



Advocacy Center
for **Democratic Culture**

PROCUREMENT AND CONTRACTING MANAGEMENT POLICY



List of abbreviations:

FM - Financial Manager
PC - Procurement Committee
PM - Program Manager
PR - Purchase Requisition
PO - Purchase Order
IP - Implementing Partner

TABLE OF CONTENT

1 PURPOSE.....	5
2 FOCAL POINT	5
3 EFFECTIVE DATE AND APPLICABILITY.....	5
4 SCOPE	5
4.1 INCLUSIONS.....	5
4.2 EXCLUSIONS	6
5 GENERAL PROVISIONS	6
5.1 DEFINITIONS.....	6
5.2 NGO ACDC’s PROCUREMENT PRINCIPLES AND ETHICS.....	6
5.3 BEST VALUE FOR MONEY	6
5.4 ENVIRONMENTAL SUSTAINABILITY.....	7
5.5 PROCUREMENT AND CONTRACTING MANAGEMENT POLICY	7
6 OVERALL RESPONSIBILITIES	7
6.1 AUTHORITY OF FINANCIAL MANAGERS	7
6.2 RESPONSIBILITY OF FINANCIAL MANAGER	8
6.3 THE DUAL-APPROVAL SYSTEM.....	8
6.4 PROGRAMMATIC APPROVAL	8
6.5 ADMINISTRATIVE APPROVAL	8
7 CONTRACT APPROVAL LEVELS.....	9
7.1 CONTRACT AWARDS	9
8 TYPES AND APPLICABILITY OF PROCUREMENT PROCEDURES.....	9
8.1 PROCUREMENT PLANNING	9
8.2 CALCULATING CONTRACT VALUES.....	10
8.3 PROGRAMMATIC COMPLETION OF PURCHASE REQUISITION	10
8.4 SELECTION OF SOURCING CHANNEL.....	10
8.4.1 Window Contracts	10
8.4.2 Procurement Procedures.....	11
8.4.3 Sole-Source Contracting	12
8.4.4 Operational Advance	14
8.4.5 Petty Cash	14
8.5 MANAGEMENT OF PROCUREMENT PROCEDURES	14
8.5.1 Advertising	14
8.5.2 Signing of Contracts	14
9 NGO ACDC PROCUREMENT COMMITTEE.....	15

9.1 Objective	15
9.2 Establishment	15
10 NGO ACDC WINDOW CONTRACTS	15
10.1 GUIDING PRINCIPLES.....	15
10.2 DEFINITION.....	15
10.3 CORPORATE AND LOCAL WINDOW CONTRACTS	16
10.3.1 Local Window Contract.....	16
11 EXCEPTION REPORTS	16
APPENDIX 1 Procurement Committee Terms of Reference and Standard Operating.....	17
1a. Terms of Reference	17
2. Procurement Committee Standard Operating Procedures.....	17

1 PURPOSE

NGO ACDC annually entrust the organization with of money to be spent through procurement and contracting. With regard to these two areas, this Procurement Policy (Financial / Administrative Instruction) is issued to strengthen commitment to and compliance with the principles of best value for money, fairness, integrity, transparency and effective competition.

Procurement Policy covers Goods, Services and Works that are procured by Executive Structures and Programs, whether for the NGO ACDC itself, third-party beneficiaries or Implementing Partners. Procurement Policy provides all Financial Manager (FM), Program Manager (PM and other relevant NGO ACDC officials with direction in procurement and contracting, and further defines the terms of reference for Procurement Committee.

2 FOCAL POINT

The Chief of Administration, Procurement and Contracting of NGO ACDC is the focal point for procurement is responsible for:

- monitoring its proper application throughout the organization;
- regularly reviewing and updating this policy;
- ensuring that this policy is consistent with the Procurement and Contracting Policy
- providing common interpretations and clarifications in its application;
- rendering assistance on related technical issues and procurement management support;
- advising the organization of any required adjustments or revisions to this policy.

3 EFFECTIVE DATE AND APPLICABILITY

This Procurement Policy is effective from 1 January 2012 and defines instructions in the context of procurement and contracting.

The revision of the Procurement policy from 1 January 2012 has been amended upon immediate recommendation of the Audit Company and approved by the Executive Board of NGO ACDC.

4 SCOPE

4.1 INCLUSIONS

Procurement Policy regulates the procurement of Goods, Services and Works for all NGO ACDC officials irrespective of the source of funding.

Staff of Executive Structures – primarily Executive Director, Financial Manager, Program Manager, – are advised that other sources within the Procurement Committee as well as guidelines affect procurement and contracting. Among them are:

- the Code of Conduct, which creates an obligation for all NGO ACDC staff to protect the NGO ACDC’s resources and to act impartially;
- the provisions, which supports this Procurement Policy with more detailed explanations and contains standard approved NGO ACDC’s procurement and contracting forms and templates.

4.2 EXCLUSIONS

Procurement Policy does not apply to the selection of Implementing Partners (IPs).

However, procurements made on behalf of IP or within the framework of project implementation, Implementation Partner shall also be consulted;

5 GENERAL PROVISIONS

5.1 DEFINITIONS

Throughout Procurement Policy “procurement” refers to the entire process of acquiring Goods, Services or Works, including through competitive processes (i.e. the preparation of Bidding Documents, management of the bidding process, receipt, opening, examination and evaluation of Bids and post-qualification) or by sole-source contracting. “Contracting” includes all aspects relating to the preparation, negotiation and execution of contracts as well as their management and administration.

As used throughout this Procurement Policy references to any NGO ACDC’s officials are also deemed to refer to his or her alternate or delegate unless the context requires otherwise.

5.2 NGO ACDC’S PROCUREMENT PRINCIPLES AND ETHICS

It is imperative that all transactions encumbering NGO ACDC resources are carried out to the highest ethical standards and comply with the principles of best value for money, fairness, integrity, non-discrimination, transparency and effective competition, and are perceived as such by donors.

With due regard to the aforementioned procurement principles and ethics, NGO ACDC officials responsible for the management of procurement and contracting processes and activities shall ensure that the Organization’s financial resources are committed in the most efficient manner consistent with delivering operational effectiveness. All NGO ACDC officials participating or involved in any aspect of the procurement and/or contracting process shall strictly abide by the NGO ACDC Code of Conduct.

5.3 BEST VALUE FOR MONEY

The concept of *best value for money* underlies all NGO ACDC procurement and contracting. In practical terms, “best value for money” relates to the following four areas:

1. All assets for which Common Technical Standards have been developed are normally covered by Corporate Window Contracts. Requisitions for any such assets do not require a separate Procurement Procedure. For purposes of efficiency and cost-effectiveness, Financial Manager shall, as a first option, requisition assets that can be sourced against existing Window Contracts.

2. Life-cycle costs: When relevant, best value for money takes into account not only the purchase price of a Good but also the total direct and indirect costs relating to the acquisition, operation and disposal. By itself or in combination with environmental sustainability, this principle may therefore justify a procurement that is initially more expensive but promotes savings over a longer term.

3. Best business practices: Best value for money may incorporate best business practices in supply chain management, including the establishment of long-term relationships with private-sector companies and frame work agreements. Accordingly, a collaborative procurement and/or contract with another international organization, company or Implementing Partner may be considered if it results in volume discounts or provides added value to the NGO ACDC.

4. Contract award criteria: Except for certain complex procurements, a contract award should be issued to the Bidder having submitted the lowest evaluated price among all substantially responsive Bids that were also deemed to be technically compliant.

In order to achieve best value for money, NGO ACDC officials shall ensure that each procurement:

- maximizes competition;
- adheres to the NGO ACDC's specifications;
- ensures that evaluation and contract-award criteria are proportionate and directly related to the type and nature of the procurement and respect best value for money; and
- best meet the requirements of the NGO ACDC.

5.4 ENVIRONMENTAL SUSTAINABILITY

The NGO ACDC recognizes sustainable procurement as a process whereby the NGO ACDC meets its needs for Goods, Services, and Works in an ecologically sound manner.

Sustainability initiatives may seek to lower carbon emissions from offices and motor vehicles, to reduce waste and/or increase recycling or to decrease water consumption and increase energy efficiency.

To the extent reasonable, Program Manager and Financial Manager are encouraged to emphasize sustainability in procurement by taking the above considerations into account.

5.5 PROCUREMENT AND CONTRACTING MANAGEMENT POLICY

The Procurement and Contracting Management Policy provides more detailed information and guidance on the procurement and contracting processes.

6 OVERALL RESPONSIBILITIES

6.1 AUTHORITY OF FINANCIAL MANAGERS

According to the NGO ACDC's internal policy, Financial Manager are authorized to procure Goods, Services and Works for the purpose of implementing Programs and Projects that are approved under the Unified Budget or under extra-budget refunding and that:

- are required to achieve Program Objectives and Outputs;
- comply with Program budgets and Program allotments;

6.2 RESPONSIBILITY OF FINANCIAL MANAGER

Procurement Policy bear ultimate responsibility for ensuring that all Goods, Services and Works are procured and managed in compliance with Procurement Policy. NGO ACDC shall ensure that adequate staff is recruited to support specific extra-budgetary projects with a particular attention to Project Personnel paid from Extra-Budgetary Funds.

Recruitment of temporary staff shall be funded from the relevant extra-budgetary contribution, and Project Managers shall take associated costs into account in project budget planning.

In order to sustain the procurement procedures described herein, the Financial Manager (FM) shall ensure that for all key personnel involved in the approval process one alternate is identified. Each alternate will assume full rights and responsibilities in his /her absence.

6.3 THE DUAL-APPROVAL SYSTEM

As a safeguard for the proper use of its financial resources, the NGO ACDC applies a dual-approval system. For this purpose, the NGO ACDC distinguishes between programmatic and administrative approval. Together, the programmatic and administrative approvals create a management decision, making the procurement of Goods, Services and Works as joint responsibility.

6.4 PROGRAMMATIC APPROVAL

Programmatic approval is carried out by the Executive Director or, under his or her delegated authority, by the Financial Manager. Programmatic approval serves as the Executive Director or Financial Managers' certification that Goods, Services or Works are required for achieving a respective Program Objective or Output. Thus, the Executive Director or Financial Managers is responsible for the effective use of Program resources. For each Program, the Executive Director or Financial Managers, when and as appropriate:

- initiates and approves the Purchase Requisition (PR) by determining, as appropriate, the Technical Specifications,
- Terms of Reference, Scope of Works or other details required to conduct the procurement;
- participates in evaluation and gives programmatic approval to its results and award recommendation; and
- monitors the Contractor's performance and accepts or rejects Goods, Services or Works.

6.5 ADMINISTRATIVE APPROVAL

Administrative approval, as granted by the Financial Manager, serves as confirmation that the relevant action complies with the approved policy.

The Financial Manager is responsible for ensuring compliance with Procurement Policy and for the efficient use of NGO ACDC resources. For each Program, the Financial Manager, when and as appropriate:

- approves the PR;
- reviews the Technical Specifications, Terms of Reference or Scope of Works, as applicable, with the NGO ACDC 's procurement principles;
- approves the relevant contract, or any extension, continuation, amendment or early termination thereof; and
- approves payment upon the acceptance of Goods, Services or Works by the Program Manager.

7 CONTRACT APPROVAL LEVELS

7.1 CONTRACT AWARDS

The following table establishes administrative approval authority for contract awards for the Executive Structure as defined periodically by the Executive Director. Department for Management and Administration and Finance: (a) Large Executive Structures; and (b) Small Executive Structures.

Contract Value Level	Administrative Approval Authority	
	Large Executive Structure	Small Executive Structure
Low Value Contract < €1000	Financial Manager	Financial Manager
Medium Value Contract €1000 < €10,000	Financial Manager	Financial Manager
High Value Contract _ €10,000	Procurement Committee	Procurement Committee
Corporate Window Contract <i>All values</i>	Financial Manager / Procurement Committee	Financial Manager / Procurement Committee

8 TYPES AND APPLICABILITY OF PROCUREMENT PROCEDURES

8.1 PROCUREMENT PLANNING

Sound planning of procurement is crucial in ensuring that programmatic objectives are met on a timely basis and within budget. Accordingly, Program Manager shall forecast which Goods, Services and Works are required to meet Program objectives, when they shall be delivered and which Technical Specifications and/or Terms of Reference are required.

Early administrative involvement in this process is essential, and therefore it is the obligation of the Program Manager to provide the relevant Financial Manager with advance notice of proposed

procurements in conjunction with the preparations of the Program Outline or Project Proposal, or other project documents as relevant. Procurement plans shall be developed by the Program Manager in cooperation and consultation with the Financial Manager in a timely manner and at least on an annual basis.

Consistent with the importance of forward planning, Sole-Source Contracting may not be used when a perceived extreme urgency or emergency can be attributed to the negligent or purposeful acts or omissions of the Program Manager and/or the Financial Manager.

8.2 CALCULATING CONTRACT VALUES

For Goods, Services and Works, in determining the appropriate Procurement Procedure and approval authority the estimated contract value shall be calculated on the basis of all actual and reasonably foreseeable costs (applicable taxes, duties and impositions, provided that they are payable by the NGO ACDC) over the aggregate duration of the contract.

With regard to valuation of a contract, the following shall be prohibited: (a) selection or use of a valuation method for the purpose of lowering the estimated amount below an applicable threshold; or (b) splitting a Purchase Request into predetermined sets and scopes of requirements for the purpose of lowering the respective estimated amount below an applicable threshold.

If the Program Manager has reasonable evidence that the relevant contract also may be required in a future budget allotment period(s), he or she shall inform the Financial Manager accordingly, and the Financial Manager shall apply the valuation method as described in the Procurement and Contracting Management Policy when determining the appropriate Procurement Procedure and aggregate duration of the contract under consideration.

8.3 PROGRAMMATIC COMPLETION OF PURCHASE REQUISITION

The Program Manager shall ensure that sufficient funds are available in respect to the relevant budget allotment of his or her Program. In the event that the requisitioned funds are insufficient to achieve the relevant programmatic objective, a revision of the relevant (a) budget, (b) Program or (c) budget line may be considered. Additionally, the Purchase Request should contain information that is sufficiently detailed to enable the Procurement Committee to proceed with the procurement.

8.4 SELECTION OF SOURCING CHANNEL

Following approval of the Executive Director the Financial Manager is obliged to source the requisitioned Goods, Services or Works efficiently and cost effectively.

For the procurement of any Goods, Services or Works, the Financial Manager may consider any or several of the following options:

- (a) Window Contracts;
- (b) Procurement Procedures;
- (c) Operational Advances; and
- (d) Petty Cash.

8.4.1 Window Contracts

Once it is ascertained that part or parts of the Purchase Request can be sourced against an existing Window Contract, the Financial Manager shall proceed with preparing and issuing the Purchase Order to the relevant Contractor.

8.4.2 Procurement Procedures

The Executive Director and Financial Manager are responsible for the management of any and all Procurement Procedures. For all approved Purchase Requisitions, the Financial Manager shall select and use one of the following three Procurement Procedures:

Procurement Procedure	Contract Value	Procurement Notice	Minimum Submission Period*	Award Approval Authority
Direct Procurement	Low Value Contract < €1000	Not required	Not applicable	Financial Manager
Request for Quotation	Medium Value Contract _ €1000< € 10,000	Required, at least 3 quotations required	3 working days	Financial Manager
Open Competitive Bidding	High Value Contract _ €10,000	Required, open competitive bidding	15 working days	Executive Structure

**** Depending on the value and complexity of the contract, reasonable time shall always be allowed for bidders to prepare and submit responsive bids/quotations.***

Each Procurement Procedure shall in all material aspects follow the specific steps and rules outlined in the Procurement Policy.

For all types of procurement, the evaluation of bids/proposals/quotations (bids) shall be conducted in three progressive stages:

- 1) Administrative Examination
- 2) Technical Evaluation
- 3) Financial Evaluation.

Only the bids that pass the Administrative Examination shall be admitted to the Technical Evaluation, and only those that pass the Technical Evaluation shall be admitted for a Financial Evaluation.

In procurement of goods and works the bidder offering the lowest evaluated price among the bids substantially responsive to administrative and technical requirements shall be selected. The use of a point evaluation system is not allowed in procurement of goods and works.

In procurement of services, the evaluation methodology depends on the selection method used. The bidding document shall specify the selection method and the relevant evaluation methodology and criteria. The bidding documents for procurement of services shall specify either the “comply/fail” or “point system” methodology depending on the selection method used.

Selection Method	Technical Evaluation Methodology
	Point System or “Comply/Fail”
Quality and Cost Based Selection Method (QCBS)	Point System

In the case of “comply/fail,” the bidding documents shall clearly specify the minimum qualification, experience, capacity and other relevant requirements that the bidders are required to meet. In the case of a “point system,” the bidding documents shall clearly specify the evaluation criteria, respective weightings and minimum technical qualifying score.

All evaluation criteria should be proportionate and relevant to the nature and complexity of the assignment.

Least Cost Selection Method (LCS): This selection method shall be the preferred selection method for all procurement procedures conducted by the NGO ACDC. The use of another selection method including Quality and Cost Based Selection Method (QCBS) shall be subject to prior review and approval by the Procurement Committee.

Bids securing less than the required minimum technical score or failing to comply with minimum requirements shall be rejected. Only bids which pass the Technical Evaluation shall be evaluated financially. The bidder whose bid has the lowest evaluated price shall then be selected, irrespective of its technical score.

Quality and Cost Based Selection Method (QCBS): This selection method shall only be used where there are justifications as to why the Least Cost Selection Method (LCS) Method should not be used. Prior to launching any tender using the QCBS selection method, the bidding documents shall be sent in full to the Procurement Committee for review.

For each Point System the technical evaluation criteria and minimum qualifying score shall be established.

The relative weights for quality and cost shall be determined judiciously for each case depending on the nature of the assignment. This method requires a clear understanding and thorough calculation of how much additional cost the NGO ACDC is willing to pay in exchange for a higher quality bid.

Bids securing less than the required minimum technical score shall be rejected, and bids which passed the Technical Evaluation shall be evaluated financially. The bid with the lowest evaluated price shall be given a financial score of 100 and other bids given financial scores that are inversely proportional to their prices.

The total weighted score shall be obtained by weighting the quality and cost scores and adding them. The bidder whose bid obtains the highest total weighted score shall be selected.

8.4.3 Sole-Source Contracting

Sole–Source Contracting is an exceptional measure which bypasses the open market. It excludes the element of competition from the procurement process and as such shall be utilised with great care. The Financial Manager may resort to Sole-Source Contracting in the following instances:

- A monopoly exists within the market (e.g., in the case of a single provider of gas or electricity);
- A supplier has exclusive proprietary rights (e.g. a patent or the copyright of a software Program);
- For reasons of extreme urgency or emergency due to events that were not reasonably foreseeable or expected, the NGO ACDC cannot complete another Procurement Procedure that would otherwise apply. However, this provision may not be invoked if the circumstances of the urgency are attributable to delays, poor planning or negligence on the part of the Program Manager.

- For the lease for NGO ACDC premises, provided that the Financial Manager prepares a detailed report outlining the requirements of the NGO ACDC Executive Structure and demonstrates that no other premises meet the NGO ACDC requirements as regards to space, standards and price;
- For the provision of additional Goods, Services or Works of the same scope or technical specifications of a previously established contract provided that the additional requirements are:
 - (a) connected with the same Program;
 - (b) were not reasonably foreseeable at the time of establishment of the original contract;
 - (c) to be awarded to the same contractor that was awarded the original contract;
 - (d) at price rates that are equal to or lower than those of the original contract;
 - (e) of a total value that is not greater than the value of the original contract; and
 - (f) identified within one year of the date of the original contract.

This condition shall apply only on a single occasion after issuance of the original contract.

- A Procurement Procedure is currently in process and the Goods, Services or Works are deemed “business critical”, meaning that one or more NGO ACDC Executive Structure(s) cannot function without them. However, this provision may not be invoked if the circumstances of the urgency are attributable to delays, poor planning or negligence on the part of the Program Manager or Financial Manager.
- For the provision of restaurant or hotel accommodation services in conjunction with NGO ACDC events (such as retreats, formal dinners, seminars) where: (a) there is no window contract in place, (b) there is no concurrent requirement for conferencing services, (c) the use of a Request for Quotations or open competitive bidding is not practical, and (d) the value of the services does not exceed €2,500. If conferencing facilities are required in addition to hotel accommodation and restaurant services for a particular NGO ACDC event, the complete package must be sourced through a Request for Quotations or open competitive bidding, whichever is applicable.

Procurement and Contracting Policy, provide an explanation of the circumstances and justification and affirm that the procedure is invoked without any intent to discriminate against or in favour of any company. The Financial Manager shall have the authority to approve Sole-Source Contracting for low- and medium-value contracts. For high-value contracts the required documentation shall be submitted to the Procurement Committee for its prior review and approval, unless the matter is related to extreme urgency or emergency, in which case the Financial Manager may use Sole-Source Contracting and report the case to the relevant Procurement Committee after the event.

Copies of signed Sole-Source Contracting Forms shall be submitted to the Archive on a monthly basis.

The application of Sole-Source Contracting shall not in any way relieve the Financial Manager of his or her obligation:

(a) to play an active role in determining the terms of the contract, with particular attention to prices, delivery deadlines, quantities, technical characteristics and guarantees;

(b) to use the NGO ACDC templates

(c) to ensure that the contracted price is not higher than the relevant market price; and

(d) to assess carefully the quality of the relevant Goods, Services or Works.

8.4.4 Operational Advance

Income and Cash Management shall be referred to for payments by operational advances.

8.4.5 Petty Cash

Purchases for consumable items, small works or services valued below €500 typically do not require a Purchase Request or Purchase Order. Payment can be processed by petty cash or by direct bank transfer, provided that the purchase is not for “attractive assets”. Income and Cash Management shall be referred to for additional information on petty cash.

8.5 MANAGEMENT OF PROCUREMENT PROCEDURES

The Financial Manager is responsible for the management of all Procurement Procedures. Except in cases of Sole-Source Contracting, the Financial Manager shall for any Procurement Procedure adhere to the following sequence of stages, which are further elaborated in the Procurement and Contracting Management Policy:

- 1) preparation of bidding documents;
- 2) bidding process;
- 3) evaluation;
- 4) contract award;
- 5) upon request, the debriefing of unsuccessful bidders; and
- 6) contract management.

Notwithstanding the fact that the Financial Manager bears primary responsibility for ensuring compliance of the procurement process with the Procurement Committee, it is important that the Program Manager provides relevant input at the applicable stages.

8.5.1 Advertising

Following final approval of the relevant Bidding Documents, the Procurement Notice shall be published on the official public NGO ACDC web-site in a format that is resistant to tampering and in local electronic media, ensuring appropriate public dissemination of relevant information.

8.5.2 Signing of Contracts

Unless otherwise authorized within the Organization, only the Executive Director shall sign a contract.

The authority to sign Local Window Contracts shall vest with the Financial Manager.

Each contract shall bear the dates of signature of all parties. Additionally, Financial Manager is advised that certain jurisdictions require contracts to be stamped (or “sealed”) in order to be legally binding.

In order to authenticate the remaining pages of the contract (including for annexes, schedules, etc.), it is good practice for the parties to add their initials at the time of contract signature.

9 NGO ACDC PROCUREMENT COMMITTEE

9.1 Objective

Concerning this Procurement Policy, the objective of the NGO ACDC Procurement Committee (PM) is to ensure that the NGO ACDC’s procurement and contracting practices comply with the Procurement Policy.

The Procurement Committee is accountable to the NGO ACDC Executive Director.

9.2 Establishment

The Executive Director shall maintain the Procurement Committee in the Organization. The Procurement Committee shall consist of the following permanent members:

- Program Director, who shall act as Chair;
- Program Manager,
- Financial Manager

In the absence of the Program Advisor the Procurement Committee shall be chaired by the Program Manager. One representative from the NGO ACDC’s office (Program Assistant) shall attend in a non-voting capacity.

The attendance of the Chair and two voting members shall constitute a quorum. A decision shall require the approval of all voting members present. In the event that no unanimous decision can be reached, the NGO ACDC Executive Director shall have the right to make the final determination.

The Chair may, as necessary, invite technical specialists and representatives of Programs to participate as non-voting members in Procurement Committee proceedings.

The terms of reference and standard operating procedures of the Procurement Committee are included in Appendix 1.

10 NGO ACDC WINDOW CONTRACTS

10.1 GUIDING PRINCIPLES

A Window Contract is intended to deliver best value for money to the NGO ACDC through attaining long-term cost savings and by streamlining the requisitioning process for repeat orders. The Financial Manager should endeavour to establish and maintain Window Contracts whenever feasible and relevant.

10.2 DEFINITION

A Window Contract is a framework contract concluded between the NGO ACDC and one or more Contractors, which establishes the terms and conditions under which subsequent orders can be placed during a predetermined time period. Window Contracts should be set up when it is

determined, based on previous experience and project needs, that the deliverables to be procured are required on a recurring basis for an extended period of time.

A Window Contract, when in existence, shall be the first option considered for the procurement of Goods, Services or Works.

The aggregate duration of any Window Contract shall not exceed five (2) years. Regardless of the duration a Window Contract shall remain subject to annual review, and shall reserve the NGO ACDC's right to early termination.

10.3 CORPORATE AND LOCAL WINDOW CONTRACTS

Window Contracts can be developed, approved and managed for the NGO ACDC as a whole or in respect to a particular Executive Structure. Accordingly, the NGO ACDC distinguishes between a Corporate Window Contract and a Local Window Contract.

10.3.1 Local Window Contract

A Local Window Contract is a framework contract concluded between NGO ACDC and one or several Contractors, which establishes the terms and conditions under which subsequent orders can be placed by the respective Executive Structure.

In the event the relevant Financial Manager prepares a compelling business case demonstrating best value for money *for the NGO ACDC as a whole*, by also taking into account the possible adverse impact on the strategic business relationships.

11 EXCEPTION REPORTS

The purpose of Procurement Policy is to ensure efficient, effective, non-discriminatory and transparent use of financial resources in the discharge of programmatic objectives, with due regard to the principles of best value for money and environmental sustainability.

Secretary General. Accordingly, this procedure shall be approved judiciously and only upon a compelling demonstration of necessity.

Copies of Exception Reports shall be submitted to Financial Manager on a monthly basis.

The following is a non-exhaustive list of examples requiring issuance of an Exception Report:

- selection of a Contractor for Goods, Services or Works with a value _ **€2,500** without recourse to a Request for Quotation or open competitive bidding, whichever is applicable, and the use of Sole-Source Contracting for procurements
- selection of a Contractor that is not the first ranked Bidder in a Request for Quotation or open competitive bidding, whichever is applicable;
- purchase of Goods, Services or Works outside an existing Window Contract;
- purchasing Goods or engaging Services without a formal written offer from the Contractor;
- issuance of a contract award by an incorrect authority, or execution of a contract in the absence of proper award authority; or
- a procurement or selection process managed solely by the Program Manager.

APPENDIX 1 Procurement Committee Terms of Reference and Standard Operating Procedures

1a. Terms of Reference

The terms of reference of the Executive Structures specific to procurement and contracting shall be as follows:

(i) To review and endorse for approval by the Executive Structure(s) each award of a new Corporate Window Contract.

(ii) To review and approve award of contracts with annual values _ **€50,000** for the aggregate duration) on of such contracts. The approval authority for other NGO ACDC contracts and Local Window Contracts is delegated to the Financial Manager. At his or her discretion the Financial Manager may refer a contract award case to the Procurement Committee for its approval.

The relevant Financial Manager shall notify the proposed Contractor of the contract award only after receiving approval from the Procurement Committee.

(iv) To review and approve - at least on an annual basis and well in advance of any required action - extensions or continuations of or amendments to existing contracts and Local Window Contracts with annual values _ **€50,000** for the aggregate duration of such contracts. This authority is delegated to the Financial Manager if:

(a) There is neither increased financial nor legal liability to NGO ACDC associated with the proposed amendment, continuation or extension; and

(b) the relevant case is not deemed as “contentious” (for example, when the relevant Program Manager expresses dissatisfaction with the performance of the Contractor, or a substantial change in the market place in respect to the relevant contract has occurred).

If the Financial Manager invokes this delegated authority, transparency will be retained by providing the relevant Procurement Committee with lists and relevant information on those cases that were not submitted for Procurement Committee review. At his or her discretion the Financial Manager may refer a contract amendment or extension case to the Procurement Committee for its approval.

2. Procurement Committee Standard Operating Procedures

Procurement Committee meetings shall be held at the request of the Chair. Every effort shall be made to ensure the presence of any and all permanent members at Procurement Committee meetings.

The Chair will confirm the date and time of each meeting and distribute agenda items and associated documentation reasonably in advance of the meeting.

Upon conclusion of any agenda item, decisions shall become effective immediately and documented accordingly. The Chair is responsible for issuing the minutes of Procurement Committee meetings without undue delay. The minutes will contain a report on the proceedings and decisions of the Procurement Committee. The minutes shall be signed by all voting members having attended the meeting. It is the responsibility of the Financial Manager to implement, or to oversee the implementation of, any decision made in Procurement Committee meeting.