

November 2017

Corporate Procurement Policy



European Bank
for Reconstruction and Development

Section I: Purpose

This Policy establishes the principles for the procurement of Goods, Works, Services and Consultancy Services when contracted by the Bank.

This Policy supersedes the Corporate Procurement Policy dated 4 February 2014 (BDS14- 005/F) except as set forth in Section V.1. and the Policy for the Provision of Motor Vehicles in the Bank's Countries of Operations dated 5 June 2009 (BDS93-137 (Rev 2)).

Section II: Definitions

Terms used in this Policy have the following meanings:

(1) Code of Conduct for EBRD Personnel	Means the Code of Conduct for EBRD Personnel, approved by the Board of Directors (CS/BU/11-36 (Rev 1)), as amended and updated.
(2) Code of Conduct for Officials of the Board of Directors	Means the Code of Conduct for Officials of the Board of Directors, approved by the Board of Directors (CS/BU/11-33), as amended and updated.
(3) Conduct and Disciplinary Rules and Procedures	Means the Conduct and Disciplinary Rules and Procedures, established pursuant to Section 9 of the Staff Regulations (BDS91-002), as amended and updated.
(4) Consultancy Services	Means professional advisory and consultancy services delivered by individuals and/or consulting firms.
(5) Enforcement Policy and Procedures	Means the Enforcement Policy and Procedures (BDS10-126/F) as amended from time to time.
(6) Goods	Means tangible products such as stationery supplies, office equipment, furniture, computer hardware, standard 'off-the-shelf' software, information technology, audio-visual equipment, photocopiers, motor vehicles, etc.
(7) Prohibited Practice	Means a Coercive Practice, a Collusive Practice, a Corrupt Practice, a Fraudulent Practice, a Misuse of Bank Resources or Bank Assets, an Obstructive Practice or Theft, as each of these terms is defined in the Enforcement Policy and Procedures.
(8) Services	Means non-tangible services, including major labour contracts such as, maintenance, training delivery, as well as software licensing and maintenance and more incidental assistance in the form of equipment rental, etc.
(9) Works	Means activities where there is a mixture of Services or labour and transfer of Goods but where the Services element is more predominant than the Goods.

Section III: Scope

1. Application

- 1.1. This Policy applies to the procurement of Goods, Works, Services and Consultancy Services contracted by the Bank.
- 1.2. This Policy shall not apply to the leasing of office space or other short-term office accommodation agreements.
- 1.3. This Policy shall not apply to the selection and appointment by the Board of Directors of the Bank's external auditor.

2. Principles

- 2.1 The objective of the Bank's corporate procurement process is to obtain the appropriate Goods, Works, Services or Consultancy Services for the required purpose, at the required time and place, and for an appropriate cost, with due regard for overall institutional requirements for:
 - (i) transparent, fair and open procurement practices,
 - (ii) non-discrimination in selection of suppliers and service providers,
 - (iii) value for money through the efficient, effective and economic use of resources,
 - (iv) sustainability,
 - (v) quality of results,
 - (vi) contractual protection, and
 - (vii) timely supply of the Goods or completion of the Works, Services or Consultancy Services.
- 2.2 **Eligibility.** The Bank permits firms and individuals from all countries to offer Goods, Works, Services, and Consultancy Services regardless of whether the country is a member of the Bank. Firms and individuals from the Bank's countries of operations are encouraged to participate on equal terms. Any conditions for contract award shall be limited to those that are essential to ensure the eligible firm or individual's legal, financial, commercial and technical capability to fulfil the contract in question. The Bank will not exclude a firm or individual from participation in a tender process or contract award for reasons unrelated to its capability to perform the contract unless the firm or individual

(a) has been declared, and remains as at the relevant date, ineligible pursuant to the Enforcement Policy and Procedures, or (b) has a conflict of interest or an unfair competitive advantage.

- 2.3 **Integrity.** The Bank requires that tenderers, suppliers, contractors, and consultants under Bank contracts (including any sub-supplier, sub-contractor or sub-consultant) observe the highest standard of transparency and integrity during the procurement, execution and implementation of such contracts.

Any occurrence, or suspected occurrence, of a Prohibited Practice in the procurement, award, or implementation of a Bank contract shall be dealt with in accordance with the provisions of the Enforcement Policy and Procedures. The Bank shall seek to ensure that contractual provisions will stipulate that suppliers and service providers shall 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 shall 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.

- 2.4 **Environmental and social sustainability.** In its internal operations, EBRD will employ good international practice with regards to environmental and social sustainability and will seek to work with suppliers and contractors who follow similarly high standards.

- 2.5 **Disposal of fixed assets.** The Bank may sell or otherwise dispose of fixed assets which belong to the Bank but are no longer required by it, in an efficient and cost effective manner which maximises the return to the Bank.

- 2.6 **Procurement-related complaints.** Participants in a procurement process governed by this Policy are entitled to a debriefing and to submit a procurement-related complaint in accordance with the Bank's procurement complaints process.

3. Thresholds and methods for the procurement of Goods, Works and Services

3.1 Suppliers of Goods and providers of Works or Services shall be selected as follows:

- (a) **Direct selection:** For low value contracts for Goods, Works or Services, estimated to cost less than GBP 10,000, a qualified supplier or service provider may be selected directly and without a competitive selection method.
- (b) **Single stage competitive selection:** For contracts estimated to cost between GBP 10,000 and GBP 120,000, the Bank shall seek a minimum of three competitive offers from qualified suppliers or service providers. The invitation to submit an offer shall include the scope of work / service or similar and the evaluation criteria for the award of the contract. The Bank shall evaluate the responses on the basis of the criteria outlined in the invitation and shall record the rationale for the choice of supplier or service provider.
- (c) **Two stage open competitive selection:** For contracts estimated to cost more than GBP 120,000, the Bank shall implement a two stage competitive selection process:
 - (i) The Bank shall publish a procurement notice on the Bank's website (www.ebrd.com) and/or an electronic procurement portal soliciting expressions of interest from qualified suppliers or service providers. The procurement notice shall include the scope and objectives of the procurement and the minimum criteria for shortlisting of suppliers or service providers. The Bank shall evaluate the expressions of interest on the basis of the criteria outlined in the procurement notice and compile a shortlist of qualified and experienced suppliers or service providers. The Bank shall record the rationale for inclusion in the shortlist.

- (ii) The Bank shall invite the shortlisted suppliers or service providers to submit proposals or price quotations. The invitation to submit proposals or price quotations shall include the scope and objectives of the procurement and the evaluation criteria for the award of the contract. The Bank shall evaluate the proposals or price quotations on the basis of the criteria outlined in the invitation and shall record the rationale for the choice of supplier or service provider.

3.2 Exceptions to the competitive selection of Goods, Works and Services.

Notwithstanding the methods for competitive selection described in Section III.3.1(b) and (c) above, the Bank may select a qualified supplier or service provider by direct selection described in Section III.3.1(a) above where:

- (a) the extension of an existing contract awarded for additional Goods, Works or Services of a similar nature would clearly be economic and efficient and the Bank would obtain no advantage by further competition;
- (b) there has been an unsatisfactory response to competitive selection procedures carried out in accordance with Section III.3.1(b) and (c) above;
- (c) the Goods, Works or Services can only be provided by a single supplier or service provider because of exclusive capabilities, rights or availability of required Goods;
- (d) standardisation with existing equipment is determined to be important and justified; or
- (e) it is a case of extreme urgency brought about by unforeseeable events.

In such cases the Bank may invite a single supplier or service provider to submit a proposal or a price quotation and negotiate a contract with the Bank.

4. Thresholds and methods for the procurement of Consultancy Services

4.1 Providers of Consultancy Services shall be selected as follows:

- (a) Direct selection: For contracts for Consultancy Services, estimated to cost less than €75,000 (including any foreseeable follow-on services), a qualified consultant may be selected directly and without a competitive selection method.
- (b) Single stage open competitive selection: For contracts for Consultancy Services estimated to cost €75,000 or more (including any foreseeable follow-on services), the Bank shall publish a procurement notice on the Bank's website (www.ebrd.com) and/or an electronic procurement portal soliciting responses from qualified consultants. The procurement notice shall include the scope, methodology and objectives of the assignment and the evaluation criteria for the award of the contract. The Bank shall evaluate the responses to the procurement notice on the basis of the criteria outlined in the procurement notice and shall record the rationale for the choice of consultant.
- (c) Two stage open competitive selection: A detailed description of the scope, methodology and objectives of the assignment normally forms the basis for the selection of consultants through a single stage open competitive selection process. However, for Consultancy Services that are complex or of a special nature, where the objectives (what) can be established but the methodology (how) to achieve the objectives cannot be defined by the Bank, the Bank shall apply a two stage open competitive selection process. Examples of assignments where it may be impractical to define the methodology to achieve the objectives may include conceptual design, complex information technology services and framework arrangements.

In a two stage competitive selection process:

- (i) The Bank shall publish a procurement notice on the Bank's website (www.ebrd.com) and/or an electronic procurement portal soliciting expressions of interest from qualified consultants. The procurement notice shall include the objectives of the assignment and the criteria for shortlisting of consultants. The Bank shall evaluate the expressions of interest on the basis of the criteria outlined in the procurement notice and (unless extraordinary circumstances exist) compile a shortlist of no less than three and no more than six qualified and experienced consultants. The Bank shall record the rationale for inclusion in the shortlist.
- (ii) The Bank shall invite the shortlisted consultants to submit proposals that include the scope and methodology of the assignment. The invitation to submit proposals shall include the objectives of the assignment and the evaluation criteria for the award of the contract. The Bank shall evaluate the proposals on the basis of the criteria outlined in the invitation and shall record the rationale for the choice of consultant.

4.2 Evaluation and selection of consultants. Evaluation of consultants shall principally be based on quality, such as technical considerations including experience in similar assignments, regional experience, qualifications of key personnel proposed for the assignment, and suitability and quality of the methodology, and work plan. The price of the services may be a consideration. The consultant that submits the highest rated response/proposal should be invited to negotiate a contract.

4.3 Exceptions to the competitive selection of Consultancy Services. Competition is preferred; however, in some circumstances it may be necessary or advantageous to select directly or continue the engagement with a specific consultant where:

- (a) the consultant has unique expertise or experience;
- (b) the consultant has been or is involved in the early phases of the project (such as feasibility or design) and the Bank has determined that continuity is necessary and no advantage would be gained from following competitive procedures;
- (c) additional services not included in the original contract have, through unforeseen circumstances, become necessary for the performance of the contracted services, provided that (i) those additional services cannot be technically or economically separated from the original contract without major inconvenience to the Bank or (ii) such services, although separable from the performance of the original contract, are strictly necessary for its completion; or
- (d) there has been an unsatisfactory response to a competitive selection process carried out in accordance with Section III.4.1(b) and (c) above.

In such cases the Bank may invite a single consultant to submit a proposal and negotiate a contract with the Bank.

Section IV: Waivers, Exceptions and Disclosure

Waivers

The Board of Directors may grant a deviation from a requirement of this Policy that is not explicitly permitted by the terms of this Policy.

Exceptions

The President may grant exceptions from the requirement to publish procurement notice (on the Bank's website (www.ebrd.com) and/or an electronic procurement portal) for the procurement of certain Consultancy Services of a specialised nature including legal and investment banking services.

Disclosure

This Policy will be disclosed on the Bank's website in accordance with the Public Information Policy in effect from time to time.

Section V: Transitional Provisions

1. Consultancy Services for which a procurement process has been initiated but for which a contract was not concluded prior to the effective date of this Policy shall be subject to the Procurement Policies and Rules of October 2014 (BDS08-205 (F)).
2. Goods, Works, Services and Consultancy Services (other than those described in paragraph 1 above) for which a procurement process has been initiated but for which a contract was not concluded prior to the effective date of this Policy shall be subject to the relevant corporate procurement policy and related procedures in force at the time such procurement was initiated.

Section VI: Effective Date

This Policy is effective from 1 November 2017.

Section VII: Decision Making Framework

Accountable

The Senior Vice President, CFO & COO is accountable for this Policy.

Responsible

The Vice President, Human Resources and Corporate Services & CAO is responsible for this Policy.

Section VIII: Review and Reporting

Review

Not applicable.

Reporting

The Bank shall prepare an annual report on the procurement activities carried under this Policy.

Following the introduction of appropriate systems the Bank shall publish on a periodic basis a description of contracts awarded, the name and nationality of the party to which the contract was awarded and the contract price, including details of qualified suppliers or consultants who participated in the selection process leading to such contract award.

Section IX: Related Documents

1. Enforcement Policies and Procedures (BDS10-126/F)(Rev 1)
2. Agreement for Mutual Enforcement of Debarment Decisions (BDS10-013 (Rev 2))

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