



# Procurement Manual

## Rules and Procedures



**Date of publication:** 15 July 2015

**Version:** 2.0

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## 1 PRESENTATION

The purpose of this Procurement Manual is to provide practical guidance on INTERPOL procurement procedures to General Secretariat staff members and representatives in INTERPOL member countries and to implement the Financial Regulations and respective Financial Directives (which are texts superseding the authority to this manual).

The procedures described in this Manual apply to the purchase of goods, services, and works, regardless of the source of funds used, or the nature of the expense.

The Procurement Manual does not cover the procedures concerning the sponsorship and donation or the procedures which fall within the scope of the Staff Manual of INTERPOL.

## 2 DEFINITIONS

Administrative Specifications	: The general and specific clauses which set out the administrative provisions specific to a Contract to be concluded.
Candidate	: Any natural person or legal entity which withdraws or receives the Specifications from the Organization., and which is selling, providing goods, services and/or works
Consultation File	: Refers to the whole file collected by Candidates. The Consultation File contains all the items required for the open calls for bids, in particular the Specifications, and any other item handed out to the Candidates by the Organization, irrespective of the time at which it is passed on, is considered as part of the Consultation File.
Contract	: A written agreement between the Organization and a supplier which creates an obligation, and serves as evidence of this obligation. Purchase Orders are considered as contracts for the purposes of the Financial Regulations, Implementing Rules and Financial Directives.
Contractor	: The Person signing a Contract with the Organization for all or part of the Transaction.
Offer	: The proposal to supply goods or services at a specified price which is presented by a potential supplier.
Organization	: ICPO – INTERPOL an international organization whose headquarters are based in France, 200 quai Charles de Gaulle, 69006 Lyon.
Procurement	: Purchase or rental by the Organization of all works, goods, and services necessary for its functioning or for the implementation of the programme of activities.
Specifications	: Document made up of the Submission procedure, the Administrative and Technical Specifications and appendices to be filled out by the bidder.
Technical Specifications	: Document that lays down the technical provisions of the Contract. The Technical Specifications contain the requirements giving a specific description of the goods and/or Services to be provided and enables the Organization to monitor the execution of the Contract and that the Goods and/or Services are being correctly provided.
Works	: The outcome of building or civil engineering.

## **3 PROCUREMENT AND CONTRACT MANAGEMENT DEPARTMENT**

The Procurement and Contract Management Department (PCM) is a department of INTERPOL's Directorate of Administration.

### **3.1 Mandate**

The Department's mandate is to purchase assets and services acquired from external providers on behalf of internal clients (units/departments) of the Organization under the best conditions (especially in terms of price, delivery time, risk and quality).

For this reason and according to the internal procedures, only officials who have been delegated financial powers can engage funds on behalf of the Organization vis-à-vis a third party or another organization.

### **3.2 Roles and objectives**

#### **3.2.1 Regroup**

The position of PCM is transversal which enables it to analyse the needs of different departments of the Organization together. PCM contributes to the coordination, planning and anticipation of needs of the Organization.

#### **3.2.2 Advise**

The Organization-wide nature of PCM's function brings about a need to provide advice to other departments of the Organizations in the terms of previous purchases, economic, commercial or legal aspects.

#### **3.2.3 Define**

PCM has an essential role to translate the functional needs (expected objectives) of the Requesting Department into goods and services to be purchased that will respond to these functional needs.

#### **3.2.4 Negotiate**

In order to reduce the expenditures, PCM studies the market continuously and selects the most suitable provider for the needs of the Organization, using the criteria defined together with the department requesting the goods or services.

#### **3.2.5 Support**

The role of PCM is to make sure that the content of the order or of the contract includes all the elements requested by the requesting department and that the purchase was made under the best legal, commercial and financial conditions and guarantees available under the circumstances of the case.

#### **3.2.6 Compliance**

The practice of PCM is based on the respect for the values of the Organization, which include the respect of human rights, integrity, commitment to quality, availability, team spirit, value for money and accountability.

In addition, the nature of the mission of PCM require a certain level of integrity.



PCM is composed of a team of procurement officers and contract officers. The combination of the two complementary functions enables PCM to provide its expertise in both fields, commercial and legal.

Each purchase request submitted will be handled by a buyer specializing in the type of commodities requested.

### **3.2.7 Evaluate**

In cooperation with requesting departments, PCM carries out a regular evaluation of performance of external providers in order to improve the conditions under which the Organization procures the goods, services and works.

### **3.2.8 Unfair advantage to donor**

Donors shall under no circumstances be granted any preferential treatment when responding to call for tenders, limited competition or direct negotiation procedures organized by the Organization.

### **3.2.9 Strategic procurement**

All PCM activities are carried out on the basis of Operational and Capital budgets allocated annually to Budget Managers. As these allocations are directed by the Organizational priorities approved by the General Assembly within the context of its strategic framework, all activities pursued by PCM are thus destined for the ultimate achievement of strategic and corporate objectives adopted by the Organization.

### **3.2.10 Procurement risk mitigation**

The Organization is working on an overall Enterprise Risk Management framework and associated processes which are expected to identify, assess, treat and monitor risks related to the activities and operations of the Organization.

Some of the measures applied by PCM to mitigate the risk related to procurement are as follows:

- ▶ Segregation of procurement activities on the basis of types of goods/services purchased;
- ▶ Distinction between approved authority and other participants in the process;
- ▶ Thresholds to trigger specific purchase processes; and
- ▶ Formalization and nomenclature of precise documentation and associated content.

### **3.2.11 Training**

PCM has two certified instructors among the Procurement Officers and two certified instructors among the Contract Officers.

PCM organizes trainings regularly on the procurement principles to be applied and as set out in the Financial Regulations as well as on the processes to be followed at INTERPOL Resource Management Application. Trainings for members of the Procurement Committee are also organized.

For further information, please contact PCM.

## **4 DELEGATION OF FINANCIAL POWERS**

### **4.1 General description**

The INTERPOL Constitution and Financial Regulations grant the Secretary General the authority to manage the budget of the Organization and to delegate authority to staff members “to allow for the effective administration of the Organization.”

Delegations of financial powers are intended to achieve three objectives:

1. To ensure the efficiency and effectiveness of the administrative operations;
2. To ensure that the appropriate officials have been provided with the level of financial authority necessary to discharge their responsibilities; and
3. To ensure internal controls are in place to protect the Organization’s assets.

### **4.2 Applicability**

Financial Directives relating to the delegation of financial powers (hereinafter referred to as “the Directives”) applies to all financial operations of all operating units and sub-structures of the Organization and any projects and external activities unless they have been specifically excluded through another agreement.

This Directives specifically excludes financial operations concerning staff such as employee contracts, payroll and pension except for the settlement (payment) of these operations. Delegations of authority involving staff are subject to the Staff Manual.

Officials who have been delegated financial powers are exercising their authority in the name of the Secretary General, in accordance to a specific Directive.

Officials must comply with the Financial Regulations, this Financial Directive, the Staff Directives, the Staff Manual and Staff Instructions.

Any non-compliance with these regulations may result in disciplinary procedures.

### **4.3 Substitutes in the case of absence**

Financial powers are delegated to named persons holding specific positions within the Organization and validated by the Director of Administration or Executive Directors.

Officials cannot further delegate their authority for financial matters, unless otherwise specified below.

#### **4.3.1 Substitutes**

Subject to additional restrictions at Regional and Liaison Bureaus below, in the absence of the person to whom financial powers are delegated, his/her financial powers may be executed by his immediate superior or by a person at the same level within the same directorate holding the same financial delegations. Executive Directors and the Director of Administration have authority across all directorates.

### **4.3.2 Regional and Liaison Offices**

Heads of Regional and Liaison Bureaus may delegate their powers to a Regional Specialized Officer at their Bureau in case of absence. Any such temporary delegation must be notified in advance. If the person designated holds another financial delegation, especially for the payment of expenditure, it shall be suspended for as long as he executes the powers temporarily delegated to him/her.

### **4.4 Contract amounts**

Amounts apply per operation and represent maximum amounts, including taxes, if outside France.

For the operations taking place in France, the amount is excluding tax. The amount of the contract is the total amount of the contract over its duration.

Artificial splitting of financial transactions in order to reduce the value below authorization limits or any failure to comply with these rules may result in disciplinary action as described in Financial Regulation 1.5.

### **4.5 Purchasing goods and services**

Purchase of goods and services are subject to the procurement procedures and travel policy (in case of travel requests) of the Organization.

#### **4.5.1 Purchase and Travel Request Approval**

The Secretary General delegates the authority for the approval of purchase and travel requests and reimbursement of expenses up to the limits within their approved budget to one or more Budget Managers.

#### **4.5.2 Purchase Orders and Goods and Services Contracts**

The Secretary General delegates his authority for the approval of Purchase Orders relating to goods and services excluding those concerning external consultants and to the signature of contracts relating to goods and services purchases excluding those concerning external consultants to:

1. Members of the Staff Committee for contracts and Staff Committee expenses only to a limit of EUR 2 000;
2. Head of Regional Bureaus to a limit of EUR 5 000;
3. Buyers to a limit of EUR 10 000;
4. Director of Administration to a limit of EUR 250 000;
5. Executive Directors up to the approved budget.

In all cases the Contract and/or Purchase Order must have an underlying approved budget.

#### **4.5.3 External consultants**

The Secretary General delegates his authority for the signature of contracts concerning external consultants only to the Director of Administration up to a limit of EUR 100 000 and to the Executive Directors up to a limit of EUR 250 000.

Only the Executive Directors and the Director of Administration can sign external consultancy contracts.

#### **4.5.4 Entertainment expenses, gifts and grants**

The Secretary General delegates his authority to approve entertainment expenses and gifts to Directors and Executive Directors.

The Budget Manager responsible for entertainment expenses and gifts must ensure that the applicable rules and policies concerning entertainment expenses are adhered to, even where the budget is provided by an external sponsor.

The Secretary General delegates his authority to give grants to the Executive Director Police Services or the Executive Director Resource Management, in accordance with the policy on training grants.

#### **4.5.5 Receipt of Goods and Services**

The Secretary General delegates his authority to receive approved goods and services (where there is an underlying Purchase Order or contract) to any official within the Organization in charge of the receipt.

The Secretary General delegates his authority to receive goods or services where there is no underlying contract or purchase order (e.g. by signature of invoice or credit cards or cash) to Budget Managers to the extent of their budgets and provided that the purchase is in line with the credit card or ad hoc cashier policy.

## 5 PROCUREMENT PROCEDURES

### 5.1 Applicable procurement procedures

There are three types of procedures defined in the Financial Regulations, depending on the amount of the transaction:

1. Direct negotiation;
2. Limited competition; and
3. Open call for tenders.

Each of these types of procedures are described in details in the following chapters.

The application of the types of the procurement procedure depends on the amount of the transaction and the nature of the transaction.

### 5.2 Definition of requirements

The definition must be made with the aim of:

1. Taking into account the current situation (state of the art) to avoid making unrealistic requests;
2. Not imposing obligations not justified by the goods or services required and which could unnecessarily exclude a potential supplier who could have provided such goods or services;

No particular brand shall be required in the specifications unless it is necessary for proper implementation of the project. Due justification shall be provided in this case by the Requesting Department to PCM;

3. Optimising use of available budget;
4. Analysing the anticipated advantages;
5. Analysing the context (e.g. compatibility with equipment);
6. Taking into account any competition in the market which may determine the allocation, particularly where:
  - (a) The goods or service may be provided by different types of supplier;
  - (b) No candidate has the technical or financial ability to fulfil the whole contract. It is possible for several candidates to be selected for one lot when there is a need to guarantee security of supply or if this is in the interests of the project; and
7. Determining purchase criteria together with their individual weighting, for analysis of offers, with the need for variants or options.

The criteria for examining offers may include, but shall not be restricted to, the following:

1. The price;
2. Usage costs;
3. Technical qualities of goods/services/works;
4. Lead time and delivery schedule;
5. Design and practical aspects;
6. Benefits and return on investment; and
7. After-sales service and technical assistance.

Other criteria may be applied if these are set out in the submission procedure and if they are justified by the purpose of the contract and the conditions under which it is to be implemented (place of implementation).

Appendix 1 to the Procurement Manual provides a list of purchase criteria employed during the course of recent procurement activity, together with their weighting in application to individual items of procurement within purchase families.

The aim of this list is to ensure coherence in application of purchase criteria within the same purchase family. However, the specific cases mentioned in the list are offered as a reference, with the understanding that future application to individual procurement may be different depending on among others, the market environment, procurement value and technical specifications of the goods/services/works sought.

### **5.2.1 Variants**

Candidates have the right to submit variants, except where it is specifically stipulated to the contrary in the submission procedure. Variants are admissible provided:

1. They do not apply to intangible aspects of the specifications;
2. An offer for the basic solution is submitted in addition to the "variant" offer.

### **5.2.2 Options**

When the submission of options is obligatory, the candidate must make an offer for each option requested, or the proposal will be rejected.

## **5.3 Exceptions to applicability**

Requirements to tender will not apply to the following cases:

1. Contract between the Organization and:
  - (a) A State;
  - (b) An authority, public administration, or entity in charge of a public service;
  - (c) An international organization.
2. Loans and investments covered by Regulations 3.10, 3.11 and 3.12
  - (d) Deposits and investments;
  - (e) Transfers of appropriations;
  - (f) Expenditure commitments.
3. Foreign currency exchange operations
4. Employment agreements with the Organization's staff members

## **5.4 Commercial character of the transaction**

For the application of the procurement procedures, it is necessary that the relations between INTERPOL and the other party are of a "commercial" nature, in other words, that the transaction relates for a provision of works, goods and/or services by the contractor for exchange of payment of a price by INTERPOL to this contractor. For other agreements of non-commercial nature, it is necessary to refer to other provisions, as specified in the Statute (in particular Article 41) or to other articles in case of donations and sponsorships.

## 5.5 Procurement principles

Procurement shall be subject to the following principles:

1. Safeguard of the interests of the Organization;
2. Cost-effectiveness;
3. Non-discrimination;
4. Transparency;
5. Fairness; and
6. Integrity.

## 5.6 Determination of the value of the transaction

The choice of the procedure to be applied is made according to an estimated value of assets or services to be provided by the same supplier or by the same operation.

The amount cannot be divided by the number of service providers nor by the number of batches. Similarly, the amount of the transaction must not be kept artificially below the threshold for the application of a specific procurement procedure.

In the following cases, the amount of the transaction shall be calculated according to the criteria below:

1. When a contract is executed upon delivery of works, goods and/or services, the amount of transaction will be equal to the price of such works, goods and/or services.
2. When a contract is executed over a certain period of time, which shall not exceed five years, the amount of the transaction shall be equal to the total price of works, goods and/or services delivered over the whole period;
3. Whenever a contract is both executed upon delivery of works, goods, and/or services, and over a certain period of time, the amount of the transaction shall be equal to the global price of works, goods and/or services delivered over the whole period.

To determine the value of assets or services, the estimated total duration of the contract or transaction is taken into account as well as possible reductions.

The estimated value of the contract and transaction is based on the prices without taxes, if the transactions is to be delivered in France. For the other transactions, the price including taxes is to be taken into account.

For purchase of intellectual services, the estimated value of services is determined without travel expenses or per diem.

The respective purchaser shall verify that the accumulated value of the purchases from the same supplier for the same type of assets or services corresponds to the amount in the offer and that the correct procedure has been followed in accordance with the relevant thresholds.

In case that an amendment to the Contract is to be signed, the value of the amendment shall be assessed separately from the amount of the initial Contract, regardless of the procurement procedure applied to the initial Contract.

Nevertheless, should any necessary Amendment bring the total amount of the Contract (and subsequent Amendments) above a specific threshold, the Procurement Committee may be consulted in order to recommend the application of an appropriate procedure.

## 5.7 General rules

In general, the following threshold apply for the determination of the relevant procurement procedure:

If the amount of the transaction is:	Type of procurement procedure
<b>Less than 150,000 EUR</b>	Direct negotiation
<b>Between 150,000 and 300,000 EUR</b>	Either limited competition or open call for tenders
<b>Equal to or exceeding 300,000 EUR</b>	Open call for tenders

## 5.8 Exceptions to thresholds

In case that only certain suppliers are able to execute the contract, owing to consideration of fact or law, and their identities are known to the Secretary General, the latter may apply the limited competition procedure, after consulting the Procurement Committee even if the amount of the transaction is equal to or exceeds EUR 150 000.

In addition, direct negotiation procedure may be applied in the following cases:

1. Upon decision of the General Assembly or the Executive Committee;
2. The proper application of security measures or protection of confidential information so require;
3. The quality of the services required is intrinsically linked with the supplier's person;
4. The matter is so urgent that there is not enough time to apply the open call for tenders' or limited competition procedure;
5. A contract that was satisfactorily performed is to be extended or renewed, it being understood that in such cases the open call for tenders' or limited competition procedure should be re-applied after an economically or technically appropriate period;
6. A new contract is to be signed for the same object with a contractor who has been chosen after an open call for tenders within the previous twelve (12) months.
7. A contract cannot be technically or economically separated from the initial contract without great inconvenience to the Organization or, although separable from the execution of the initial contract, is strictly necessary to its later stages:
8. Provided the amount of the transaction does not exceed twenty-five percent (25%) of the initial amount, regardless of the procurement procedure followed for the award of the initial contract; and
9. This exception is not applied more than three times.
10. The price of the goods or services is the same, whoever the supplier may be;
11. Considerations of fact or law require that the contract be implemented by a particular supplier;
12. The application of a purchasing policy linked with a plan for standardizing goods makes the open call for tenders and the limited competition procedures inappropriate.



Except to the case when the General Assembly or the Executive Committee decides to apply direct negotiations, the other reasons above must be stated and the External Auditors informed.

When the procedure for an open call for tenders is waived in favour of the direct negotiation procedure or limited competition procedure, the External Auditors must be informed in writing.

The document setting out the reasons for the waiver and the applicable legal procedures must be prepared by the Requesting Department (Project Manager) and dispatched by the Secretary of the Procurement Committee once the Secretary General has taken a decision, in light of the opinion of the Procurement Committee.

If no reply has been received from the External Auditors after seven (7) working days have elapsed, the process of preparation and signature of the contract can be carried out.

## **5.9 Procurement of works**

Contracts relating to the procurement of works may be concluded by any procedures that is customary in the country in which the assets are located and that is likely to satisfy the Organization's requirements and interests.

## 6 OPEN CALL FOR TENDERS

### 6.1 General description

The Secretary General shall prepare a document describing the technical and administrative features of the project (which form part of the Consultation File), designed to enable candidates to set out the main facts and consideration that will be taken into account in the selection process.

The Secretary General shall publish an open call for tenders specifying the nature of the goods or services required, stating how the consultation file may be consulted or obtained, and setting a time limit for the receipt of offers.

Once the deadline for the receipt of offers has expired, the Procurement Committee, appointed by the Secretary General, shall open the offers and verify that they were received within the time limit.

The offers are then analysed by the requesting department and a report on the analysis and its findings is produced and submitted to the Procurement Committee so that it can formulate its recommendation.

Once offers have been analysed, the Secretary General may hold discussions with the candidates to ask for supplementary details or explanations about the content of their offers, or with a view to obtaining more favourable terms for the Organization.

The Secretary General chooses the offer that is the most economically and technically advantageous for the Organization, taking into account, inter alia, the price, operating costs, technical qualities, the professional and financial guarantees offered by each candidate, the availability of goods and/or services, the length of time proposed for executing the contract, and the Organization's security requirements.

If it is in the interests of the Organization, the Secretary General may select an offer including variants not covered in the consultation file.

The Secretary General may decide not to select any of the offers submitted in response to a call for tenders, if none of the offers appears acceptable. In this case, after giving reasons in writing for rejecting the offers, and after consulting the Procurement Committee, the Secretary General may decide to publish another open call for tenders, issue a request for offers under limited competition, or engage in direct negotiations with potential suppliers.

## 6.2 Consultation File

The Consultation File consists of the specifications comprising:

1. Submission procedure;
2. General and specific technical specifications;
3. General and specific administrative specifications, together with the candidate's declaration.

The various parts of the Consultation File will be prepared by the following Departments:

File type	Department in charge
Submission procedure	PCM in co-operation with the Requesting Department
General and specific technical specifications	The Requesting Department in consultation with the other departments involved. Prior to publication, the document shall be submitted to PCM for verification of its compliance with the procurement rules.
General and specific administrative specifications	PCM

## 6.3 Announcement to candidates

The announcement must be published in periodicals with a wide circulation or specialized journals, such as the Official Journal of the European Union (OJEU) as well as on the Organization's Internet site.

The announcement must be prepared and dispatched to the relevant publications by PCM.

The Requesting Department must ensure that the announcement is published in sufficient time to ensure adequate publicity so that interested candidates have adequate time to prepare their replies. It should be noted that publication by the OJEU takes approximately 11 working days from receipt of the announcement.

A preliminary announcement may also be published in the same way, to inform potential candidates that the Organization will be publishing an open call for tenders within the next few weeks.

The announcement must contain at least:

1. The name and address of the Organization;
2. The features of the submission procedure;
3. A general overall description of the subject of the contract, together with any specific features, such as a contract comprising several lots; and
4. The arrangements for collecting the specifications.

## **6.4 Dispatch of consultation file to candidates**

The Consultation File must be dispatched as soon as possible after requests from potential candidates are received, in accordance with the submission procedure.

The Consultation File must be sent by a method guaranteeing confirmation of receipt by potential candidates.

Modifications to documents in the consultation file may only be made within a reasonable period ahead of the deadline for submission of offers. No modifications to the consultation documents may be made after the deadline for submissions.

All changes must be clearly set out and, where these constitute an additional obligation for the candidates, must be justified in the light of the subject of the call for tenders or its conditions of implementation.

All candidates must be informed of the modifications in the same way. If the modifications are substantial, they must be published in the same way as the announcement to candidates.

## **6.5 Time-limit for submission of offers**

A minimum of six (6) weeks should be set for candidates to submit their offers. In exceptional circumstances (in an emergency or a simple purchase for example), this may be reduced.

A request to apply this exception should be submitted in written form, together with PCM's recommendation, to the Chairperson of the Procurement Committee for decision. Due allowance shall be made for the time taken to publish the consultation announcement.

The date and time of the deadline for the submission of offers are imperative.

However, where necessary, the deadline may be extended upon request by the Requesting Department. In this case, the Requesting Department informs the Secretary of the Procurement Committee that it wishes to extend the period for the submission of offers by a minimum of one week and provide reasons. Candidates should, where possible, be informed of the extension two weeks before the initial deadline.

## **6.6 Presentation of offers**

Offers must be sent in by the means and in the form set out in the submission procedure. In all cases, each candidate's administrative file and technical and financial offers must be clearly identifiable and separate.

## **6.7 Period of validity for offers**

Candidates are bound by their offers for the period specified in the submission procedure. This period must be long enough to allow for analysis of the offers, approval of the selected offer, notification of the selected candidate and conclusion of the contract.

Generally, the period of validity for offers shall be 90 calendar days from the deadline for the submission of offers. In the case of particularly complex projects, this period may be 180 days.

In exceptional cases, candidates may be requested to extend the period of validity before the expiry date. Any extension of this period may not exceed 45 days, unless valid reasons are given.

In the event of minor errors (i.e. errors that do not affect the overall value of the offer), candidates may be asked to provide further details and/or make corrections. Requests for further details must not affect the basic components of the offer.

Requests for further details from candidates, whereby for example the Organization might ask for quotations to be aligned with the lowest quotation, allowing candidates to add or remove components of the initial offer or submit new prices, shall be considered to affect the basic components of the offer and is therefore forbidden.

## **6.8 Procurement Committee**

Offers are received, analysed and submitted to formal review through and by the Procurement Committee whose procedures are described in detail in the Procurement Committee (chapter 8 below).

## **6.9 Successful calls for tenders**

The Procurement Committee issues its recommendation as to the choice of candidate to the Secretary General for final selection (approval or rejection of the proposal).

The selected candidate is then informed in writing and told that this selection does not imply a definitive choice or a commitment, this being constituted only by the contract duly signed by both Parties.

Candidates who have not been selected are notified of their unsuccessful submission.

In addition, the results of the call for tenders shall be published on the Organization's Internet site and in the Supplement to the Official Journal of the European Union.

## **6.10 Unsuccessful calls for tenders**

A call for tenders may be declared unsuccessful in whole or in part for certain lots only if:

1. No offers are received or all offers received are inadmissible; or
2. None of the offers fulfils the selection criteria.

If only one offer is submitted, there is no obligation to declare the call for tenders unsuccessful.

Further to a call for tenders which has been declared unsuccessful, the following action may be taken:

1. Another call for tenders based on the specifications (possibly modified) may be made;
2. A contract may be negotiated on terms identical to the call for tenders; or

3. It may be decided not to conclude a contract.

The final decision is taken by the Secretary General following recommendation of the Procurement Committee.

### **6.11 Terminating a call for tenders**

The Requesting Department may at any time propose that the process be terminated for reasons of general interest, such as a lack of sufficient funds or the fact that the goods/service(s) are no longer required. This proposal must be validated by the Procurement Committee and by the Secretary General.

### **6.12 Ex-post publication**

After the final decision as to the Open call for tenders is taken by the Secretary General, the Organization shall publish the name and the nationality of the selected candidate/company and the subject of the contract on the Organization's Internet site and in the Supplement to the Official Journal of the European Union.

In addition, the Organization shall publish the amount of the awarded contracts, unless such publication would or could have serious adverse consequences in terms of confidentiality and security for the Organization, its officials, its member countries, its co-contractors or any other party that might be concerned.

The administrative specifications shall include a request for the candidates to accept that the publishing of the results of the open call for tenders is meant to state the selected candidate's suitability in meeting the Organization's present needs and is not endorsing it in general or recommending its products or services as superior to or better than competition.

## 7 LIMITED COMPETITION PROCEDURE

### 7.1 General description

Within the framework of the limited competition procedure, the Secretary General shall prepare:

1. A request for offers on the goods or services required by the Organization; and
2. A list of suppliers invited to compete. The list shall be established with reference to criteria guaranteeing their qualifications, experience, and independence. The list may be drawn upon a permanent Roster of Suppliers established under conditions laid down by the Secretary General.

The Secretary General shall send copies of the request for offers to the listed suppliers and inform them of the date by which the offers are to be submitted.

The open call for tenders procedure shall then be followed, *mutatis mutandis*.

If the offers submitted in response to a limited competition procedure are such that the real value of the goods or services concerned would have warranted the publishing of an open call for tenders, the procedure shall be cancelled and an open call for tenders published.

### 7.2 Consultation File

The Consultation File shall consist of a document about the goods and services requested by the Organization. The document shall contain an exact definition of the requirements or specifications consisting of:

1. Submission procedure;
2. General and specific administrative specifications, together with the candidate's declaration;
3. General and specific technical specifications.

The documents in the consultation file shall be prepared by the following Departments:

1. A document on the goods and services requested - the Requesting Department or
2. Specifications consisting of:

File type	Department in charge
Submission procedure	PCM in co-operation with the Requesting Department
General and specific technical specifications	The Requesting Department in consultation with the other departments involved. Prior to publication, the document shall be submitted to PCM for verification of its compliance with the procurement rules.
General and specific administrative specifications	PCM

### **7.3 Language**

The consultation file may be made available in one or more of the Organization's official languages; in the latter case, the submission procedure shall specify which version prevails over the other(s).

The consultation file shall be available at least in English, unless the transaction is domestic or is of low value, and thus means that only domestic suppliers or contractors are likely to submit tenders; in this case, it can be drafted in the language of the country in which the goods and/or services are to be delivered if it is an official language of the Organization.

### **7.4 Selection of candidates**

The Procurement Department shall draw up a list of candidates to be invited to compete, on the basis of criteria guaranteeing their qualifications, experience and independence.

The Requesting Department should ensure that the list of candidates to be invited to compete includes companies which have not previously worked with the Organization, to avoid always calling upon the same candidates.

The list must be approved by the Chairperson of the Procurement Committee, in conformity with the procedures in force.

### **7.5 Minimum amount of candidates to be invited**

The list shall include at least three (3) candidates to be invited to compete.

### **7.6 Procedure**

A minimum of six (6) weeks should be set for candidates to submit their offers. Under exceptional circumstances (in an emergency or a simple purchase for example), this may be reduced.

A request to apply this exception should be submitted in written form, together with the PCM's recommendation, to the Chairperson of the Procurement Committee for decision. Due allowance shall be made for the time taken to publish the consultation announcement.

The date and time of the deadline for the submission of offers are imperative.

However, where necessary, the deadline may be extended upon request by the Requesting Department. In this case, the Requesting Department informs the Secretary of the Procurement Committee that it wishes to extend the period for the submission of offers by a minimum of one week and provide reasons. Candidates should, where possible, be informed of the extension two weeks before the initial deadline.

The procedure for the call for tenders shall also apply to the limited competition procedure, mutatis mutandis. For simple transactions, the Procurement Committee should be contacted preferably by e-mail.



## **8 PROCUREMENT COMMITTEE**

### **8.1 Role and Authority**

The primary role of the Procurement Committee is to oversee and clarify the regularity of the procurement procedures, notably in transactions where an exception to standard procurement thresholds has been sought or applied. Its authority derives from Financial Regulation 4.5, and its members are appointed by the Secretary General in order to exercise this role.

Different bodies of the Procurement Committee meet during individual and formal selection procedures to perform specific functions: receiving offers, evaluating these offers, and studying and making decisions on extraordinary issues. These are, respectively, the Offer Opening Committee, the Offer Evaluation Committee and the Ad Hoc Procurement Committee.

### **8.2 Composition**

#### **8.2.1 Members**

The Committee shall be composed of the following voting members:

1. Chairperson;
2. Operations Member; and
3. Administrative Member

and the following non-voting members:

4. Secretary of the Committee
5. Internal Audit Member
6. Procurement Unit Member
7. Business Unit Member

The following may be present as Observers:

8. Legal Observer
9. External experts who have been engaged to assist in the procedure
10. Any other person as deemed necessary

Each member will have a counterpart alternate as back-up for the primary role whose skills and competencies qualify them to fulfil the role of the primary member. Whenever possible, the members of the Committee and their alternates must hold posts of grade 5 or higher.

#### **8.2.2 Membership**

Decisions and instructions of these bodies are issued within the overall authority of the Procurement Committee. They are issued by officials assuming membership of the Procurement Committee and such decisions and instructions are to be understood as being different from and independent of authority stemming from the primary post held by the Official within the Organization.

The Procurement Committee shall be composed of members whose operational and functional qualifications as a whole permit the Procurement Committee to perform this role at the highest level of competency. All members will be appropriately trained and qualified, in accordance with qualification programmes in force.

### **8.2.3 Appointment and term**

The voting members of the Committee, the Secretary, the representative of the internal audit department and their alternates, will individually be appointed by the Secretary General. The names and roles of appointees is attached herewith. Subsequent appointments will be promulgated by memorandum.

Primary voting members of the Procurement Committee shall serve for a period of three years, or until their appointment is reversed or modified by the Secretary General. Reappointment as a primary voting member is possible after a period of at least three years has elapsed from the last appointment.

In the event of named members being temporarily unable to carry out their duties or in the case of conflict of interest arising in connection with a particular transaction, any member may be replaced by his alternate while he is unavailable.

The remaining non-voting members and observers shall be appointed at the moment of the committee instance, based on their role in the transaction.

## **8.3 General principles**

### **8.3.1 Loss of eligibility**

A new member/alternate shall be appointed:

1. In the event of a change of status that implies incompatibility with Committee role;
2. If he does not fulfil his functions as member or alternate of the Committee, for any reason whatsoever, for six consecutive months or more;
3. When a member and/or alternate leaves the Organization.

### **8.3.2 Impartiality and conflict of interest**

The Chairperson of the Committee may excuse a member of the Committee and/or an alternate from his obligation to attend meetings, whenever he considers that there are clear reasons for considering that the impartiality of that member is at risk, or if the member concerned mentions such a risk.

The Chairperson may excuse himself from his obligation to attend meetings whenever he considers that there is a risk of his impartiality being questioned. In such an event, his alternate steps into his role.

A risk of impartiality is present in all cases of conflict of interest. If any member finds their ability to make impartial decisions influenced or hampered by personal interests, relationships or activities

within the context of the tender, this shall be self-declared when invited to a Procurement Committee instance, where it will be recorded in the minutes.

Members employ functional skills of their primary post in the Organization, but in their role as member the Procurement Committee each shall act in the interest of the Organization as a whole, not of their specific service.

### **8.3.3 Communication**

In accordance with the principle of transparency and fairness, all communications between the Organization and candidates in a formalized selection procedure such as a call for tender or limited competition, is to be organized by the procurement service, and recorded in the minutes of the corresponding Procurement Committee body.

### **8.3.4 Training and on-going quality assurance**

Upon nomination to the Procurement Committee, each member's training will be ensured by the head of the procurement service or his designate permitting them to carry out their specific role.

Further, the Chairperson will ensure that all members are knowledgeable in the procedure and general principles of the Procurement Committee. The Secretary will assist the Chair in this regard.

### **8.3.5 Safekeeping of documents and confidentiality**

Meetings of the Procurement Committee take place in camera. The works of the Committee are confidential. All members attending meetings in whatever capacity are bound to secrecy with regard to the information to which they may have been privy.

Documents dispatched and drawn up by and for the Committee are intended solely for

internal use and may not be dispatched either to candidates or to a third party other than the departments concerned and the internal and external auditors.

No information on the analysis, clarification, evaluation or comparison of offers or the decision to award the contract may be disclosed before the contract is signed.

Technical and financial offers received by the deadline given in the submission procedure must be kept for a minimum of 12 months within the procurement service.

## **8.4 Committee Members' Roles and Qualifications**

The Secretary General's nominations shall adhere to the precepts below. In accordance with their roles, the members present must provide all the information necessary for the Committee to give an informed opinion, and give their opinion on the recommendations or options submitted.

### **8.4.1 Chairperson**

The Chairperson and the alternate of the Chairperson shall be an official of the Organization holding a post of Director or higher within a function that is preferably transversal across the Organization.

The Chair shall co-ordinate the Committee's discussions and ensure impartiality and transparency, including requiring members to disclose any potential conflict of interest.

#### **8.4.2 Operational and Administrative voting members**

The Operational and Administrative voting members, and their alternates, shall be officials of the Organization holding a rank of Assistant Director or higher within primarily core activities operations and administrative support respectively. These voting members are complementary in nature and shall provide advice to the Chair as required accordingly. They will assist the Chair to ensure that the Committee's discussions are impartial and transparent.

Administrative support includes, but is not limited to administration, finance and human resources functions, with the express exclusion of the procurement service. Operations includes, but is not limited to, police operations, police training and global police networks.

#### **8.4.3 Secretary of the Committee**

The Secretary of the Procurement Committee and alternate shall be officials working in the procurement service, with the head of the procurement function appointed as Secretary, in the primary role.

The Secretary shall support the Chairperson and the members of the Committee by carrying out the administrative management and organisation of the Committee's work. The Secretary shall inform the committee members of any procedural issues.

#### **8.4.4 Internal Audit Member**

The internal audit member and alternate shall be officials working in the internal audit service, with the Head of this function appointed as the primary Internal Audit Member. This member shall assist in the oversight function of the Procurement Committee by providing advice on the regularity of procurement procedures followed.

#### **8.4.5 Procurement Unit Member**

The Procurement Unit Member shall be a Procurement Officer within the procurement service who has been assigned to the transaction. The Procurement Unit Member is responsible for the examination and presentation of the financial offers and administrative analyses, and aiding the Representative of the Requesting Department or Project Manager in compiling the assessment reports.

This member performs functions as described in the following and drafts the financial and administrative assessment of offers. During Offer Evaluation Committees, he shall present the procurement project and the procedure followed, and/or the request for an announcement, with sufficient and appropriate explanatory documents, in order to provide the members of the Committee with an appropriate basis for giving an informed opinion.

#### **8.4.6 Business Unit Member**

This member is a representative of the requesting department and performs functions as described in the following and drafts the technical assessment of offers. During Offer Evaluation Committees,

this member is responsible for presenting the technical and practical aspects of the project and explanatory documents, possibly with the assistance of representatives from other departments and/or external or internal consultants.

#### **8.4.7 Legal Observer**

The Legal Observer shall be an official who holds the post of legal or contract management officer. This member may be called upon by any member of the committee to advise upon legal aspects of commercial law or internal regulations.

#### **8.4.8 Experts**

Should any specific skills be required, the Chairperson may call upon internal or external experts to participate as observers.

### **8.5 Offer Opening Committee**

#### **8.5.1 Purpose**

The Offer Opening Committee is to be convened after the deadline for the receipt of offers has expired in order to open, validate and identify submissions from vendors in response to open calls for tenders. Only those offers and their corresponding documents and/or media validated by the Offer Opening Committee may be analysed by the Offer Evaluation Committee.

#### **8.5.2 Composition and quorum**

The following members must be present in order for the Offer Opening Committee to validly deliberate:

1. Secretary of the Committee
2. Internal Audit Member
3. Procurement Unit Member

#### **8.5.3 Procedure of the Offer Opening Committee**

##### **8.5.3.1 Receipt of offers**

The Secretary ensures that all offers are received and registered in accordance with the procedures in force. The Secretary shall ensure that all submissions remain sealed and kept in an area with restricted access in accordance with the Organization's confidentiality policies until the date of the meeting.

The Offer Opening Committee will deem submissions as valid if they have been received within the date and time given in the published technical and administrative specifications, the "Consultation File", in accordance with established directives and specific stipulations contained within the published conditions for submission. Offers received after the deadline will be returned to candidates, without being opened.

An acknowledgement of receipt shall be issued in conformity with the conditions set out in the submission procedure to the candidates by the Secretary.

### **8.5.3.2 Convocation**

The Committee must be informed of the publication of the open call for tenders or the dispatch of Consultation Files to selected candidates.

The Offer Opening Committee should take place within five working days following the deadline for the receipt of offers. The Chairperson will convene committee members and set the date of the committee meeting for the opening and evaluation of offers within a week after the close of the period of publication. The Chairperson may delegate the administrative organization of this meeting to the Secretary.

Alternates of primary members may be invited in order to respect this time frame if the latter are unable to attend. The convocation message shall contain the announcement of the call for tenders or the document setting out the requirements and calling for offers.

The Business Unit Member is to be notified of the Tender Opening but shall not be present during Offer Opening Committee proceedings.

The message shall contain a request for invited members to include in their response a declaration of conflict of interest, if any. The Chairperson can appoint a new member temporarily if there are no viable alternates.

### **8.5.3.3 Background Documents**

The Secretary shall make the Consultation File available to members at the time of the meeting.

### **8.5.3.4 Opening and validation of offers**

Submissions shall only be opened in the presence of all Offer Opening Committee members.

The Secretary of the Procurement Committee shall record all submissions, the dates and times received, the name(s) of the bid package, and record elements missing or in non-conformity with the Consultation File. The Secretary shall announce and record prices of all offers, including options.

Offers received after the deadline shall be marked clearly so as to be excluded from the opening and the names and addresses of submitting companies shall be recorded clearly in the minutes by the Secretary.

Offers received after the Offer Opening Committee should not be mentioned within the minutes of this body, but in the minutes of the Offer Evaluation Committee.

The Secretary of the Committee will open the offers as follows:

1. announce the name of the submitting company and date and time of submission during the opening of each offer from the registry of receipt,
2. open the technical and financial offers and note that the documents supplied are complete, in particular, that the number of copies requested has been supplied and that the offer has been submitted in the language required,

3. announce and record prices of all offers, including options, upon this registry. The administrative information file and the technical and financial offers shall be presented separately and clearly identified,
4. together with all members of the Offer Opening Committee, initial the first page of each copy of the technical and financial offers, and relevant pages such as those containing pricing.

#### **8.5.3.5 Dispatch of offers**

The Secretary of the Committee will separate administrative, technical and financial offers and dispatch in the following manner:

1. All financial and administrative elements to the Procurement Unit Member, including a copy of the technical elements;
2. A copy of the technical elements to the Business Unit Member;
3. Unidentified documents and all digital media to the Procurement Unit Member.

In order to produce a technical assessment based purely upon the stated technical needs, the Business Unit Member shall not have access to information contained within or derived from the financial offers until submission of the technical assessment to and authorization granted by the Secretary.

#### **8.5.3.6 Minutes**

The minutes must be drafted by the Secretary of the Committee and submitted for approval and signature of all members within five working days of the Offer Opening Committee. The minutes of the Offer Opening Committee must show that the submission procedure has been followed. When an offer is considered inadmissible, the candidate must be informed by the Procurement Unit member.

The minutes, drafted by the Secretary and approved by all members of the Offer Opening Committee, shall indicate :

1. the date, time and place of the meeting,
2. those present at the meeting,
3. the names of the candidates who responded within the required deadline,
4. whether the offers have been submitted in accordance with the submission procedure,
5. whether the original copies of the offers have been duly signed and whether the required number of copies of the technical offers has been sent,
6. the names of candidates whose offers have been rejected owing to non-compliance and reasons for this rejection.

## **8.6 Offer Evaluation Committee**

### **8.6.1 Purpose**

The Offer Evaluation Committee will assess received vendor offers, ensure the assessment procedure is in conformity with regulations and directives in force, and pronounce a recommendation regarding the award or outcome of the selection procedure to the Secretary General.

## **8.6.2 Composition and quorum**

The following members, or their alternates, must be present in order for the Offer Evaluation Committee to validly deliberate:

1. Chairperson
2. Operations Member
3. Administration Member
4. Secretary of the Committee
5. Internal Audit Member
6. Procurement Unit Member
7. Business Unit Member

## **8.6.3 Procedure of the Offer Evaluation Committee**

### **8.6.3.1 Convocation**

The Offer Evaluation Committee is to be convened after the offers and their corresponding documents and/or media have been validated by the Offer Opening Committee.

The Offer Evaluation Committee shall be convened by the Secretary at the joint request of the Procurement Unit Member and the Business Unit Member, in a reasonable time frame before the expiration of validity of the offers and may be required to meet on several occasions.

The duration and organization of assessment phase of the Committee's work will depend on the complexity of the selection procedure. In general the first Offer Evaluation Committee should be held at the latest two months before the expiration of the validity of the offers.

The message shall contain a request for invited members to include in their response a declaration of any conflict of interest. The Chairperson can appoint a new member temporarily if there are no viable alternates.

### **8.6.3.2 Background Documents**

The Secretary shall make all relevant documents available to members at least two working days previous to the time of the meeting, including the Consultation File, the Offer Opening Committee minutes and all assessment reports.

All contact between the Organization and the candidates shall be documented within the assessment reports, including minutes of any interviews or other communication.

### **8.6.3.3 Technical assessment of offers**

The Business Unit Member and members of his requesting department shall analyse the offers according to the selection criteria set out in the specifications or the document setting out the requirements and calling for offers, and draft a reasoned analysis in the form of the technical assessment. This assessment may be assisted by outside experts.

The Business Unit Member shall submit the finished technical assessment to the Secretary, who will in turn release the financial offers.



The requesting department must take account of the following criteria:

1. Ensuring that the technical offer meets all the formal requirements. A technical offer which does not meet these requirements may be rejected. The reasons for any such rejection must be given in the assessment report.
2. If the selection criteria communicated to candidates include a technical assessment chart, this must be taken into account in the assessment of offers and cannot be modified.
3. If variants are expressly allowed in the information and specifications file, each variant shall be examined separately.
4. If requests for clarification have been made, the head of the requesting department shall attach a copy of the correspondence to the assessment report.

#### **8.6.3.4 Financial assessment of offers**

The assigned Procurement Officer, who may be assisted by the Requesting Department, shall carry out the financial assessment of the offers received from bidders, matching them against the financial criteria, together with the respective weighting as specified in the definition of requirement (see article 5.2 above and Appendix 1 for illustrations).

For the financial assessment, the assigned Procurement Officer must check whether the candidate is connected with the Organization by way of a donation or sponsorship and inform the Committee of this position at the evaluation meeting.

The Procurement Officer shall use Appendix 1, wherever possible, in order to :

- ▶ determine the weighting to be applied to the financial component of an offer in relation to the other components; and
- ▶ calculate the financial score upon evaluation of offers.

#### **8.6.3.5 Checking of administrative files**

The assigned Procurement Officer must check whether all documents for the file have been submitted. Candidates may add any missing documents to their administrative files if these are incomplete. This must be done, at the latest, before the Offer Evaluation Committee meets.

The administrative information file must comprise the following documents:

1. A signed set of Specifications proving acceptance of all clauses;
2. Candidate's declarations and administrative information, forming part of the administrative specifications;
3. Documents certifying that the candidate complies with the obligations imposed by the applicable legal rules;
4. In the case of consortia: certification of the existence of the consortium, and designation of a lead company, signed by all members of the consortium;
5. In the case of candidates considering subcontracting work, where the information and specifications file so allows: a declaration describing the content and scope of the

subcontracting envisaged, which must remain within the limits stipulated in that file, and the identity of the subcontractor(s).

#### **8.6.3.6 Requests for clarification**

With the agreement of the Chairperson of the Committee, the Secretary may relay written queries from the Business Unit Member to candidates whose offers require further clarification.

Requests for clarification must not seek the correction of formal errors or of major omissions affecting execution of the contract or distorting competition. It shall be noted that replies to any requests for clarification must be received in writing within 48 hours.

#### **8.6.3.7 Interviews with candidates**

If it is stated in the Consultation File that interviews will be held, or they are authorized by the Committee, interviews between the candidates and the requesting department or project team will be organized by the Secretary, together with the Organization's procurement department, in accordance with the following:

1. Candidates shall be interviewed in close succession to allow comparisons to be made. Interviews shall take place within a framework established beforehand by the Business Unit Member and applied to the specialists or teams invited.
2. Following the interviews, the head of the requesting department, without modifying the assessment criteria or – where applicable – the technical assessment scale, shall determine whether the assessment shall be modified. The reasons must be given for any such modification and be limited to information gained during the interview.
3. This procedure should remain limited, as it entails substantial expenses for the Organization.
4. The Procurement Unit Member shall be present during all interviews.
5. All interviews are to be recorded and these minutes included in the analysis reports.

#### **8.6.3.8 Presentation of the technical and financial assessment reports**

The Business Unit Member shall present the report on the technical assessment of the offers to the Committee, and any additional clarifications requested at previous meetings. The assigned Procurement Officer shall then present the report on the financial assessment of the offers.

The Committee shall discuss, and approve or otherwise, the reports and recommendations presented.

1. In the event that the Committee does not give its approval, particularly when it considers that it does not have the information necessary to do so, it must state the reasons and may request a further assessment within five working days.
2. The Secretary must then summarize the comments of the members of the Committee in the minutes.
3. In the event of major disagreements, members with differing opinions must fully justify their position.

### **8.6.3.9 Voting**

The Chairperson will summarize the decision of the Offer Evaluation Committee and call a vote. Each voting member shall have one vote and is bound to cast it. The vote shall be decided by a simple majority of voting members.

### **8.6.3.10 Recommendation and minutes**

The minutes of the Offer Evaluation Committee shall be drafted by the Committee's Secretariat within five working days of the last Offer Evaluation Committee and contain the elements below :

1. An outline of the project and relevant historical information;
2. The names and roles of committee members;
3. A summary of the requirements, a technical and functional overview and a financial overview;
4. A summary of the procedure followed;
5. A copy of the relevant documents submitted to the Committee;
6. A record of the discussions and opinions of the Committee members;
7. The recommendation made by a simple majority of permanent members voting, duly reasoned where appropriate, and a record of the vote.

Following its discussions, the Committee may make the following recommendations:

1. To award the contract to the candidate who has submitted the offer considered to be economically and technically the most advantageous, in accordance with Implementing Rule 4.4.6 of the Financial Regulations and:
  - (a) which meets the formal criteria and eligibility rules,
  - (b) which complies with the minimal technical requirements set out in the call for tenders file.
2. In exceptional cases, to declare the open call for tenders unsuccessful, e.g. when:
  - (a) all offers are inadmissible,
  - (b) no offer fulfils the criteria for selection/award set out in the call for tenders.

The minutes containing the Committee's recommendations shall be prepared by the Secretary, approved by all members of the Committee, then signed by the Chairperson and sent to the Secretary General for signature.

## **8.7 Ad Hoc Procurement Committee**

When an Ad Hoc Procurement Committee is set up under the terms of Financial Regulation 4.5(1,a), the Committee shall be convened to give its opinion in accordance with the Evaluation Committee procedure set out above, mutatis mutandis, particularly in the case of a waiver to the procedure for the open call for tenders or a change in the initial amount of the transaction which brings it to the limit for the procedure for an open call for tenders.

However, in urgent cases, and where good reasons are provided, a circulation procedure may be followed. In such cases, if no objections have been made within five working days of receipt of the documents for examination by the members of the Committee, the Committee's opinion will be considered to be favourable.

## **8.8 The Secretary General's decision**

The Secretary General shall take the recommendation made by the Procurement Committee into account but shall not be bound by it. The Secretary General may delegate his power of decision. Minutes can be submitted to the Secretary General's delegate by the Secretary if authorized by the Chairperson.

The Secretary General may accept or reject the offer put forward by the Committee. In the latter case, the Secretary General must give reasons for his decision in writing and submit it to the Committee's Secretariat, which shall forward a copy to the Chairperson.

Notwithstanding the procedure applicable to the Committee, the Secretary General may, before taking his decision, hear the Chairperson of the Committee or any other member of the Committee and ask for clarifications or additional supporting material.

This decision, including any comments or requests, will be conveyed to all members who had taken part in the committee as soon as possible by the Secretary. All elements shall remain available in the procurement service for access by all members of the committee.

## **8.9 Redress available to unsuccessful candidates**

An unsuccessful candidate who wishes to make an inquiry or to complain about the selection procedure may contact PCM through a contact e-mail address provided for the purpose of the selection procedure. Upon request, PCM shall provide details as to the results of the evaluation of offers, including the strength and weaknesses of the unsuccessful candidate's offer.

An unsuccessful candidate may, after having sought an amicable solution, refer to the Permanent Court of Arbitration in accordance with the arbitration clause included in the Administrative Specifications.

## **9 DIRECT NEGOTIATIONS**

### **9.1 General description**

Direct negotiations are conducted by the Secretary General, who holds any discussions and makes any comparisons that appear appropriate, in the light of the Organization's requirements and interests.

When it is obvious that the amount of the transaction is small, the Secretary General is not bound to observe any formalities prior to its conclusion.

### **9.2 Minimum number of suppliers/service providers to be consulted**

When, according to the Financial Regulations, it is not compulsory to follow the limited competition procedure or open call for tenders, it shall nevertheless be compulsory to consult at least three qualified suppliers for the purchase in question when the amount of the transaction exceeds EUR 60 000 excluding tax, unless consideration of fact or law require that only one or two supplier(s) be consulted.

In such circumstances, the Requesting Department shall submit reasons for consulting only one or two supplier(s) to the Head of PCM for decision.

Direct negotiations are conducted by PCM possibly with assistance of the Requesting Department.

The Requesting Department must ensure that the Purchase Request and definition of requirements are submitted sufficiently in advance to enable PCM to consult qualified suppliers.

### **9.3 Negotiation**

During the negotiations of the contract, the payment conditions, including the advance payment are evaluated in respect of a risk involved in respect of the delivery of goods or execution of services.

## **10 PURCHASE REQUEST AND PURCHASE ORDER**

### **10.1 General description**

The Purchase Request is an expression of needs formulated by a Requesting Department, asking PCM to acquire goods and/or services of certain quality and quantity for a specific date. This is a budgetary commitment with the estimation of costs. Allocation of expenses (identified by budgetary code) enables to distribute the costs into several subjects of financial control. It contains certain obligatory information in order to be able to be processed..

PCM cannot start any action, including negotiation or contract drafting without a duly validated Purchase Request.

## 10.2 Commitment of the Organization

A legal act committing the Organization must exist prior to any executions of delivery of goods or services. Depending on its amount, it can have a form of:

1. Purchase Order; or
2. Purchase Order and Contract

## 10.3 Purchase Order

The Purchase Request is an internal documents and cannot be used outside the Organization. Its mirror, the Purchase Order which can be issued only by PCM, is a document which can be sent outside the Organization to providers.

Purchase Orders are issued by PCM based upon the Purchase Request entered in the SAP-based INTERPOL Resource Management System by the Requesting Department.

When Purchase Orders are used to formalize the transaction, the terms of the order must include all necessary details, and in particular:

1. Name and address of supplier;
2. Quantities ordered;
3. Features of the product/service;
4. Specifications required (any tests/deliveries);
5. Unit prices negotiated;
6. Overall fixed price negotiated;
7. Conditions of payment;
8. Conditions of delivery;
9. Taxes and duties, if any.

## 10.4 Purchase Orders and Contracts

Purchase orders and contracts are strongly recommended for the following services:

1. Maintenance or cleaning services;
2. Intellectual services requiring specific legal framework;
3. Computer services other than acquisition of resources (purchase orders must not be used for software as user licences are essential), particularly IT maintenance services.

If the amounts involved are low, the adhesion contract offered by the supplier or service provider (such as a software user licence) may be signed.

The Purchase Orders are registered and their validation is managed through the SAP-based INTERPOL Resource Management System for purchases of any amount.

When the Regional Office's bank balance reaches the minimum level, a replenishment is made by a cash transfer from the Headquarters of the Organization to the Regional Office.

## 11 CONTRACT MANAGEMENT

### 11.1 Contract Formalization

Depending on the type of contract and the procedure followed, the contract may be formalized with purchase orders or by a purchase order and signing a contract.

The decision to conclude the transaction by issuing a purchase order, or by issuing a purchase order and signing a contract, is taken by PCM in consultation with the Requesting Department in conformity with the procedure set out in this Chapter, taking into account the specific features and risks of the transaction under consideration.

The contract shall consist, in order of priority, of:

1. any amendments to the contract,
2. the contract,
3. the Specifications,
4. the contractor's offer.

Depending on the circumstances of the case, the order of priority of the Specifications and the contractor's offer may vary and/or the contract may consist of more documents.

### 11.2 Negotiated contracts or adhesion contracts

When the adhesion contract contains limitation clauses with regard to responsibility or waiver of any right of redress against the supplier, the Organization is required to inform its insurer of these clauses, subject to loss of its cover concerning risks which could arise from the goods/service(s) which are the subject of the contract. PCM will inform the Organization's insurer.

### 11.3 Contract Components

The Specifications and the contractor's offer set the basic conditions for conclusion of the contract.

Contracts drafted should determine the whole agreement, with reference to the specifications and the contractor's offer.

Certain clauses should be drafted with particular care, e.g.:

1. the exact subject of the contract should be clear;
2. the price and payment arrangements should be clearly stated in the body of the contract, with a cross-reference to the details of the price in an appendix;
3. responsibility limits should be indicated to the insurance manager;
4. the test procedure should be clearly stated and set out in detail if necessary.

The following details may be included depending on the type of goods/services/works contract.

1. Payment arrangements: E.g. payment by instalment, full payment upon delivery, upon satisfactory working order being established, upon installation. If payment is made in

instalments, the date of payment for the final instalment must be specified (establishment of satisfactory working order, for example).

2. Delivery arrangements: Delivery of goods and services shall be carried out in accordance with the procedures in force in the Organization.
3. Installation: It should be stated whether the supplier is responsible for installation.
4. Tests: If acceptance of the goods/service(s) cannot be confirmed until after a test period, the length and nature of the tests and the acceptance conditions should be clearly stated.

#### **11.4 Length of contract**

The contract is usually concluded for a period of maximum of three years.

If it is in the interest of the Organization or if, given the type of contract, it is necessary to ensure continuity, the contract may be concluded for a maximum of five years. The Requesting Department must provide reasons for such exceptions either to the Head of PCM when if the contract is concluded following the direct negotiation procedure, or to the Procurement Committee if the contract is concluded following the open call for tenders or the limited competition procedures.

#### **11.5 Payment conditions**

Subject to the results of the negotiations, the price of the Contract is normally paid by bank transfer within 60 (sixty) days from the end of the month in which the invoice was submitted, provided that the Organization's verification of the invoice does not give rise to any disagreement concerning the sum invoiced. Should this be the case, INTERPOL shall contact the Contractor in writing, specifying the reasons for contesting the invoice or requesting that the contested invoice be corrected.

Without prejudice to legal requirements, the Contractor shall indicate on each invoice the reference of the Contract as well as the reference of the corresponding Purchase Order.

#### **11.6 Validation of the contract**

Once a draft contract is prepared or a contract proposed by a supplier is reviewed, the contract is validated internal to PCM by a contract officer, a procurement officer and the head of PCM .

#### **11.7 Procedure for signature**

The Organization may not make a commitment to the potential contractor until the contract has been signed. It is therefore not permitted for a letter of commitment to be sent to the potential contractor by the Organization before the contract is signed.

Any commitment made must be in conformity with the rules on the delegation of financial powers in force.

Original copies of the contract (to include the body of the contract and all appendices) shall be prepared by PCM, the Requesting Department being responsible for the technical aspects of the transaction/document. There shall be at least as many original copies as the number of signatories.



In accordance with procedures established and published by the Confidentiality Desk and the Information Systems and Technology Directorate, these entities may be asked to validate the contract before it is sent to the contracting partner for signature.

The original copies shall be sent to the contracting company by PCM for signature with the following instructions:

1. Signature of the body of the contract with the date of signature and, underneath the signature, the name in full, together with the stamp of the person authorized on behalf of the signatory contracting partner;
2. Preferably, all pages of the body of the contract and the appendices should be initialled, after the last word.

PCM shall receive the original copies signed by the supplier and pass them for signature by the competent official in the Organization. The above instructions shall apply to the signature of the contract by the Organization.

PCM shall:

1. Send one or more original copies signed by the parties to the contracting partner;
2. Save and file the other original copy according to archiving procedures.

## **11.8 Implementation of the contract**

The Requesting Department shall be responsible for ensuring the proper application and follow-up of the contract, with the assistance of PCM, if necessary.

## **11.9 Contract model templates**

Where possible and practical, contract model templates for certain types of contracts are being developed. They are available from PCM, and any substantial modifications to a model must be submitted to PCM for approval.

## **12 CONTRACT AMENDMENTS**

### **12.1 General description**

Any modifications to the terms and conditions of the Contract must be made in the form on a written Amendment signed by both Parties.

If the Contract foresee any clarifications or adaptation in accordance with a mechanism stipulated by the Contract, these clarifications or adaptations are not considered as Amendments. In any event, such clarifications or adaptations must be agreed between both Parties in writing and must be documented and annexed to the Contract. Thus, they will form an integral part of the Contract.

By the term “mechanism stipulated by the Contract” , it is understood a possibility of making minor modifications after the signature of the Contract. For example, contracts with language teachers foresee that the exact days and time of lessons to be taught by language teachers will be specified after the number of students is known.

## 12.2 Amounts to be considered

In order to determine the applicable procurement procedure for the amendments to contracts, the amount of the amendment shall be assessed separately from the amount of the initial contract regardless of the procurement procedure applied to the initial contract.

When this assessment leads to application of the direct negotiation procedure, the Procurement Committee may nevertheless be consulted:

1. If the amendment brings the overall transaction beyond a threshold for open call for tenders or limited competition;
2. If the amount of the amendment exceeds the amount of the initial contract;
3. If several amendments have already been concluded with respect to the same contract; or
4. Any other situation that questions the procurement procedure to follow.

## 12.3 Validation and signature

For the purpose of the validation and signature of the Amendment, the same principle as described above applies.

## 13 ACCEPTANCE OF GOODS AND SERVICES

The Secretary General delegates his authority to receive approved goods and services (where there is an underlying Purchase Order or contract) to any official within the Organization in charge of the receipt.

The Secretary General delegates his authority to receive goods or services where there is no underlying contract or purchase order (e.g. by signature of invoice or credit cards or cash) to Budget Managers to the extent of their budgets and provided that the purchase is in line with the credit card or ad hoc cashier policy .

► **ABOUT INTERPOL**

INTERPOL is the world's largest international police organization. Our role is to assist law enforcement agencies in our 190 member countries to combat all forms of transnational crime. We work to help police across the world meet the growing challenges of crime in the 21st century by providing a high-tech infrastructure of technical and operational support. Our services include targeted training, expert investigative support, specialized databases and secure police communications channels.

► **OUR VISION: "CONNECTING POLICE FOR A SAFER WORLD"**

Our vision is that of a world where each and every law enforcement professional will be able through INTERPOL to securely communicate, share and access vital police information whenever and wherever needed, ensuring the safety of the world's citizens. We constantly provide and promote innovative and cutting-edge solutions to global challenges in policing and security.



**INTERPOL**

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