



Procurement Manual

(Adopted by RAI Steering Group at its 25th meeting On June 12, 2017, Sofia, Bulgaria)

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1. GENERAL RULES

When the implementation of an action approved by RAI Secretariat requires procurement, the contract must be awarded following this Procurement manual. Before starting any procurement of goods or services, of whatever value, the request for it must be passed directly to the Head of Secretariat or a delegate, who will ensure, with the Finance and Administrative Officer, that they are processed in accordance with all applicable procurement and financial control requirements. No commitment to purchase any goods or services, however small, may be made without the prior signature of the Head of Secretariat or a delegate. Before initiating any procedure, the funds must be available. During the procurement and award of the contract, and afterwards the contract implementation stage the RAI Secretariat is referred to as Contracting Authority.

In order to use budget in most efficient way, contracts shall be awarded in accordance with basic procurement rules and principles:

- (a) ensuring sufficient transparency and fair competition;
- (b) ensuring equal treatment and non-discrimination;
- (c) avoiding conflicts of interests

There are three types of contract: supply, service and works. The contracting process consists of three main stages: design, tendering and contracting. During the design stage, all the documentation needed to start tendering must be prepared. The documentation prepared during the design phase is used to select the contractor during the tendering process.

The types of tender documentation to be prepared and specific steps to be undertaken depend on the type of contract and the procedure to be used for tendering. This Manual lays down the minimum procedures to be followed and it is not precluded that other procedures offering more competition are used (i.e. to use open procedure for contract value where competitive procedure could be used). It also provides the comprehensive information necessary to undertake procurement from the very first steps to the award, signature and implementation of contracts. Operational guidelines for procurement procedures are presented below for each type of procurement procedure.

Maximum value of the contract is calculated on the basis of overall price that Contracting Authority may pay for, VAT excluded.

1.1. Exceptions to General rules

The RAI Secretariat will use the negotiated procedures on the basis of a single bid in the following cases:

- a) For reasons of extreme urgency brought about by events which the RAI Secretariat could not have foreseen. The circumstances invoked to justify extreme urgency must in no way be attributable to the RAI Secretariat.

- b) For extension of contracted activities or introduction of new activities not included in the main contract, but which, because of unforeseen circumstances, have become necessary;
- c) For additional deliveries by the original supplier, where a change of supplier would oblige the RAI to acquire equipment having different technical characteristics which would result in either incompatibility or disproportionate technical difficulties in operation and maintenance;
- d) When the individual or vendor has successfully completed this work before, has a thorough understanding of the work to be accomplished and charges fees that have been determined to be reasonable and competitive in the local market.
- e) When the tender procedure has been unsuccessful, that is where no qualitatively and/or financially worthwhile tender has been received. In such cases, after cancelling the tender procedure, RAI Secretariat may negotiate with one or more candidates of its choice, from among those that took part in the tender procedure, provided that the initial terms of the tender procedure are not substantially altered.

The Head of Secretariat signs Decision on procurement, stating justification for this procedure and value of the contract. It also signs Contract award Decision stating value and the contractor. Exceptions to General rules refer also to procurement of hotel services, travel tickets, restaurant services and translation and interpreting services.

1.2. Grounds for exclusion from participation in procurement

Candidates will be excluded from taking part in a procurement procedure if:

- a) they are bankrupt or being wound up, are having their affairs administered by the courts, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- b) they or persons having powers of representation, decision-making or control over them have been convicted of an offence concerning their professional conduct by a judgment of a competent authority;
- c) they have not fulfilled obligations relating to the payment of social security contributions or the payment of taxes
- d) they or persons having powers of representation, decision making or control over them have been the subject of a final judgment which has the force of *res judicata* for fraud, corruption, involvement in a criminal organisation, money laundering or any other illegal activity

Bidders are obliged to sign Statement that they are not in any of these situations.

1.3. Exclusion from award of contracts

Contracts may not be awarded to candidates or bidders which, during the procurement procedure:

- a) are subject to a conflict of interests;
- b) are guilty of misrepresentation in supplying the information required by RAI Secretariat

c) by sole discretion right of the Procurement Commission or Head of Secretariat if determined possible negative regard associated with political, legal or country risk.

A conflict of interest arises in situations in which the RAI staff or the candidates or bidders have, directly or indirectly, an economic, financial, or any other personal interest that might be perceived as an element that compromises their impartiality or independence in the context of the award procedure.

2. PROCUREMENT PROCEDURES

Initiation of procurement

Only those goods, works or services identical to or similar to those listed in the approved budget shall be procured. Request can be made by any of the Secretariat staff, pre-approved by Finance and Administrative Officer and approved by Head of Secretariat or a delegate. For that purpose the Purchase request Form shall be used.

Depending on the threshold, the appropriate procurement procedure will be applied.

Procurement Thresholds

Procurement value in EUR	Procurement procedure
800 and less	Single bid procedure
800 – 10 000	Competitive procedure
10 000 and more	Open procedure

The basic means of awarding contracts is competitive tendering. The purpose is twofold:

- to ensure that operations comply with the awarding principles; and
- to obtain the quality of services, supplies or works wanted, at the best possible price.

There are several different procurement procedures, each allowing a different degree of competition. This manual describes most common procedures; open, competitive, negotiated and single bid.

Once the funds are available in the budget and activity is approved, the contracting authority can proceed with tendering and contracting following these standard procedures. All basic principles must be complied with, regardless of which procedure is used.

2.1. Open procedure

A procedure is called open when all potential and eligible bidders may submit a tender. The contract is given maximum publicity through the public invitation issued at RAI website and, if applicable, in other electronic media.

Under the open procedure, any natural or legal person wishing to participate receives, upon request, the tender dossier in accordance with the procedures laid down in the public invitation. When the tenders received are examined, the contract is awarded by conducting evaluation and award procedures. No negotiation is allowed.

***Steps**

The Head of Secretariat or a delegate signs Decision on starting procurement; stating funds available, procedure to be followed (open procedure), selection and award criteria, time limits for procedure. The bidders shall have at least 30 days after publication to submit the offers, and 60 days after tender submission date their offers may be valid. That is period when evaluation of tenders must be done and Contract award Decision finalized. It is also necessary to appoint Evaluation Committee if Secretariat does not have permanent Evaluation Committee appointed.

After these Decisions, public invitation to tender may be launched.

If candidates have questions regarding tender documentation it should be answered in written, prior submission date.

Tender opening session takes place after submission time/date. Tenders (offers) are open only when all members of Procurement Committee are present. Each offer should be checked whether it satisfies all requirements, and that information should be part of the Evaluation report. The Evaluation Committee concludes the Evaluation report, which should contain proposed candidate to whom the contract will be offered. The Report is sent to the Head of Secretariat or delegate for approval. After approval, the selected candidate is offered the contract for signature. If they accept proposed contract, the implementation can start after contract commencement date. If they do not accept it, the contract can be offered to the second best successful candidate.

2.2. Competitive procedure

Under the competitive procedure, the Contracting Authority invites at least three candidates of its choice. At the end of the procedure, out of the technically compliant offers, the one that offers the best value for money or the one that is the cheapest is selected (depends which award criterion is set to be used). If the Contracting Authority receives only one offer that is administratively and technically valid, the contract may be awarded provided that the award criteria are met.

***Steps**

Procurement procedure starts with Decisions on starting procurement with all relevant data (stating funds available, competitive procedure selection criteria, award criteria, time limits). If the procurement value is set to 5,000 EUR or higher, the Evaluation Committee is to be established.

Person(s) responsible for procurement communication (the Finance and Administrative Officer or Project/Programme Officer) sends Request for Offer and relevant documentation to at least three addresses of potential candidates.

The bidders should be given a minimum of three days to submit offers. After submission time/date, each offer should be checked whether it satisfies all requirements.

The Person responsible for procurement communication concludes the Evaluation report, which should contain information on whether or not offers comply with the formal requirements and proposed candidate to whom the contract will be offered. The Evaluation report is sent to the Head of Secretariat or delegate for approval. After approval, the selected candidate is offered the contract for signature. If they accept proposed contract, the implementation of contract starts. If they do not accept it, the contract can be offered to second best successful candidate.

2.3. Direct purchase and negotiated procedure

Direct purchase based on single bid is provided for in case the sum allotted for a contract is equal to or less than €800. However, artificially splitting related activities into smaller sized contracts to prevent the requirement for tendering is strictly prohibited. In case the candidate is technically competent to undertake the contract as asked to, and is able to abide by the financial limitations of the budget, a direct contract may be signed with this provider. The Head of Secretariat (or delegate) approves the purchase. Purchase may be paid against receipt, does not have to rely on contract. It is not obligatory for this procedure to set up the Procurement Committee. This procedure allows procurement of goods and services without bidding procedure; a simple bill, order of purchase or any other document that serves as a proof of purchase shall be accepted as such.

Only in exceptional cases, negotiated procedure is to be used regardless the thresholds, with a single bid only. The “exceptional cases” are as described under 1.1. of this Manual.

In all cases a justification stating and explaining the reason for a direct purchase/negotiated procedure needs to be written, approved and be included in the financial expense report.

***Steps**

The Finance and Administrative Officer checks whether budget of an action is available.

She/he sends Purchase order form to the Head of the Secretariat.

A simple request is sent to bidders from the existing list, requiring only price offer. Proof of purchase is kept in a file.

In the cases when the Secretariat has a prior knowledge or experience of numerous service/goods providers, it can be appropriate to pre-qualify the bidders. Such list shall be placed at the disposal of Secretariat staff in some form of internal list of vendors that will be used as an initiation for such procurement. Pre-qualification criteria vary and can be set on a yearly basis, with an ongoing open call for potential new bidders. This practice may apply for travel agencies, office supplies procurement, hotel and restaurant services.

2.4. Canceling procurement procedure

The Contracting Authority may decide to cancel the tender procedure at any stage particularly if:

- a) the tender procedure has been unsuccessful i.e. no qualitatively or financially worthwhile bid has been received or there is no response at all,
- b) the economic or technical data of the project have been fundamentally altered,
- c) exceptional circumstances of force majeure render normal performance of contract impossible,
- d) all technically compliant bids exceed the financial resources available,
- e) there have been irregularities in the procedure, in particular where these have prevented fair competition.

The bidders shall be informed on the cancellation. In the case of open procedure, cancellation is published at same places as public invitation to tender. Bidders shall not be entitled to compensation of any kind whatsoever.

After cancelling a tender procedure, the Contracting Authority may decide:

- to launch a new tender procedure
- if applicable, to negotiate with one or more bidders, provided that the original terms of the contract have not been substantially altered
- not to award the contract.

The Head of Secretariat signs Decision on procurement cancellation, upon the proposal of the Procurement Committee.

2.5. Selection and award criteria

The contracting authorities must draw up clear and non-discriminatory selection criteria for the purpose of assessing that the candidate has sufficient financial, economic, technical and professional capacity to implement the tasks of the contract. The chosen criteria shall be proportionate and may not go beyond the scope of the contract. When deciding on the appropriate selection criteria, it must be considered whether compliance can be proved and what type of documentary evidence the candidate may submit as proof. These criteria may be different for natural and legal persons, and they should be tailored for each procurement.

Selection criteria are:

- a) the financial and economic capacity of the candidate
- b) technical and professional capacity of the candidate

Example of criterion a): Annual turnover of candidate is equal or higher than contract value
Proof to be requested for criteria a): Balance sheet of previous financial year

Example of criteria b): the educational or professional qualifications of candidate, or previous experience

Proof to be requested for criteria b): University degree diploma, company registration form or a copy of employment contracts.

Contract award criteria:

- a) lowest price (of the tender satisfying selection criteria and is technically compliant)
- b) the best-value-for-money (i.e. the most economically advantageous tender)

An award criterion is applied after the tender is evaluated for satisfying selection criteria and is technically compliant.

Usually, criteria a) is used when procuring goods, and criteria b) for procuring services. Nevertheless, it can be decided differently or combined criteria can be applied. The Procurement Committee, in its Evaluation Report, proposes the contractor selected on the basis of these, previously set, selection and award criteria. The Head of Secretariat (or delegate) approves Evaluation report and signs Contract award Decision.

Only after Contract award Decision is taken, the bidder (who afterwards becomes contractor) is notified on the Decision, and the Contract may be signed.

In order to inform candidates how they will be assessed, it is useful to use evaluation grid which includes all criteria on which tenders will be evaluated. Since the evaluation of the offers will be based on the evaluation grid which is contained in the tender documentation and candidates pay special attention to the items in the grid that could potentially give a high number of points, it must not be changed after it is set up to the specific contract. It must be also noted that if there are too many criteria in the grid, the comparison of offers could be more complicated as each item would give a relatively small number of points and some differences between the offers would not be reflected in the number of points. Points are given only in case an award criterion is the-best-value-for-money.

In case award criteria is the lowest price, other technical requirements must be tailored to each tender in a YES/NO format to allow a clear assessment of whether or not the tender meets the technical requirements set out in the tender dossier.

3. PROCUREMENT COMMITTEE

The Procurement Committee is established to ensure consistent and correct application of procurement practices. Committee members are primarily responsible for monitoring and verifying executing procurement actions and ensuring that approved procurement procedures have been applied properly.

Due to the limited staff of the Secretariat, a procurement committee shall be appointed to a period of time that can relate to the mandate of the Head of Secretariat (so called permanent Procurement Committee). Procurement Committee is composed of three members; chair and two members. The

Head of the Secretariat shall not be a member of the Committee. The procurement committee renders decisions unanimously.

Procurement Committee:

- Ensures compliance with the Procurement Policy;
- Approves notices, tender documents, terms of the service agreement and all other material documents related to the procurement process;
- Corresponds with bidders;
- Considers the proposals received by the bidders;
- Evaluates as per defined criteria; (Evaluation grid)
- Reports to the Head of Secretariat on a regular basis on the progress of the procurement process;
- Proposes a contract award decision to the Head of Secretariat.

Head of Secretariat is obliged to reject the proposal for contract award, if finds that the procurement procedure was not respected by the Procurement Committee member/s.

4. TENDER DOCUMENTATION

Tender documentation should be carefully drafted, to ensure that procurement procedure is carried out correctly and the contract is complete. Given the technical complexity of some contracts, the preparation of (part of) tender documentation may require external assistance. Tender documentation should contain all relevant information that candidates need in order to submit their offer (tender):

- procedure to be followed
- instruction to bidders
- grounds for exclusion (as in 2.1.) - statement template and/or documents to provide as proof
- selection and award criteria
- description of supply/service/works that are subject of procurement
- evaluation grid
- time limits
- contact information

If candidate has additional questions about tender documentation, or contracting authority decides it is necessary to share additional information, it should be done in written before submission date, so candidate can adjust its tender timely. Depending on the procurement subject, the technical part of the documentation should contain all information related to minimal technical requirements, state of goods, minimum quality, delivery time, after sales service, warranty conditions, etc. Requirements not mentioned in tender documentation cannot be reason for rejection of any candidate. In order to maintain fair competition, requirements must not be tailored to the specific contractor.

5. TRANSPARENCY

RAI Secretariat shall promote fair and equitable treatment for potential suppliers by providing an adequate and timely degree of transparency in each phase of the public procurement cycle, while taking

into account the legitimate needs for protection of trade secrets and proprietary information and other privacy concerns, as well as the need to avoid information that can be used by interested suppliers to distort competition in the procurement process. Additionally, suppliers should be required to provide appropriate transparency in subcontracting relationships.

In order to achieve this end, the Secretariat shall make sure that:

- Relevant information is available on its official website at each stage of the open procedure cycle: tender notice, bidding/tender documents, technical specifications, qualification criteria, evaluation criteria, award notice, and contract award decision.
- Criteria that set the timeframe for publication of procurement opportunities and submission of proposals to allow sufficient time to:
 - Prepare for the tender
 - Ask questions
- Conditions that will enable potential suppliers to determine their participation are disclosed.

6. Annexes

Annex 1 – Purchase Requisition Form

Annex 2 – Draft Statement: Conflict of Interest

Annex 3 – Draft Statement of Exclusion

Annex 4 – Procurement decision template

Annex 5 – Draft Evaluation Report

Annex 2

DRAFT

Statement

<Each member of the Procurement Committee (and Head of Secretariat) must submit a signed declaration using this format. Statement is to be signed for all procurement procedures, and is a part of tender dossier>

RAI Secretariat has a zero tolerance on fraud and other proscribed practices and is committed to preventing, identifying and addressing all such acts and practices against RAI, as well as third parties involved in RAI activities. RAI expects its suppliers and service providers to adhere to the rules of Ethical Conduct.

Herby I declare that I am not in any of the following situations potentially falling into the conflict of interest in a given procurement procedure, namely:

There are no family, emotional, political or nation-wise affinities towards the potential bidders in the procurement procedure;

I have no economic or other shared interest in respect of the outcome of the procurement procedure;

I have not shared any information that may grant an advantage to bidder or influence the outcome of the procurement procedure in any way

I have not been the subject of a judgment which has the force of *res judicata* for fraud, corruption, involvement in a criminal organisation, money laundering or any other illegal activity.

Conflict of interest shall occur especially in the cases of:

-ownership, control or management relations between RAI staff members and bidders (share and stock owners, managing functions, board members etc.);

- economic, family or personal involvement with politically exposed persons;

-family relations between RAI staff members and bidders such as their first of kin; marital partners, and their first of kin; household members.

.....

Annex 3

DRAFT

Statement

<As part of their tender, each legal entity must submit a signed declaration using this format. >

We have examined and accept in full the content of the dossier for invitation to tender No <.....> . We hereby accept its provisions in their entirety, without reservation or restriction.

This tender is valid for a period of <....> days from the final date for submission of tenders.

We are not in any of the situations excluding us from participating in procurement procedure, namely;

we are not bankrupt or being wound up, or having our affairs administered by the courts, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations;

we have not been convicted of an offence concerning our professional conduct by a judgment of a competent authority;

we have fulfilled obligations relating to the payment of social security contributions and the payment of taxes

we have not been the subject of a judgment which has the force of *res judicata* for fraud, corruption, involvement in a criminal organisation, money laundering or any other illegal activity

If required, we can provide the proof usual under the law of the country in which we are established that we do not fall into these exclusion situations.

.....

Annex 4

/RAI Logo/

Date:

Ref. No.

Based on the RAI Secretariat Procurement Manual requirements, the approved budget and respective finance management internal documents, on behalf of RAI Secretariat office, hereby I initiate the

PROCUREMENT DECISION

For procurement of _____ (goods/services/works) namely, the procurement of _____ using the _____ (type of procedure). Total available funds for this action, VAT excluded is _____.

(only for open calls): Public invitation will be posted on the web site of the Secretariat, allowing potential bidders to submit their offers until _____.

Offers within this procurement are to be submitted by potential bidders not later than _____, by e-mail (e-mail address) or to the address below:

Selection criteria to be used:

- a) lowest price ,
- b) the best-value-for-money.

Selection criteria and other terms and conditions of contract are further elaborated within tender dossier available upon request.

HEAD OF SECRETARIAT

/Name Surname/

Annex 5

DRAFT EVALUATION REPORT

Procurement of : _____

Contents: Timetable
Evaluation
Conclusion
Signatures

Annexes: Evaluation Grid

Offers

<...>

1. Timetable

	DATE	TIME	VENUE
Deadline for the submission of tenders			
Tender opening session			
Etc.			

2. Evaluation

The Evaluation Committee only considered those tenders, which were found to be suitable for further evaluation following the tender opening session.

(if) There was public opening session held at <....>. Representatives of companies who attended opening session <....>

Compliance with requirements

The Evaluation Committee assessed the compliance of each of the tenders with the requirements of the tender dossier.<....>

The Evaluation Committee used the evaluation grid included in the tender dossier to assess the compliance of each of the tenders with the requirements of the tender dossier. The completed evaluation grid is attached.

On the basis of this, the Evaluation Committee decided that the following tenders were non-compliant and should not be considered further: <reason for rejection>

3. Conclusion

Consequently, the Evaluation Committee recommends that the contract(s) is(are) awarded as follows: <ranking of tenders, their financial offers for lowest price or scoring for best value for money...>

4. Signatures

	Name	Signature
Chair		
Member		
Member		

Approved by the Head of Secretariat:

Name & Signature: