

EXECUTIVE SUMMARY

- In 2009 the EBRD put in place 104 contracts worth £15,299,565 representing an increase of 70% in terms of number and a decrease of 20% in terms of value compared to the 61 contracts worth £19,046,773 in 2008. The increase in the number of contracts issued was mainly due to the replacement of Purchase Orders with contracts to purchase complex, high value and / or strategically important goods, works or services. The decrease in value was primarily due to a number of long term major contracts awarded in 2008 (such as contracts for the provision photocopying facilities management, business continuity services and Headquarters cleaning services).
- The 104 contracts included 46 flow-through contracts with a maximum capped value of £8,405,240 and 43 fixed price contracts with a combined value of £3,395,621. In addition, 15 framework agreements were put in place the value of which amounted to £3,498,704.
- In 2009, 20 major contracts were set-up with a value of £12,994,628, compared to 23 contracts totalling £17,578,217 in 2008. In 2009 the Administration Department remained the largest User Department with four contracts worth £7,394,127 (compared to 12 contracts worth £10,647,053 in 2008).
- In 2009 direct contracting was used to award 13 contracts with a combined value of £940,319, a decrease from 16 contracts totalling £2,401,485 awarded directly in 2008. The decrease in value and number of directly awarded contracts was partly due to concerted efforts to enhance management and planning of the Bank's corporate procurement requirements.
- The new Corporate Procurement Policy (CPP) was approved by the Board of Directors on 19 May 2009. In line with the recommendations of the Audit Committee, the project to implement enhancements to the Bank's corporate procurement systems to allow full implementation of the CPP is under way and scheduled for completion in the third quarter of 2010.

Abbreviations

CCPD	Consultancy and Corporate Procurement Department
CPP	Corporate Procurement Policy
CPPP	Corporate Procurement Policy and Procedures
CPRC	Corporate Procurement Review Committee
CPU	Corporate Procurement Unit
CSU	Consultancy Services 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 purchasing system used by the Bank

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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 satisfactory operation of the Bank’s Headquarters and Resident Offices funded by its own administrative budget in 2009.

The Bank’s corporate procurement is carried out in accordance with the Corporate Procurement Policy and Procedures (“CPPP”). The new Corporate Procurement Policy¹ (“CPP”) was approved by the Board of Directors on 19 May 2009 and replaced the Internal Purchasing Policy and Procedures effective since 15 October 1999. The new approach to corporate procurement, controls and roles and responsibilities assigned in the CPP were put in place during 2009 and lead to significant enhancements to the corporate procurement function in the Bank. However, in accordance with the recommendations of the Audit Committee, the full implementation of the CPP will only take place when the enhanced IT systems and processes allow for the adequate oversight of corporate procurement activity below £20,000 by the CPU. The project to implement enhancements to the Bank’s corporate procurement systems to allow full implementation of the CPP is currently on-going and scheduled for completion in third quarter of 2010.

The Report includes statistics on contract awards by the Corporate Procurement Unit (“CPU”)² and purchasing activity by the User Departments accounted for through electronic purchase orders committed in the SAP system of the Bank. A summary of the 2009 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, is set out in the Report. The Report also provides information regarding the activities of the CPU during the same period. CPU (previously the Purchasing Unit) operates as part of the Consultancy and Corporate Procurement Department (“CCPD”) and is responsible for overseeing and monitoring compliance with the Bank’s CPP.

It is intended that, upon consideration by the Executive Committee and the Audit Committee of the Bank and in accordance with the Bank’s Public Information Policy, this Report will be published on the Bank’s website. The 2008 Annual Corporate Procurement Review was published on the EBRD’s website in May 2009³.

2. Contracts awarded in 2009

2.1 Overall Results

In 2009, the CPU issued a total of 104 contracts⁴ which resulted in contractual and financial commitments with a combined value of £15,299,565. The 104 contracts included 31 extensions with an aggregate value of £5,972,115. Compared to the previous year, the number of contract awards increased by 70% and the value decreased by 20% (in 2008, CPU reported 61 corporate procurement contracts with a total value of £19,046,773 including 13 extensions for £5,631,041).

Within the 104 contracts awarded in 2009, there were 20 major contracts including extensions⁵ with a value of £12,994,628, compared to 23 major contracts totalling £17,578,216 awarded in 2008. The list of all major contracts awarded in 2009 is provided in Table 1 of the Annex⁶. The three highest value contract awards included in the 20 major contracts were for the provision of electricity (£3,208,000), for the ongoing provision of building & engineering maintenance services at Headquarters (£2,278,341) and for the passenger and goods lift refurbishment project (£1,751,018). A further 11 contracts with an aggregate value of £938,219 were within the value range of between £50,000 and £150,000 (average contract value £85,293). The remaining 73

¹ Revised Corporate Procurement Policy is available at http://www.ebrd.com/opper/procure/index_cpu.htm

² All corporate procurement contracting responsibility lies with CPU

³ <http://www.ebrd.com/opper/procure/awards/cpr08.pdf>

⁴ “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 (see definition of a framework agreement on page 2). Financial commitments are recorded through purchase orders created in the SAP system of the Bank, including those raised against contracts (each contract may have one or multiple corresponding purchase orders).

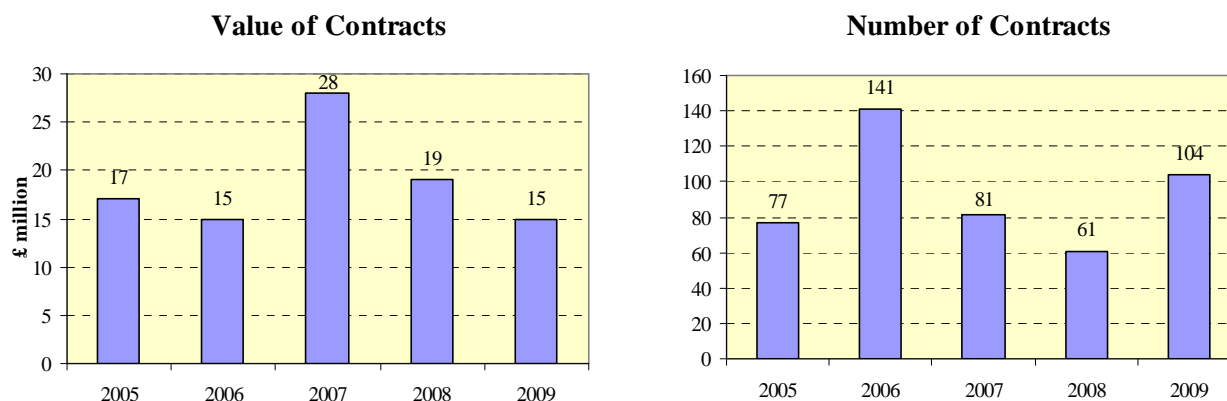
⁵ Major contracts are defined as those with value of £150,000 and above

⁶ Details of the major contracts awarded in 2008 are included in the 2008 Annual Corporate Procurement Review

contracts for a total of £1,366,718 have a value of less than £50,000 (average contract value £18,722).

The increase in the number of contracts awarded in 2009 compared to 2008 was the result of a decision by CPU to award contracts as opposed to place purchase orders for more complex, high value and/or strategically important goods and services costing between £5,000 and £50,000. The share of the number of contracts awarded within this value range increased from 34% in 2008 to 63% in 2009.

Table A: Overview of Corporate Procurement Contract Awards in 2005-2009



The corporate procurement contracts can be separated into three main categories:

- **Flow-through:** Contracts which represent an ongoing commitment for the Bank. This category includes regular maintenance, software licenses, subscriptions etc.
- **Fixed Price:** Contracts where the scope of works, goods or services as well as the cost is fixed. These represent one-off purchases and fixed priced projects. Examples of fixed price contracts awarded in 2009 are contracts for the passenger and goods lift refurbishment project, provision of website design and usability services, and relocation and upgrade of the Security Control Room at the EBRD's Headquarters.
- **Framework Agreements:** Contracts which set the administrative arrangements between the parties (including a pre-agreed pricing schedule) but do not constitute a financial commitment. The budget commitment is made only when a Purchase Order is generated against the agreement. As in the previous years, the contract values of framework agreements given in this report represent the aggregate value of all Purchase Orders raised under the specific framework agreements in 2009. Among framework agreements awarded in 2009 were agreements for the mobile telephone services and for the provision of international removals.

Table B below provides breakdown of contract awards by contract type in 2009 and 2008.

Table B: Contracts by Contract Type in 2009 and 2008

	2009			2008		
	Value, £	% of Total Value	Number	Value, £	% of Total Value	Number
Flow-through	8,405,240	55%	46	6,694,757	35%	4
Fixed Price	3,395,621	22%	43	8,019,047	42%	46
Framework Agreements	3,498,704	23%	15	4,332,969	23%	11
Total	15,299,565	100%	104	19,046,773	100%	61

2.2 Contracts by EBRD Department

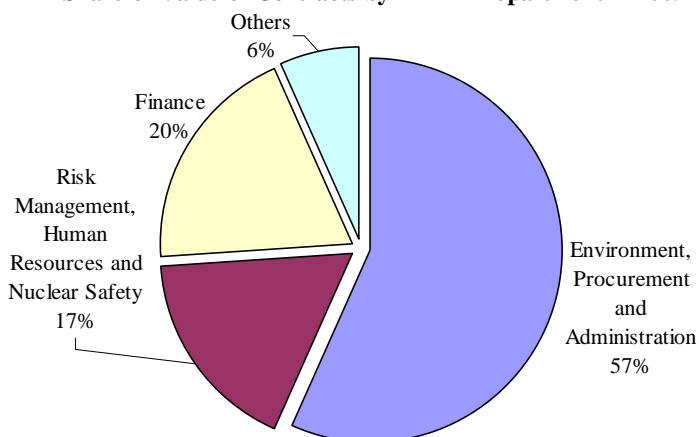
The level of the corporate procurement activity is a direct result of the operational needs of the Bank's User Departments with responsibility for sourcing the goods, works and services required to meet the Bank's internal needs.

Table C below provides the distribution of contract awards by EBRD Department.

Table C: Contracts by EBRD Department in 2009 and 2008

	2009			2008		
	Value, £	% of Total Value	No	Value, £	% of Total Value	No
Environment, Procurement and Administration - Headquarters	8,348,737	55%	28	13,682,165	72%	35
Environment, Procurement and Administration - Resident Offices	307,371	2%	11	102,251	<1%	5
Risk Management, Human Resources and Nuclear Safety	2,631,593	17%	28	3,125,037	16%	9
Finance	2,992,931	20%	15	1,848,900	10%	7
Office of the Chief Economist	170,452	1%	12	114,609	<1%	2
Office of the Secretary General	603,623	4%	7	172,610	<1%	2
Office of the General Counsel	227,405	1%	2	1,200	<1%	1
Communications	17,453	<1%	1	-	-	-
Total	15,299,565	100%	104	19,046,773	100%	61

Share of Value of Contracts by EBRD Department in 2009



Within the top three vice presidencies listed in Table C above the main user Departments requiring contracts in 2009 were Administration, Human Resources and Information Technology. The 39 contract awards for the Administration Department were for services in relation to various one-off and on-going building maintenance and management projects at the Bank's Headquarters, fit-outs and furniture supplies for the Resident Offices, provision of licensed taxi services, printing of

various publications.

The 28 contracts for the HR Department included agreements for the provision of international removals, staff recruitment services, gym subscription, language/on-line/other training, and staff salary surveys.

The 15 contracts for the Finance Vice Presidency were mainly IT related including mobile telephone services, network maintenance, hardware and software licenses, managed firewall services, management information system for the Business Advisory Services team, provision of an e-recruitment system, SAP support and development, training on IT software and bespoke applications.

The Office of the Chief Economist (OCE) required 12 contracts for the Bank's Business Information Centre (BIC) to purchase subscriptions to various publications and license agreements. The Office of the Secretary General (OSG) initiated seven contracts, mainly for various goods, works and services in relation to the Bank's Annual Meetings.

The contracts by the Departments listed above were necessary to enable these Departments to discharge their functions for the operations of the Bank.

2.3 Contracts by Procurement Thresholds

The new CPP which was approved by the Board of Directors on 19 May 2009 reduced the number of thresholds from five to three and methods of competition from four to two. The most competitive selection process is tendering, including pre-qualification, which is applied to contracts in excess of £150,000. For contracts costing £5,000 or more but less than £150,000 a minimum of three competitive offers should be obtained. Corporate procurement for contracts costing £20,000 and above is done through CPU⁷. For contracts costing less than £5,000 direct contracting by the User Departments is permitted.⁸

The analysis of all contracts by thresholds set out in the Bank's CPPP and comparison of the number and value of contracts in 2009 with those of 2008 is provided in Table D below.

Table D: Contracts by Procurement Thresholds in 2009 and 2008

Value Range	2009			2008		
	Value, £	% of Total Value	Number	Value, £	% of Total Value	Number
£150K+	12,994,628	85%	20	17,578,217	92.29%	23
£50K-£150K	938,219	6%	11	994,747	5.22%	11
£20K-£50K	1,044,527	7%	36	304,457	1.60%	9
£5K-£20K	304,747	2%	29	164,441	0.86%	12
£0-£5K	17,444	<1%	8	4,910	0.03%	6
Total	15,299,565	100%	104	19,046,773	100%	61

Table E below provides a summary of the contracts by procurement method in 2009 and 2008.

Table E: Contracts by Procurement Methods in 2009 and 2008

Procurement Method	2009			2008		
	Value, £	% of Total Value	Number	Value, £	% of Total Value	Number
Competitive	8,387,131	55%	60	11,014,247	53%	32
Extensions	5,972,115	39%	31	5,631,041	21%	13
Direct Contracting	940,319	6%	13	2,401,485	26%	16
Total	15,299,565	100%	104	19,046,773	100%	61

“Competitive” method refers to a written solicitation used as formal competitive purchasing request issued to prospective suppliers.

“Direct Contracting” is permitted for contracts estimated to cost less than £5,000. For contracts estimated to cost more than £5,000 competitive procurement is required unless an exception to the competitive procurement is approved in accordance with the CPPP. In 2009 Direct Contracting was approved for 13 new contracts with a combined value of £940,319. Three of these contracts were in the value range of contracts less than £5,000. The remaining contracts were approved in accordance with the CPPP with two of them making up 87% of the total value of the directly awarded contracts (one of these two contracts was for the provision of hardware, software licenses, support and professional services; the other a framework agreement for recruitment, advertising, media and other services). Table 2 of the Annex details 13 contracts awarded by direct contracting in 2009.

⁷ Contracts estimated to cost £5,000 and above but less than £20,000 are normally awarded as a result of competition with minimum of 3 competitive offers being requested by User Departments with CPU’s approval

⁸ See Section 6 Procurement Methods and Thresholds of the Corporate Procurement Policy
<http://intranet.ebrd.com/ebdnet/depts/purunit/cppp.pdf>

“Extension” is an extension to an existing contract. Of the 31 extensions awarded in 2009 two had a value of less than £5,000 and were required to prevent operational disruption for a short period of time. 10 were rolling subscription agreements approved as sole source providers. The remaining 19 were extensions to contracts that had been awarded with an option to extend subject to satisfactory performance and the continued needs of the Bank.

3. Local Purchasing in the Bank’s Countries of Operations

In 2009, CPU worked closely with the Resident Offices (ROs) to identify the corporate procurement expenditure undertaken using the budgets allocated to them. Table F below lists such expenditure by the Bank’s 34 ROs in 2009. The expenditure shown in Table F excludes office rent⁹. Also excluded is the cost of items purchased for the ROs using the centrally managed budget held by the Administration and IT departments. In 2009 CPU awarded 11 contracts for the needs of the ROs with a total value equivalent to £307,371 including three contracts related to a fit-out of the Istanbul RO which was opened in October 2009, four contracts for the purchase of replacement vehicles, two contracts for cleaning services for the Moscow RO, and two contracts for the purchase of office furniture for the Bucharest and Yerevan ROs.

Table F – Corporate Procurement Expenditure by the Resident Offices in 2009

Resident Office	Expenditure, £
Almaty	202,010
Ashgabat	88,871
Astana	111,595
Baku	69,025
Belgrade	94,237
Bishkek	122,537
Bratislava	42,760
Bucharest	192,380
Budapest	54,254
Chisinau	25,878
Dnipropetrovsk	6,980
Dushanbe	78,074
Istanbul	55,517
Kiev	327,925
Krasnoyarsk	14,018
Minsk	36,850
Moscow	643,225
Podgorica	39,581
Pristina	27,730
Rostov	12,329
Samara	23,179
Sarajevo	91,148
Skopje	79,983
Sofia	70,672
St Petersburg	44,927
Tbilisi	160,164
Tirana	52,421
Ulaanbaatar	44,286
Vilnius	29,426
Vladivostok	28,038
Warsaw	74,078
Yekaterinburg	18,999
Yerevan	110,681
Zagreb	99,648
Total	£3,173,425

The corporate procurement expenditure by the ROs reported in this section includes the costs of office maintenance¹⁰, cleaning, service charges¹¹, vehicles running costs, additional car parking spaces (i.e. those not included in the lease), minor items of office equipment such as printers and scanners, stationery, minor repairs etc. In sourcing works, goods and services for the ROs’ needs, preference is given to local suppliers.

In 2009 the highest share of corporate procurement expenditure among the ROs was by the three largest offices (by floor space and number of staff): Moscow (20%), Kiev (10%) and Almaty (6%).

ROs liaise closely with the Administration Department and CPU regarding their corporate procurement requirements. At present, for any items over £5,000 a RO is required to obtain three competitive quotes; quotes are then sent to the Administration Department, with a RO recommendation, for approval by the CPU.

During 2009 CPU engaged intensively with the ROs and monitored their procurement activity. A single point of contact in the CPU was identified for each RO which made CPU’s contact with the office managers significantly more efficient and effective. A number of initiatives affecting multiple offices were pursued as a result of the CPU’s new approach, for example the procurement and installation of bomb film on the windows of all RO buildings.

⁹ 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. In 2009 all ROs were leased except for the office buildings in Kiev and Bishkek which were owned by the Bank.

¹⁰ 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.

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

4. Analysis of SAP Purchase Orders

A purchase order (PO) is an electronic order created in the SAP system of the Bank for all purchases by the User Departments. During 2009, 5,729¹² (5,727 excluding rent and service charges for the Headquarters) purchase orders were created in the Bank's SAP system with a cumulative value of £57,321,336 (£37,323,606 excluding rent and service charges for the Headquarters). The rent and service charges for the Headquarters are not subject to the CPPP and are therefore excluded from the analysis provided in the Report. In 2008 there were 4,657 purchase orders raised totalling £51,486,901 including the Headquarters rent and services charges and £31,450,964 excluding rent and service charges¹³.

All corporate procurement purchase orders with a value greater than £5,000 are approved by CPU¹⁴. The number and cumulative value of the purchase orders above this threshold is greater than the number and value of the contracts carried out by CPU in 2009. This is because: i) purchase orders are raised against contracts awarded before 2009; ii) multiple purchase orders are raised against individual contracts.

In 2009 CPU focused on the development of reliable and detailed reporting tools. As a result the purchase orders are presented in this Report in two categories: stand-alone POs, and POs linked to a contract record in the Bank's SAP Limits Monitoring system which records purchases made under the existing contracts allowing monitoring of utilisation of these contracts. Among the 5,727 POs raised in 2009¹⁵ there were 4,950 stand-alone POs with total value of £14,500,844, and 777 POs with an aggregate value of £22,822,762 linked to a contract record in the Bank's SAP system.

Table G below details the value and number of the purchase orders by the User Departments¹⁶, excluding Headquarters' rent and service charges, in 2009 and 2008.

Table G: Value and Number of Purchase Orders by EBRD Department* in 2009 and 2008

	2009						2008	
	Stand-Alone POs		POs under SAP Limits Monitoring		Total		Total	
	Value, £	No	Value, £	No	Value, £	No	Value, £	No
Finance	6,711,176	820	9,688,000	127	16,399,176	947	11,783,043	876
Environment, Procurement and Administration*	1,497,152	796	8,540,263	147	10,037,415	943	8,886,440	973
Risk Management, Human Resources and Nuclear Safety	1,592,968	494	1,803,395	71	3,396,363	565	3,461,387	511
Banking Department	1,659,466	1,440	618,423	188	2,277,889	1,628	3,976,005	1,396
Office of the Chief Economist	991,123	152	606,435	28	1,597,558	180	1,798,928	217
Resident Offices	616,334	421	547,040	126	1,163,374	547	-	-
Office of the General Counsel	428,105	243	715,704	27	1,143,809	270	611,028	258
Office of the Secretary General	472,400	238	210,844	18	683,244	256	627,112	205
Communications	312,615	131	25,512	6	338,127	137	-	-
Board of Directors	157,826	166	28,655	32	186,481	198	248,801	184
Office of the Chief Compliance Officer	37,043	16	28,585	2	65,628	18	-	-
Evaluation Department	15,428	13	3,730	2	19,158	15	15,916	10
President's Office	5,771	15	6,176	3	11,947	18	42,304	25
Internal Audit	3,437	5	0	-	3,437	5	-	-
Total	14,500,844	4,950	22,822,762	777	37,323,606	5,727	31,450,964	4,655

*Excludes Headquarters rent and service charges

The average PO value in 2009 was £6,517, compared to £6,756 in 2008. The highest average

¹² In 2009 there were two purchase orders for Headquarters rent and services charges totalling £19,997,730.

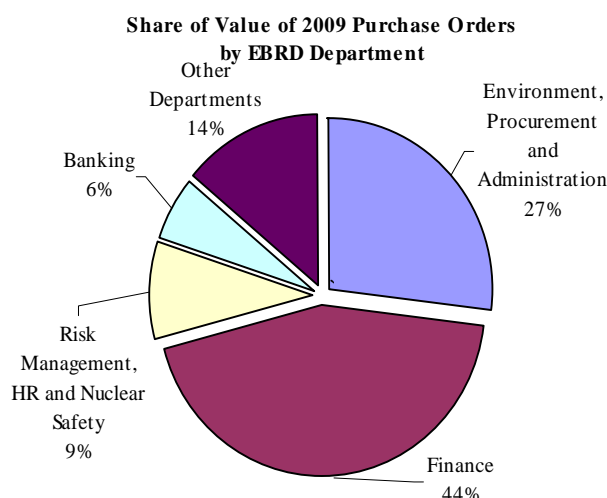
¹³ In 2008 the Headquarters rent and service charges amounted to £20,035,937.

¹⁴ The new CPPP raised the delegation level at which individual departments require CPU approval for purchase orders from £5,000 to £20,000. However, the new level of delegation will only be implemented after the completion of the systems enhancement project being undertaken by CPU in accordance with recommendations of the Audit Committee which will allow for adequate oversight of purchasing activity below £20,000 by CPU.

¹⁵ Excluding two POs under the SAP Limits Monitoring system for the Headquarters rent and services charges totalling £19,997,730.

¹⁶ Includes but not limited to POs raised under contracts issued by CPU and reported in Section 2

value of POs was for Finance Vice Presidency (£17,317), followed by Environment, Procurement and Administration (£10,644). Within these two vice presidencies the main User Departments with the highest number and value of POs were IT and Administration.



The share of the value of the POs raised by the Finance Vice Presidency increased from 37% in 2008 to 44% in 2009. The share of the value of POs raised for the needs of the Environment, Procurement & Administration remained at similar levels (28% in 2008 and 27% in 2009). Corporate procurement activity by the Banking Department accounted for 6% of the value of all POs raised by the Bank in 2009, compared to 13% in 2008.

Table H below provides a summary of the distribution of the POs by value in 2009 in comparison to 2008. The distribution of the POs by value and by the EBRD Department for stand-alone POs and those linked to a contract record in the Bank's SAP system in 2009 is presented in Tables I(a) and I(b).

Table H: Distribution of Purchase Orders by Value in 2009 and 2008

Value Range	2009			2008		
	Value, £	% of Total Value	Number	Value, £	% of Total Value	Number
£150K+	17,118,217	46%	43	10,752,257	34%	34
£50K-£150K	6,699,145	18%	84	6,970,795	22%	76
£20K-£50K	3,795,470	10%	121	4,358,681	14%	141
£5K-£20K	4,990,225	13%	517	5,409,131	17%	537
£0-£5K	4,720,549	13%	4962	3,960,100	13%	3867
Total	37,323,606	100%	5,727	31,450,964	100%	4,655

Table I(a): Distribution of Purchase Orders linked to a contract record in the Bank's SAP system by EBRD Department by Value Range in 2009

	£0-£5K		£5K-£20K		£20K-£50K		£50K-£150K		£150K+	
	Value, £	No	Value, £	No	Value, £	No	Value, £	No	Value, £	No
Environment, Procurement and Administration	95,669	70	393,400	40	403,439	13	433,819	6	7,213,936	18
Finance	55,063	31	301,838	34	608,291	18	2,579,770	32	6,143,038	12
Risk Management, Human Resources and Nuclear Safety	51,342	30	320,527	29	99,115	4	538,257	7	794,154	1
Banking Department	198,659	150	288,922	36	43,342	1	87,500	1	0	0
Office of the Chief Economist	27,727	13	57,677	7	99,913	3	421,118	5	0	0
Resident Offices	86,871	86	253,714	33	156,013	6	50,442	1	0	0
Office of the General Counsel	32,675	24	0	0	24,528	1	0	0	658,501	2
Office of the Secretary General	9,412	6	105,178	9	96,254	3	0	0	0	0
Communications	1,608	4	23,904	2	0	0	0	0	0	0
Board of Directors	28,655	32	0	0	0	0	0	0	0	0
Office of the Chief Compliance Officer	0	0	28,585	2	0	0	0	0	0	0
Evaluation Department	3,730	2	0	0	0	0	0	0	0	0
President's Office	6,176	3	0	0	0	0	0	0	0	0
Total	597,587	451	1,773,745	192	1,530,895	49	4,110,906	52	14,809,629	33

Table I(b): Distribution of Stand-Alone Purchase Orders by EBRD Department by Value Range in 2009

	£0-£5K		£5K-£20K		£20K-£50K		£50K-£150K		£150K+	
	Value, £	No	Value, £	No	Value, £	No	Value, £	No	Value, £	No
Environment, Procurement and Administration	643,929	748	366,726	43	100,426	3	0	0	386,071	2
Finance	980,190	646	1,074,390	103	1,330,429	42	1,702,765	22	1,623,402	7
Risk Management, Human Resources and Nuclear Safety	466,102	419	701,713	67	176,196	5	248,957	3	0	0
Banking Department	852,344	1,399	338,541	36	73,734	3	95,732	1	299,115	1
Office of the Chief Economist	143,548	124	163,752	16	227,038	7	456,785	5	0	0
Resident Offices	387,485	404	165,455	15	63,394	2	0	0	0	0
Office of the General Counsel	174,526	230	94,588	10	74,991	2	84,000	1	0	0
Office of the Secretary General	189,746	213	182,626	21	100,028	4	0	0	0	0
Communications	149,844	123	44,432	4	118,339	4	0	0	0	0
Board of Directors	92,709	157	65,117	9	0	0	0	0	0	0
Office of the Chief Compliance Officer	17,903	15	19,140	1	0	0	0	0	0	0
Evaluation Department	15,428	13	0	0	0	0	0	0	0	0
President's Office	5,771	15	0	0	0	0	0	0	0	0
Internal Audit	3,437	5	0	0	0	0	0	0	0	0
Total	4,122,962	4,511	3,216,480	325	2,264,575	72	2,588,239	32	2,308,588	10

5. Contract Records in SAP

In 2009, CPU enhanced the number and accuracy of contract records in the Bank's SAP system¹⁷ enabling usage of specific contracts by the user departments and ensuring better monitoring and oversight of such contracts including overall expenditure, i.e. monitoring aggregate amounts of spend per contract by the User Departments.

Table J below provides a summary of contracts in the Bank's SAP system which were active in 2009, i.e. contracts that commenced either during or before 2009 with an expiry date during or after 2009.

Table J: Number of Contracts with a corresponding contract record in the Bank's SAP System by EBRD Department

Year of SAP Contract Record creation	Number of Contract Records	Accumulative Contract Ceiling Value, £	Average utilisation*	Percentage of contracts utilised in 2009**
2005	1	282,800	35.15%	0%
2006	11	3,386,316	62.11%	63.63%
2007	13	24,482,011	58.35%	92.30%
2008	77	81,940,012	38.85%	55.84%
2009	112	20,248,777	62.23%	79.46%
Total	214	130,339,916	53.45%	70.56%

* Average percentage of total target value committed

** Percentage of number of valid contracts where a PO was created or amended in 2009

¹⁷ CPU creates a SAP Limits Monitoring record for all corporate procurement contracts issued. All POs raised under a specific contract are then linked to the corresponding SAP Limits Monitoring record.

6. Corporate Procurement Review Committee

The functions, composition and terms of reference of the new Corporate Procurement Review Committee (CPRC), previously Purchasing Review Committee, were defined in Annex I of the CPP¹⁸ and its composition was subsequently approved by the Bank's Executive Committee.

The general functions and the principles of operation of the CPRC are to (i) review and render advice to the Vice President with responsibility for Corporate Procurement, with whom the final purchasing decision rest on Corporate Procurement actions leading to the award or amendment of Purchasing Contracts or Purchase Orders; (ii) facilitate smooth and efficient Corporate Procurement process protecting the interests of the Bank and ensuring transparency, fairness and integrity of the procurement processes and strictly enforcing adherence to the Bank's CPPP; and (iii) exercise monitoring of Corporate Procurement of the Bank as reported by CPU. The CPRC reviews all major awards estimated to cost £150,000 or more; any amendments or extensions resulting in an increase to the value of the initial award bringing the aggregate value to £150,000 or more; exceptions set out in the CPPP costing £50,000 or more; material changes to the contracts previously approved by the CPRC; and retroactive contract awards above £20,000.

During 2009 the CPU worked with the CPRC to make the following improvements to the operations of the CPRC:

- Ex-ante review of project proposals, budgets and procurement methods. Previously approval was sought after the procurement process had been completed. This limited the value CPRC members could add to the design of the project and the procurement process.
- Regular meetings of the CPRC were held to ensure forward planning of corporate procurement activities and the timely review of the project proposal, with CPU providing the secretariat function of the CPRC. CPU raised the quality of the submissions by standardising the documentation and facilitated more informed decision making by providing corporate procurement advice to the user departments and independent briefings to the CPRC on the submissions.

During 2009, 45 submissions were received by the CPRC as listed in Table K below.

The submissions reviewed by the CPRC included:

- 17 major new contract approvals¹⁹ with a potential aggregate value of £18,688,846;
- 24 directly awarded contracts / extensions in compliance with the Exceptions to Competitive Procurement (CPP, Section 6.4), with an aggregate value of £16,643,005;
- Two retroactive contract awards: one for the temporary recruitment services awarded to Robert Half International (£25,000) and the other for the salary survey services awarded to the McLagan Group (£35,000). The reasons for retroactivity were recorded as 'urgent operational need to engage staff members in context of staff shortages and increased business volumes' and 'contract being put in place with long term supplier previously engaged via purchase orders' respectively.

The discrepancy between number and value of major contract approvals reviewed by CPRC and major contract awards listed in Table 1 are due to:

- The time lag from approval to contract award including procurement process, negotiations and award;
- The difference in projected potential value and actual negotiated contract;
- The values of framework contracts are presented as their potential aggregate value over the duration as opposed to commitments in 2009.

In addition, the CPRC reviewed two corporate procurement project plans in relation to forthcoming corporate procurement activity; and several updates on the existing contracts which were competitively awarded with an option to extend subject to satisfactory performance and the continued needs of the Bank.

¹⁸ Annex I to the revised CPP: <http://intranet.ebrd.com/ebdnet/depts/purunit/about/cprc.pdf>.

¹⁹ Contracts estimated to cost £150,000 or above

Table K – Projects reviewed by the Corporate Procurement Review Committee in 2009

Project	Approval Granted For	Duration	Value, £	Procurement method
SAP Software Licences and Maintenance	Extension	1yr	90,125	Direct (Exception)**
Support Staff Recruitment Services	Contract Award*	3yrs	2,700,000	Competitive
Group Medical Insurance	Extension	1yr	3,537,036	Direct (Exception)**
Headquarters Electricity	Contract Award*	2yrs	3,820,000	Competitive
HP Hardware to support SAP	Contract Award*	One-off	544,000	Direct (Exception)**
Headquarters Lift Modernisation	Contract Award*	5yrs	1,700,000	Competitive
SAP Support and Development Services	Extension	6 months	100,000	Direct (Exception)**
Istanbul Resident Office Fit-Out	Contract Award*	One-off	153,500	Direct (Exception)**
Bucharest Resident Office Fit-Out	Contract Award	One-off	107,000	Direct (Exception)**
International Removal Services	Extension	10 months	600,000	Direct (Exception)**
International Relocation Services	Extension	0	681,000	Update
Language Training Services	Extension	0	374,016	Update
Timesheet Management System Software Licences and Maintenance Services	Extension	5yrs	123,328	Direct (Exception)**
Fire Alarm Maintenance Services	Extension	1yr	27,000	Direct (Exception)**
Sun Solaris Offsite Hosting Services	Extension	3yrs	207,272	Direct (Exception)**
Risk Engine Software Licences and Maintenance Services	Extension	5yrs	6,098,160	Direct (Exception)**
Ergonomic Task Chairs	Project Plan	3yrs	300,000	Competitive
Recruitment Agencies Framework Contracts	Contract Award*	1yr	609,236	Competitive
E-Recruitment System	Extension	3yrs	128,400	Direct (Exception)**
Variable Speed Drives	Contract Award*	3yrs	196,000	Competitive
Off-site Storage and Retrieval Facilities	Contract Award*	5yrs +1+1	735,470	Competitive
Grid Software Licenses	Extension	15yrs	72,500	Direct (Exception)**
EBRD Website Redesign Services	Contract Award*	1yr	548,000	Competitive
BAS Management Information System	Contract Award*	3yrs	320,165	Competitive
Job Boards for Channels to Market	Extension	1	200,000	Direct (Exception)**
Network Maintenance and Network Server Monitoring Services	Contract Award*	5yrs +1+1	547,100	Competitive
Corporate Credit Card for RO in Russia	Contract Award*	5yrs	1,780,000	Direct (Exception)**
Headquarters Catering Services	Extension	1yr	783,479	Competitive
Wide Area Network Services	Extension	3yrs	498,000	Direct (Exception)**
Summit Upgrade Consultancy Services	Contract Award*	1yr	260,000	Direct (Exception)**
AFL Upgrade Consultancy Services	Contract Award	1yr	90,000	Direct (Exception)**
Mobile Telephony Services	Project Plan	5yrs +1+1	6,370,000	Competitive
IT Training Services	Contract Award*	3yrs +1+1	213,000	Competitive
SAP Support and Development Services	Extension	4 months	125,000	Direct (Exception)**
Retirement Plan Fund Management Services	Extension	1yr	280,000	Direct (Exception)**
Internet Facing Routers Monitoring and Reporting Services	Extension	2yrs	30,000	Direct (Exception)**
Temporary Recruitment Services	Retroactive Contract Award***	4 months	25,000	Competitive
Salary Survey Services	Retroactive Contract Award***	1yr	35,000	Competitive
IT Helpdesk Services	Extension	2yrs	1,753,279	Competitive
Headquarters Catering Services	Extension	0	238,096	Update
Livelihood Software Licenses	Extension	3yrs	285,000	Direct (Exception)**
Centrally Funded Business Information Services	Multiple Contract Award	1yr	851,684	Direct (Exception)**
International Removals, Insurance & Storage Services	Two Contracts Awarded*	3yrs +1+1	3,900,175	Competitive
SAP Support and Consultancy Services	Contract Award*	5yrs	662,200	Competitive
Mobile Telephony Services	Extension	6 months	455,000	Direct (Exception)**

* Major new contract awards

** Directly awarded contracts in compliance with the Exceptions to Competitive Procurement (CPP, Section 6.4)

*** Retroactive contract awards

Table 1 - Major Contracts in 2009

	Dept	Contract Title	Procurement Method	Procurement Threshold	Value, £	Contract type
1	Admin	Provision of Electricity	Competitive	£150K+	3,208,000	Flow-through
2	Admin	Extension of Building & Engineering Maintenance Services	Extension	£150K+	2,278,341	Flow-through
3	Admin	Passenger and Goods Lift Refurbishment Services	Competitive	£150K+	1,751,019	Fixed Price
4	Admin	Supply of Variable Speed Drives to the EBRD	Competitive	£150K+	156,767	Fixed Price
5	HR	Provision of International Removals	Extension	£150K+	517,346	Framework
6	HR	Support Staff recruitment	Competitive	£150K+	401,023	Framework
7	HR	Provision of International Removals	Extension	£150K+	389,601	Framework
8	HR	Provision of Gym Subscription	Extension	£150K+	344,447	Framework
9	HR	Recruitment Advertising Media and other services	Direct Contracting	£150K+	305,542	Framework
10	HR	Provision of Language Training Services	Extension	£150K+	132,035	Framework
11	IT	Mobile Telephone Services	Extension	£150K+	943,053	Framework
12	IT	Provision of Network Maintenance and Network & Server Monitoring Services	Competitive	£150K+	547,100	Flow-through
13	IT	Provision of HP Hardware, Software licenses, Support & Prof Services	Direct Contracting	£150K+	515,259	Flow-through
14	IT	Provision of a Managed Firewall Service	Extension	£150K+	306,880	Flow-through
15	IT	BAS/MIS	Competitive	£150K+	200,000	Flow-through
16	IT	Provision of E-Recruitment System to EBRD	Extension	£150K+	166,000	Flow-through
17	IT	Provision of SAP Support and Development	Extension	£150K+	155,000	Flow-through
18	IT	Provision of Training for IT Software and Bespoke Bank Applications	Competitive	£150K+	63,759	Framework
19	OGC	Provision of Offsite Storage and Retrieval Facility Services	Competitive	£150K+	197,405	Framework
20	OSG	Provision of Website Design & Usability Services	Competitive	£150K+	416,050	Fixed Price

Table 2 - List of Contracts Awarded by Direct Contracting in 2009

	Dept	Contract Title	Procurement Method	Procurement Threshold	Value, £	Contract type
1	Admin	Fit-out of Istanbul RO	Direct Contracting	£50k-£150K	50,442	Fixed Price
2	Admin	Provision of Chiller Maintenance	Direct Contracting	£5k-£20K	8,040	Flow-through
3	Admin	Provision of Turnstile Maintenance	Direct Contracting	£5k-£20K	8,010	Flow-through
4	Admin	Defensive Driver Training	Direct Contracting	£20-£50K	0*	Framework
5	Finance	Debt Collection Services	Direct Contracting	£20-£50K	0*	Framework
6	HR	Recruitment Advertising Media and other services	Direct Contracting	£150K+	305,542	Framework
7	HR	Provision of Online Language Training Courses	Direct Contracting	£5k-£20K	8,338	Flow-through
8	IT	Provision of HP Hardware, Software licenses, Support and Professional Services	Direct Contracting	£150K+	515,259	Flow-through
9	IT	Provision of Active Directory Change Reporter	Direct Contracting	£0-5K	1,957	Flow-through
10	OGC	Press Monitoring Services	Direct Contracting	£20K-£50K	30,000	Flow-through
11	OSG	Temporary Supply, Installation, Operation and Maintenance of Audio Visual, Sound, Recording, Simultaneous Interpretation equipment, Stage sets/Signage and Office equipment for the Sarajevo Energy Forum at Holiday-Inn Sarajevo on 30-31/03/2009	Direct Contracting	£5k-£20K	7,931	Fixed Price
12	OSG	Video Services by Thomson Reuters - Free Trial Period	Direct Contracting	£0-5K	0*	Flow-through
13	Treasury	Update Software Licence Agreement	Direct Contracting	£0-5K	4,800	Flow-through

*The value of a framework agreement is reported as the aggregate value of all Purchase Orders raised under this framework agreement

Table 3 - Long term Contracts awarded or extended in 2009

	Dept	Contract Title	Procurement Method	Procurement Threshold	Value, £	Duration	Contract type
1	Admin	Provision of Offsite Storage of Vital Records	Extension	£50k-£150K	128,695	2 years	Framework
2	Admin	Provision of Licensed Taxi Services within Greater London to the EBRD	Extension	£20K-£50K	47,252	1 year	Framework
3	Admin	Defensive Driver Training	Direct Contracting	£20-£50K	0*	3 years	Framework
4	Admin	Provision of Business Travel and Related Services	Competitive	£20-50K	0*	3 years	Framework
5	Finance	Debt Collection Services	Direct Contracting	£20-£50K	0*	1 year	Framework
6	HR	Provision of International Removals	Extension	£150K+	517,346	9 mths	Framework
7	HR	Support Staff recruitment	Competitive	£150K+	401,023	3 years	Framework
8	HR	Provision of International Removals	Extension	£150K+	389,601	9 mths	Framework
9	HR	Provision of Gym Subscription	Extension	£150K+	344,447	1 year	Framework
10	HR	Recruitment Advertising Media and other services	Direct Contracting	£150K+	305,542	1yr 7mths	Framework
11	HR	Provision of Language Training Services	Extension	£150K+	132,035	1 year	Framework
12	IT	Mobile Telephone Services	Extension	£150K+	943,053	7 mths	Framework
13	IT	Provision of Training for IT Software and Bespoke Bank Applications	Competitive	£150K+	63,759	3 years	Framework
14	IT	Maintenance for Dealer Board	Extension	£50k-£150K	28,546	1 year	Framework
15	OGC	Provision of Offsite Storage and Retrieval Facility Services	Competitive	£150K+	197,405	6 mths	Framework

*The value of a framework agreement is reported as the aggregate value of all Purchase Orders raised under this framework agreement.

Table 4 – List of Exceptions to Competitive Procurement approved in 2009

Project	Approved by	Approval Granted For	Duration	Value, £	Nature of Exception
SAP Software Licences and Maintenance	CPRC	Extension	1yr	90,125	Direct (Section 6.4, CPP)
Group Medical Insurance	CPRC	Extension	1yr	3,537,036	Direct (Section 6.4, CPP)
HP Hardware to support SAP	CPRC	Contract Award	One-off	544,000	Direct (Section 6.4, CPP)
SAP Support and Development Services	CPRC	Extension	6 months	100,000	Direct (Section 6.4, CPP)
Istanbul Resident Office Fit-Out	CPRC	Contract Award	One-off	153,500	Direct (Section 6.4, CPP)
Bucharest Resident Office Fit-Out	CPRC	Contract Award	One-off	107,000	Direct (Section 6.4, CPP)
International Removal Services	CPRC	Extension	10 months	600,000	Direct (Section 6.4, CPP)
Timesheet Management System Software Licences and Maintenance Services	CPRC	Extension	5yrs	123,328	Direct (Section 6.4, CPP)
Fire Alarm Maintenance Services	CPRC	Extension	1yr	27,000	Direct (Section 6.4, CPP)
Sun Solaris Offsite Hosting Services	CPRC	Extension	3yrs	207,272	Direct (Section 6.4, CPP)
Risk Engine Software Licences and Maintenance Services	CPRC	Extension	5yrs	6,098,160	Direct (Section 6.4, CPP)
E-Recruitment System	CPRC	Extension	3yrs	128,400	Direct (Section 6.4, CPP)
Grid Software Licenses	CPRC	Extension	15yrs	72,500	Direct (Section 6.4, CPP)
Job Boards for Channels to Market	CPRC	Extension	1	200,000	Direct (Section 6.4, CPP)
Corporate Credit Card for RO in Russia	CPRC	Contract Award	5yrs	1,780,000	Direct (Section 6.4, CPP)
Wide Area Network Services	CPRC	Extension	3yrs	498,000	Direct (Section 6.4, CPP)
Summit Upgrade Consultancy Services	CPRC	Contract Award	1yr	260,000	Direct (Section 6.4, CPP)
AFL Upgrade Consultancy Services	CPRC	Contract Award	1yr	90,000	Direct (Section 6.4, CPP)
SAP Support and Development Services	CPRC	Extension	4 months	125,000	Direct (Section 6.4, CPP)
Retirement Plan Fund Management Services	CPRC	Extension	1yr	280,000	Direct (Section 6.4, CPP)
Internet Facing Routers Monitoring and Reporting Services	CPRC	Extension	2yrs	30,000	Direct (Section 6.4, CPP)
Livelihood Software Licenses	CPRC	Extension	3yrs	285,000	Direct (Section 6.4, CPP)
Centrally Funded Business Information Services	CPRC	Multiple Contract Award	1yr	851,684	Direct (Section 6.4, CPP)
Mobile Telephony Services	CPRC	Extension	6 months	455,000	Direct (Section 6.4, CPP)
Temporary Recruitment Services	CPRC	Contract Award	4 months	25,000	Retroactive Award
Salary Survey Services	CPRC	Contract Award	1yr	35,000	Retroactive Award
Turnstile Maintenance Services	Director, CCPD	Contract Award	5yrs	8,010	Retroactive Award
Recruitment Agency Services	Director, CCPD	Contract Award	One-off	10,992	Retroactive Award
Online Integrity Checking Services (World Check)	Director, CCPD	Extension	1yr	16,500	Retroactive Award
Online Financial Analysis Services (Moody's Analytics)	Director, CCPD	Extension	1yr	11,050	Retroactive Award
Online Business Information Services (Interfax)	Director, CCPD	Extension	1yr	8,000	Retroactive Award
Online Business Information Services (Breakingviews)	Director, CCPD	Extension	1yr	9,000	Retroactive Award
Online Business Information Services (Euroweek)	Director, CCPD	Extension	1yr	9,270	Retroactive Award