



PROCUREMENT POLICY

ETC Foundation

ETC	Management
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For Approval:

A handwritten signature in blue ink, appearing to be 'J.H.J. Dusseljee', written over a light blue horizontal line.

J.H.J. Dusseljee
Director ETC Foundation

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1 INTRODUCTION TO ETC'S PROCUREMENT POLICY

The following principles guide ETC's procurement of goods and services:

- The underlying objectives of procurement and tendering are concerned with ensuring fair competition, which is viewed as a key factor in achieving the twin objectives of:
 - accountability in the spending of public money; and
 - transparency in the steps of the decision-making processes.
- Procurement is all about succeeding in getting the best deal for goods or services according to criteria specified to potential suppliers in advance. Criteria address price, quality, timeliness, due diligence etc.
- Parties involved in the procurement process can include the client/donor, the implementing agency (ETC), the contractor (including consortia) and, if applicable, subcontractors.
- The procurement process includes the following successive actions: 1. Specification of requirements and Tendering process: request for proposals/quotations; 2. Evaluation of the bids; 3. Due diligence: assessment/screening of organisational soundness (if applicable¹); 4. Final approval; and 5. Contracting.
- This procurement policy may be overruled if donors have issued specific instructions with regard to procurement.

2 TYPES OF PROCUREMENT

The following procedures are used according to the value and nature of the goods

A. Procurement of goods or services worth € 50,000 (including VAT) and above

- Open request for proposals/quotations whereby an invitation to submit a proposal/bid is disseminated publically and selection then made from a minimum of three proposals/bids.
- Restricted request for proposals/quotations for procurement of specific goods/services that can only be provided by one or a limited number of organisations/experts/suppliers. In this instance, between one and three organisations/experts/suppliers are invited to submit written proposals/bids.

B. Procurement of goods or services worth less than € 50,000 (including VAT)

- Request for quotation whereby quotations are obtained from two or more national or foreign suppliers. This system does not require the use of formal bid documents.
- Direct contracting whereby a firm is contracted without a competition.

3 PROCUREMENT PROCESS

- The following general process is followed for the procurement of products/services worth €50,000 or more, and may be used for smaller procurements if considered appropriate. **Whenever required or appropriate, the process is adapted to ensure that ETC complies with donor rules and regulations for that specific agreement.**

¹ Only applicable when ETC contracts partner organisations. This is elaborated in the "Partner Assessment Policy". ETC should assess and select suppliers on the basis of their capacity to provide a product that meets the organisation's needs.

- Specification of requirements and tendering process (requesting proposals/quotations). The programme manager or other authorised person prepares the request for proposals/quotations (the tender document) and ensures it contains all the required information to facilitate offers from organisations/experts/suppliers as appropriate. The information should include the specifications and requirements regarding the products/services, expected deliverables, duration of the service, assessment and eligibility criteria, closing date and time, the address to which submissions should be sent and the contact person to whom enquiries may be made.
- Evaluation of the bids. Offers received before the deadline are reviewed by at least two people, which should include both the programme/project manager and the project administrator within the financial department. The assessment is based on the requested information, documents and the assessment criteria stipulated in the request for proposals/quotations. The ranking system considers the budget, the expertise and experience relevant to implementing the project/service, the track records of the bidders and their management quality.
- Due diligence/screening for organisational soundness (if applicable). As an element in reaching a grant-making decision, the programme manager or other authorised personnel will assess an organisation's financial and organisational health and capacity. The decision to fund or not to fund is based upon a balance of objective data analysis, insight into the general state of organisational health and stability, and intuition. A sound and thorough due diligence review is the process through which all the factors that make up that equation are uncovered and understood. It is the process in which a programme manager “probes” the organisation.
- The final approval of a selected proposal/quotation is made by the Line/Programme Manager or the Director depending on the outcomes of the evaluation process and, if applicable, the due diligence assessment. For procurements related to a programme/project, the programme manager will ensure that the procurement fits within the framework of an approved programme budget and results framework.
- Contracting. The successful applicant will be formally notified and invited to enter into a contract with ETC. Should none of the applicants fulfil the required specifications and conditions, the procurement process will be abandoned and the original specifications and conditions amended as necessary prior to a renewed request for proposals/quotations.

4 PROCEDURE FOR HANDLING COMPLAINTS

Organisations/experts/suppliers who consider themselves as having been treated unfairly can lodge a complaint with ETC's Director. The Director will acknowledge receipt of the complaint and will complete an investigation into the allegations within a four-week period. The outcomes of the investigation will be communicated to the complainant.

5 PROCUREMENT EVALUATION

The procurement process itself will be evaluated by the programme manager or other authorised personnel. The main objective is to determine whether value for money has been achieved. Any lessons learnt will be fed into improving the procurement process.