Procurement Manual
Effective
1st of July 2020
1. Introduction

This procurement manual describes the implementation of the SRTF Procurement Policy by the Management Unit. The level of detail is meant to cover the most common, repetitive procurement work steps. Incidents not covered by this Manual must be handled ad-hoc and sanctioned by the COO and/or DG.

This Manual is maintained by the Procurement Section and shall be reviewed and updated when necessary, at least annually, or as and when considered necessary by the SRTF Management Committee (MC) or the MU. The initial version of this Manual must be approved by the Management Committee. After this, changes can be made by the Management Unit. The MC Chairperson is informed about any subsequent changes to this Manual.

All specifications made in this document apply to all procurement actions of SRTF. These are those within SRTF Recovery Projects done on behalf of IEs in Syria, procurement done for the Rapid Response Unit (Stabilisation Program), and procurement done by the SRTF MU for its own needs of services, works or equipment. Where IEs are able to do procurement by themselves, the SRTF only keeps oversight on proper quality in the IE’s procurement process.
1.1. Acronyms and Glossary

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>Approved Supplier</td>
<td>Supplier approved, but not necessarily vetted, for procurement activities with SRTF.</td>
</tr>
<tr>
<td>BEC</td>
<td>Bid Evaluation Committee</td>
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<tr>
<td>Bidder</td>
<td>A supplier that is invited to participate in any of the competitive procurement methods (LIB, Shopping, PO)</td>
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<tr>
<td>BOC</td>
<td>Bid Opening Committee</td>
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<tr>
<td>CMC</td>
<td>Contract Management Committee</td>
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<tr>
<td>COO</td>
<td>Chief Operations Officer</td>
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<tr>
<td>CS</td>
<td>Compliance Section</td>
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<tr>
<td>CSH</td>
<td>Compliance Section Head</td>
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<tr>
<td>DG</td>
<td>Director General</td>
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<tr>
<td>DPO</td>
<td>Purchase Order</td>
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<tr>
<td>FA</td>
<td>Financing Agreement</td>
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<tr>
<td>G/W/S</td>
<td>Goods, Works, Services</td>
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<tr>
<td>IE</td>
<td>Implementing Entity</td>
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<tr>
<td>KPI</td>
<td>Key Performance Indicator</td>
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<tr>
<td>KRI</td>
<td>Key Risk Indicator</td>
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<tr>
<td>LIB</td>
<td>Limited International Bidding</td>
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<tr>
<td>MA</td>
<td>Master Agreement</td>
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<tr>
<td>MC</td>
<td>Management Committee</td>
</tr>
<tr>
<td>Abbreviation</td>
<td>Description</td>
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<td>--------------</td>
<td>-------------</td>
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<tr>
<td>MCC</td>
<td>Management Committee Chairperson</td>
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<tr>
<td>MU</td>
<td>Management Unit</td>
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<tr>
<td>PGS</td>
<td>Program Section</td>
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<tr>
<td>PGSH</td>
<td>Program Section Head</td>
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<tr>
<td>Potential bidder</td>
<td></td>
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<tr>
<td>Potential Supplier</td>
<td></td>
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<tr>
<td>PP</td>
<td>Procurement Plan</td>
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<td>PRC</td>
<td>Procurement Review Committee</td>
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<td>PRF</td>
<td>Procurement Request Form</td>
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<tr>
<td>PRS</td>
<td>Procurement Section</td>
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<tr>
<td>PRSH</td>
<td>Procurement Section Head</td>
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<tr>
<td>Quotation</td>
<td></td>
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<tr>
<td>RfP</td>
<td>Request for Proposal</td>
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<td>RfQ</td>
<td>Request for Quotation</td>
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<tr>
<td>Selected Supplier</td>
<td></td>
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<tr>
<td>Suggested Supplier</td>
<td></td>
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<tr>
<td>SSA</td>
<td>Supply and Service Agreement</td>
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<tr>
<td>TEF</td>
<td>Tender Evaluation Form</td>
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<tr>
<td>TER</td>
<td>Tender Evaluation Report</td>
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<tr>
<td>TIL</td>
<td>Tender Invitation Letter</td>
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</tbody>
</table>
## 1.2. Basic control concepts

<table>
<thead>
<tr>
<th>Control vs. Check</th>
<th>A control refers to a step in the process that was put in place as a response to a risk. A check in the context of this process flow refers to something that needs to be considered.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decision making</td>
<td>Decision makers have the authority and capacity to take decisions. They take decisions on a well-informed basis.</td>
</tr>
<tr>
<td>Documentation</td>
<td>Procurement is an activity with high exposure to fraud risk, internal and external alike. Proper paper/activity trails can mitigate that risk. It is therefore imperative that all procurement activities are documented properly. Decision-making in particular requires a meaningful presentation of all the options that are available, mention of possible implications, rationalization of any preferences and the decision that is eventually taken. Based on the documentation that is available, a knowledgeable third party should be able to see if procurement was carried out in compliance with policies and procedures, and understand how a decision came about. → see also Traceability</td>
</tr>
<tr>
<td>Incident management</td>
<td>Events that have a negative impact on the objectives of a process are systematically captured and analyzed. If necessary, the process is adjusted.</td>
</tr>
<tr>
<td>Segregation of duties</td>
<td>A prudent way to split responsibilities of critical process steps. Activities are assigned to different organizational units, so that not one function has control over an entire process.</td>
</tr>
<tr>
<td>Signature</td>
<td>A signature confirms a decision, or documents an approval, or proves that a control was carried out.</td>
</tr>
<tr>
<td>Traceability</td>
<td>Activities are documented in a way to allow a knowledgeable third party an understanding, like how a decision came about. → see also Documentation</td>
</tr>
</tbody>
</table>
2. Procurement needs

2.1. Definition

Procurement starts with the definition of needs by the Program Section in a Project Plan. This will be translated into one or more Procurement Request Form(s).

The initiative to start a procurement activity is taken by the COO based on a proposal by the Program Section Head in a Procurement Request Form. Different PRF forms shall be established to allow for a comprehensive description of requirements for all relevant types of procurement: Goods, Works, Services.

Policy section: 5.2

Objective: Procurement knows the exact nature, quantity, quality, time, location of G / W / S to be procured. Sufficient information is given to the Procurement Section to be able to conduct a successful procurement process within time and budget.

Main Activities: Program Section to develop Procurement Plan, which is translated into one or more Procurement Request Forms with integrated technical and other specifications, forming the basis for every procurement activity.

Main process step input: Procurement Plan of the Financing Agreement

Main process step output: Procurement Request Form defining what exactly shall be procured

Process owner: Program Section

Key Risk Indicator #1:

Design: Monitoring of, and reporting on: Number of procurements done without success, or with material delay.

Agent: PRS or CS

Risk: The main objective of the SRTF is not met, or (severely) disrupted. Decision makers are not aware. No action is taken to remedy the situation, and/or to avoid risk event in the future.
Rationale: This directive control allows senior management and the MC to be informed about problems in the procurement process, and to take action as deemed necessary.
2.2. Acceptance

The Procurement Section receives a PRF, and carries out certain checks to see if the form meets all requirements necessary to start the procurement process.

**Policy section: 5.2.2**

**Objective:** Procurement Section holds a viable procurement request form that it can act on.

**Main Activities:** The PRF received from Program Section is checked to ensure that it meets all the formal requirements and that the specifications are clear and allow for a successful procurement.

**Main process step input:** Procurement Request Form (PRF), including technical specifications.

**Main process step output:** Procurement Request Form accepted by Procurement Section.

**Process owner:** Procurement Section

The PRF shall comply with the following requirements:

- Definitions must be adequately categorized to allow for later comparison of received bids. Technical Specifications have Main Categories and Sub Categories and include:
  - Clear description of required goods, works or services (technical specifications)
  - Amounts and units
  - Desired date of delivery or completion
  - Recipient / beneficiary and point of delivery
  - Price estimate

- The PRF shall ensure all relevant information is asked from suppliers, especially for bids where suppliers shall be selected by “best value for money” and not simply “lowest price”. Information required for a total acquisition cost approach over the project lifecycle should always be asked for complex procurements as appropriate.

- The type of Request (Request for Proposal or Request for Quotation) shall be specified.

- The PRF shall point out if certain items can be procured for by combining with items of other PPs or PRFs.
- The PRF shall be silent on Procurement Method and possible suppliers.

**Special explanatory notes on Check for fraud risk:**

A common fraud scheme in procurement is the attempt to define a procurement request in such a narrow way so that only one supplier can meet the criteria. In such scenario, a person within the organization that can influence the specification of the procurement request collaborates with the supplier that eventually wins the contract. With that in mind, the procurement staff checks the PRF in question to see if there are any indicators for wrongdoing.

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1 Source: Procurement Policy, Section 5.2.2
2.3. Updates

This sub-process is largely dealt with by the Program Section.

If it shows in later stages of the procurement process\(^2\) that initial assumptions were unrealistic or improper and an adjustment of tender documents or specifications in the PRF (or even the Procurement Plan) would allow for significant improvement of a procurement activity, such change requirements must be documented properly.\(^3\)

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**Policy section: 5.2.3**

**Operations Manual: 5.3**

**Objective:** Procurement needs are revised and lead to a better procurement outcome.

**Main Activities:** Revision of PP/PRF issued earlier, and obtaining all necessary approvals.

**Main process step input:** Knowledge about a need to revise an existing PP/PRF.

**Main process step output:** Revised PRF.

**Process owner:** Program Section

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\(^2\) e.g. bid processing, bid evaluation and related discussions in the Bid Evaluation Committee, or during implementation

\(^3\) Source: Procurement Policy, Section 5.2.3
3. Decision on procurement method

The procurement method to be applied is chosen by the Procurement Section Head as stipulated in the Procurement Policy. The preferred procurement method is LIB. While the PRF shall be silent on the procurement method, PRFs inducing other procurement methods shall be critically reviewed by the Procurement Section to prevent tender manipulation.⁴

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### Policy section: 2.2 and 5.3.1

**Objective:** A suitable procurement method is found that strikes a balance between a procurement that is transparent, fair, competitive, and one that is likely to yield the best results for the project.

**Main Activities:** Consideration of the best method given the circumstances, but within the provisions of the Policy.

**Main process step input:** Procurement Request Form (PRF) accepted by Procurement Section.

**Main process step output:** Decision on procurement method.

**Process owner:** Procurement Section

**[Direct] Purchase Orders** (DPOs) shall be used where the ordered values are immaterial (< 5,000 EUR) and an approved supplier is available.

**Shopping** may be used for procurements of > 5,000 EUR and up to 250,000 EUR. If supplies and / or services are so urgent that a bidding contest is not appropriate, such as in the case of emergency measures. The COO or DG must confirm this in writing.

Another reasons to apply the shopping method for values > 250,000 EUR may be for works, if non-Syrian companies cannot deliver these on site due to the security situation. In such case, limited international bidding may not be feasible. Such case must be substantiated by a market analysis confirming delivery details of the Syrian supplier are

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⁴ Source: Procurement Policy, Section 5.3.1
in line with the Procurement Plan and actual market conditions and must be approved by the Program Section Head.\(^5\)

**Direct:** If Direct Procurement is suggested, this must be substantiated with one of the reasons as specified in the Procurement Policy.

Direct Procurement can be applied in any of the following cases:\(^6\)
- the MU concluded procurement for similar item/s and similar scope during the previous 6 months and it is confirmed in writing by the Procurement Section Head and the Program Section Head that
- the standard procurement methods would not lead to better procurement results and
- the offered price does not exceed the price in the previous procurement case referred to by more than 5% and not more than one year has passed since the preceding or the first of a series of related procurement cases;
- there is just one approved supplier available in the supplier database who can provide the required services, goods or works (such cases must be confirmed and documented jointly by the Program Section and the Procurement Section);
- supplies and / or services are so urgent that a bidding contest is not appropriate, such as in the case of emergency measures.

Any case of Direct Procurement, even for amounts below 100,000 EUR, requires approval from the COO.

**Limited International Bidding** (LIB) is done by pre-selecting suggested suppliers from the approved suppliers in the supplier database who have been confirmed being interested and capable of providing a meaningful offer.

**International Competitive Bidding** (ICB) shall be applied for procurement amounts exceeding 10 mln EUR.

**Key Risk Indicator:** The decision on the procurement method is tricky. While Direct almost always leads to successful procurement fast, it touches on the essence of prudent procurement management. The dilemma is between opposing objectives: efficient and successful procurement versus fair treatment of market participants that requires more resources. The Policy opens the possibility to apply Direct, and if chosen, the Procedure foresees a control in the form of management oversight on the part of the COO.

Another aspect when using Direct procurement is the elevated fraud risk that comes with that method, as it is fairly easy for a fraudster within SRTF to collude with a single exclusive supplier.

In order to control the risks that are associated with the choice of procurement method, a KRI is in place that serves the following objectives:
- It captures the number and volume of procurement activities for the different methods.
- It provides a regular report to the DG and COO and thus enables them to be well informed, and to take corrective measures if the risk is deemed too high.
- It provides a report to the Management Committee and thus allows the members to discharge their oversight responsibility.

The KRI is owned by the Compliance function, captured and reported by the same.

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\(^5\) Source: Procurement Policy, Section 2.2.2.

\(^6\) Source: Procurement Policy, Section 2.2.3
4. Bidder selection

The Procurement Section uses the Supplier Database to filter out potential bidders in an objective and fair way as per required goods / works / services. Each bid should be sent to a manageable number of suppliers, which at the same time promise a proper return rate of useable bids or quotations.

4.1. Part 1

Policy section: 5.3.2

Objective: All eligible suppliers stand a chance to participate in procurement activities of the SRTF. The bidder selection is carried out in a fair and transparent manner.

Main Activities: Identification of potential supplier(s) from the Supplier Database that are able to deliver the G / S / W in question.

Main process step input: Decision on appropriate procurement method.

Main process step output: List with potential suppliers that are invited to bid.

Process owner: Procurement Section

It is assumed that potential bidders are taken from the supplier database. In other words, that a supplier that makes it into the bidding process has undergone the sub-processes “supplier assessment” and “supplier approval” and is as such eligible to work with SRTF.

Potential bidders might be contacted informally (thereby avoiding the disclosure of confidential information) to verify their interest in the bid. For projects with complex demands for proper delivery, on-site visits shall be considered. The Procurement Section applies the required checks as appropriate and necessary.

Changing the list of potential bidders is possible only before selected bidders have been invited to participate in any of the competitive bidding processes. However, it is unlikely that a supplier that has not been assessed and approved makes it into the bidding process at this point. This is because the screening of potential suppliers takes

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7 Note that this is not about vetting. Either at this point the supplier has not been vetted at all, or the vetting dates back to an earlier procurement activity.
time and might cause a delay in the publication of the bid. After the bid has been announced, suppliers must not be added anymore. If extraordinary circumstances call for this, a supplier can only be added with the approval of COO and DG.

**Fraud risk:** Bidder selection is critical in fraud risk management; because it is at this point that a fraudster would want to ensure that his/her favorable supplier(s) are chosen. In a scenario where eligible suppliers are excluded from the chance to participate in a SRTF tender, a control by Compliance takes place. It is meant to confirm that the bidder selection process was carried out properly and without undue preference to a particular supplier.

4.2. Part 2

Applicable only if the procurement value exceeds 250,000 EUR

Compliance shall check the selection or later changes of bidders for procurement activities for amounts exceeding 250,000 EUR.⁸

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**Procurement Process: Bid Preparation – Bidder Selection (2 of 2)**

**Policy section:** 5.3.2

**Objective:** Bidders selected by PRS are confirmed by Compliance.

**Main Activities:** Review of selected bidder(s) by Compliance.

**Main process step input:** Bidder(s) selected by PRS for procurement activities of “high material” value.

**Main process step output:** List with potential suppliers that are invited to bid, confirmed by CS.

**Process owner:** Compliance Section

**Fraud risk:** Bidder selection is critical in fraud risk management; because it is at this point that a fraudster would want to ensure that his/her favorable supplier(s) are chosen. In a scenario where the procurement value is “high material”, a control by Compliance takes place. It is meant to confirm that the bidder selection process was carried out properly and without undue preference to a particular supplier.

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⁸ Source: Procurement Policy, Section 5.3.2
5. Purchase of G/S/Ws without tender process

The Procurement Policy provides for certain procurement activities to be undertaken without a competitive bidding process. The applicable methods are Purchase Order (PO) and Direct Procurement (Direct). Reference is made to section 2.2. of the Procurement Policy.

5.1. Placement of Purchase Order (PO)

Purchase Orders shall be used where the ordered values are immaterial (up to 5.000 EUR) and an approved supplier is available. In this case, the Procurement Section can order required G / W / S as described in the PRF from an approved supplier listed in the Supplier Database. Prices must be confirmed to be in line with market prices, deviations must be substantiated by the PRSH.⁹

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⁹ Source: Procurement Policy, Section 2.2.4
5.2. Direct Procurement: RfP/RfQ

Direct Procurement at SRTF has proven to be a very appropriate method to manage the special situation under which the SRTF operates. While it usually departs from the principles of competition, fair selection, equal opportunity, etc., experience has shown that it is a method that often helps SRTF best to achieve its objectives.\textsuperscript{10}

Policy section: 2.2.3

Objective: Certain items are procured using a simplified fast track procedure.

Main Activities: Identification of supplier, and submission of RfP/RfQ.

Main process step input: Procurement method is Direct.

Main process step output: Submitted RfQ/RfP.

Process owner: Procurement Section

Excerpt from the Policy for the application of Direct Procurement\textsuperscript{11}:

<table>
<thead>
<tr>
<th>Threshold</th>
<th>Standard Procurement Process Method for G / W / S\textsuperscript{12}</th>
<th>Approval</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt; € 5,000 - € 100,000</td>
<td>Shopping or Direct Procurement</td>
<td>COO</td>
</tr>
</tbody>
</table>

Direct Procurement can be applied, in complementation to the above table, in any of the following cases:

- the MU concluded procurement for similar item/s and similar scope during the previous 6 months and it is confirmed in writing by the Procurement Section Head and the Program Section Head that
- the standard procurement methods would not lead to better procurement results and

\textsuperscript{10} Source: Procurement Policy, Section 2.2.3

\textsuperscript{11} Source: Procurement Policy, Section 2.2

\textsuperscript{12} Either procurement method can be undertaken with a Request for Proposal or for Quotation, depending on the complexity of the needs definition. The decision about which request type (RfQ or RfP) will be applied is taken by the Program Section Head.
• the offered price does not exceed the price in the previous procurement case referred to by more than 5% and not more than one year has passed since the preceding or the first of a series of related procurement cases;

• there is just one approved supplier available in the Supplier Database who can provide the required services, goods or works (such cases must be confirmed and documented jointly by the Program Section and the Procurement Section)

• supplies and / or services are so urgent that a bidding contest is not appropriate, such as in the case of emergency measures.

Any case of Direct Procurement, even for amounts below 100,000 EUR, requires approval by the COO.
6. Bid preparation

6.1. Preparation of tender documents

Once the procurement method is defined and the bid invitees are selected, the tender documents are prepared and shared with all bid invitees.

**Policy section: 5.3.3**

**Objective:** Tender documents are prepared, with all necessary information for an effective and efficient tender process.

**Main Activities:** Draft a set of tender documents that comply with the requirements laid out in the Procurement Policy. Ensure that the tender documents contain all the information that a supplier needs to have in order to submit a legitimate offer.

**Main process step input:** List of bidders to be invited. PRF with technical specifications.

**Main process step output:** Full set of tender documents.

**Process owner:** Procurement Section

Tender documents shall comply with the following rules:\(^{13}\)

- They are made of standard documents, based on specifications made by the Program Section and updated with supplier details and tender details as per the PRF.
- A reasonable bid time and period for seeking further clarification is defined by the Procurement Section in coordination with the Program Section.
- The expected format of bid documents from bidders or for quotations is specified. LIB and Shopping require a technical offer separate from a financial offer when done for amounts exceeding 100,000 EUR. Depending on amount and complexity of the tender the decision on whether separate offers are requested for other tenders is taken by the Procurement Section Head together with the Program Section Head. If they cannot agree, the COO decides.
- With LIB and Direct Procurement, suppliers shall be invited to provide alternative options to the specifications made if this has been considered useful by the Program Section.

\(^{13}\) Source: Procurement Policy, Section 5.3.3
• The applied procurement method and the invited suppliers are not disclosed.
• Invited bidders shall be asked to confirm receipt of the tender documents.
• Bid documents can be sent electronically or in printed version as considered appropriate by the Procurement Section, signed by a legal representative of SRTF.
• Information for conflict resolution is made available to selected bidders once again.

Key Risk Indicator #5:

**Design:** Monitoring and analysis of, and reporting on: Alternative bids submitted and accepted.

**Agent:** Procurement Section

**Risk:** When drafting the (technical) specifications for a tender, the Program Section might not be aware of alternative options that exist for the required G/W/S's. These alternative options might be better suited, cheaper, or should in other ways be given preference over the specifications as formulated by the PGS. By not allowing alternative options as part of the bidding, the procurement objectives are at risk.

**Rationale:** This directive control has the Procurement Section capture alternative bids for analysis. The idea is that (i) the SRTF is aware of the alternatives that are available for certain G/W/S, and (ii) can critically review the specifications drafted in the past for those items, possibly adopting some or all of the alternative solutions offered by bidders.

**Key Control:**

Tender documents are complex, and they come with many details that need to be accurate. A control is put in place to avoid a situation where a tender is delayed, or even unsuccessful, due to mistakes made during the tender preparation phase. A staff member from the Procurement Section that was not involved in the tender preparation must carry out that control. The control is supposed to detect mistakes and/or missing information, or any other detail that could hamper the bidding process.
6.2. Invitation

Each bid should be sent to a manageable number of suppliers, which at the same time promise a proper return rate of useable bids or quotations. This number is 1 for Direct Procurement and for Purchase Orders. For other procurement methods, it must be at least 2, while the preferred number is 3 to 5.\(^\text{14}\)

### Procurement Process: Bid Preparation – Invitation

<table>
<thead>
<tr>
<th>Process Step Input</th>
<th>Process Step Output</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full set of tender documents</td>
<td>Confirmation of receipt from every invitee</td>
</tr>
</tbody>
</table>

**Policy section:** 5.3.2

**Objective:** The potential suppliers that were chosen to be invited to a tender receive the full set of tender documents on time.

**Main Activities:** The tender documents are made available to the invitees, and the Procurement Section obtains confirmation of receipt from the invitees.

**Main process step input:** Full set of tender documents.

**Main process step output:** Confirmation of receipt from every invitee.

**Process owner:** Procurement Section

\* “Receipt of confirmation”: This process step originates in the early experience of the Fund when suppliers were invited to a tender but failed to submit offers. As a result, many tenders had to be cancelled. Asking the invited supplier to confirm receipt of the tender documents and to confirm willingness to submit an offer addresses the following risks:

- The supplier has not received the documents (spam folder?) and does not submit an offer because of that. By (repeatedly) asking the supplier for a confirmation of receipt, the supplier might inquire into the supposed non-receipt of the tender documents.
- The supplier has received the documents, but has no intention to submit an offer. If that information is given to Procurement, it gives an opportunity to invite additional suppliers to the tender.

Depending on the circumstances (like size and/or importance of the procurement, number of alternative suppliers), PRS might want to contact the supplier by phone or through an agent visit, or if language is an issue, by another email in English and local language. The idea is to “educate” the supplier about the importance of sending a confirmation, and encourage a more responsive attitude.

\(^{14}\) Source: Procurement Policy, Section 5.3.2
If the supplier does not respond to the repeated request from the PRS, it should be flagged in the Supplier Database accordingly, with a notification going to the supplier that the rating was dropped, which might result in the supplier not being considered for future procurement activities.
7. Bid processing

7.1. Questions & Answers

The Procurement Section receives questions from invited suppliers, coordinates clarification with the Program Section and shares responses with all invited suppliers as and when appropriate.

**Policy section: 5.4.1**

**Objective:** Selected bidders are able to seek clarifications, and come forward with alternatives if applicable.

**Main Activities:** Questions are received and checked for a possible impact on the tender, with a proper response given.

**Main process step input:** Query received from a bidder.

**Main process step output:** Response given to bidder.

**Process owner:** Procurement Section

The critical issue in this sub-process has to do with the impact a query might have on the tender process. In other words, if a query goes beyond a simple clarification, but puts the entire tender process in jeopardy. This would be the case if the specifications are at fault, or cannot be met for whatever reason. In an event like this, a diligent analysis is required that should include a summary of lessons learned, e.g. future adjustments to the needs identification process, or the tender document preparation.

Questions received after the defined deadline will be ignored, unless their answering would make a substantial difference to bidders. In this case, and whenever considered helpful by the Procurement Section, the Procurement Section Head and the Program Section Head should decide how to proceed. Reference is made to Section 2.3 of this Manual, and Section 5.2.3 of the Policy.

If the bidder posts an unnecessary question, the reply is given to that bidder only without distributing it to the other bidders. A question qualifies as “unnecessary” if it is down to the fact that the bidder has not read the tender documents properly, in other words the answer to the question is obvious from the information already provided.
7.2. Receipt of bids

Bid documents are received in paper form and in a way that ensures confidential treatment, and that no documents are lost. A log must be maintained and bid documents must be locked away until opening in such a way that only two people can access them.

Offers for Direct Procurement must not be locked away but can be opened immediately by the Procurement Section.

### Procurement Process: Bid Processing – Receipt of Bids

- **Policy section:** 5.4.2

  **Objective:** Bids received are kept secured and treated confidential until bid opening.

  **Main Activities:** Monitor bid submission. Receipt and storage of bids.

  **Main process step input:** Bid received.

  **Main process step output:** (i) Bid in storage. (ii) Email send to bidder, confirming receipt of bid (“confirmation email”).

  **Process owner:** Procurement Section

  **Key Risk Indicator #3:**

  **Design:** Monitoring of, and reporting on: Rate of returned bids on total invitations.

  **Agent:** Procurement Section

  **Risk:** Not enough offers are submitted, making the bidding less competitive, or even void. If it happens and the reasons are not known, the situation might repeat itself and future tenders might be adversely affected.

  **Rationale:** This directive control brings awareness to an issue, and allows for a proper response in case the issue is deemed problematic. A root cause analysis could be a first response, with subsequent action taken to ensure that more bids can be received.
7.3. Bid opening (1 of 2)

The first part of the bid opening sub-process covers the physical opening of envelopes with the technical offers.

<table>
<thead>
<tr>
<th>Policy section: 5.4.3</th>
</tr>
</thead>
</table>

**Objective**: The bids are opened using a due process, thus minimizing the risk of bid manipulation.

**Main Activities**: Opening of bids received in envelopes by the Bid Opening Committee (BOC). Check for (formal) admissibility of bids.

**Main process step input**: Bids (envelopes) in storage.

**Main process step output**: BOC meeting closed.

**Process owner**: Procurement Section.

The bid opening process follows standard international practice. The involvement of a committee with three members for the bid opening minimizes the risk of post-factum bid manipulation. The issue at this point of the procurement process could be that a tender is unsuccessful because bids do not meet (all) the requirements, like the envelope being fully intact. The admissibility checks should not be too rigid, if the committee considers the bidder to be otherwise integer. If in doubt, the BOC shall decide.

The opening process shall be recorded in minutes. If received physical envelopes are damaged, the possibility of information leaking shall be discussed by the BOC.

If Financial Offers had been requested to be sent separately, these shall be kept closed until technically complying bids have been identified. After the BOC meeting they shall be kept under dual lock again until it is time to open them.
### 7.4. Bid opening (2 of 2)

The second part of the bid opening sub-process describes the preparation of the received offers for subsequent technical evaluation by the Program Section.

#### Procurement Process: Bid Processing – Bid Opening (2 of 2)

<table>
<thead>
<tr>
<th>Procurement Section (PRS)</th>
<th>Program Section (PGS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>BOC meeting closed</td>
<td>„clean“ technical offer if necessary</td>
</tr>
<tr>
<td></td>
<td>Propose deadline for technical evaluation</td>
</tr>
<tr>
<td></td>
<td>Agree deadline for technical evaluation</td>
</tr>
<tr>
<td></td>
<td>Acceptable</td>
</tr>
<tr>
<td></td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>Follow up if technical evaluation result is overdue</td>
</tr>
<tr>
<td></td>
<td>Bids kept inPRS</td>
</tr>
<tr>
<td></td>
<td>Monitor deadline</td>
</tr>
<tr>
<td></td>
<td>Original bid docs under lock</td>
</tr>
</tbody>
</table>

#### Policy section: 5.4.3

**Objective:** The Program Section received the anonymized technical offers for evaluation within the agreed deadline.

**Main Activities:** Forwarding “clean” technical offers to the Program Section.

**Main process step input:** BOC meeting closed.

**Main process step output:** Deadline for technical evaluation, with original offers kept with PRS.

**Process owner:** Procurement Section.

The evaluation of technical and financial offer should be carried out without any bias towards the bidder. Technical offers shall be scanned and passed on one by one with no hints to the respective bidder to the Program Section for evaluation. The original file is kept locked at the Procurement Section.
8. Bid evaluation and selection

8.1. Technical evaluation

The Program Section must use a pre-defined technical evaluation form and provide results to Procurement Section in a summary form to ensure a high level of objectivity. Any case of technical non-compliance of a bid must be substantiated and documented in the Technical Evaluation Form. Questions to bidders resulting from the technical review must be shared by the Program Section with the Procurement Section, who will clarify.

Policy section: 5.5.1

Objective: Bids are evaluated in an objective and transparent manner.

Main Activities: Technical evaluation done by the Program Section (PGS). Queries from the PGS are taken up with the bidder by Procurement Section.

Main process step input: Technical offer.

Main process step output: Technical evaluation form.

Process owner: Procurement Section for query with bidder. Program Section for technical evaluation.

Bid Clarifications from Bidders and Corrections

Where information contained in a bid is unclear, the evaluator(s) may seek clarification of the information from the bidder. Clarifications cannot be used to amend the price of the bid (with the exception of the correction of arithmetic errors), to correct material deviations or to make other significant changes to any aspect of the bid.

Requests for clarification must be addressed to the bidder in writing and must state that a written response is required by a specified date. The request must also state that failure by the bidder to respond to the request may result in the rejection of his bid.

Where a bid includes non-material deviations, errors or omissions, the evaluator(s) may choose to accept or to correct them. In order to make the evaluation fair to all bidders, the nonconformity should be quantified and expressed in monetary terms, wherever possible. This amount should then be added to the bid price, for purposes of the financial evaluation only, to reflect the price or cost of the missing or non-conforming item.

For example, where a bid for goods does not include the price of a spare part or consumable item, the price of the missing item should be added to the bid price, using the highest price for the same item from the other bids or another reliable source of information.
8.2. Financial evaluation (1 of 2)

Once the technical evaluation is done, the Bid Opening Committee (BOC) is called once more for the opening of the financial offers of those bidders with a qualified technical offer. Again, appropriate measures are taken to avoid document manipulation.

Policy section: 5.5.2

Objective: Financial offers are evaluated in line with the Procurement Policy.

Main Activities: Opening of financial offer.

Main process step input: Technical evaluation form.

Main process step output: BOC meeting minutes. Technical evaluation report.

Process owner: Procurement Section

It is only for bids that were determined to be substantially responsive during the detailed technical evaluation that the financial offer is reviewed.
8.3. Financial evaluation (2 of 2)

Policy section: 5.5.2

Objective: Financial offers are evaluated in line with the Procurement Policy.

Main Activities: Opening of financial offer.

Main process step input: BOC meeting minutes.

Main process step output: Tender Evaluation Report.

Process owner: Procurement Section

Unless otherwise required by the instructions in the bidding document, the procedure for determining the evaluated price of each bid is as follows:

i. (determine the total bid price, including or excluding particular costs, as indicated in the bidding document e.g. the bidding document may give particular instructions on the exclusion of provisional sums and contingencies, but the inclusion of competitively priced day-works, in bids for works;

ii. correct any arithmetic errors – see guidance note “Arithmetic errors” below;

iii. apply any non-conditional discounts offered by bidders – see guidance note “Discounts” below;

iv. convert all bids to a single evaluation currency for purposes of comparison, using the currency and the date and source of the exchange rate specified in the bidding document (if allowed);

v. make adjustments for any non-material nonconformities, errors or omissions;

vi. apply any non-price criteria specified in the bidding document;

vii. determine the total evaluated price of each bid.

Arithmetic Errors

In conducting a financial evaluation, arithmetic errors may be corrected by the evaluator(s). The procedure for correcting arithmetic errors is normally stated in bidding documents and the procedure stated must be used. This is normally the procedure stated below.

Where no specific procedure is stated in the bidding document, the following procedure should be applied:

i. if there is a discrepancy between the unit price and the total price that is obtained by multiplying the unit price and quantity, the unit price shall prevail and the total price shall be corrected, unless in the opinion of the evaluator(s) there is an obvious misplacement of the decimal point in the unit price, in which case the total price as quoted shall govern and the unit price shall be corrected;

ii. if there is an error in a total corresponding to the addition or subtraction of subtotals, the subtotals shall prevail and the total shall be corrected; and
iii. if there is a discrepancy between words and figures, the amount in words shall prevail, unless the amount expressed in words is related to an arithmetic error, in which case the amount in figures shall prevail subject to the notes above.

Bidders must be notified in writing of any arithmetic corrections made

 Discounts

Bidders are permitted to offer discounts to their bid prices, provided that any discounts are included in their form of bid. Discounts, or any other change in price, are not permitted after the bid closing date. Non-conditional discounts should be taken into account in the evaluated price of the bids.

Prompt payment discounts, which are conditional on prompt payment by the project, must not be taken into account in the financial evaluation, but should be included as a contract term, if the bid is accepted.

If so stated in the bidding document, bidders may be permitted to offer conditional (or cross) discounts i.e. discounts that are conditional on the simultaneous award of contracts for more than one lot. Conditional discounts should be excluded from the main financial evaluation.

Following completion of the financial evaluation and determination of the successful bid(s), a further financial comparison should be conducted to consider any conditional discounts. This comparison must identify the best overall value for money for the project i.e. the combination of contract awards that offers the lowest total price, subject to verification that the bidders meet the post qualification criteria for all the contracts, which are awarded to them.

8.4. Supplier selection

Supplier selection is based on the Tender Evaluation Report.

With the Direct Procurement method, the bidder is selected if the offer is found to be compliant and within budget.\(^\text{15}\)

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15Offers exceeding budget by up to 5% may be considered within budget by the BEC [Source: Procurement Policy, Section 5.5.3]
Policy section: 5.5.3

Objective: Supplier is selected in line with the Supplier Selection Matrix.

Main Activities: Selection of best bid.

Main process step input: Tender Evaluation Report.

Main process step output: Tender Evaluation Report, completed with name of selected supplier.

Process owner: Procurement Section

The contract is awarded according to the following matrix:

<table>
<thead>
<tr>
<th>Review and decision by Bid Evaluation Committee (BEC)</th>
<th>Method “cheapest” and RfQ</th>
<th>Method “bvfm” or RfP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automatic</td>
<td>Up to 250.000 €</td>
<td>&gt; 250.000 €</td>
</tr>
<tr>
<td>PGSH + PRSH</td>
<td>BEC</td>
<td></td>
</tr>
</tbody>
</table>

The final Tender Evaluation Report (TER) should include at least the following information:

- the results of the detailed technical and commercial evaluation;
- any bids which were rejected and the reasons for rejection;
- details of any non-material deviations, errors or omissions accepted, clarified or corrected and, where relevant, the way in which deviations or omissions have been quantified and taken into account in the financial evaluation;
- the price of each bid established at the bid opening;
- the evaluated price of each bid, following any correction or adjustments to the price and the conversion to a single currency;
- the ranking of the bids, according to their evaluated price;
- a statement of which bid has the lowest evaluated price and is therefore the successful bid; and
- the results of any post-qualification.

The TER must contain clear recommendations on:

- the successful bid(s) and the price of the proposed contract(s); and
- whether any issues need to be addressed with the successful bidder prior to signing the contract. If there should be a need to address any issues with the recommended bidder for goods or works under LIB prior to contract award, the need and content of these discussions must be explained in the bid evaluation report and agreed with the SRTF prior to any discussions being held with the bidder.

The TER must be signed by all staff who were involved in the evaluation.

Sub-process “Negotiations”

As and where the PRSH sees room for reducing price offers without compromising technical quality, the Procurement Section shall negotiate with selected suppliers for a reduction in prices in the best interest of SRTF and its objectives. Negotiations for bids shall be pre-arranged by the PRSH with approval from the COO. Negotiation may only be done with the financially most attractive bidder. Modifications of technical offers are thereby not allowed.

Negotiation talks shall be done with two persons from SRTF present, one of them from the PRS, and minutes of related talks must be documented in writing (English language or translation).

Sub-process “Vetting”

Once selected, the supplier must be screened or vetted (unless this has already been done for Direct Procurement and Purchase Orders) and checked for any third-party relationships with SRTF staff or IE staff. This is to be done by Compliance as per the Operations Manual and the Compliance Manual. If the vetting / screening results in rejection of the selected supplier, the next best supplier will be selected and screened / vetted accordingly.

Key Risk Indicator #6:

- Design: Monitoring of, and reporting on: Number of negotiations initiated and completed.

---

16 Source: Procurement Policy, Chapter 5.5.2
**Agent:** Procurement Section  
**Risk:** Selecting a supplier and awarding a contract is typically associated with high fraud risk. It is at this point that the procurement expert holds considerable power over the supplier, at least theoretically. In a common fraud scheme, the fraudster from within the organization contacts the supplier and asks for some kind of financial reward from the supplier. In return the fraudster promises awarding of the contract to the supplier.  
**Rationale:** Transparency over all negotiations that took place between procurement staff and suppliers.  
**Additional control:** Whistleblower hotline and Ombudsman.
9. Contracting

“Contract” is the general term used for the legal agreement between a supplier (or vendor) and the SRTF for the supply of goods, services, or works. The agreement is either in form of a Supply and Service Agreement (SSA), or a Purchase Order. Details can be found in the Procurement Policy.


**Policy section:** 5.6

**Objective:** The contract is prepared in a timely manner and provides for clear terms and conditions to all parties. The contract is set up according to procurement needs. Required changes to active contracts are processed swiftly and clearly.

**Main Activities:** Pick proper contract form; fill with bid specifications and supplier details, send and sign.

**Main process step input:** Supplier selected and vetted positively.

**Main process step output:** Direct Purchase Order or contract.

**Process owner:** Procurement Section

For Shopping and Purchase Orders, a contract is not required, but a purchase order will be compiled, ensuring delivery of G / W / S as offered in the winning bid.

With all other procurement methods supplier contracts must be set up such that the IE and the supplier are contracting partners.

A standard contract template must be used, which has been approved by the SRTF legal adviser and the MC. Change requirements to these contracts shall be presented by SRTF to the MCC as and when required.

⭐ As a rule, the process stipulates for the draft contract/PO not to be pre-signed by SRTF. However, if the risk of sending a pre-signed draft contract/PO is deemed low, it is possible to do so.
9.2. Contract receipt

Policy section: n/a

Objective: The duly signed contract is well received, and properly filed.

Main Activities: Contract is received, scanned, and put on file. The contract section of the procurement database is updated.

Main process step input: Contract received by mail/courier.

Main process step output: Valid contract on physical file and eFile.

Process owner: Procurement Section
10. Policy Deviations

If during the procurement stage of the project, i.e. after approval of the PCP or PCN, the MU identifies the need for deviation from the Procurement Policy, the MU will prepare a deviation request and submit it to the MC Chairman with proper justification. The MC Chairman may approve the request or refer it to the MC for review and decision.\(^\text{17}\)

### Procurement Process: Policy deviation

<table>
<thead>
<tr>
<th>Process owner:</th>
<th>Procurement Section (PRS)</th>
<th>DGi / COO</th>
<th>MC Chairman</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Policy sections:</strong> 1 and 2.2.4</td>
<td></td>
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</tr>
<tr>
<td><strong>Objective:</strong> Any deviation from the Procurement Policy is duly authorized.</td>
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<tr>
<td><strong>Main Activities:</strong> Deviation request is prepared, and reviewed by the authorized functions/organs.</td>
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<td></td>
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<tr>
<td><strong>Main process step input:</strong> Procurement activity must deviate from the Policy.</td>
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<tr>
<td><strong>Main process step output:</strong> Approved deviation.</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td><strong>Process owner:</strong> Procurement Section</td>
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</tbody>
</table>
11. Procurement outside of SRTF

The MU may obtain the services of an external qualified procurement agent if workload requires. Such delegation must make sure the procurement standards as described in the Policy are fully met. [...] Delegation of procurement must be approved by the MC. ¹⁸

Policy section: 2.3.1

Objective: An external agent carries out procurement on behalf of SRTF.

Main Activities: Delegation request is prepared, and reviewed by the authorized functions/organs. An external procurement agent is contracted.

Main process step input: Excess workload at PRS.

Main process step output: Approved delegation and outsource contract.

Process owner: Procurement Section

¹⁸ Source: Procurement Policy, Section 2.3.1
12. Supplier Management

In the early years of operation, many procurement actions had to be cancelled because of suppliers being unable or unwilling to engage with the Fund. It is therefore crucial for the Fund to have thorough and up-to-date knowledge of eligible suppliers and vendors that are willing to engage with SRTF despite the difficult environment. This section describes the process of supplier identification, assessment, approval, and relationship management.

**Policy section: 4**

**Objective:** Qualified suppliers are known to SRTF, supplier performance is captured for institutional memory and supplier information is available for objective, transparent and fair selection of suppliers for tenders.

### 12.1. Identification of potential supplier

The objective is to maintain a set of potential suppliers for different procurement needs. The number of potential suppliers for the areas of operations of the SRTF is limited. Therefore, no restrictions are made as to the geographic or other supply conditions to identify potential suppliers and neither as to who may propose new suppliers.

Supplier identification should be a continuous process that takes place not only when a new procurement request comes in, but also in anticipation of future projects and procurement. The identification of new suppliers is especially important for those procurement types and/or regions with very few reliable suppliers.

**Policy section: 4.2**

**Objective:** New potential suppliers are identified.

**Main Activities:** Refer to multiple sources for market knowledge of suppliers that have the capacity to engage with SRTF.

**Main process step input:** Need for suppliers of G/W/S.

**Main process step output:** A new potential supplier has been identified.

**Process owner:** Procurement Section
12.2. Assessment of potential supplier

Engaging with a supplier comes with a number of risks for SRTF. This sub-process looks at all the aspects that are important when working with a supplier, starting from the ability and willingness of a supplier to work with the SRTF. The assessment also looks at reliability and soundness of a supplier. The assessment process is supported by an Excel tool Supplier Rating Model that systematically captures the necessary data and compiles a score that indicates the eligibility for the supplier in question to engage with the SRTF.

This sub-process is complex, as it requires the collection of data and information that might not be so easy to obtain. Sufficient time should be allocated to complete an assessment.

The assessment should be renewed annually or ad hoc whenever SRTF receives information about a substantial change at a supplier.

Policy section: 4.3

Objective: Potential suppliers have been assessed concerning their capacity and reliability to become an eligible provider of G/W/S for SRTF.

Main Activities: Thorough analysis, using a nine-step approach.

Tool: Supplier Rating Model (Excel)

Main process step input: A new potential supplier has been identified.

Main process step output: Form with assessment result of new potential supplier.

Process owner: Procurement Section
12.3. Approval of new supplier

The supplier assessment result (scoring) is reviewed, and a decision is taken. While the scoring model suggests a certain outcome (approved, rejected), it is within the discretion of the COO to override the result. Such an override must be based on reasonable grounds, and documented accordingly.

**Policy section: 4.4**

**Objective:** New suppliers are admitted to the supplier database after successful assessment and review.

**Main Activities:** Review of the assessment result.

**Main process step input:** Assessment sheet of new potential supplier.

**Main process step output:** New supplier added to database, with eligibility status either *approved* or *rejected*.

**Process owner:** Procurement Section

Once a high-quality supplier is approved, the execution of a Long Term Agreement shall be considered to ensure actual procurement activities can be started quickly if the supplier will be selected in future tenders.

Sharing of the SSA templates with the approved supplier is recommended for suppliers designated for future LIBs and information for conflict resolution is made available to selected bidders.

Rejected suppliers shall be informed accordingly with a chance to rectify.

For reasons of cost, an approved supplier is not fully vetted at the time of approval, i.e., owners, managers and board members are not fully screened at this point in time. The comprehensive vetting will be done once the supplier has been selected in a bidding process. Then, however, the result shall be recorded in the Supplier Database.

The approval should be renewed annually, or ad hoc whenever SRTF receives information about a substantial change at a supplier.
12.4. Monitoring and Relationship Management

The list of potential suppliers is not static, but subject to new suppliers being added, and regular review of existing suppliers. The idea is that even in a changing operational environment, the SRTF is able to draw on a sufficient number of reliable suppliers.

Supplier Management: Monitoring and Relationship Management

<table>
<thead>
<tr>
<th>Procurement Section</th>
<th>Approved supplier</th>
<th>Maintain relationship</th>
<th>Keep oversight</th>
<th>Access performance</th>
<th>Issue tracking</th>
<th>Updated supplier information</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Policy section:</strong></td>
<td><strong>Objective:</strong></td>
<td>Procurement is always able to draw on a sufficient number of reliable suppliers.</td>
<td><strong>Main Activities:</strong> Updates of the supplier database based on performance assessments and new market intelligence.</td>
<td><strong>Main process step input:</strong> List of suppliers in the supplier database.</td>
<td><strong>Main process step output:</strong> Updated supplier information in the supplier database.</td>
<td><strong>Process owner:</strong> Procurement Section</td>
</tr>
</tbody>
</table>

In case of problematic development of a supplier’s overall quality, the head of procurement shall consider re-assessment and possible exclusion from the approved supplier list.

The PD maintains continuous work relationship with preferred suppliers (who have executed a framework contract). This will make it easier for SRTF to ensure about availability of goods or services at required quality and general development in the regions where UST operates.

The PD keeps oversight on supplier performance during delivery and requests corresponding information from the PS.

The PD shall clearly define what will be checked to assess supplier performance. Clear preparation and nomination of PS staff / monitoring staff who conduct these checks is necessary. Monitoring results should be summarised in a RAG rating / simple score. Criteria:

- Quality of cooperation with UST and IEs
- Compliance with agreed requirements
- Technical endowment and development of it
- Overall Reputation

This information is to be collected by the Procurement Dept. together with the Program Sections. Related updates in the supplier database should be made without undue delay.

In case of problematic development of a supplier’s overall quality, the head of procurement shall consider re-assessment and possible exclusion from the approved supplier list.

Policy section: 4.5

Objective: Procurement is always able to draw on a sufficient number of reliable suppliers.

Main Activities: Updates of the supplier database based on performance assessments and new market intelligence.

Main process step input: List of suppliers in the supplier database.

Main process step output: Updated supplier information in the supplier database.

Process owner: Procurement Section
13. Monitoring and Reporting

13.1. Key Risk Indicators (KRI’s)

<table>
<thead>
<tr>
<th>Ref</th>
<th>Short</th>
<th>Description</th>
<th>Rationale</th>
<th>Interval</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1</td>
<td>Delayed/failed</td>
<td>Procurement activities that could only be concluded with a material delay. Procurement activities that failed completely. ToDo: Define <em>material delay</em></td>
<td>Significant delays, or failures, might be indicators for a flaw in the process design. If a delay occurs, or the activity fails to go through, we firstly want to understand why. Next step would be to see if the process needs to be adjusted. If so, a proposal for the PRC should be drafted and presented in the next meeting.</td>
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<tr>
<td>3</td>
<td>Method</td>
<td>Excessive use of Direct procurement.</td>
<td>While Direct almost always leads to successful procurement fast, it touches on the essence of prudent procurement management. The dilemma is between opposing objectives: efficient and successful procurement versus fair treatment of market participants that requires more resources.</td>
<td></td>
</tr>
<tr>
<td>6.1</td>
<td>Alternative options</td>
<td>When drafting the (technical) specifications for a tender, the Program Section might not be aware of alternative options that exist for the required G/W/S’s. These alternative options might be better suited, cheaper, or should in other ways be given preference over the specifications as formulated by the PGS. By not allowing alternative options as part of the bidding, the procurement objectives are at risk.</td>
<td>This directive control has the Procurement Section capture alternative bids for analysis. The idea is that (i) the SRTF is aware of the alternatives that are available for certain G/W/S, and (ii) can critically review the specifications drafted in the past for those items, possibly adopting some or all of the alternative solutions offered by bidders.</td>
<td></td>
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<tr>
<td>7.2</td>
<td>Bids returned</td>
<td>Number of offers received over total number of invited bidders. Not enough offers are submitted, making the bidding less competitive, or even void. If it happens and the reasons are not known, the situation might repeat itself and future tenders might be adversely affected.</td>
<td>This directive control brings awareness to an issue, and allows for a proper response in case the issue is deemed problematic. A root cause analysis could be a first response, with subsequent action taken to ensure that more bids can be received.</td>
<td></td>
</tr>
<tr>
<td>8.4</td>
<td>Negotiations</td>
<td>Selecting a supplier and awarding a contract is typically associated with high fraud risk. It is at this point that the procurement expert holds considerable power over the supplier, at least theoretically. In a</td>
<td>Transparency over all negotiations that took place between procurement staff and suppliers.</td>
<td></td>
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</tbody>
</table>
common fraud scheme, the fraudster from within the organization contacts the supplier and asks for some kind of financial reward from the supplier. In return the fraudster promises awarding of the contract to the supplier.

13.2. Key Performance Indicators (KPI’s)

<table>
<thead>
<tr>
<th>Ref</th>
<th>Short</th>
<th>Description</th>
<th>Recipient</th>
<th>Interval</th>
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## Document Maintenance

<table>
<thead>
<tr>
<th>Author/owner</th>
<th>Head of Procurement Section</th>
</tr>
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<tbody>
<tr>
<td>Document name</td>
<td>SRTF Procurement Policy</td>
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<tr>
<td>Document source location</td>
<td>Procurement Folder</td>
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### Approval Record

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<th>Version</th>
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<th>Approval Date</th>
<th>Signature</th>
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<tbody>
<tr>
<td>1.0</td>
<td>Management Committee</td>
<td>15.05.2020</td>
<td>Minutes of committee meeting</td>
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<td>1.1</td>
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### Change Control

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<th>Date</th>
<th>Author</th>
<th>Remarks</th>
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<tbody>
<tr>
<td>Draft 2.8</td>
<td>23.02.2020</td>
<td>NomoRisk GmbH</td>
<td>Compilation of first version following procurement review in March 2019. Numerous previous versions agreed and revised.</td>
</tr>
<tr>
<td>Draft 2.9</td>
<td>13.05.2020</td>
<td>NomoRisk GmbH</td>
<td>Revision to align to Policy Version 1.b after approval by MC.</td>
</tr>
<tr>
<td>1.0</td>
<td>15.05.2020</td>
<td>NomoRisk GmbH</td>
<td>Formal adoption of Manual after approval by MC.</td>
</tr>
</tbody>
</table>