

CARITAS CZECH REPUBLIC

**PROCUREMENT MANUAL
FOR
CARITAS CZECH REPUBLIC
HEADQUARTERS AND MISSIONS**



VERSION: 1.4

DATE: APRIL 2017

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1. INTRODUCTION

Procurement is undertaken to provide the necessary support to projects with the required quality and quantity of goods, services and works at the time and place that they are needed and in the most cost-effective and efficient manner. CCR undertakes procurement of goods, services and works based on established principles and procedures.

Procurements within CCR and its' missions are awarded according to the strict rules. These help ensuring that suitably qualified contractors are chosen without bias and that the best price-quality ratio or the best price is obtained, with the full transparency appropriate to the use of public funds.

The document provides general information about Caritas Czech Republic (CCR) procurement rules for the Headquarters (HQ) and CCR missions operating in the field. There is separate CCR Financial and Procurement Manual for Partners Organizations valid for the third parties in CCR's target countries of implementation. The document is further elaborating rules, the policy, required ethics and conduct, detailed procedures and organizational structure for undertaking effective procurement and it is valid for all missions and projects implemented through/by CCR.

The document presents the mandatory policy and procedures, as required to be followed by CCR staff, when undertaking procurement of goods, services and works. All processes related to procurement, sourcing and delivery of goods, services and works must be kept simple, efficient, transparent, fair, credible and consistent with this document, so that CCR and all its personnel involved can withstand the test of public scrutiny. All CCR staff undertaking procurement is required to familiarize themselves with this document and must follow policies, procedures and practices as described in this document.

All procurements shall be carried out in a transparent and competitive manner taking into account value for money (economy, efficiency, effectiveness and quality of goods, services or works) and donor requirements. All procurements shall be in line with the General Limits on Approvals and Procurement (Chapter 3).

All contract awards partially or totally financed by the project budget must obey the principles of transparency, equal treatment and non-discrimination.

Procurement is undertaken on the basis of the following principles:

- a) Best value for money;
- b) Fairness, integrity and transparency;
- c) Effective competition; and
- d) Best interests of the projects to assist final beneficiaries and other persons of concern.

CCR HQ and missions are also obliged to ensure compliance with the procurement rules in given national law.

Due to the constant changes in procurement and financial practices, alignment with rules of different donors and thanks to new experiences and contexts the document may be subjects to periodic updating.

2. PROCUREMENT CONDUCT AND ETHICS

This section of the document describes the conditions on procurement conduct and ethics that CCR staff is obliged to follow in order to undertake procurement of goods, services and works.

2.1 CODE OF CONDUCT

Engaging tenderers for the procurement of construction works, goods and services is an activity that is potentially vulnerable to fraud and/or corruption.

Any attempt by a tenderer to obtain confidential information, enter into unlawful agreements with competitors whose aim or effect is to impede, restrain or distort competition in a given market, or influence the evaluation committee or CCR (CCR HQ or missions) during the process of examining, clarifying, evaluating and comparing tenders will lead to the rejection of its tender.

Without the CCR HQ's written authorisation, a contractor and its staff or any other company with which the contractor is associated or linked may not, even on an ancillary or subcontracting basis, supply other services, carry out works or supply equipment for the project.

The contractor must at all time act impartially and as a faithful adviser in accordance with the code of conduct of its profession. It must refrain from making public statements about the project or services without the CCR HQ's prior authorisation. It may not commit CCR in any way without its prior written consent.

The contractor and its staff must comply with human rights and undertake not to offend the political, cultural and religious mores of the country(ies) where the project is implemented. In particular and in accordance with the applicable basic act, tenderers who have been awarded contracts must comply with core labour standards as applicable and as defined in the relevant International Labour Organisation conventions (such as the Conventions on freedom of association and collective bargaining; Elimination of forced and compulsory labour; Abolition of child labour).

The contractor may accept no payment connected with the contract other than that provided for therein. The contractor and its staff must not exercise any activity or receive any advantage inconsistent with their obligations to CCR.

The contractor and its staff are bound to maintain professional secrecy for the entire duration of the contract and after its completion. All reports and documents drawn up or received by the contractor during the performance of the contract are confidential.

The contract must govern the contracting parties' use of all reports and documents drawn up, received or presented by them during the performance of the contract.

The contractor must refrain from any relationship likely to compromise its independence or that of its staff. If the contractor ceases to be independent, CCR may, regardless of injury, terminate the contract without further notice and without the contractor having any claim to compensation.

Failure to comply with one or more of the ethics clauses may result in the exclusion of the tenderer or contractor from other CCR contracts. The individual or company/entity in question must be informed of the fact in writing.

It is the obligation of CCR (CCR HQ or missions) to ensure that the procurement procedure is concluded in a transparent manner, based on objective criteria and disregarding any possible external influences.

An important factor in combatting fraud and corruption is staff awareness and an effective system of reporting indications of fraud and irregularities. Anti-corruption measures and policy on suspected non-ethical or illegal practices in CCR are put in place in Annexes of 16 and 17 of the Rules for the Humanitarian and Development Aid Department of the CCR Secretariat. All CCR staff with designated procurement authority must observe these procedures and principles.

2.2 ETHICAL BUSINESS CONDUCT

Procurement by CCR (CCR HQ or missions) must be conducted in an ethical manner above reproach, with total impartiality, and without any preferential treatment:

- a) Promote fair, ethical and legal trade practices;
- b) Act promptly and courteously in an atmosphere of good faith and equality, and without intentional misrepresentation;
- c) Treat all information received from tenderer in the strictest confidence, and guarantee the confidentiality of all specifications and price quotations received;
- d) Decline to take advantage of tenderers' errors but show cooperation;
- e) Avoid causing unnecessary expenses or inconvenience when requesting offers/proposals;
- f) Remain absolutely free from any obligations to any tenderer; and
- g) Make every reasonable effort to negotiate an equitable and mutually agreeable settlement of any controversy with a tenderer.

2.3 CONFLICT OF INTERESTS

CCR employees with designated procurement authority must avoid conflicts of interest, in particular:

- a) Employee conduct may not foster any suspicion of conflict between professional duty and personal interest.
- b) Nobody will solicit or accept, directly or indirectly, any gift, favour, entertainment, loan or anything of monetary value from vendors or potential vendors.
- c) Tenders may not be solicited from, and contracts may not be awarded to, any company that is owned, controlled or actively influenced by any CCR employee or by a relative of a CCR employee.
- d) Tenderers will not participate in developing or drafting specifications for construction works, goods or services for which they subsequently submit an offer/proposal.

2.4 DONORS' SUPPLIER CODE OF CONDUCT

Different donors make use of Supplier Code of Conduct setting forth guidelines and expectations with respect to key areas of responsible procurement practices. Those donors strive to commit contracting partners' tenderer to align their operations and strategies to be in line with the donors' guidelines and expectations on procurement¹. Practically, this practice is applicable to the tenderers that would like to become a supplier for a donor. All the CCR operations/missions are strongly recommended to follow this practice and to encourage the tenderers to align their operations and strategies with the donors' guidelines and expectations.

¹ For instance, UNHCR strongly encourages all their contracting partners to commit their tenderers to aligning their operations and strategies with UN Global Compact principles (<http://unglobalcompact.org>), which serve as an inspiration for tenderers, and encourages tenderers to sign the UN Supplier Code of Conduct as a part of the tenderer registration process.

Following principles are strongly recommended to be committed to by the CCR tenderers, derived and adopted from the general principles and recommendations established by the Universal Declaration of Human Rights and the United Nations agencies². CCR expects that these principles shall be applied to all the suppliers and their employees, parent, subsidiary or affiliate entities, and other subcontractors. CCR expects suppliers to ensure that these principles are communicated to their employees and understood by all. For the exhaustive description of all the principles refer to the UN Supplier Code of Conduct.

Labour:

- Freedom of Association and Collective Bargaining;
- Forced or Compulsory Labour;
- Child Labour;
- Discrimination;
- Wages, Working Hours and Other Conditions of Work;
- Health and Safety.

Human Rights:

CCR expects its suppliers to support and respect the protection of internationally proclaimed human rights and to ensure that they are not complicit in human rights abuses.

- Harassment, Harsh or Inhumane Treatment;
- Manufacture or Sale of Anti-Personnel Mines.

Environment:

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

- Chemical and Hazardous Materials;
- Wastewater and Solid Waste;
- Air Emissions;
- Minimize Waste, Maximize Recycling.

Ethical Conduct:

- Corruption;
- Conflict of Interest;
- Gifts and Hospitality;
- Post-employment restrictions.

To closely follow up, these principles are embodied within the CCR procurement rules and part of the legal contract between CCR and tenderers. CCR has a right to observe fulfilment of the Code of Conduct directly via existing monitoring tools and non-adherence to these principles will be a factor in considering whether a supplier is deemed eligible to do business with CCR.

² UN Supplier Code of Conduct; Rev. 05 – September 2013

3. GENERAL LIMITS ON APPROVALS AND PROCUREMENT

The applicable standard procedures explained later in this document are summarized in the table below.

They are applicable for services (e.g. technical assistance and studies), supplies (i.e. equipment and materials) and work (i.e. infrastructure and other engineering works). The thresholds given in the table are based on the maximum budget for the contract in question (including any co-financing).

All basic principles (transparency, equal treatment and non-discrimination) must be complied with regardless of which procedure is used.

Where possible and appropriate in light of the nature of the action the use of the simplest procedures shall be favoured.

Note that the purchase must not be split artificially to circumvent the procurement thresholds.

No contract may be split in order to evade compliance with the rules. If there are any doubts as to how to estimate the value of the contract, the Mission must consult HQ on the matter before starting the procurement procedure.

Table 1 below defines procedures, requirements and segregation of duties relating to obtaining offers/proposals, authorisations of selecting of the offers/proposals, making of decisions on payments and define minimal requirements for supporting documentation needed in order to have sufficient audit trail in CCR missions.

Table 2 below defines procedures, requirements and segregation of duties relating to obtaining offers/proposals, authorisations of selecting of the offers/proposals, making of decisions on payments and define minimal requirements for supporting documentation needed in order to have sufficient audit trail in CCR headquarters.

Table 1: Definition of procedures, requirements and segregation of duties in CCR Missions

Amount	Type of selection (minimum requirements)	Decision on the selection made by	Type of required documents proving the selection procedure	Decision on the payment made by	Type of required supporting document(s)
< 800 USD	Selection of one supplier	Procurement coordinator* (Financial Manager /if there is any/ or Project Manager /but has to be other than Head of Mission/Head of Programmes)	N/A	Head of Programmes* /if there is any/ or Head of Mission	CASH PAYMENTS: receipt (and invoice if possible) BANK PAYMENT: payment order and invoice
801 – 4 000 USD	Selection based on at least 3 positive offers	Head of Programmes* /if there is any/ or Procurement coordinator* (Financial Manager /if there is any/ or Project Manager /but has to be other than Head of Mission)	1) At least 3 quotations from suppliers (positive ones) 2) Written explanation of the choice (quotation analysis) Note: Program Manager can grant a dispensation in case it is not possible to obtain 3 quotations.	Head of Mission	BANK PAYMENT ONLY** 1) Contract with the supplier selected only if there is need to specify rights and responsibilities of the parties 2) Hand-over document or final report (in case of consultations or organizational services) proving that the goods/services/works have been delivered/provided in requested quality. The protocol or report has to be signed by the Project manager. 3) Invoice 4) Payment order

<p>4 001 – 10 000 USD</p>	<p>Selection based on at least 3 positive offers</p>	<p>Selection approved by Head of Mission</p>	<p>1) Demand for goods/services/works posted on-line (plus potentially request for the goods/ services/works sent to pre-identified suppliers)</p> <p>2) At least 3 quotations from suppliers (positive ones)</p> <p>3) Written explanation of the choice (quotation analysis).</p> <p>Note: Regional Manager or HQ Financial Manager can grant a dispensation in case it is not possible to obtain 3 quotations.</p>	<p>The payment above this amount shall be approved by Regional Manager before the transaction is done (email confirmation shall be attached to payment order)</p>	<p>BANK PAYMENT ONLY**</p> <p>1) Contract with the supplier selected responsibilities of the parties</p> <p>2) Hand-over document or final report (in case of consultations or organizational services) proving that the goods/services/works have been delivered/provided in requested quality. The protocol or report has to be signed by the Project manager.</p> <p>3) Invoice</p> <p>4) Payment order</p>
<p>10 001 – 60 000 USD</p>	<p>Public tender with at least 3 positive offers</p>	<p>Evaluation Committee (odd number of members). Head of Mission consult the whole process with Program Manager and HQ Financial Manager and the final selection is approved by Regional Manager</p>	<p>1) Official tender requirements posted on-line and an invitation letter to at least 3 suppliers (note: It is strongly recommended to invite more than 3 candidates to participate to the tender since in the case that the Mission does not receive at least three compliant offers the procedure must be cancelled and started again). Mission is obliged to consult HQ during the whole public tender preparation process (i.e. tender dossier must be approved by Program Manager and HQ Financial Manager before publishing; the protocols must be approved by Head of Department and General Secretary before concluding the</p>	<p>The payment above this amount shall be approved by Head of Department before the transaction is done</p>	<p>BANK PAYMENT ONLY**</p>

	<p>Note: The national legislation relevant to the public tender procedure should be followed. In case of need legal experts should be consulted.</p>	<p>contract).</p> <p>2) The deadline shall not be earlier than 15 days from official invitation to the tender.</p> <p>3) At least 3 offers received in closed envelopes meeting the formal and technical criteria as per the tender requirements.</p> <p>4) Protocol documenting opening of the envelopes with the offers, signed by the members of the Evaluation Committee (composed of at least 3 members).</p> <p>5) Protocol documenting the selection made by the Evaluation Committee and signed by its members.</p>		<p>1) Contract with the supplier selected</p> <p>2) Hand-over document or final report (in case of consultations or organizational services) proving that the goods/services/works have been delivered/provided in requested quality. The protocol or report has to be signed by the PM.</p> <p>3) Invoice</p> <p>4) Payment order</p>
		<p>Note: In cases when the above mentioned procedure (especially invitation to submit of offers through invitation letters and submission of the offers in envelopes) is not possible due to the specific offer demand relations in the respective market segment or there are any other objective obstacles, it is possible to use an alternative procedure. (See the chapter of 5). Used of an alternative procedure has to be duly justified by the</p>		

person proposing it and approved in written by Head of Department and General Secretary.

* Procurement coordinator and Head of Programmes might be different for each project

** If there are any exceptional circumstances that do not allow making a payment through regular bank payment order, with the HQ Financial Manager's prior written authorisation there might be applied an exception from these rules.

Table 2: Definition of procedures, requirements and segregation of duties in CCR headquarters

Amount	Type of selection (minimum requirements)	Decision on the selection made by	Type of required documents proving the selection procedure	Decision on the payment made by	Type of required supporting document(s)
< 20 000 CZK	Selection of one supplier	Program Manager	N/A	Regional Manager	CASH PAYMENTS: Receipt (and invoice if possible) BANK PAYMENT: payment order and invoice
20 001 – 100 000 CZK	Selection based on at least 3 positive offers	Program Manager	1) At least 3 quotations from suppliers (positive) 2) Written explanation of the choice (quotation analysis) Note: Financial Manager can grant a dispensation in case it is not possible to obtain 3 quotations. This case shall be communicated in advance.	General Secretary	BANK PAYMENT ONLY 1) Contract with the supplier selected only if there is need to specify rights and responsibilities of the parties 2) Hand-over document or final report (in case of consultations or organizational services) proving that the goods/services/works have been delivered/provided in requested quality. The protocol or report has to be signed by the Project manager.

					3) Invoice 4) Payment order
100 001 - 250 000 CZK	Selection based on at least 3 positive offers	Selection made by Program Manager and approved by Regional Manager	<p>1) Demand for goods/services/works posted on-line (plus potentially request for the goods/ services/works sent to pre-identified suppliers)</p> <p>2) At least 3 quotations from suppliers (positive)</p> <p>3) Written explanation of the choice (quotation analysis) approved by HoD, FM HQ and GS prior to concluding the contract and the purchase</p> <p>Note: Head of Department can grant a dispensation in case it is not possible to obtain 3 quotations.</p>	General Secretary	<p>BANK PAYMENT ONLY</p> <p>1) Contract with the supplier selected responsibilities of the parties</p> <p>2) Hand-over document or final report (in case of consultations or organizational services) proving that the goods/services/works have been delivered/provided in requested quality. The protocol or report has to be signed by the Project manager.</p> <p>3) Invoice</p> <p>4) Payment order</p>
250 001 - 1 500 000 CZK	Public tender with at least 3 positive offers	Evaluation committee (odd number of members).	1) Official tender requirements posted on-line and an invitation letter to at least 3 suppliers (note: It is strongly recommended to invite more than 3 candidates to participate to the tender since in the case that at least three compliant offers are not received, the procedure must be cancelled and started again). Program Manager is obliged to consult HQ Financial Manager and Head of Department during the whole public tender preparation process (i.e. tender dossier must be approved by HQ	General Secretary	BANK PAYMENT ONLY

	<p>Note: The national legislation relevant to the public tender procedure should be followed. In case of need the legal expert should be consulted.</p>	<p>Selection process is consulted with Regional Manager and HQ Financial Manager and the committee decision on the selection is approved by Head of Department</p>	<p>Financial Manager and Head of Department before publishing; the protocols must be approved by Head of Department and General Secretary before concluding the contract).</p> <p>2) The deadline shall not be earlier than 15 days from official invitation to the tender.</p> <p>3) At least 3 offers received in closed envelopes meeting the formal and technical criteria as per the tender requirements.</p> <p>4) Protocol documenting opening of the envelopes with the offers, signed by the members of the evaluation committee (composed of at least 3 members).</p> <p>5) Protocol documenting the selection made by the Evaluation committee and signed by its members.</p>		<p>1) Contract with the supplier selected</p> <p>2) Hand-over document or final report (in case of consultations or organizational services) proving that the goods/services/works have been delivered/provided in requested quality. The protocol or report has to be signed by the Project manager.</p> <p>3) Invoice</p> <p>4) Payment order</p>
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			<p>Note: In cases when the above mentioned procedure (especially invitation to submit of offers through invitation letters and submission of the offers in envelopes) is not possible due to the specific offer demand relations in the respective market segment or there are any other objective obstacles, it is possible to use an alternative procedure. Used of an alternative procedure has to be duly justified by the person proposing it and approved in written by Head of Department and General Secretary.</p>		
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4. PROCUREMENT PROCEDURES

Whatever the procedure used, the CCR HQ and mission must ensure that the conditions allow fair competition. If there is any obvious and significant disparity between the prices proposed and the services offered by a tenderer, the CCR HQ and mission must carry out checks and request any additional information necessary.

Audit trail

Regardless of the type of the procurement procedure the procurement process must be documented by sufficient audit trail as given in the table above (it means by records that provide documentary evidence of the sequence of activities relating to this procedure).

CONTRACTS WITH A VALUE OF LESS THAN 800 USD

When the contract does not exceed 800 USD contract may be awarded directly. However, it is good practice to ensure at least three offers/proposals.

CONTRACTS WITH A VALUE OF 801 USD - 10 000 USD

Request for quotations

All quotes will be sought from competent and reputable suppliers of the service/supply/work and who have the capacity to deliver the specification criteria, with an aim of receiving at least 3 responsive quotes, if it is not stated otherwise. HQ and Mission shall request for quotations in line with the General Limits on Approvals and Procurement (see above).

Quotation Analysis

Competitive quotations will be analysed based on the suppliers' qualifications and expertise against CCR's requirements. The quotation analysis process shall include, but not be limited to:

- evaluation of the supplier's ability to provide the service/supply/work in accordance with the specifics in the request for quotation;
- evaluation of the supplier's ability to provide the service/supply/work at the agreed upon price; and
- reason for selecting one supplier over others.

The appointment of the evaluation committee is not compulsory. However, depending on a risk analysis, a formal evaluation committee might be appointed.

The quotation analysis must be signed by the Head of mission (HoM) responsible for the project. In HQ, the quotations analysis is signed by Program Manager.

CONTRACTS WITH A VALUE OF 10 001 USD - 60 000 USD

For the procurement for amounts 10 001 USD – 60 000 USD, both HQ and Mission shall follow tender procedure specified in this section. Each stage of the tender procedure (its preparation, evaluation and reporting) shall be consulted and approved by HQ.

In these calls for tender, all economic operators may submit a tender. The contract should be given maximum publicity by publishing a notice on-line and sending an invitation letter to at least 3 suppliers. Any natural or legal person wishing to tender may ask to receive the tender dossier. The tenders are examined, the eligibility and the financial, economic, technical and professional capacity

of the tenderers are checked to arrive at a selection, the tenders are compared and the contract is awarded. Mission is obliged to consult HQ during the whole public tender preparation process (i.e. tender dossier must be approved by PM/RM and FM HQ before publishing; the protocols must be approved by HoD and GS before concluding the contract).

The following procedures shall apply for tenders:

1) Draft and content of the tender dossier

Tender documents must be carefully drafted by CCR HQ/mission to ensure that both the contract and the procurement procedure are carried out correctly. When the tender dossier is complete the Mission shall submit it to HQ for approval.

Tender dossier shall contain all the provisions and information that tenderers need to submit their tenders and the documents to provide. The dossier shall contain at least:

- a) the object of the procurement procedure and the type of tasks (including technical specification) and max. price of the tender;
- b) selection and award criteria;
- c) draft contract and its duration.

a) The object of the procurement procedure and the type of tasks

Technical specifications must afford equal access for candidates and tenderers and not have the effect of creating unjustified obstacles to competitive tendering. They specify what is required of a product, service or material or work to achieve the purpose for which they are intended.

The specifications must include at least: a clear definition of the tasks to be performed and minimal quality levels. Given the technical complexity of many supply contracts, the preparation of the tender dossier - particularly the technical specifications - may require the assistance of one or more external technical specialist(s). As with terms of reference for service contracts, particular attention must be paid to drafting the technical specifications. They are the key to successful procurement, a sound supply contract and a successful project.

If there needs to be an information meeting or site visit to clarify technical requirements where the supplies are to be installed, this should be specified in the instructions to tenderers, together with details of the arrangements.

The purpose of the technical specifications is to define the required supplies precisely. The minimum quality standards, defined by the technical specifications, will enable the evaluation committee to determine which tenders are technically compliant.

However, where products cannot be described in a sufficiently clear or intelligible manner, they may be named as long as they are followed by the words 'or equivalent'.

b) Selection and award criteria

The criteria should be precise, non-discriminatory and not prejudicial to fair competition. All criteria must be applied as specified in the tender dossier and cannot be changed during the procedure. HQ and Mission must draw up clear and non-discriminatory selection criteria for the purpose of assessing that the candidate/tenderer has sufficient financial, economic, technical and professional capacity to implement the tasks of the contract.

Selection criteria

The selection criteria relate to the tenderer's capacity to execute the contract. The purpose of the evaluation is to verify if the supplier is able to deliver goods, services or work in a requested quality and time. The following aspects should be analysed:

- These suppliers must be recognized, reputable and credible suppliers;
- Capacity to supply;
- Price competitiveness;
- Ability to deliver;
- Previous goods/services supplied to CCR or other peer NGOs;
- Results of communications with references supplied by vendor;
- Skills & experience of key personnel;
- Vendor's financial stability;

The selection procedure involves:

- eliminating tenderers who are ineligible;
- verifying the tenderers' technical and professional capacity (e.g. qualification).

The selection criteria may include:

- basic exclusion criteria in order to evaluate if the supplier is reputable and credible (e.g. an economic operator will be excluded if it is bankrupt, subject to insolvency, etc.);
- criteria for an evaluation of professional and technical capacity of candidates or tenderers in order to evaluate if the supplier has capacity to deliver (e.g. skills & experience of key personnel, previous goods/services/works supplied to CCR or other peer NGOs; results of communications with references supplied by vendors);
- criteria for an evaluation of financial and economic capacity of candidates or tenderers in order to evaluate if the supplier has capacity to deliver and to evaluate supplier's financial stability.

The selection criteria shall include:

- criterion for an evaluation of capacity of candidates or tenderers in order to evaluate if the supplier is recognized (the supplier must provide a proof of company registration, e.g. Certificate of Incorporation);
- criterion for an evaluation of capacity of candidates or tenderers in order to evaluate if the supplier is able to deliver (the supplier must provide a proof of authorization that it is allowed to conduct business requested, e.g. business licenses or professional/trade certification);

The selection criteria must be in a YES/NO format to allow a clear assessment of whether or not the offer meets them.

Award criteria

Contracts are awarded on the basis of the most economically advantageous tender established for the call for tender in one of the following two ways:

- under the best price-quality ratio, in which case CCR HQ or mission takes into account the price and other quality criteria linked to the subject matter of the contract, and apply a weighting formula;
- under the lowest price, provided the tender satisfies the minimum requirements laid down.

The criteria must be precise, non-discriminatory and not prejudicial to fair competition.

c) Draft contract and its duration

The dossier must contain a draft contract and its duration.

2) Publishing the tender

When the tender dossier is approved by HQ, CCR/Mission official tender notice can be published on-line (if feasible) and send an invitation letter to at least 3 suppliers. Note: It is strongly recommended to invite more than 3 candidates to participate to the tender since in the case that the Mission does not receive at least three compliant offers the procedure must be cancelled and started again. All communication with candidates must be implemented in a transparent manner and suppliers must be treated equally. This must be documented by sufficient audit trail.

Deadline for the submission of tenders

The deadline for submission must be long enough to guarantee the quality of tenders and so permit truly competitive tendering.

The minimum period between the date of publication of the contract notice and the deadline for receipt of tenders is 15 days. However, in exceptional cases, a shorter deadline may be allowed, upon the CCR approval.

Additional information during the procedure

The tender dossier must be clear enough to save tenderers from requesting additional information during the tender procedure. If the mission provides additional information on the tender dossier, either on its own initiative or in response to a tenderer's request, it must send that information in writing to all tenderers at the same time. The CCR HQ/missions must reply to all tenderers' questions.

3) Submission of tenders

Tenders shall be delivered in sealed envelopes, deposited in the tender box and noted in a tender register by the CCR HQ/mission. Tenders received after the tender closing time shall not be accepted.

4) Stages in the evaluation process

Tender documents shall be opened by the evaluation committee (together at least 3 persons) and evaluated according to pre-determined criteria given in the tender dossier.

Tender opening session and evaluation of the offers

The purpose of the tender opening session is to check that the tenders are complete, that the requisite tender guarantee has been provided and that the tenders are generally in order. The evaluation committee must decide whether or not tenders are complete and comply with the formal requirements.

The evaluation committee must evaluate the tenders according to selection and awards criteria given in the tender dossier.

The CCR HQ/mission must prepare the minutes of this meeting. In case of mission these minutes must be prepared and submitted to HQ for approval.

5) Choice of contractor and award of the contract

The successful tenderer is the one submitting the least expensive tender or the tender with the best price-quality ratio classified as 'technically compliant' during the evaluation.

If the minutes are approved by CCR HQ, the mission shall contract the supplier.

The preferred supplier shall be issued with a contract, indicating the terms and conditions and roles and responsibilities HQ/Mission and the supplier on provision of the goods, services or works.

Cancellation of tender procedures

CCR HQ/mission may, before the contract is signed, cancel the procedure without the candidates or tenderers being entitled to claim any compensation. If a procurement procedure is cancelled, all tenderers must be notified in writing and as soon as possible of the reasons for the cancellation.

CONTRACTS OF MORE THAN 60 000 USD

If there is a need to procure such services/goods/construction works within a project, the Mission is obliged to inform HQ and this procurement will be handled individually and legal and technical experts may be involved.

5. SINGLE PROCUREMENT PROCEDURE AND NEGOTIATED PROCEDURE

Single procurement procedure and/or negotiated procedure shall be applicable for purchases of goods, services and works that cannot be ordinarily procured through the preferred procurement methods mentioned above. Single sourcing and/or negotiated procedure is not in any way intended to circumvent the competitive procurement policies and procedures put in place. In all cases of single sourcing and/or negotiated procedure except procurement of utilities but including any other reasons not listed below, a formal explanation should be made by HQ/mission indicating the justification for single sourcing and/or negotiated procedure and seeking approval of CCR HQ prior the concluding contract and purchase/payment for the goods, service or work.

Below are the acceptable reasons for using single and/or negotiated procedure procurement:

- Proprietary: Competition is precluded because the item is protected by patent, copyright or proprietary design;
- Non-responsive bids: Competitive bids were solicited from viable vendors and no responsive bid was received or only two or less responsive bids were received and rejected;
- Technical services: Procurement of technical services in connection with the assembly, installation or servicing of equipment of highly technical or specialized nature;
- Replacement: procurement of parts or components to be used as replacement in support of equipment specifically designed or manufactured by the vendor;
- Exclusive capability: Procurement of products or services that can only be obtained from one qualified vendor and no other vendor is known;
- Continuation: Procurement of work that is in progress and selecting another vendor to complete the work would not be cost effective;
- Utilities: Procurement of electricity power, energy, gas, water or other utility services where it is not practical to use another vendor;
- Emergency situation: Procurement of goods, services or work must be made immediately or the result will be detrimental to CCR.

The decision on approval of using single and/or negotiated procedure procurement is made by:

- Program Manager (801 – 4 000 USD);
- Regional Manager and HQ Financial Manager (4 001 – 10 000 USD);
- Head of Department and General Secretary (10 001 USD and more).

If there are any other specific rules on approval of waivers and dispensations given by CCR donors' guidelines these rules must be followed by CCR staff.³

Negotiations may be conducted with more than one prospective tenderer, to obtain the best final offer, but such negotiations may not change the terms of reference of the issued tender.

The single procurement and/or negotiated procedure may only be used in cases stipulated in this document. No prior approval can be granted to apply the negotiated procedure in cases others than the ones stipulated in this document.

6. MODIFYING CONTRACTS

Contracts may need to be modified if the circumstances of project implementation have changed since the contract was signed. However, the subject matter of the contract cannot be altered. Contracts can only be modified during their execution period. Any changes to the contract must be made officially by means of an addendum to the contract. Substantial changes to the contract must be made by means of an addendum. Such an addendum must be signed by the contracting parties.

The purpose of the addendum must be closely connected with the nature of the project covered by the initial contract. No changes to the contract may alter the award conditions prevailing at the time the contract was awarded. Following this logic, major changes, such as a fundamental change to the terms of reference or to the technical specifications, cannot be made by means of an addendum.

Requests for contract modifications must be made (by one contracting party to the other) in time to allow the addendum to be signed by both parties before the expiry of the execution period of the contract. Where the change to the contract extends activities already under way, it requires a negotiation with the supplier.

The relevant modifications are the following: additional works, supplies or services by the original contractor that have become necessary and that were not included in the initial procurement, when changing contractor is not feasible or changing contractor would cause substantial duplication of costs for the CCR.

Modifications meeting the following conditions:

- Additional supplies of goods that have already been included in the tender or as a substitute for goods that have already been tendered.
- Additional works or services that were not included in the initial procurement; the value of the modification is limited to 30 % of the initial contract value for service and for works contracts.

Modification of the contract must be consulted and approved by CCR in the following cases:

³ For procurement of goods and services within projects funded by UNHCR, in case of an exceptional operational situation, the CCR HQ or missions may request an exception (waiver) to the requirement of formal competitive bidding (for all waiver cases). Such request for a waiver, in writing, must provide valid justification and must be approved by the appropriate Committee on Contracts in UNHCR prior to contracting. A request for waiver is also subject to prior written approval from the UNHCR Head of Office in the country of operation.

- If the value of the contract is 10 001 USD - 60 000 USD; or
- If the cumulative value of several successive modifications will exceed the thresholds given in the section of General Limits on Approvals and Procurement.

A request for changes to the contract must not automatically be accepted by CCR. There must be justified reasons for modifying a contract. CCR must examine the reasons given and reject requests which are not fully substantiated. Additional documents and information may be asked.

Any addendum modifying the budget must include a replacement budget showing how the full budget breakdown of the initial contract has been modified by the addendum.

Cases such as administrative changes do not need to be announced to CCR.

7. PROPER TENDERER MANAGEMENT

In order to establish policies and procedures for proper evaluation, pre-qualification and registration, and effective management of tenderers, it is important that CCR and its missions have introduced proper tender management.

In case of the first award to a new tenderer for a contract of high value, high priority or complex goods or services, it is a must that CCR and its missions conduct pre-award surveys as part of the technical review of offers. Such surveys must include the tenderer's credit rating, affiliations, familiarity with the technical requirements, facilities, experience, references, capacity, production equipment, type of personnel, etc. A firm specialized in pre-award surveys may be engaged to obtain this information.

Establishing Tenderers List

Potential tenderers of tenderers with value of 60 000 USD and more that have not yet been registered must be requested to complete a tender registration form. Following an evaluation by CCR or its missions, the tenderer may be added to the CCR or its mission's active database of registered tenderers. CCR and its missions are obliged to maintain and kept up-to-date the tenderer database and these have to contain for each pre-qualified vendor:

- a) Full name and address;
- b) Product information and data sheets;
- c) Supply information (quality, delivery times, payment terms and warranties);
- d) After sales services;
- e) Packing and shipping facilities;
- f) Management data and historical data;
- g) References;
- h) Verification that the tenderer is not listed on the donors' list of suspended and removed tenderers;
- i) Results of previous tendering and comments on past performance; and
- j) Audited financial statements for the last three years.

From this database of registered vendors, CCR or its missions will identify and select eligible vendors to solicit bids for a particular procurement process.

Tenderers which are not able to supply the needed goods, services or works, or other tenderers which are not eligible or suitable, may not be added to a tendering list simply to make up the numbers.

Supplier Performance Evaluation and Contract Management

CCR or its missions are obliged to ensure that contractor performance is monitored and that any shortcomings are promptly brought to the attention of the contractor for correction and adherence to the terms of reference as included in the contract. Especially for contracts with repeated or more complex services, supplies or works CCR or its missions are obliged to measure, analyse and monitor supplier's ability to comply with, and preferably exceed, their contractual obligations. Active oversight also ensures timely processing of contractor invoices.

The supplier performance evaluation is conducted by CCR or its missions based on the contract with the supplier where the supplier's obligations are put in place. The results of previous tendering and comments on past performance are taken into account when CCR or its missions manage the approved tenderer list (see Establishing Tenderers List, point i) above) or for supplier appraisal when the supplier renewal of an existing contract.

8. GLOSSARY OF TERMS

Addendum	A document modifying the terms and conditions of a contract.
Best value for money	See "most economically advantageous offer".
Contract	An agreement, between two or more persons or entities, with specific terms and an undertaking to provide services, supplies and/or works.
Contractor	Any natural or legal person or public entity or consortium of such persons and/or bodies selected at the end of the procedure for the award of the contract. The successful tenderer, once parties have signed the contract.
Evaluation committee	A committee made up of an odd number (at least three) of voting members (the evaluators) with the technical and administrative expertise capacities necessary to give an informed opinion on tenders' applications.
Positive offer	The supplier is willing and capable to provide the goods or services.
Tender	A written or formal offer to supply goods, perform services or execute works for an agreed price.
Tender dossier	The dossier which contains all the documents needed to prepare and submit a tender.
Tenderer	A natural or legal person or consortium thereof submitting a tender with a view to concluding a contract.
Technical specifications	The document drawn up by the CCR HQ or missions setting out its requirements and/or objectives in respect of the provision of supplies or works.
Terms of reference	The document drawn up by the CCR HQ or missions setting out its requirements and/or objectives in respect of the provision of services.

9. ABBREVIATIONS

CCR	Caritas Czech Republic
FM	Financial Manager
FM HQ	Financial Manager at Headquarters
GS	General Secretary
HQ	Headquarters
HoD	Head of Department
HoM	Head of Mission
PM	Program Manager