

EXECUTIVE SUMMARY

- In 2010 the key objective of the Corporate Procurement Unit was to embark upon full implementation of the Corporate Procurement Policy and Procedures (“CPPP”) which was subject to the implementation of enhanced IT systems and delivery of a training programme leading to accreditation of Bank staff members. Both activities were completed successfully and the CPPP is now implemented in its entirety.
- The number of contracts and extensions awarded by the Corporate Procurement Unit in 2010 nearly tripled compared to the previous year. There were 278 contracts issued in 2010, compared to 104 contracts issued in 2009. The value of the 2010 contracts amounted to £12,655,895, or 17.28% less than in 2009 (£15,299,565). The increase in the number of contracts was due to continuous effort by the Corporate Procurement Unit to replace purchase orders with contracts for the purchase of complex and / or strategically important goods, works or services.
- In 2010, 21 major contracts were awarded with a value of £7,988,374, compared to 20 major contracts worth £12,994,628 in 2009.
- In 2010, competitive procurement was used to award 142 contracts with an aggregate value of £3,694,878 (29%); direct contracting accounted for 96 contracts with a combined value of £2,526,190 (20%); and further 40 contracts were extended for a total value of £6,434,827 (51%).
- In 2010, 21% fewer purchase orders below the threshold for delegated procurement (£20,000) were issued when compared to the same figures for 2009. The overall value of all purchase orders issued within the delegated range fell by 14%. This demonstrates that the increased threshold has not been detrimental to sound procurement and that the benefits of drawing upon contracted suppliers are being realised. The significantly more efficient process of issuing fewer purchase orders to procure low value of goods, works and services has resulted in fewer transactions and more efficiency for the Bank.

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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(Sections 7 & 8 will be excluded from the report when published on the EBRD’s website)

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Table 1:	Major Contracts in 2010
Table 2:	Long Term Contracts awarded or extended in 2010
Table 3:	List of Exceptions approved in 2010

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 network of Resident Offices across its countries of operations, and funded by its own administrative budget during 2010.

The Bank’s corporate procurement is carried out in accordance with the Corporate Procurement Policy (“CPP”) approved by the Board of Directors in May 2009¹.

The Report was prepared by the Corporate Procurement Unit (“CPU”), which operates as part of the Consultancy and Corporate Procurement Department (“CCPD”) and is responsible for the corporate procurement function in the Bank and ensuring compliance with the Bank’s Corporate Procurement Policy and Procedures (“CPPP”).

The Report includes statistics on contract awards by CPU for the procurement of complex, high value and / or strategically important goods, works or services, as well as purchasing activity by the User Departments accounted for through electronic purchase orders committed in the SAP system of the Bank². Also included is the summary of the 2010 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 Bank and in accordance with the Bank’s Public Information Policy, this Report will be published on the Bank’s website. The 2009 Annual Corporate Procurement Review was published on the EBRD’s website in July 2010³.

2. Contracts awarded in 2010

2.1 Overall Results

In 2010 a total of 278 contracts and extensions⁴ were awarded through CPU which resulted in contractual commitments of £12,655,895. Compared to the previous year, the number of contract awards nearly tripled and the value decreased by 17.28% (in 2009, CPU reported 104 corporate procurement contracts and extensions with a total value of £15,299,565). The reason for the increase in the number of contracts was that during 2010 the CPU continued to work closely with the User Departments in the Bank to ensure that specific contracts, rather than purchase orders, are placed for the purchase of more complex and/or strategically important goods.

¹ <http://www.ebrd.com/downloads/procurement/cppp.pdf>

² Excluding purchases made by the Resident Offices. The IT system used by Resident Offices does not issue electronic purchase orders. Section 3 of the report provides details of Resident Office corporate procurement expenditure.

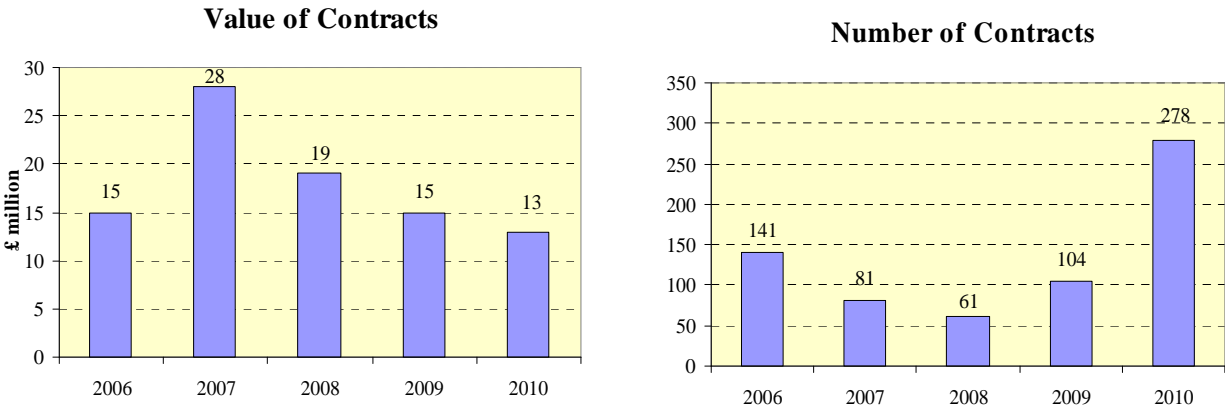
³ <http://www.ebrd.com/downloads/procurement/cpr09.pdf>

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).

Within the 278 contracts awarded in 2010, there were 21 major contracts including extensions⁵ with an aggregate value of £7,988,374. The list of the major contracts awarded in 2010 is provided in Table 1 of the Annex⁶. In 2009, there were 20 major contracts totalling £12,994,628.

The reason for the decrease in the value of the contracts awarded in 2010 compared to 2009 is due to the award of two major two-year contracts in 2009 – one for the provision of electricity (£3,208,000) and the other one for the ongoing provision of building and engineering maintenance services at the Bank’s Headquarters (£2,278,341) – which were signed for the duration of two years and are due for re-tendering in 2011.

Table 1: Overview of Corporate Procurement Contract Awards in 2006-2010



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 HQ cleaning services, HQ catering services and IT Helpdesk services, off-site storage, courier and taxi services, software licenses, subscriptions etc.
- **Fixed Price:** Contracts where the scope of works, goods or services as well as the cost is fixed. These represent fixed priced projects and one-off purchases, such as purchase of vehicles, production of signage for the Annual Meeting, venues hire for team retreats and functions.
- **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. Examples of framework agreements placed or extended in 2010 were agreements for the provision of the group medical insurance plan for Bank staff, laptop computers, international removal services, insurance and storage services, partitioning for the Bank’s Headquarters, and the provision of ergonomic office seating. 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 2010.

⁵ Major contracts are defined as those with value of £150,000 and above
⁶ Details of the major contracts awarded in 2009 are included in the 2009 Annual Corporate Procurement Review

Table 2 below provides breakdown of contract awards by contract type in 2010 and 2009.

Table 2: Contracts by Contract Type in 2010 and 2009

	2010			2009		
	Value, £	% of Total Value	Number	Value, £	% of Total Value	Number
Flow-through	7,902,671	63%	147	8,405,240	55%	46
Fixed Price	923,078	7%	79	3,395,621	22%	43
Framework Agreements	3,830,146	30%	52	3,498,704	23%	15
Total	12,655,895	100%	278	15,299,565	100%	104

The difference in the value of fixed price contracts in 2010 and 2009 is explained by two major one-off projects for which contracts were placed in 2009 (the passenger and goods lift refurbishment project, £1,751,019, and the new website design and usability services project, £416,050).

2.2 Contracts by EBRD Department

Table 3 below provides the distribution of contract awards by EBRD User Department in 2010⁷ in comparison to 2009.

Table 3: Contracts by EBRD Department in 2010 and 2009

Vice Presidency	2010			2009		
	Value, £	% of Total Value	No	Value, £	% of Total Value	No
Risk and Resources	10,543,792	83%	160	n/a	n/a	n/a
Environment, Procurement and Administration	n/a	n/a	n/a	8,656,108	57%	39
Communications	1,112,322	9%	61	17,453	<1%	1
Risk Management, Human Resources and Nuclear Safety	n/a	n/a	n/a	2,631,593	17%	28
Office of the Secretary General	375,061	3%	7	603,623	4%	7
Finance	302,563	2%	11	2,992,931	20%	15
Banking	172,500	1%	25	0	0	0
Office of the General Counsel	111,923	1%	9	227,405	1%	2
Office of the Chief Economist	25,000	<1%	1	170,452	1%	12
Operational Policies	12,734	<1%	4	n/a	n/a	n/a
Total	12,655,895	100%	278	15,299,565	100%	104

Following a reorganisation in 2010, the new Risk and Resources Vice Presidency, which now includes Risk Management, Administration, Human Resources, Information Technology and Nuclear Safety, was the largest User Department by number and value of contracts the goods, works and services required to meet the Bank's internal needs.

The breakdown of the 160 contracts with an aggregate value £10,543,792 placed in 2010 for the Risk and Resources Vice Presidency is provided in Table 4 overleaf.

⁷ This section refers to Bank organisation as of the end of 2010

Table 4: 2010 Contracts for Risk and Resources Vice Presidency

	Value, £	% of Total Value	Number
Risk Management	0	0	0
Administration - Headquarters	5,076,664	48%	48
Administration - Resident Offices	291,711	3%	20
Human Resources	1,596,999	15%	59
Information Technology	3,578,419	34%	33
Nuclear Safety	0	0	0
Total	10,543,792	100%	160

Compared to 2010, there was a decrease in value of contracts for both Administration and Human Resources. The value of contracts for the Resident Offices declined from £307,371 in 2009 (included in the 2009 statistics for Environment, Procurement and Administration Vice Presidency in Table 3 above) to £291,711 in 2010. The value of IT related contracts increased from £2,988,131 in 2009 (included in the statistics for the Finance Vice Presidency in Table 3 above) to £3,578,419 in 2010. In 2010, there were several major IT related contract extensions, such as for the provision of IT Helpdesk services (£876,640), the Risk Management Programme Software Licenses (£537,813) and the Management Information System for the BAS Programme (£284,510).

The contracts by the User 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 stipulate that the most competitive selection process applicable to the procurement of goods, works and services required for the satisfactory operation of the Bank and its ROs 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 CPU⁸. For contracts costing less than £5,000 direct contracting by the User Departments is permitted.⁹

The value and number of the 2010 contracts within the thresholds described above and comparison of the number and value of contracts in 2009 are provided in Table 5 below.

Table 5: Contracts by Procurement Thresholds in 2010 and 2009

	2010			2009		
	Value, £	% of Total Value	Number	Value, £	% of Total Value	Number
£150K+	8,003,905	63%	26	12,994,628	85%	20
£50K-£150K	2,037,177	16%	43	938,219	6%	11
£20K-£50K	1,561,052	13%	63	1,044,527	7%	36
£5K-£20K	933,725	7%	93	304,747	2%	29
£0-£5K	120,036	1%	53	17,444	<1%	8
Total	12,655,895	100%	278	15,299,565	100%	104

Table 6 below provides a summary of the contracts by procurement method in 2010 and 2009.

⁸ 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

⁹ See Section 6 Procurement Methods and Thresholds of the Corporate Procurement Policy
<http://intranet.ebrd.com/ebdnet/depts/purunit/cppp.pdf>

Table 6: Contracts by Procurement Methods in 2010 and 2009

	2010			2009		
	Value, £	% of Total Value	Number	Value, £	% of Total Value	Number
Competitive	3,694,878	29%	142	8,387,131	55%	60
Extensions	6,434,827	51%	40	5,972,115	39%	31
Direct Contracting	2,526,190	20%	96	940,319	6%	13
Total	12,655,895	100%	278	15,299,565	100%	104

“**Competitive**” method refers to a written solicitation used as formal competitive purchasing request issued to prospective suppliers, including formal tendering with pre-qualifications.

In 2010, nine contracts with a total value of £1,599,780 were estimated to cost £150K or above and awarded following a formal tendering process, including framework agreements for the provision of group medical insurance plan to Gan Eurocourtage SA & Vanbreda International NV, laptop computers, international removal, insurance and storage services, partitioning for the Bank’s Headquarters and others. Included in the 142 contracts awarded following competitive selection were 115 contracts totalling £2,055,986 costing above £5,000 and below £150,000. The remaining 18 contracts totalling £39,112 were below the £5,000 threshold for competitive selection, but for various reasons competitive offers were obtained prior to contract award.

“**Extension**” is an extension to an existing contract. The value of contract extensions awarded in 2010 was relatively high due to the several major contracts extended during the year including the contracts for the provision of HQ cleaning services (£1,299,885), HQ catering services (£1,044,387) and IT Helpdesk services (£876,640). Some of the extensions were required to prevent operational disruption for a short period of time, others were made to contracts that had been awarded with an option to extend subject to satisfactory performance and the continued needs of the Bank. Also included in extensions are rolling subscription agreements approved as sole source providers.

“**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 2010 Direct Contracting was used for 96 new contracts with a combined value of £2,526,190.

32 of these contracts totalling £76,406 were in the value range of contracts less than £5,000.

The remaining 64 contracts were justified and approved in accordance with the CPPP¹⁰, which stipulate that exceptions to the competitive procurement maybe considered and approved under the following criteria:

- (a) standardisation of supplies or equipment is determined to be important and justified such that further competition is impractical;
- (b) the proposed contract relates to specialised services or technical equipment, where the User Department has made a qualitative judgment that the selected Supplier is uniquely suited to furnish the Goods or carry out the Works or Services;

¹⁰ Section 6.4 Exceptions to competitive procurement

- (c) the Goods, Works or Services are available under a special discount arrangement offering lower costs than commercially available. In such cases other commercial sources should be checked to verify that more beneficial pricing is not obtainable; and
- (d) extreme urgency requires expedited processing.

The Head of User Department and Director of CCPD must be satisfied that the reasons given for an exception from competitive purchasing are valid, and may also obtain an independent opinion from the CPRC in determining the validity of the direct contracting request. In all cases, decisions and approvals concerning direct contracting are documented. All exceptions to Competitive Procurement for Contracts estimated to cost £5,000 or more but less than £50,000 are submitted to the Head of the applicable User Department and the Director of CCPD for review and approval prior to award of the contract. All exceptions to Competitive Procurement for Contracts estimated to cost £50,000 or more will be submitted to the CPRC via the Director of CCPD for review prior to award of the Purchase Order or the Contract.

The 64 contracts totalling £2,449,784 were in the value range of contracts above £5,000 and approved in accordance with the Bank’s CCP. Table 7 below shows the distribution of the exceptions to competitive procurement in 2010 by the value of contracts¹¹.

Table 7: Distribution of approved exceptions to competitive procurement by value

	2010		
	Value, £	% of Total Value	Number
£150K+	823,022	34%	4
£50K-£150K	686,228	28%	10
£5K-£50K	940,534	38%	50
Total	2,449,784	100%	64

The four contracts estimated to cost above £150,000 included contracts for the provision of courier services (£310,000), corporate gym membership subscription (£186,766), software license subscription (£169,025) and subscription to an information service (£157,231).

10 contracts with the within the value range of £50,000 to £150,000 included the provision of design and print management services for four EBRD flagship publications (£149,905) and various subscriptions and software licences.

¹¹ Table 3 of the Annex provides a list of the exceptions approved in 2010

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

Table 8 below lists corporate procurement expenditure, excluding office rent¹², by the Bank's Resident Offices (ROs) in 2010. In 2010, the total expenditure by the ROs amounted to £4,121,863, compared to £3,173,425 in 2010. The corporate procurement expenditure by the ROs reported in this section includes the costs of office maintenance¹³, cleaning, service charges¹⁴, vehicles running costs, 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.

The expenditure shown below excludes the cost of items purchased for the ROs using the centrally managed budget held by the Administration and IT departments. In 2010 CPU awarded 20 contracts for the needs of the ROs with a total value equivalent to £291,711, compared to 11 contracts totalling £307,371 in 2009 (see Table 4).

Table 8: Corporate Procurement Expenditure by the Resident Offices in 2010

	2010		2009	
	Expenditure, £	% of Total	Expenditure, £	% of Total
Moscow	711,766	17%	643,225	20%
Kiev	546,204	13%	327,925	10%
Zagreb	320,800	8%	99,648	3%
Istanbul	285,405	7%	55,517	2%
Almaty	190,493	5%	202,010	6%
Tbilisi	177,483	4%	160,164	5%
Sofia	140,046	3%	70,672	2%
Belgrade	139,362	3%	94,237	3%
Sarajevo	118,929	3%	91,148	3%
St Petersburg	109,770	3%	44,927	1%
Dushanbe	108,267	3%	78,074	2%
Baku	105,186	3%	69,025	2%
Ashgabat	95,550	2%	88,871	3%
Yerevan	94,606	2%	110,681	3%
Astana	92,950	2%	111,595	4%
Skopje	91,814	2%	79,983	3%
Ulanbattar	81,505	2%	44,286	1%
Bishkek	79,810	2%	122,537	4%
Bucharest	72,338	2%	192,380	6%
Bratislava	69,510	2%	42,760	1%
Warsaw	63,627	2%	74,078	2%
Tirana	61,270	1%	52,421	2%
Minsk	58,030	1%	36,850	1%
Podgorica	44,197	1%	39,581	1%
Chisinau	39,245	1%	25,878	1%
Vladivostok	38,404	1%	28,038	1%
Budapest	37,738	1%	54,254	2%
Samara	37,691	1%	23,179	1%
Pristina	30,802	1%	27,730	1%
Vilnius	28,141	1%	29,426	1%
Rostov	24,032	1%	12,329	<1%
Krasnayorsk	14,909	<1%	14,018	<1%
Yekateringberg	11,983	<1%	18,999	1%
Dnipropetrovsk	-	-	6,980	<1%
Total	£4,121,863	100%	£3,173,426	100%

¹² 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.

¹³ 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.

¹⁴ Payment of service charges is the direct responsibility of the ROs and is made locally whenever possible.

4. Analysis of Purchase Orders

The number and value of Purchase Orders (POs) created in the Bank's SAP System in 2010 and 2009 are presented in Table 9 below.

Table 9: Total Value and Number of Purchase Orders in 2010 and 2009

	2010		2009	
	Value, £	Number	Value, £	Number
HQ rent & service charges	20,320,535	4	19,997,730	2
Other POs	36,987,671	4,621	37,323,606	5,727
Total	57,308,206	4,625	57,321,336	5,729

The overview of the SAP POs presented in this section below excludes the rent and service charges for the Headquarters which are not subject to the CPPP.

In full implementation of the CPPP the delegation level at which individual departments require CPU approval for purchase orders was raised from £5,000 to £20,000 in August 2010. Prior to August 2010 all corporate procurement purchase orders with a value greater than £5,000 required CPU's approval. Table 10 below provides a summary of the distribution of the POs by value in 2010 and 2009.

Table 10: Distribution of Purchase Orders by Value

	2010			2009		
	Value, £	% of Total Value	Number	Value, £	% of Total Value	Number
£150K+	16,623,157	45%	35	17,118,217	46%	43
£50K-£150K	7,844,152	21%	95	6,699,145	18%	84
£20K-£50K	4,183,652	11%	142	3,795,470	10%	121
£5K-£20K	4,226,005	12%	420	4,990,225	13%	517
£0-£5K	4,110,705	11%	3,929	4,720,549	13%	4,962
Total	36,987,671	100%	4,621	37,323,606	100%	5,727

In 2010, 21% fewer purchase orders below the threshold for delegated procurement (£20,000) were issued when compared to the same figures for 2009. The overall value of all purchase orders issued within the delegated range fell by 14%. This demonstrates that the increased threshold has not been detrimental to sound purchasing and that the benefits of drawing upon contracted suppliers are being realised. The significantly more efficient process of issuing fewer purchase orders to procure low value of goods, works and services has resulted in fewer transactions and more efficiency for the Bank. It has also replaced previous practices such as the artificial splitting of purchase orders to remain below a threshold

The number and value of the purchase orders are greater than the number and value of the contracts carried out by CPU in 2010. This is because: i) purchase orders are raised against contracts awarded before 2010; ii) some purchase orders are not linked to individual contracts.

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 system which records purchases made under the existing contracts allowing monitoring of utilisation of these contracts. Among the 4,621 POs raised in 2010¹⁵ there were 3,041 stand-alone POs with total value of £6,830,822, and 1,580 POs with a aggregate value of £30,156,849 linked to a contract record in the Bank's SAP system . As shown in Table 11 overleaf, in 2010 there was a significant increase in the number and value of POs linked under the SAP system compared to 2009, thus enabling more effective monitoring of the POs activity by the User Department against existing contracts by CPU.

¹⁵ Excluding four POs under the SAP Contract Records system for the Headquarters rent and services charges totalling £20,320,535.

Table 11: Stand Alone Purchase Orders and those under SAP Contract Records in 2010 and 2009

	2010		2009	
	Value, £	Number	Value, £	Number
Stand Alone POs	6,830,822	3,041	14,500,844	4,950
POs under SAP Contract Records	30,156,849	1,580	22,822,762	777
Total	36,987,671	4,621	37,323,606	5,727

Table 12 below details the value and number of the purchase orders by the User Departments¹⁶, excluding Headquarters' rent and service charges, in 2010 and 2009.

Table 12: Value and Number of Purchase Orders by EBRD Department* in 2010 and 2009

	2010						2009	
	Stand-Alone POs		POs under SAP Contract Records		Total		Total	
	Value, £	No	Value, £	No	Value, £	No	Value, £	No
Finance	698,124	194	2,038,247	77	2,736,371	271	16,399,176	947
Risk and Resources*	4,097,077	1,035	24,967,328	850	29,064,405	1,885	n/a	n/a
Environment, Procurement and Administration*	n/a	n/a	n/a	n/a	n/a	n/a	10,037,415	943
Risk Management, Human Resources and Nuclear Safety	n/a	n/a	n/a	n/a	n/a	n/a	3,396,363	565
Banking Department	872,884	833	419,931	368	1,292,815	1,201	2,277,889	1,628
Office of the Chief Economist	97,283	35	87,135	18	184,417	53	1,597,558	180
Resident Offices	-	-	-	-	-	-	1,163,374	547
Office of the General Counsel	76,558	60	177,049	49	253,608	109	1,143,809	270
Office of the Secretary General	356,821	404	489,017	35	845,838	439	683,244	256
Communications	458,400	274	1,828,501	94	2,286,901	368	338,127	137
Operational Policies	56,377	88	109,286	47	165,663	135		
Board of Directors	64,743	80	28,595	32	93,339	112	186,481	198
Office of the Chief Compliance Officer	6,725	11	3,020	6	9,745	17	65,628	18
Evaluation Department	31,992	15	8,738	4	40,730	19	19,158	15
President's Office	11,537	6	0	0	11,537	6	11,947	18
Internal Audit	2,300	6	0	0	2,300	6	3,437	5
Total	6,830,822	3,041	30,156,849	1,580	36,987,671	4,621	37,323,606	5,727

*Excludes Headquarters rent and service charges

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 2010 is presented in Tables 13 & 14.

Table 13: Distribution of Purchase Orders linked to a contract record in the Bank's SAP system by EBRD Department by Value Range in 2010

	£0-£5K		£5K-£20K		£20K-£50K		£50K-£150K		£150K+	
	Value, £	No	Value, £	No	Value, £	No	Value, £	No	Value, £	No
Banking	234,506	350	152,389	17	33,037	1	0	0	0	0
Board of Directors	28,595	32	0	0	0	0	0	0	0	0
Communications	90,918	46	226,932	23	415,212	14	938,208	10	157,231	1
Evaluation	3,015	3	5,723	1	0	0	0	0	0	0
Finance	40,529	31	307,714	24	268,113	8	1,096,929	13	324,962	1
OCCO	3,020	6	0	0	0	0	0	0	0	0
OCE	17,733	13	39,402	4	30,000	1	0	0	0	0
OGC	64,355	44	27,341	3	21,353	1	64,000	1	0	0
Operational Policies	54,267	41	55,019	6	0	0	0	0	0	0
OSG	27,577	17	106,473	11	102,719	4	252,249	3	0	0
Risk and Resources	752,916	456	2,259,401	227	2,476,765	84	4,417,791	54	15,060,455	29
Total	1,317,431	1,039	3,180,394	316	3,347,199	113	6,769,177	81	15,542,648	31

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

Table 14: Distribution of Stand-Alone Purchase Orders by EBRD Department by Value Range in 2010

	£0-£5K		£5K-£20K		£20K-£50K		£50K-£150K		£150K+	
	Value, £	No	Value, £	No	Value, £	No	Value, £	No	Value, £	No
Banking	580,322	826	51,945	4	22,520	1	218,097	2	0	0
Board of Directors	50,306	78	14,437	2	0	0	0	0	0	0
Communications	258,620	264	73,892	7	68,395	2	57,493	1	0	0
Evaluation	21,463	14	10,529	1	0	0	0	0	0	0
Finance	238,634	177	76,964	11	43,594	2	338,932	4	0	0
Internal Audit	2,300	6	0	0	0	0	0	0	0	0
OCCO	6,725	11	0	0	0	0	0	0	0	0
OCE	25,774	30	25,675	3	45,833	2	0	0	0	0
OGC	43,584	56	32,974	4	0	0	0	0	0	0
Operational Policies	56,377	88	0	0	0	0	0	0	0	0
OSG	221,126	400	35,695	3	100,000	1	0	0	0	0
President's Office	1,120	5	10,417	1	0	0	0	0	0	0
Risk and Resources	1,286,922	935	713,083	68	656,110	22	360,454	6	1,080,509	4
Total	2,793,274	2,890	1,045,611	104	936,453	30	974,975	13	1,080,509	4

5. Contract Records

In 2010, CPU continued to systematically enhance the number and accuracy of contract records in the Bank's SAP system 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 expenditure per contract by the User Departments.

Table 15 below provides a summary of contracts in the Bank's SAP system which were active in 2010, i.e. contracts that commenced either during or before 2010 with an expiry date during or after 2010.

Table 15: Number of Contracts with a corresponding contract record in the Bank's SAP System by EBRD Department

Year of Issue	Number of active contracts in 2010	Aggregate Value of Active Contracts in 2010	Percentage of Aggregate Value	Expenditure in 2010	Percentage of Expenditure
1993-2005	22	£5,985,941.57	22.70%	£1,358,559.66	4.50%
2006	11	£10,681,394.32	24.21%	£2,586,161.57	8.58%
2007	7	£5,850,786.00	35.08%	£2,052,406.26	6.81%
2008	40	£26,688,425.19	26.43%	£7,053,717.47	23.39%
2009	73	£34,523,198.09	19.41%	£6,700,674.99	22.22%
2010	237	£36,563,315.87	28.46%	£10,405,329.14	34.50%
Total	390	£120,293,061.04	25.07%	£30,156,849.10	100.00%

Table 15 demonstrates that over 80% of expenditure under contract in 2010 was made under contracts issued since 2008. As earlier illustrated in Table 1 this period has seen a sharp increase in the number of contracts awarded and utilised. Greater use of contracts has generated significant efficiency gains for the Bank as well as putting sound contract terms and conditions in place to protect the Bank's interests.

6. Corporate Procurement Review Committee

During 2010, 43 submissions were received by the CPRC as listed in Table 16 overleaf. The submissions reviewed by the CPRC included:

- 9 major new contract approvals¹⁷ with a potential aggregate value of £12,122,309;
- 18 directly awarded contracts / extensions in compliance with the Exceptions to Competitive Procurement (CPP, Section 6.4), with an aggregate value of £4,235,473;
- One retroactive contract awards for the Moody's Risk Ratings Services Contract 2010-2011.

The discrepancy between number and value of major contract approvals reviewed by CPRC and major contract awards listed in Table 1 of the Annex 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 2010.

In addition, the CPRC reviewed four 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.

¹⁷ Contracts estimated to cost £150,000 or above

Table 16: Projects reviewed by the Corporate Procurement Review Committee in 2010

Date	Approval Granted For	Duration	Value ¹⁸	Procurement method
14/01	Extension	Unchanged	£155,650	Direct 6.4(b) CPPP**
14/01	Contract Award	1 yr	£25,141	Direct 6.4(b) CPPP**
14/01	Contract Award*	1 yr	£229,728	Direct 6.4(b) CPPP**
21/01	Contract Award	3 yrs	As required	Competitive
11/02	Contract Award	7 yrs +1+1	£3,763,107	Competitive
18/03	Retroactive ***	1 yr	£157,231	Direct 6.4(b) CPPP**
25/03	Contract Award	1 yr	USD 40,000	Direct 6.4(b) CPPP**
06/05	Extension	1 yr	£1,722,729	Competitive
06/05	Project plan	6 months	£576,000	Competitive
17/06	Extension	2 yrs	£72,000	Direct 6.4(b) CPPP**
08/07	Contract Award	Unchanged	£95,400	Direct 6.4(b) CPPP**
22/07	Extension	1 yr	£240,000	Competitive
22/07	Contract Award*	1 yr	£300,000	Competitive
29/07	To be resubmitted to CPRC 8/5/2011			
05/08	Extension	4 months	£333,333	Competitive
05/08	Contract Award	1 yr	£100,000	Direct 6.4(b) CPPP**
26/08	Contract Award	9 months	£86,705	Direct 6.4(d) CPPP**
23/09	Contract Award	3 yrs	£90,000	Direct 6.4(b) CPPP**
21/10	Contract Award*	3 yrs	£195,000	Direct 6.4(b) CPPP**
21/10	Project plan			
22/10	Extension	2 yrs	£1,299,885	Competitive
22/10	Approved	Unchanged	£75,000	Direct 6.4(b) CPPP**
22/10	Approved	3 yrs	Framework	Competitive
04/11	Contract Award*	2 yrs	£900,000	Competitive
04/11	Approved	5 months	£650,000	Competitive
04/11	Project plan	3 yrs	£3,000,000	Competitive
18/11	Extension	3 yr	£263,964	Competitive
18/11	Extension	5 yrs	£1,625,344	Direct 6.4(b) CPPP**
18/11	Extension	1 yr	£486,000	Competitive
26/11	Contract Award*	3 yrs	£2,117,311	Competitive
26/11	Contract Award	3 yrs +1+1	As required	Competitive
26/11	Project plan	1 yr	£270,000	Competitive
02/12	Contract Award	3 yrs	£127,437	Competitive
09/12	Contract Award	2 yrs	As required	Competitive
09/12	Contract Award*	1 yr	£458,640	Direct 6.4(c) CPPP**
09/12	Contract Award	1 yr	£68,134	Direct 6.4(c) CPPP**
09/12	Contract Award	1 Yr	£147,500	Direct 6.4(a) CPPP**
09/12	Contract Awards	Various	£120,000	Direct 6.4a,b CPPP**
16/12	Extension	Unchanged	£500,000	Direct 6.4(b) CPPP**
16/12	Contract Award*	1 yr	£1,121,292	Competitive
16/12	Contract Award	1 yr	£130,416	Competitive
16/12	Contract Award*	4 yrs	£2,880,000	Competitive
20/12	Tender cancellation			

* Major new contract awards

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

*** Retroactive contract awards

¹⁸ The value approved by CPRC is not necessarily the contracted value and therefore may not correspond to contract value. For example, the value for the Group Medical Insurance Plan Services is shown as £3,763,107, however this is a framework agreement that does not have a defined value and no purchase orders as payments are made from the Bank's staff contributions

Table 1 - Major Contracts in 2010

	Dept	Contract Title	Procurement Method	Procurement Threshold	Value, £	Contract type*
1	Admin	Provision of HQ Cleaning Services	Extension	£150K+	1,299,885	FT
2	Admin	Provision of HQ Catering Service	Extension	£150K+	1,044,387	FT
3	IT	IT Helpdesk	Extension	£150K+	876,640	FT
4	IT	Provision of Risk Management Programme Software Licenses	Extension	£150K+	537,813	FA
5	Admin	Provision of Stationery & Office Consumables	Extension	£150K+	416,000	FA
6	Admin	Ergonomic Office Seating	Competitive	£150K+	328,262	FA
7	Admin	Provision of Courier Services	Direct Contracting	£150K+	310,000	FT
8	IT	Provision of BAS MIS	Extension	£150K+	284,510	FA
9	IT	SAP Support and Consultancy Services	Competitive	£150K+	280,420	FA
10	IT	Accurate Software License Agreement	Extension	£150K+	263,964	FT
11	IT	Mobile Telephone Services	Extension	£150K+	250,000	FT
12	IT	Provision of Laptop Computers	Competitive	£150K+	248,891	FA
13	HR	Corporate Gym Subscription 2011	Extension	£150K+	246,000	FT
14	HR	International Removals, Insurance and Storage Services	Competitive	£150K+	245,674	FA
15	OSG	Conference Management Services for 2011 Annual Meeting	Extension	£150K+	234,809	FA
16	HR	International Removals, Insurance and Storage Services	Competitive	£150K+	226,199	FA
17	Admin	Provision of Partitioning for EBRD HQ	Competitive	£150K+	210,894	FA
18	HR	Corporate Gym Membership Subscription 2010	Direct Contracting	£150K+	186,766	FA
19	Admin	Supply & Installation of Variable Speed Drives at HQ	Extension	£150K+	171,004	FT
20	Treasury	Markit Software License Subscription for Treasury	Direct Contracting	£150K+	169,025	FA
21	BIC	Subscription to Moody's	Direct Contracting	£150K+	157,231	FT
Major Contracts with Total Value					£7,988,374	

* FT – flow-through, FA – framework agreement, FC – fixed price

Table 2 - Long term Contracts awarded or extended in 2010

Dept	Contract Title	Procurement Method	Procurement Threshold	Value*, £	Duration	Contract type
Admin	Ergonomic Office Seating	Competitive	£150K+	75,500	3 yrs	FA
IT	Provision of BAS MIS	Extension	£150K+	284,510	3 yrs	FA
HR	International Removals, Insurance and Storage Services	Competitive	£150K+	8,281	3 yrs	FT
HR	International Removals, Insurance and Storage Services	Competitive	£150K+	328,262	3 yrs	FA
Admin	Offsite Storage Services	Competitive	£50K-£150K	148,608	5 yrs	FT
IT	SAP Support & Development Services	Extension	£150K+	226,199	5 yrs	FA
IT	Customer Maintenance & Support	Direct Contracting	£50K-£150K	58,917	2 yrs	FT
HR	Language Training Contract	Competitive	£150K+	55,080	3 yrs	FT
Admin	CCTV Access Control System Preventative Maintenance	Competitive	£50K-£150K	13,230	5 yrs	FT
Admin	Maintenance of Window Cleaning Access Equipment	Competitive	£50K-£150K	26,970	5 yrs	FT
Admin	Leasing and Maintenance of plants	Competitive	£20K-£50K	0	3 yrs	FA
IT	Subscription to IT Corporate Forum	Direct Contracting	£20K-£50K	11,760	2 yrs	FT
BIC	Subscription to Oxford Analytica	Direct Contracting	£20K-£50K	33,790	2 yrs	FT
HR	Framework for Temporary Assignment Services	Competitive	£20K-£50K	0	2 yrs	FA
Admin	Leasing and Maintenance of water dispensers for HQ	Competitive	£20K-£50K	0	3 yrs	FA
Admin	Provision of Maintenance Uninterrupted power supply	Direct Contracting	£20K-£50K	0	3 yrs	FA
Banking	Subscription Endorsement	Direct Contracting	£5K-£20K	0	2.5 yrs	FA
HR	Framework for Permanent Recruitment Services	Competitive	£50K-£150K	30,045	2 yrs	FT
Admin	Escalator Maintenance Services	Competitive	£5K-£20K	28,707	3 yrs	FA
IT	BLQTE006430 Bacs Maintenance Software	Direct Contracting	£5K-£20K	13,338	3 yrs	FA
Admin	Chiller Maintenance Services	Extension	£5K-£20K	245,674	2 yrs	FA
Admin	X-Ray Scanning Machine Maintenance	Direct Contracting	£5K-£20K	33,635	5 yrs	FP
Banking	fDi Intelligence Database	Direct Contracting	£5K-£20K	71,725	1.5 yrs	FT
Admin	Provision of Maintenance Services for Fire Shutters	Direct Contracting	£0-£5K	21,763	3 yrs	FT
Admin	Office Furniture for 155 & 175 Bishopsgate	Competitive	£150K+	0	3 yrs	FA
HR	Framework for Permanent Recruitment services	Competitive	£50K-£150K	0	2 yrs	FA
HR	Framework for Temporary Assignment Services	Competitive	£50K-£150K	1,806	3 yrs	FT
HR	Framework for Permanent Recruitment Services	Competitive	£50K-£150K	5,750	3 yrs	FT
HR	Framework for Temporary Assignment Services	Competitive	£50K-£150K	0	3 yrs	FA
HR	Temporary Recruitment Framework	Competitive	£50K-£150K	6,642	2 yrs	FT
HR	Permanent Recruitment Framework	Competitive	£50K-£150K	59,440	3 yrs	FA
Finance	Debt Collection Services (Amendment no 1)	Direct Contracting	£50K-£150K	17,550	2 yrs	FT

* The value of a framework agreement is reported as the aggregate value of all Purchase Orders raised under this framework agreement in 2010

Table 3 - List of Exceptions to Competitive Procurement approved in 2010

Type	Procurement Threshold	Value	Nature of Exception
Contract	£5K-£20K	£9,000.00	Direct (§ 6.4 CPP)
Extension	£150K+	£263,964	Direct (§ 6.4(b) CPP)
Amendment	£20K-£50K	£35,207	Direct (§ 6.4 CPP)
Extension	£150K+	£1,625,344	Direct (§ 6.4(b) CPP)
Extension	£150K+	£72,000	Direct (§ 6.4(b) CPP)
Extension	£150K+	£155,650	Direct (§ 6.4(b) CPP)
Extension	£50K-£150K	£75,000	Direct (§ 6.4(b) CPP)
Extension	£50K-£150K	£90,000	Direct (§ 6.4 CPP)
Extension	£5K-£20K	£5,924	Direct (§ 6.4 CPP)
Amendment	£5K-£20K	£8,235	Direct (§ 6.4 CPP)
Extension	£150K+	£500,000	Direct (§ 6.4(b) CPP)
Contract	£5K-£20K	£15,124	Direct (§ 6.4 CPP)
Contract	£150K+	£195,000	Direct (§ 6.4(b) CPP)
Direct	£5K-£20K	£11,760	Direct (§ 6.4 CPP)
Contract	£50K-£150K	£149,905	Direct (§ 6.4 CPP)
Contract	£5K-£20K	£18,453	Direct (§ 6.4 CPP)
Contract	£5K-£20K	£9,800	Direct (§ 6.4 CPP)
Contract	£5K-£20K	£12,000	Direct (§ 6.4 CPP)
Contract	£5K-£20K	£5,200	Direct (§ 6.4 CPP)
Contract	£20K-£50K	£25,141	Direct (§6.4(b) CPP)
Contract	£150K+	£229,728	Direct (§ 6.4(c) CPP)
Contract	£0-£5K	£3,890	Direct (§ 6.4 CPP)
Contract	£50K-£150K	£85,750	Direct (§ 6.4 CPP)
Contract	£0-£5K	£1,499	Direct (§ 6.4 CPP)
Contract	£50K-£150K	£69,103	Direct (§ 6.4 CPP)
Contract	£50K-£150K	£85,000	Direct (§ 6.4 CPP)
Contract	£20K-£50K	£35,000	Direct (§ 6.4 CPP)
Contract	£20K-£50K	£30,045	Direct (§ 6.4 CPP)
Contract	£5K-£20K	£20,000	Direct (§ 6.4 CPP)
Direct	£20K-£50K	£29,072	Direct (§ 6.4 CPP)
Contract	£5K-£20K	£6,240	Direct (§ 6.4 CPP)
Contract	£5K-£20K	£12,668	Direct (§ 6.4 CPP)
Contract	£20K-£50K	£24,720	Direct (§ 6.4 CPP)
Contract	£150K+	£157,231	Direct (§ 6.4(c) CPP)
Direct	£5K-£20K	£12,000	Direct (§ 6.4 CPP)
Direct	£50K-£150K	£84,815	Direct (§ 6.4 CPP)
Direct	£50K-£150K	£95,400	Direct (§ 6.4 CPP)
Contract	£0-£5K	£790	Direct (§ 6.4 CPP)
Direct	£5K-£20K	£12,000	Direct (§ 6.4 CPP)
Contract	£20K-£50K	\$40,000	Direct (§ 6.4(c) CPP)
Direct	£5K-£20K	£7,302	Direct (§ 6.4 CPP)
Direct	£20K-£50K	£37,047	Direct (§ 6.4 CPP)
Contract	£5K-£20K	£11,000	Direct (§ 6.4 CPP)
Direct	£5K-£20K	£12,295	Direct (§ 6.4 CPP)
Direct	£20K-£50K	£43,576	Direct (§ 6.4 CPP)
Contract	£50K-£150K	£71,725	Direct (§ 6.4 CPP)
Contract	£5K-£20K	£5,040	Direct (§ 6.4 CPP)
Contract	£20K-£50K	£44,210	Direct (§ 6.4 CPP)
Contract	£5K-£20K	£8,000	Direct (§ 6.4 CPP)
Contract	£20K-£50K	£21,763	Direct (§ 6.4 CPP)
Direct	£5K-£20K	£1,806	Direct (§ 6.4 CPP)
Direct	£150K+	£310,000	Direct (§ 6.4 CPP)
Direct	£20K-£50K	£27,000	Direct (§ 6.4 CPP)
Direct	£5K-£20K	£8,000	Direct (§ 6.4 CPP)
Direct	£5K-£20K	£5,750	Direct (§ 6.4 CPP)
Direct	£0-£5K	USD 6072	Direct (§ 6.4 CPP)

Table 3 (cont.) - List of Exceptions to Competitive Procurement approved in 2010

Type	Procurement Threshold	Value	Nature of Exception
Direct	£5K-£20K	£6,642	Direct (§ 6.4 CPP)
Direct	£5K-£20K	£17,912	Direct (§ 6.4 CPP)
Contract	£50K-£150K	£95,400	Direct (§ 6.4(c) CPP)
Contract	£5K-£20K	£13,987	Direct (§ 6.4 CPP)
Direct	£20K-£50K	Variable	Direct (§ 6.4 CPP)
Contract	£5K-£20K	£5,750	Direct (§ 6.4 CPP)
Contract	£5K-£20K	£17,581	Direct (§ 6.4 CPP)
Contract	£5K-£20K	£8,100	Direct (§ 6.4 CPP)
Direct	£20K-£50K	£27,100	Direct (§ 6.4 CPP)
Direct	£5K-£20K	€12300	Direct (§ 6.4 CPP)
Amendment	£0-£5K	£4,400	Direct (§ 6.4 CPP)
Direct	£20K-£50K	Variable	Direct (§ 6.4 CPP)
Contract	£20K-£50K	£30,000	Direct (§ 6.4 CPP)
Direct	£20K-£50K	£29,874	Direct (§ 6.4 CPP)
Contract	£5K-£20K	£17,550	Direct (§ 6.4 CPP)
Contract	£50K-£150K	£86,705	Direct (§ 6.4(d) CPP)
Contract	£5K-£20K	£9,641	Direct (§ 6.4 CPP)
Contract	£0-£5K	£3,945	Direct (§ 6.4 CPP)
Contract	£20K-£50K	£25,000	Direct (§ 6.4 CPP)
Contract	£20K-£50K	£23,000	Direct (§ 6.4 CPP)
Contract	£0-£5K	£3,200	Direct (§ 6.4 CPP)
Contract	£20K-£50K	€30,000	Direct (§ 6.4 CPP)
Contract	£150K+	£246,000	Direct (§ 6.4 CPP)
Contract	£150K+	£458,640	Direct (§ 6.4(c) CPP)
Contract	£20K-£50K	£34,504	Direct (§ 6.4 CPP)
Contract	£50K-£150K	£68,134	Direct (§ 6.4(c) CPP)
Contract	£5K-£20K	£11,500	Direct (§ 6.4 CPP)
Contract	£5K-£20K	£12,472	Direct (§ 6.4 CPP)
Contract	£5K-£20K	£14,995	Direct (§ 6.4 CPP)
Contract	£20K-£50K	£47,000	Direct (§ 6.4 CPP)
Contract	£50K-£150K	£147,500	Direct (§ 6.4(a) CPP)
Contract	£50K-£150K	£100,000	Direct (§ 6.4 CPP)
Contract	£50K-£150K	£90,000	Direct (§ 6.4(b))
Contract	£50K-£150K	£120,000	Direct (§.6.4(a)& (b))