



# PROCUREMENT GUIDELINES FOR IDLO IMPLEMENTING PARTNERS

13 January 2023

## **Procurement Guidelines for IDLO Implementing Partners**

These Procurement Guidelines set the minimum standards to be followed. In case the Implementing Partner's (IP) policies and procedures are not aligned with IDLO Procurement Guidelines for IPs, stricter requirements should be followed.

### **1. INTRODUCTION**

#### **1.1 PURPOSE**

These guidelines are provided to ensure that:

- a) all procurement activities are performed and managed by the IP in an efficient and accountable manner and in line with best practices.
- b) all resources are used by the IP in a fair, transparent, accountable, and cost-effective manner that ensures best value for money.

This document provides guidance to IPs on IDLO requirements, key procurement principles, policies, and procedures in the management of procurement processes undertaken by the IP.

#### **1.2 BACKGROUND**

IDLO IPs are entrusted with IDLO funds. Therefore, it is mandatory for IP undertaking procurement activities of goods and services to comply with IDLO requirements as outlined in this document.

The IP must familiarize themselves with these Procurement Guidelines and the governing terms of the Sub-Project Agreement before signing an IDLO funded agreement involving procurement.

### **2. PROCUREMENT POLICIES, PRINCIPLES AND PROCEDURES**

#### **2.1 IDLO KEY PROCUREMENT PRINCIPLES**

IPs are expected to adhere to the following procurement principles in their procurement action:

1. Best Value for Money
2. Fairness, Integrity and Transparency
3. Effective competition
4. Best interest of IDLO

Non-compliance with the IDLO key principles and ethical standards could result in irregular transactions and could seriously damage the integrity and effectiveness of the process and thus the delivery of the requirements.

### 2.1.1. Best Value for Money

Best Value for Money is the most advantageous combination of cost, quality and sustainability.

- Best Value for Money does not necessarily offer the lowest upfront cost, but rather represents the best return on the investment, taking into consideration the evaluation criteria in the specified solicitation documents.
- The IP shall ensure that all procurement activities are performed to achieve Best Value for Money through:
  - Effective competition (see sub-section 2.1.3).
  - Keeping the procurement process simple e.g., good planning and clear specifications.
  - Establishing preliminary and technical evaluation criteria that consider:
    - supplier's eligibility (Business Registration, Tax Registration, Bankruptcy/Receivership status),
    - supplier's experience,
    - supplier's financial soundness,
    - associated weights between technical and financial scores (if appropriate),
    - additional due diligence (Sanctions Check, Litigation Check, triangulation of information through Reference Check and site visit),
    - qualification requirements and associated weights (if any) to select the offer with the highest expectation to meet the Organization's, partners' needs in accordance with the evaluation parameters set forth in the tender documents.
  - Ensuring an impartial and comprehensive evaluation of offers in a timely manner.

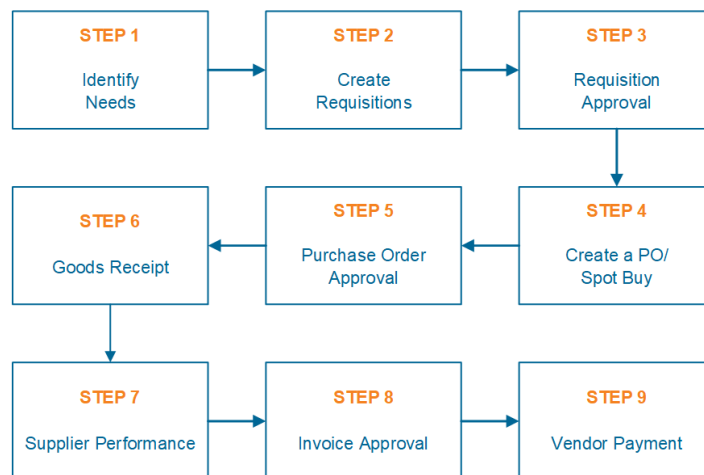
### 2.1.2. Fairness, Integrity, and Transparency

#### 1. FAIRNESS

The IP shall ensure that all procurement activities through the Procurement- Cycle are carried out based on clear and appropriate rules and procedures that are applied consistently for all suppliers.

#### Example of Procurement Cycle Activities

##### The Procurement- Process Flow



Fairness can be achieved through:

- Equal and non-discrimination treatment to all suppliers;
- Specifications and/or Terms of Reference for Goods /Services that are clear, generic, and unbiased without skewed to favour a particular brand name or supplier; Objective evaluation criteria;
- Business opportunities should be made widely known to all potential suppliers, usually by way of advertisement;
- Information to be shared equally among Suppliers and all parties;
- Standard solicitation documents shall be available for different types of solicitation including correspondence with suppliers;
- Confidentiality of offers;
- Availability of Contractual templates (for different types of Procurement Contracts)

## **2. INTEGRITY**

The IP shall ensure that all personnel involved in the procurement cycle shall demonstrate personal and institutional behaviour such as honesty, truthfulness, accuracy of their actions, impartiality, and incorruptibility.

## **3. TRANSPARENCY**

All information, records (solicitation documents, evaluation process, award recommendation and any document related to the procurement process) transactions, procurement policies, procedures, opportunities, and processes are open, visible, and well documented, and available for inspection by auditors.

Transparency ensures that any deviations from fair and equal treatment is detected very early and makes such deviations less likely to occur. It safeguards the integrity of the procurement process, the interests of the IP as well as IDLO.

### **2.1.3. Effective Competition**

- Procurement contracts shall be awarded based on effective competition unless exceptions to the use of competition are justified.
- Effective Competition must guard the integrity of the procurement process against proscribed activities (suppliers are not influenced to fix prices of goods and services as an attempt to hinder open competition). It shall be conducted based on clear and appropriate regulations, rules and procedures that are applied consistently to all potential suppliers to ensure fairness.
- Any exceptions to competition must be documented, explained, and submitted for approval in the form of a "Justification Memo" and submitted through the IDLO Procurement Focal Point. Refer to Section 3 Procurement Process-3 Solicitation/Type of Competition).

### **2.1.4. Protecting reputation and good name**

The IP shall ensure that the Procurement is conducted to meet the agreement with IDLO in form and spirit. This means that the IP shall carry out procurement activities in compliance with appropriate procurement procedures while ensuring the credibility and reputation of both

organisations is guarded.

## 2.2 PROCUREMENT ETHICAL STANDARDS

IP must keep procurement related processes, procedures, sourcing, and delivery simple, efficient, transparent, fair, trustworthy, and consistent with these Guidelines, so that any internal and/or external audit (public scrutiny) can be managed smoothly.

The IP must undertake the procurement process in an ethical manner and in compatibility with IDLO Ethical Standards in procurement.

IDLO has zero-tolerance on fraud and corruption. The IP shall adopt the IDLO zero-tolerance policy on corrupt and fraudulent practices or any other form of misconduct including conflict of interest.

The IP shall commit to maintaining the highest possible standards and to immediately identify, address, mitigate, report any instance when they are compromised.

The IP shall ensure that they have systems in place that

- prevent and detect fraud,
- report unethical behaviour and corrupt practices,
- take appropriate disciplinary measures as appropriate.

## 2.3 EFFICIENT METHOD TO MAINTAIN CONTROL MEASURES

### 2.3.1. CODE OF CONDUCT

**The IP must have a Code of Conduct for all personnel and suppliers to mitigate the risks of unethical practices that can happen in the procurement process. The IP shall observe and adopt:**

- (a) Standard IP Code of Conduct** observing Ethical Procurement and avoidance of Conflict of Interest. IP may refer to IDLO Code of Conduct (Annex 3).

The IP shall have a Code of Conduct to maintain integrity and high ethical standards during the procurement process. The code of conduct shall contain Ethical Business practices including avoidance of Conflict of Interest.

### Ethical Business Practice

All IP personnel associated with any stage of the procurement process MUST:

- Understand and Observe the Standard Code of Conduct.
- Maintain the confidentiality of the procurement process and not disclose, directly or indirectly, confidential, or proprietary information or information related to the Supplier selection process to any person other than a person authorized to receive such information; or alter or modify an offer, documents or other materials supporting an offer or related to a solicitation process for the purpose of providing an advantage to any Supplier.
- Promote fairness and equal treatment to all suppliers through the procurement process: no supplier shall be allowed to have access to information at any stage before this information is available to all potential suppliers, and
- Remain free from any obligations to any supplier; and

- Decline to take advantage of suppliers' errors but show cooperation Avoid using restrictive specifications that may discourage competition Avoid and prevent any unethical practices or behaviour.

Unethical practices or behaviours may occur at any stage in the procurement process (budget, procurement, contract management, etc.), either with the knowledge and consent of at least some parties in the Organization or through well-concealed initiatives by a supplier acting alone.

**The followings are some typical signs that may indicate unethical practices:**

1. Deviations from correct procedures
2. Overcharging by the supplier
3. Poor record keeping and filing
4. Missing files or Documentation
5. Poor or no segregation of duties (i.e., the same person issues the order and approves the payment)
6. Poor control (i.e., only one person signs a contract)
7. Resistance to audit
8. Reluctance to delegate
9. Unnecessary meetings with suppliers
10. Not allowing other staff to deal with certain suppliers
11. Established supplier's reluctance of entering competitive tendering
12. Excessive or inappropriate use of waiver of competitive bidding
13. Fraudulent practice or Fraud which means the intentional, false representation or concealment of a material fact for the purpose of inducing another to act upon it to his/her detriment, for example to influence a procurement or selection process or the execution of a contract to the detriment of a person(s) and includes collusive practices among bidders
14. Complaints or controversies over the quality of the product/service.

### **Conflict of Interest**

The IP personnel shall avoid any conflict of interest which occurs when private interests interfere or appear to interfere with the proper performance of their professional functions or obligations that could potentially undermine their impartiality.

#### **IP personnel MUST:**

- Not have any conflict between professional responsibility and personal interest.

- Disclose to their line manager any actual or potential Conflict of Interest at any stage of the procurement transaction, where the personnel or a related party including family, friends or someone they favour may benefit, directly or indirectly, from the personnel's decision. In such cases the personnel must withdraw from the procurement process.
- Avoid using the organization's assets, human resources, financial and material assets, office, knowledge gained from official functions for private gain.
- Avoid seeking or accepting, directly or indirectly, any gratuity, gift, favour, entertainment, loan or anything of monetary value or any promise of future employment from actual or potential suppliers.
- Not allow suppliers to participate in developing or drafting specifications for goods or services for which they subsequently submit an offer/proposal.

#### **(b) IDLO Suppliers Code of Conduct (Annex 1)**

The IP shall adopt a supplier code of conduct in compliance with the IDLO Supplier Code of Conduct to prevent fraud, corruption, conflict of interest and to ensure that all potential Suppliers adhere to the highest ethical standards and values in the areas of human rights, labour, environment, anti-corruption and endorse ethical business practices.

The Supplier Code of Conduct shall allow the supplier to promptly report to the IP any actual, alleged or concerns acts of any proscribed practices and unethical behaviour during the procurement process, including contract execution or beyond.

The IP shall ensure that suppliers sign the supplier code of conduct as part of supplier registration process. The supplier may sign the IP Supplier Code of Conduct (if available) or the IDLO Supplier Code of Conduct.

The IP must have policies and standards for suppliers along with sanctions to reduce the risk that suppliers will engage in corrupt practices in the procurement process. Suppliers should only be contracted if they perform satisfactorily and ideally in accordance with the principles detailed in the IDLO Supplier Code of Conduct.

### 2.3.2 SEGREGATION OF DUTIES

Is an important internal control that is intended to safeguard team members and to prevent fraud and errors. All procurement actions in the procurement process and contract management are properly authorized, and appropriate segregation of duties is ensured.

Segregation of Duties in the Procurement Cycle								
Process	Duties	Detailed Process	Name 1	Name 2	Name 3	Name 4	Name 5	Name 6
Purchase Requisition (PR) / Requisition Approval	Request for purchase is made by writing	- A requisition is based upon goods or services required for the operation of our business.	x					
	Determine Cost/Budget	- The requisition follows a predefined approval process.	x					
	Approval of Funding Source/ PR	- The requisition function should not have responsibility for purchase order issuance, goods receipt, or accounts payable.		x				
Purchase Order (PO) Issuance /Release	PO Issuance	- A purchase release is based on the receipt of an approved Purchase Requisition (PR) for goods or services. This function is normally handled by a member of the supply chain purchasing (Buyer).			x			
	PO Approval	- The purchase order issuance / release follows a predefined approval process. - The purchase order issuance / release function should not have responsibility for requisitions, goods receipt or accounts payable.				x		
Goods Receipts	GRN Issuance	- A goods receipt is based upon the evaluation of the goods or services received against approved purchasing documentation. - The goods receipt follows a predefined approval process. - The goods receipt function should not have responsibility for requisitions, purchase order issuance or accounts payable disbursement.					x	



Segregation of Duties in the Procurement Cycle								
Process	Duties	Detailed Process	Name 1	Name 2	Name 3	Name 4	Name 5	Name 6
Accounts Payable / Disbursement of Payment		<p>- Payment of supplier invoices is based upon properly submitted forms or electronically submitted transactions related to goods receipts, supplier invoices and purchase order documents.</p> <p>- The accounts' payable function, which processes supplier payments, should not have responsibility for requisitioning, purchase order issuance or goods receipt.</p>						x
<b>Table 1: Examples of Segregation of Duties to be adopted by the Implementing Partners</b>								

The IP shall establish an authorization schedule clearly identifying the segregation between commitment and disbursement functions. The organizational structure, as well as the authority, responsibility and accountability of each function must be documented.

Purchases or payments may not be divided or delayed in order to avoid obtaining the correct level of authorized schedule approval.

Suggested authorization schedule by Implementing Partner				
Authorized staff (title + name)	Authorization limit Euro (or equivalent)	Purchase commitments	Disbursement approval <i>Note: both columns may not be marked 'Yes' for the same employee</i>	Sample signatures
	Below € 500	Yes/No	Yes/No	
	Below € 1,500	Yes/No	Yes/No	
	Below € 10,000	Yes/No	Yes/No	
	€ 10,000 or more	Yes/No	Yes/No	
<b>Table 2: Suggested authorization schedule by Implementing Partner</b>				

### 3. PROCUREMENT PROCESS

The procurement process consists of the following steps:

#### 1. Procurement Planning

The IP shall submit the Procurement Plan using the format in Annex 2 upon signature of the Sub- Project Agreement. Procurement Plan shall include but are not limited to:

- Brief description of the requirements for goods/services
- Estimated Quantity
- Estimated Cost
- Estimated Timelines
- The solicitation method to be used.

#### 2. Sourcing and Appropriate Supplier Selection

The IP shall adopt a solid supplier sourcing system including supplier pre-qualification to identify qualified and capable suppliers to undertake potential tenders/contracts. The pre-qualified suppliers shall be enlisted after undergoing a procurement process. Supplier can be pre-qualified based on the following:

- The quality and the fit for purpose of the provided goods and services.
- The supplier must have the Capacity and the resources to deliver and fulfil the expected quantities required within the contracted time frame.
- Business and Financial Profile: The supplier must have a proper business profile e.g., Business Registration, Tax Registration, Bankruptcy/Receivership status, Supplier's Experience and Supplier's Financial Soundness.
- The Supplier's Past performance: This can be checked through reference checks and site visits. The supplier must not fall under any of the sanction lists: The IP shall adopt a robust check/screening against sanctioned suppliers prior to pre-qualification. In case the IP does not have standard sanctions check list, the IP shall use IDLO's policy to screen suppliers.

#### 3. Solicitation

Contracts are, in principle, awarded based on **competitive bidding** to ensure fairness, transparency and best value for money. In exceptional cases, Sole sourcing (direct contracting) can be considered and is subject to proper justifications.

##### 3.1 Solicitation Methods

Solicitation is a request to suppliers to offer a bid, quotation or proposal. The solicitation methods are categorised into Informal Method (all procurement up to EUR 1,000 or the equivalent in local currency) and Formal Methods (all procurement from EUR 1,001 or the equivalent in local currency).

The IP shall comply with the following methods to solicit an offer from suppliers:

- **Low Value Procurement (LVP)/Informal Method**

For procurement activity up to EUR 1,000 or the equivalent in local currency, where the requirements are standard requirements, off-the-shelf, simple service or work and the cost of the goods or services is generally known. The IP shall obtain at least 2 offers.

- **Request for Quotation (RFQ)/Formal Method**

For procurement activity between EUR 1,001 - EUR 9,999 or the equivalent in local currency, where the requirements for goods and/or services are clear and specific. The IP shall obtain a minimum of 3 quotations through open competition (advertisement in local papers or national papers or electronic media, such as the IP webpage or electronic sourcing portals) or limited/restricted competition (by using a pre-approved list of suppliers). The publication period shall be for a minimum period of 5 working days.

- **Invitation to bid (ITB)/Formal Method**

For procurement activity above EUR 10,000 or the equivalent in local currency, where the requirements for goods and/or services are clearly identified. The IP shall obtain a minimum of 3 quotations through open competition (advertisement in local papers or national papers or electronic media, such as the IP webpage or electronic sourcing portals) or limited/restricted competition (by using a pre-approved list of suppliers). The publication period shall be for a minimum of 10 working days.

- **Request for proposal (RFP)/Formal Method**

For procurement activity above EUR 10,000 or the equivalent in local currency, where the requirements for goods and/or services cannot be expressed quantitatively and qualitatively or complex requirements that may be met in a variety of ways. The IP shall obtain a minimum of 3 quotations through open competition (advertisement in local papers or national papers or electronic media, such as the IP webpage or electronic sourcing portals) or limited/restricted competition (by using an approved list of suppliers by the designated personnel or valid suppliers' database. The publication period shall be for a minimum of 15 working days.

## 3.2 Types of Competition

### 1. Open competition

Open competition is a transparent arrangement that allows a high level of competition by public participation of potential suppliers. Open competition is usually done through an advertisement in local or National papers or electronic media such as the IP webpage or electronic sourcing portals, depending on the suppliers and on supply market maturity.

### 2. Limited/Restricted competition

Limited/Restricted competition is conducted by using a pre-approved list of suppliers. Limited/Restricted competition can be justified when:

- (a) The potential suppliers providing the required goods or services are few and the open competition adds no advantage.

(b) The restricted competition is used to solicit a manageable number of potential and reliable suppliers.

(c) Security concerns from open advertising.

### 3. Non-competitive Sole/single sourcing or direct contracting

Sole sourcing or direct contracting can be used where the required goods or services:

- Are unique and available from one single supplier (example: one-of-a-kind, parts maintenance, compatibility, standard compliance).
- Are compatible with only one brand of equipment from one supplier such as maintenance parts.
- Changes would compromise the continuity of the project.
- Establish a unique and innovative solution such as a new concept for a new solution/product.
- The supplier has a satisfactory recent performance and value for money is achieved. For this particular provision, the cumulative procurement value awarded to the same Supplier between January to December of the same calendar year shall not exceed EUR 5,000.

If sole sourcing/direct contracting is used, a full justification for opting for a non-competitive procurement should be explained in detail indicating the reason(s) for opting for this approach. The justification needs to be certified by the designated officer and approved by IDLO.

#### Notes:

- For competitive bidding, procurement activity over EUR 10,000 or the equivalent in local currency, including ITBs or RFPs, the IP shall consult IDLO on the procurement method and process. IDLO shall review and approve the procurement process and provide guidance.
- For any non-competitive bidding /sole sourcing the IP shall obtain approval from IDLO for this type of procurement.
- The Implementing Partner should not:
  - (i) deliberately divide the same category of goods or services for the same purpose with the intention, aim and effect of having each individual procurement subject to a lower monetary threshold; or
  - (ii) deliberately combine different types of goods and/or services with the intention, aim or effect of restricting the number of potential suppliers.
- Evaluation and selection criteria must be clearly specified in the bidding documents. Requirements should be communicated to suppliers in the form of clear and concise specifications and terms of reference with a price schedule, timeline and deliverables.
- Where partial bidding is allowed, the IP should clearly indicate the basis for partial awards in the bidding documents.
- The IP shall request prices including taxes. The tax exemption status that IDLO may have in any country by virtue of an agreement or arrangement with the host country, is not transferrable to the IP.
- All bids must be conducted in local currency unless approved by IDLO.

- All bids must be conducted in line with International Public Procurement Principles as explained in Section 2 of this document.

Summary of Procurement Threshold, Solicitation Methods and Requirements						
Procurement Threshold	Solicitation Method	Requirement	No. of quotations	No. of Days for Publication	Mode	IDLO Approval
<b>Competitive Bidding</b>						
through open competition (advertisement in local papers or National papers or electronic media such as the IP webpage or electronic sourcing portals) or limited/restricted competition (by using an approved list of suppliers by the designated personnel or valid suppliers' database.						
≤ € 1,000	Low Value Procurement	Off-the-shelf, standard requirements, simple service or work	Min of 2 Offers	Immediately	The IP may obtain the quotations by emails, hand delivery or direct collection	Not required
€ 1,001- € 9,999	Request for Quotation	Requirements for Goods, Services are clear and specific	Min of 3 Quotations	Min of 5 working days	IP procurement unit may obtain quotations through a dedicated procurement email or sealed quotations delivered by hand or post	Not required
≥ € 10,000	Invitation to Bid	Requirements for Goods, Services or works are clearly identified	Min of 3 Quotations	Min of 10 working days	IP procurement unit may obtain quotations through a dedicated procurement email or sealed quotations delivered by hand or post	Required
≥ € 10,000	Request for Proposal (RFP)	Requirements for goods, services or works that cannot be expressed quantitatively and qualitatively or complex requirements that may be met in a variety of ways	Min of 3 Quotations	Min of 15 working days	IP procurement unit may obtain quotations through a dedicated procurement email or sealed quotations delivered by hand or post	Required
<b>Non-Competitive Bidding - Sole Sourcing- Direct Contracting</b>						
> € 1,000	Sole Sourcing/Direct Contracting	Requirements are unique, innovative and patented. Supplier has a satisfactory recent performance, value for money was achieved and the cumulative procurement value awarded to the same Supplier between January to December of the same calendar year shall not exceed EUR 5,000.	One Quotation	NA	The IP procurement unit should obtain a quotation from the sole source supplier and detailed justification should be explained and approved by the designated officer.	Required
<i>Table 3: Summary of Procurement threshold, Solicitation Methods and Requirements</i>						

### 3.3 Management of the Submission

The IP shall ensure the following to maintain the integrity of the procurement process:

- Offers, quotations, bids and proposals can be received at a dedicated procurement email or by hand or post.
- The designated procurement officer shall maintain the confidentiality of the received offers.
- All offers, quotations, bids and proposals shall be received before or on the indicated date and time in the tender document.
- Late submissions received after the designated date and time should be rejected. All bids received for a single procurement process shall be carefully recorded.
- A bid Opening record shall be maintained indicating the IP and suppliers' attendance.

### 3.4 Evaluation Criteria

- Low Value Procurement - Pass/Fail Request for Quotation - Pass/Fail Invitation to Bid - Pass/Fail
- Request for Proposal - Cumulative/Combined Score
- All offers, tenders and proposals should be objectively evaluated against the evaluation criteria stipulated and predefined in the tender documents.
- Invitation to Bid and Request for Proposal shall be evaluated by a Tender Evaluation Panel. The IP shall establish:
  - **Technical Evaluation Panel** of a minimum of three (3) members to conduct the technical evaluation of the technical bids and proposals. Members should be the subject matter experts of the requirements.
  - **Financial Evaluation Panel** that may include the Technical Evaluation Panel Members and the Procurement Focal Point responsible for the case.
- All members involved in the Technical and Financial Evaluation should sign a Declaration of Impartiality and No Conflict-Of-Interest. Annex 3 is an example of a Declaration of Impartiality and No Conflict-of-Interest.
- The Final Evaluation Report shall record and document the final recommendation with the information of the selected supplier, duly signed by all Tender Evaluation Panel members and filed as part of the procurement case file.
- For awards resulted from Invitation to Bid and Request for Proposal, the IP shall conduct an additional due diligence by checking if the selected supplier has outstanding litigation, triangulate information through Reference Check and site visit.
- The IP shall check/screen the selected supplier against sanctioned suppliers prior to final award. If the IP does not have a standard Sanction Policy, the IP shall use IDLO's Sanction Policy to screen suppliers

### 3.5 Award Criteria

- Low Value Procurement - Lowest priced, most technically acceptable/compliant offer
- Request for Quotation - Lowest priced, most technically acceptable/compliant offer
- Invitation to Bid - Lowest priced, most technically acceptable/compliant offer

- Request for Proposal - Highest Cumulative/Combined Scored proposal.

### 3.6 Review and Award

- Prior to the final award of a contract or purchase order, the procurement process should be reviewed by duly authorized IP personnel who are legally entitled to authorize the fund commitment.
- Awards are approved by a designated and authorized officer and according to the IP established authorized schedule for fund commitment.
- Awards above or equal to € 10,000 or the equivalent in local currency should be approved by IDLO prior to communicating with the recommended/selected supplier.

### 3.7 Contract finalization and issuance

- Contracts and Purchase Orders (POs) resulting from the procurement process are binding elements between the IP and the selected supplier(s). All contracts and POs shall be signed by the IP.
- All contracts and POs should contain appropriate terms and conditions including liquidated damages for late delivery.
- Selected supplier(s) should abide and sign the IP's Supplier Code of Conduct (if any) or the IDLO Supplier Code of Conduct (Annex 1) to ensure prevention of fraud, corruption, or abuse of any kind.
- Any terms of the Sub-Project Agreement which are applicable to contracted suppliers by the IP should be included in the contract.
- All contracts and POs shall be approved and signed by a designated and authorized officer according to the IP established authorized schedule for fund commitment.
- The duration of contracts/purchase orders must not exceed the duration of the Sub-Project Agreement between IDLO and the IP.
- Contract Amendment and extension is subject to satisfactory supplier performance review and confirmation of no price/market fluctuations.
- The IP is encouraged to use IDLO's Framework Agreements.
- The IP may reuse IDLO's tender results to procure goods, works or services without undertaking a separate selection process provided that the award was made within a twelve-month period after the contract signature date and the supplier(s) agree to extend the same terms to the IP
- Where cooperation awards or joint procurements are planned with other entities, prior approval must be obtained from IDLO.

### 3.8 Contract Management

The IP shall ensure an effective Contract Management through the following:

- The Requestor shall act as the Contract manager and shall be designated to manage and monitor the Implementation of the contract.
- The main objective of the contract management is to ensure that goods and services are received in accordance with the agreed contract terms and achieve the 5 Rights:
  1. the right quality

2. the right quantity
  3. the right time
  4. the right place
  5. the right price
- The IP should ensure that the Contract Management activities include:
    - **Supplier performance evaluation and monitoring**
      - The supplier shall be evaluated according to timely delivery, quality of the provided goods or services in accordance with the contract, Compliance with contractual terms and conditions (including the Supplier Code of Conduct), Adherence to warranties, timely response to IP requests, undue delay of the performance under the contract.
      - Unsatisfactory performance shall be documented, and the procurement official shall be notified.
    - **Payments**
      - Payments to suppliers are conditional upon the fulfilment of their contractual obligations.
      - Payments can only be processed upon the IP receiving an official invoice submitted by the supplier and a receipt note indicating the IP acceptance of the goods and/or services.
      - Payments shall be approved by a designated and authorised officer and according to the IP agreed schedule for fund disbursement.
      - Payments shall be processed within 30 days of receiving the official invoice and acceptance receipt note.
    - **Documentation and maintenance of contract file**

The IP shall ensure an effective documentation system preferably in both hard and soft copy format. The soft copy file case shall include the following:

      1. The Purchase Requisition (PR) folder including signed PR, Signed Specification and/or Terms of Reference
      2. Sourcing Folder including the approved list of suppliers and how the list of suppliers was developed (in example: market research)
      3. Solicitation Folder including the Tender documents that were shared with the suppliers, the received offers in the form of quotations, bids and /or proposals.
      4. Evaluation Folder including the Technical Evaluation Panel Selection, the signed declaration forms for impartiality and No Conflict-of-Interest Forms, technical Evaluation Report, financial evaluation report, final evaluation report, reference check, sanction/screen check of the selected and other required checks.
      5. Award Folder including the signed award and any other related supporting documents.
      6. Contracting Folder including the signed contract, PO and/or work order in addition to any amendments and/or extension, the signed supplier form for registration and the signed Supplier Code of Conduct.
      7. Supplier performance management folder including the Goods Received Note



(GRN), official invoice and completed supplier performance evaluation.

All procurement-related documentation indicated above must be filed and maintained ready for review and/or audit in accordance with the terms of the Sub-Project Agreement. IDLO reserves the right to review any procurement process for compliance with international procurement standards, efficiency and effectiveness, and best value for money.

In circumstances where the IP is unable to meet the standards stipulated in these Guidelines, the IP should consult IDLO for guidance. Any deviation from accepted procurement practices, conflicts of interest, or failed procurements must be shared with IDLO for prior approval within a reasonable time, and in any case before the completion of the procurement.

*Acknowledged by:*

**Name of the Implementing Partner:**

**Name of the Signatory:**

**Position of the Signatory:**

**Date:**

**Signature:**

## IDLO Supplier Code of Conduct

IDLO recognizes the universal and fundamental values enshrined in international instruments in the areas of human rights, labor, environment and anti-corruption.

IDLO expects its Suppliers to respect fundamental social and human rights, and the equal rights of men and women, take responsibility for minimizing the environmental impact of their activities, endorse ethical business practices and reach the following goals:

**1. Supplier Relationships:** The provisions of this Code of Conduct set forth the expectations of all suppliers with whom IDLO does business. IDLO expects that these principles apply to suppliers, parent entities and subsidiary or affiliate entities, as well as all others with whom they do business including employees, subcontractors and other third-parties. IDLO expects that suppliers ensure that the rules and standards of this Code of Conduct are communicated to the employees and subcontractors.

**2. Promoting the Principles of this Code of Conduct:** IDLO expects that its suppliers will establish and maintain appropriate management systems whose scope is related to the content of this Code of Conduct, and that they actively review, monitor and modify their management processes and business operations to ensure they align with the principles set forth in this Code of Conduct. All principles contained in this Code of Conduct are of equal importance independently of their order of appearance.

**3. Subcontracting:** IDLO expects that its suppliers encourage and work with their own suppliers and subcontractors to ensure that they also strive to meet the principles of this Code of Conduct or equivalent set of principles.

### Labor:

**4. Freedom of Association and Collective Bargaining:** IDLO expects its suppliers to recognize and respect the rights of employees to freely associate, organize and bargain collectively in accordance with the laws of the countries in which they are employed, as well as core international principles on Freedom of Association and collective bargaining. IDLO recognizes the importance of open communication and direct engagement between workers and management and suppliers are to respect the rights of workers to associate freely and communicate openly with management regarding working conditions without fear of harassment, intimidation, penalty, interference or reprisal.

**5. Forced Labor:** IDLO expects its suppliers to prohibit any use of forced, bonded or indentured labor or involuntary prison labor, and embrace employment practices consistent with international rules on forced labor. All work, including overtime work, will be voluntary and workers should be free to leave upon reasonable notice. Suppliers should also not mandate that workers hand over government-issued identification; passports or work permits as a condition of employment.

**6. Child Labor:** IDLO expects its suppliers, at a minimum, not to engage in any practice inconsistent with the rights set forth in the Convention on the Rights of the Child. The minimum admission to employment or work shall not be less than the age of completion of compulsory schooling, normally not less than 15 years or 14 where the local law of the country permits,

deferring to the greatest age. Additionally, all young workers must be protected from performing any work that is likely to be hazardous or to interfere with the child's education or that may be harmful to the child's health, physical, mental, social, spiritual or moral development. All suppliers should also adhere to legitimate workplace apprenticeship programs and comply with all laws and regulations governing child labor and apprenticeship programs.

**7. Discrimination:** IDLO does not tolerate any form of discrimination in hiring and employment practices on the ground or race, color, religion, gender, sexual orientation, age, physical ability, health condition, political opinion, nationality, social or ethnic origin, union membership or marital status. IDLO also discourages discrimination regarding access to training, promotion, and rewards.

**8. Working Hours:** IDLO expects its suppliers to comply with all applicable working hour requirements as established by local law, and should never exceed 60 hours per week, including overtime, except in emergency or unusual situations. Suppliers must ensure that all overtime work is voluntary and compensated at the prevailing overtime rates. Suppliers are encouraged to ensure that workers are provided with one day off in every seven-day week.

**9. Compensation:** IDLO expects its suppliers to comply, at a minimum, with all wage and hour laws and regulations, including those pertaining to minimum wages, overtime wages, piece rates, other elements of compensation and to provide legally mandated benefits.

#### **Human Rights:**

**10. Human Rights:** IDLO expects its suppliers to support and respect the protection of internationally proclaimed human rights and to ensure that they are not complicit in human rights abuses.

**11. Harassment, Harsh or Inhumane Treatment:** IDLO expects its suppliers to create and maintain an environment that treats all employees with dignity and respect and will not use any threats of violence, sexual exploitation or abuse, verbal or psychological harassment or abuse. No harsh or inhumane treatment coercion or corporal punishment of any kind is tolerated, nor is there to be the threat of any such treatment.

**12. Health and Safety:** IDLO expects its suppliers to follow all relevant legislation, regulations and directives in country in which they operate to ensure a safe and healthy workplace or any other location where production or work is undertaken. At a minimum, suppliers should strive to implement recognized management systems, reasonable access to potable water and sanitary facilities; fire safety; emergency preparedness and response; industrial hygiene; adequate lighting and ventilation; occupational injury and illness and machine safeguarding. Suppliers will also ensure these same standards apply to any dormitory or canteen facilities.

**13. Mines:** IDLO expects its suppliers to strive not to engage in the sale or manufacture of anti-personnel mines or components utilized in the manufacture of anti-personnel mines.

#### **Environment:**

**14. Environmental:** IDLO expects its suppliers to comply with existing legislation and regulations regarding the protection of the environment. Suppliers should wherever possible support a precautionary approach to environmental matters, undertake initiatives to promote greater environmental responsibility and encourage the diffusion of environmentally friendly technologies implementing sound life-cycle practices.

**15. Chemical and Hazardous Materials:** Chemical and other materials posing a hazard if released to the environment are to be identified and managed to ensure their safe handling, movement, storage, recycling or reuse and disposal.

**16. Wastewater and Solid Waste:** Wastewater and solid waste generated from operations, industrial processes and sanitation facilities are to be monitored, controlled and treated as required prior to discharge or disposal.

**17. Air Emissions:** Air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting chemicals and combustion by-products generated from operations are to be characterized, monitored, controlled and treated as required prior to discharge.

**18. Minimize Waste, Maximize Recycling:** Waste of all types, including water and energy, are to be reduced or eliminated at the source or by practices such as modifying production, maintenance and facility processes, materials substitution, conservation, recycling and re-using materials.

#### **Drug trafficking and Terrorism:**

**19. Drug Trafficking:** IDLO expects its supplier to warrant that neither they, nor any of their employees and subcontractors, are engaged in the manufacture, sale, transportation, or distribution of any drug or narcotic substance deemed to be illegal in either the country of manufacture or delivery of the goods or services to be provided to IDLO.

**20. Terrorism:** IDLO expects its supplier to warrant that neither they, nor any of their employees and subcontractors, are engaged directly or indirectly in terrorism, or in the finance or support to terrorists.

#### **Bribery & Corruption:**

**21. Corruption:** IDLO expects its suppliers to adhere to the highest standard of moral and ethical conduct, to respect local laws and not engage in any form of corrupt practices, including extortion, fraud, or bribery, at a minimum.

**22. Conflict of Interest:** IDLO suppliers are expected to disclose to IDLO any situation that may appear as a conflict of interest, and disclose to IDLO if any IDLO official or professional under contract with IDLO may have an interest of any kind in the supplier's business or any kind of economic ties with the supplier.

**23. Gifts and Hospitality:** IDLO does not accept any type of gift or any offer of hospitality. IDLO will not accept any invitations to sporting or cultural events, offers of holidays or other recreational trips, transportation, or invitations to lunches or dinners. IDLO expects its suppliers not to offer any benefit such as free goods or services or a work position or sales opportunity to an IDLO staff member in order to facilitate the suppliers business with IDLO.

**24. Monitoring and Evaluation:** IDLO may conduct on-site evaluations and inspections of its supplier's facilities and those of their subcontractors to review their progress towards these

principles. It is the expectation of IDLO that suppliers, at a minimum, have established clear goals toward meeting the standards set forth in this Code of Conduct. IDLO may monitor that milestones have been set and management systems have been put in place to ensure that the principles set out in this Code of Conduct have been met and failure to do so may impact the future ability of a supplier to do business with IDLO.

## Annex 2 - IDLO Procurement Plan Template for IPs

**PROCUREMENT PLAN FOR IPs**

Sub-Project Title:  
 Implementing Partner:  
 Duration:  
 Budget:  
 Location:

IDLO Toolkit for Working with Implementing Partners - December 2022:  
 Procurement Plan - Template and Instructions

<b>Total EUR / USD / LOCAL CURRENCY</b>		<b>0.00</b>					<b>Procurement Plan date:</b>		<b>Review Date:</b>										
<b>TOTAL NO. OF CASES</b>		<b>25</b>																	
REQUESTER													PROCUREMENT			COMMENTS			
NO	COMMODITY TYPE	PRODUCT DESCRIPTION (SPECS, OTHERS_ETC)	UNIT OF MEASURE	QUANTITY	UNIT COST INDICATIVE PRICE EURO	Estimated TOTAL PRICE EUR / USD / LOCAL CURRENCY	Delivery of goods/services		SOLICITATION		AWARD								
							EXPECTED DELIVERY DATE (MONTH)	SOURCING MARKET	TYPE OF SOLICITATION	MINIMUM SOLICITATION LEAD TIME	TOTAL LEAD TIME								
1	<PLEASE SPECIFY>		<PLEASE SPECIFY>	0		0.00	<PLEASE SPECIFY>	<PLEASE SPECIFY>	<PLEASE SPECIFY>										
2	<PLEASE SPECIFY>		<PLEASE SPECIFY>	0		0.00	<PLEASE SPECIFY>	<PLEASE SPECIFY>	<PLEASE SPECIFY>										
3	<PLEASE SPECIFY>		<PLEASE SPECIFY>	0		0.00	<PLEASE SPECIFY>	<PLEASE SPECIFY>	<PLEASE SPECIFY>										
4	<PLEASE SPECIFY>		<PLEASE SPECIFY>	0		0.00	<PLEASE SPECIFY>	<PLEASE SPECIFY>	<PLEASE SPECIFY>										
5	<PLEASE SPECIFY>		<PLEASE SPECIFY>	0		0.00	<PLEASE SPECIFY>	<PLEASE SPECIFY>	<PLEASE SPECIFY>										
6	<PLEASE SPECIFY>		<PLEASE SPECIFY>	0		0.00	<PLEASE SPECIFY>	<PLEASE SPECIFY>	<PLEASE SPECIFY>										
7	<PLEASE SPECIFY>		<PLEASE SPECIFY>	0		0.00	<PLEASE SPECIFY>	<PLEASE SPECIFY>	<PLEASE SPECIFY>										
8	<PLEASE SPECIFY>		<PLEASE SPECIFY>	0		0.00	<PLEASE SPECIFY>	<PLEASE SPECIFY>	<PLEASE SPECIFY>										
9	<PLEASE SPECIFY>		<PLEASE SPECIFY>	0		0.00	<PLEASE SPECIFY>	<PLEASE SPECIFY>	<PLEASE SPECIFY>										
10	<PLEASE SPECIFY>		<PLEASE SPECIFY>	0		0.00	<PLEASE SPECIFY>	<PLEASE SPECIFY>	<PLEASE SPECIFY>										
11	<PLEASE SPECIFY>		<PLEASE SPECIFY>	0		0.00	<PLEASE SPECIFY>	<PLEASE SPECIFY>	<PLEASE SPECIFY>										
12	<PLEASE SPECIFY>		<PLEASE SPECIFY>	0		0.00	<PLEASE SPECIFY>	<PLEASE SPECIFY>	<PLEASE SPECIFY>										
13	<PLEASE SPECIFY>		<PLEASE SPECIFY>	0		0.00	<PLEASE SPECIFY>	<PLEASE SPECIFY>	<PLEASE SPECIFY>										
14	<PLEASE SPECIFY>		<PLEASE SPECIFY>	0		0.00	<PLEASE SPECIFY>	<PLEASE SPECIFY>	<PLEASE SPECIFY>										
15	<PLEASE SPECIFY>		<PLEASE SPECIFY>	0		0.00	<PLEASE SPECIFY>	<PLEASE SPECIFY>	<PLEASE SPECIFY>										
16	<PLEASE SPECIFY>		<PLEASE SPECIFY>	0		0.00	<PLEASE SPECIFY>	<PLEASE SPECIFY>	<PLEASE SPECIFY>										

You may find the IDLO Procurement Plan template for IPs on the [Implementing Partners and Grants](#) page of the IDLO website.

## IDLO Tender Evaluation Panel

### Declaration of No Conflict of Interest, Impartiality and Confidentiality

<b>Name:</b>	<b>Position:</b>	<b>Office:</b>
<b>Tender Title and Ref No:</b>		

I, the undersigned, hereby declare that I agree to participate in the evaluation of the above-mentioned tender as a member of the Tender Evaluation Panel. By making this declaration, I confirm that I have no conflict of interest and shall execute my responsibilities based on the principles of fairness, competition, and transparency throughout the evaluation process.

I am independent of all the suppliers involved in the evaluation process. To the best of my knowledge and belief, there are no facts or circumstances, past or present, or that could arise in the foreseeable future, which might call into question my financial or personal independence in the eyes of any party; and, should it become apparent during the course of the evaluation process that such a relationship exists or has been established, I will immediately inform the Chair of the Tender Evaluation Panel and Country Manager, cease participation in the evaluation process, and my evaluation input will be nullified.

I agree to hold in trust and confidence any information or documents disclosed to me or discovered by me or prepared by me in the course of, or as a result of, the evaluation, and agree that they shall be used only for the purposes of this evaluation, and shall not be disclosed outside the Tender Evaluation Panel. I also agree not to retain copies of any written information or prototypes supplied. I further undertake to observe and adhere to all IDLO Policies in the context of the evaluation, including IDLO's Personal Data Protection Policy and Anti-Corruption and Anti-Fraud Policy. I understand that my duty to maintain confidentiality continues even after I am no longer employed with IDLO.

Confidential Information shall not be disclosed to any employee or expert unless they agree to execute and be bound by the terms of this declaration and are approved by the Country Manager as part of the Tender Evaluation Panel.

I am aware that any non-compliance, violation, or breach of any of the provisions stated above may constitute a breach of IDLO's Code of Conduct.

I hereby acknowledge that I have read and understood the foregoing information and that my signature below signifies my agreement to comply with the above terms.

**Signature of Tender Evaluation Panel Member: Date:**