12	10,091,007	78%	17
50-150k	926,127	12%	10	1,321,672	10%	16
5-50k	1,403,325	18%	75	1,500,282	12%	76
Grand Total	7,848,589	100%	97	12,912,961	100%	109