

PUBLIC

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

CORPORATE PROCUREMENT POLICY



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I. CORPORATE PROCUREMENT POLICY OVERVIEW

1.1. Introduction

As a regional development bank, the IDB is involved in the procurement of goods and services to meet its institutional requirements. The principles of transparency, fairness, responsiveness, best value, and accountability govern all of the Bank's procurement activities. Bank staff involved in procurement activities are obliged to carry out activities in accordance with the rules contained in the Bank's Ethics Code. Procurement information is made available to the public in accordance with Bank Policy OP-102, Access to Information, which can be found on the Bank's website at www.iadb.org.

The purchase of goods and services directly by the Bank to meet internal needs, and the purchase or lease of real property are financed under the Bank's corporate procurement policy and procedures. The purchases of these goods and services are governed by the procurement policy described in detail in this document.

1.2. Scope

Corporate procurement at the IDB amounts to about \$75 million per year. The major procurements include consulting, professional, technical, and facilities support services such as food services, facilities management, security, and janitorial services; construction and related design and engineering services; computer software and hardware systems; office furnishings and equipment; physical plant operating equipment and supplies; and the purchase or lease of real property. Corporate Procurement purchases are significant and account for about 15 percent of the combined administrative budget and capital improvement program at the IDB. Special procurements by the Finance and Legal Departments are handled as specifically outlined in this policy.

Project and program related purchases, where the Bank's borrowers and beneficiaries, for the most part, are responsible for the procurement process, follow the Bank's project procurement policies and procedures. Bank staff, contractual employees, including individual consultants, research fellows and consulting firms hired by the Bank mostly through trust funds, to carry out project related activities are hired by the Bank pursuant to applicable personnel and project procurement policies. Corporate procurements of the Inter-American Investment Corporation are conducted outside the scope of this Policy.

1.3. Organization

An executive committee, the Corporate Procurement Committee chaired by the Vice President for Finance and Administration, provides independent oversight and review and approval of the Bank's Corporate Procurement Policy and Procedures.

Corporate procurement responsibility is centralized. The Budget and Administrative Services Department Manager serves as the chief contracting officer of the Bank responsible for:

1. developing and revising procurement procedures;
2. determining source selection modalities;

3. awarding all contracts, or delegating award responsibility to others;
4. resolving protests and contract disputes; and
5. suspension, reinstatement, and debarment of suppliers for performance related reasons.

1.4. Procurement Planning and Source Selection

Bank departments and independent units have primary responsibility for initiating the corporate procurement process by developing specifications, statements of work and/or terms of reference.

Purchases are initiated by the submission of a purchase requisition to Corporate Procurement by a user department or unit. Purchase requisitions are approved prior to submission to Corporate Procurement by a Department Manager, Chief of Independent Unit, the Vice President for Finance and Administration, the Executive Vice President, or the President depending on the estimated value of the request and the source of the requisition.

To provide sufficient responsiveness, flexibility and timeliness in the purchases of goods and services and at the same time allow for proper oversight and accountability, the Bank's corporate procurement policy provides for a number of different modalities for awarding Bank contracts. The possible application of non-routine procurement processes by the Budget and Administrative Services Department Manager must be based on written justification and in some cases with the prior approval by the Corporate Procurement Committee.

The Budget and Administrative Services Department Manager reviews and approves specifications for clarity, completeness, and adherence to Bank policy and conducts the appropriate procurement process.

II. ORGANIZATION

There shall be a Corporate Procurement Committee, as established in the Bank's Organization Manual at OR-208, and there shall be a Budget and Administrative Services Department Manager who shall serve as the Chief Corporate Procurement Officer of the Bank.

2.1. Corporate Procurement Committee

A. Role. The Corporate Procurement Committee is responsible for independent oversight and review of the application of the Bank's Corporate Procurement Policy and Procedures, review corporate procurement actions in excess of established thresholds, and decisions on corporate procurement issues submitted for its consideration.

B. Functions

1. Reviews, adopts, and makes final determinations regarding procedures and changes in procedures, consistent with this Corporate Procurement Policy and its

implementation, governing the procurement, management, control, and disposal of any and all goods, services, real property and/or construction to be procured by the Bank, including those related to the stated procurement authorities of the Finance and Legal Departments.

2. Makes recommendations to Management on changes to the Corporate Procurement Policy.
3. Reviews proposed contract awards and renewals in excess of the thresholds established in this Corporate Procurement Policy and authorizes the Budget and Administrative Services Department Manager to award or renew a contract.
4. Reviews change orders or contract modifications in excess of the thresholds set forth in this Corporate Procurement Policy and authorizes the Budget and Administrative Services Department Manager to proceed.
5. Makes a final determination on any appeal by an aggrieved party regarding the protest of a solicitation or of a contract award.
6. Makes a final determination on any appeal by a party regarding sanctions, based on Supplier non-performance.
7. Refers to the Office of Institutional Integrity any allegation of fraud, corruption and such other prohibited practices by a Supplier in connection with corporate procurement. Such prohibited practices (“Prohibited Practices”) are further defined in Appendix I, ‘Glossary of Terms’.¹

2.2. Budget and Administrative Services Department Manager

- A. Role.** The Budget and Administrative Services Department Manager serves as the chief contracting officer of the Bank. Except as otherwise provided in this policy, all rights, powers, duties, and authority relating to the procurement of goods and services, and the management, control, warehousing, sale, and disposal of tangible personal property shall be vested in the Budget and Administrative Services Department Manager.
- B. Duties.** The Budget and Administrative Services Department Manager shall:
1. procure or supervise the purchase or lease of real property, and the procurement of all goods and services needed by the Bank;
 2. develop, review and revise procedures as necessary to implement this Corporate Procurement Policy, including appropriate procedures related to the stated procurement authorities of the Finance and Legal Departments;
 3. determine the appropriate methods of source selection;
 4. exercise general supervision and control over all inventories of tangible personal property belonging to the Bank;

¹ This amendment and other amendments herein to the terminology associated with fraud, corruption and Prohibited Practices are included to reflect the decision of the Board of Executive Directors to amend the definition of “fraud and corruption” as contemplated in a Report from the Chairperson of the Audit Committee (Document GN-2440-19) and endorsed by the Board of Executive Directors (DEA/09/39).

5. sell, trade, or otherwise dispose of surplus goods belonging to the Bank;
6. establish and maintain programs for specification development, contract administration, and the inspection, testing and acceptance of goods and services;
7. ensure compliance with this policy and implementing procedures by reviewing and monitoring procurements conducted by any Designee;
8. prepare and submit reports on corporate procurement activities in accordance with procedures;
9. develop, promulgate and maintain a User Guide in accordance with the applicable provisions of this policy and the Corporate Procurement Procedures; and
10. develop, promulgate and maintain a Supplier Guide in accordance with the applicable provisions of this policy and the Corporate Procurement Procedures.

2.3. Delegation of Authority by the Budget and Administrative Services Department Manager

Subject to this policy and Corporate Procurement Procedures, the Budget and Administrative Services Department Manager may delegate authority to Designees.

2.4. Exemptions

The following items are exempt from the provisions of this policy:

- A. Bank Staff, Contractual Employees (including individual consultants) and Research Fellows.** Bank staff, contractual employees and research fellows shall be hired by the Bank pursuant to the applicable personnel policies.
- B. Consulting Firms Hired by the Bank to Provide Services Related to Bank-funded Projects.** Consulting Firms providing services related to Bank-funded projects shall be hired by the Project Procurement Division of the Development Effectiveness and Strategic Planning Department.

- 2.5. Legal Department.** The Legal Department shall serve as legal counsel and shall provide legal services to Corporate Procurement.

III. AUTHORITIES

3.1. Authorities of the Corporate Procurement Committee

- A. Duties.** The Corporate Procurement Committee shall provide independent oversight and review of the application of the Bank's Corporate Procurement Policy and Procedures, review corporate procurement actions in excess of established thresholds, and decide on corporate procurement issues submitted for its consideration.
- B. Adoption of Procedures.** The Corporate Procurement Committee shall review and adopt proposed Corporate Procurement procedures governing the procurement,

management, control, and disposal of any and all goods and services procured by the Bank, including appropriate procedures related to the stated procurement authorities of the Finance and Legal Departments.

- C. Authorization to Award.** The Corporate Procurement Committee shall authorize the Budget and Administrative Services Department Manager to award any contract in excess of \$1,000,000 on a single purchase or per annum basis after its approval of the procurement process conducted in each case. The Corporate Procurement Committee shall also review any proposed change order or contract modification, if the amount of the change order or modification would increase the total value of the contract to an amount in excess of \$1,000,000; and shall review any proposed change order or contract modification of a contract in excess of \$1,000,000 which would increase the contract amount by more than 10% of its original value, prior to authorizing the Budget and Administrative Services Department Manager to execute it.
- D. Determination of Appeals.** The Corporate Procurement Committee shall review and make a final determination on any appeal by a party from a determination by the Budget and Administrative Services Department Manager pursuant to a protest in connection with the solicitation or award of a contract.
- E. Sanctions.** The Corporate Procurement Committee shall review and make a final determination on any appeal by a party from a determination by the Budget and Administrative Services Department Manager to sanction a Supplier under the terms of this Corporate Procurement Policy. The Corporate Procurement Committee shall not have the authority to review an appeal of any sanction imposed pursuant to the Bank's Sanctions Procedures or of any sanction of another institution recognized by the Bank.

3.2. Authorities of the Budget and Administrative Services Department Manager

- A. Duties.** The Budget and Administrative Services Department Manager shall serve as the chief corporate procurement and contracting officer of the Bank. Except as otherwise provided in this Policy, all rights, powers, duties, and authority relating to the procurement of goods and services, and the management, control, warehousing, sale, and disposal of tangible personal property shall be vested in the Budget and Administrative Services Department Manager.
- B. Delegation.** Subject to this policy and Bank procedures, the Budget and Administrative Services Department Manager may delegate authority to Designees.
- C. Approval Authority.** The Budget and Administrative Services Department Manager shall have the authority to award any contract that does not exceed \$1,000,000 on a single purchase or per annum basis; shall have the authority to award any contract in excess of \$1,000,000 that has been authorized by the Corporate Procurement Committee; and shall have the authority to approve change orders or contract modifications if the amount of such change order or modification does not increase the total value of a contract beyond \$1,000,000; or in the case of an approved contract in

excess of \$1,000,000, if the value of the change order or modification does not exceed 10% of the original contract amount.

- D. Protests.** The Budget and Administrative Services Department Manager shall have the authority to settle and resolve the protest of an aggrieved Supplier, actual or prospective, concerning the solicitation or award of a contract. If the protest alleges any Prohibited Practice on the part of a Supplier, potential Supplier or the Bank, the Budget and Administrative Services Department Manager shall immediately refer the matter to the Office of Institutional Integrity for investigation and resolution in accordance with the policies and procedures established by that Office.
- E. Disputes.** The Budget and Administrative Services Department Manager shall have the authority to resolve all contract disputes, including but not limited to claims of breach of contract, by a Supplier against the Bank in accordance with the dispute resolution procedures set forth in the Agreement governing the relationship between the parties.
- F. Sanctions.** The Budget and Administrative Services Department Manager, after consultation with the Legal Department, shall have the authority to sanction a Supplier, including through debarment or temporary suspension of a Supplier from consideration for award of contracts, conditions on future contracting, reprimand, or other sanctions, for the reasons (not including Prohibited Practices) set forth in this Policy, upon documentation thereof.
- G. Inventory Management.** The Budget and Administrative Services Department Manager shall exercise general supervision and control over all inventories of real and personal property, supplies and equipment, and shall specify the inventory control and reporting procedures to be used by the Bank. In this regard, the Budget and Administrative Services Department Manager shall have the authority to transfer excess goods from one department to another, and shall be responsible for the sale or disposition of surplus goods by a method or methods he or she deems to be most advantageous to the Bank.

3.3. Authorities of Others

- A. Purchase Requests.** End User Departments are authorized and are required to request all purchases by submission of a properly approved purchase requisition to Corporate Procurement. Prior to submission, purchase requisitions shall be approved based upon the total estimated value of the request as follows:
 - 1. *Up to \$1,000,000:* By the Department Manager of Chief of Independent Unit, or as specifically delegated in the Bank's financial management system.
 - 2. *Greater than \$1,000,000:* By the Vice President for Finance and Administration, the Executive Vice President or the President depending on the source of the requisition.
- B. Hiring of Staff.** The Human Resources Department shall hire Bank staff, contractual employees, and research fellows pursuant to the applicable personnel policies.

- C. Hiring of Project-Related Firms.** The Project Procurement Division of the Development Effectiveness and Strategic Planning Department shall hire Consulting Firms providing services related to Bank-funded projects, whether funded by the administrative budget, trust funds, or other sources.
- D. Financial Borrowings and Investments of the Bank and Related Transactions.** For purposes of this Policy, the offering of Bank securities, investment of Bank resources, and transactions related to these activities conducted by the Bank's Finance Manager or his authorized designee(s) within the scope of his authority from the Bank's Board of Directors are considered Special Procurements that do not require action by the Budget and Administrative Services Department Manager or prior review and approval by the Corporate Procurement Committee. The Finance Manager will be responsible for the keeping and maintenance of the files related to these activities.
- E. Legal Department.** For purposes of this policy, the Procurement of external legal services by the Bank shall be the responsibility of the General Counsel of the Bank or his authorized designee(s) and shall be considered Special Procurements that do not require action by the Budget and Administrative Services Department Manager or prior review and approval by the Corporate Procurement Committee. This shall include the management of the procurement process, oversight of the quality and nature of the work, and the setting of reasonable fees.

The General Counsel shall develop a process for the selection of providers of legal services. Such procedure shall be subject to consultation and approval by the Corporate Procurement Committee. The General Counsel shall make the final decision as to which providers will be pre-qualified and selected for specific work.

IV. TYPES OF CONTRACTS

4.1. Types of Contracts

Subject to the limitations of this Section, any type of contract that will promote the best interests of the Bank and its member countries may be used, provided that the use of a cost-plus-a-percentage-of-cost contract is prohibited. A cost-reimbursement contract may be used only when a determination is made by the Budget and Administrative Services Department Manager that such contract is likely to be less costly to the Bank than any other type or that it is impracticable to obtain the goods or services required except under such a contract. Contracts may be issued in the form of a purchase order or as a written contract document in accordance with procedures established by the Budget and Administrative Services Department Manager.

4.2. Multi-Year Contracts

A contract may be entered into for any period of time deemed to be in the best interests of the Bank, provided the term of the contract and conditions of renewal or extension, if any, are included in the solicitation, that funds are available for the first fiscal period at the

time of contracting, and that the contract term, including renewals and extensions, shall not exceed five (5) years. Maintenance and support of licensed software and/or systems containing supplier-proprietary intellectual property that must be supported by its owner may be contracted for the planned lifetime of the licensed software or system, regardless of length of term, with the prior approval of the Corporate Procurement Committee.

4.3. Contract Clauses

All Bank contracts shall include provisions necessary to define the responsibilities and rights of the parties to the contract. The Legal Department, after consultation with the Budget and Administrative Services Department Manager, shall establish Standard Terms and Conditions of Agreement for use in Bank contracts. The Standard Terms and Conditions of Agreement may be varied as necessary by the Legal Department, in consultation with the Budget and Administrative Services Department Manager.

4.4. Commencement of Work

Unless otherwise authorized by the Budget and Administrative Services Department Manager, no work shall be commenced nor any goods delivered, under any Bank contract until all conditions precedent as specified in the contract documents have been met, including, but not limited to:

1. the contract has been duly executed by the Bank; and
2. where required, the contract has been duly executed by the Supplier and the Supplier has furnished certificates of Insurance, performance bonds, payment bonds and any other contract requirement.

4.5. Change Orders and Contract Modifications

A. Contract Renewal. The Budget and Administrative Services Department Manager may renew a contract provided that:

1. the User or Procurement Official makes a written determination that the Supplier has performed satisfactorily;
2. the initial contract provided for the renewal; and
3. the contract term, including the renewal period, does not exceed five years, unless otherwise provided for under this Policy.

B. Approval of Change Order or Contract Modification.

1. The Budget and Administrative Services Department Manager or his or her Designee may approve change orders or contract modifications as follows:
 - a. to any contract, the original amount of which is less than \$1,000,000, provided that the change order or contract modification does not increase the total value of the contract to an amount greater than \$1,000,000; and
 - b. to any contract, the original amount of which is in excess of \$1,000,000, provided that the value of the change order or contract modification does not exceed 10% of the original contract amount.

2. The Corporate Procurement Committee shall review any change orders and contract modifications in excess of the above amounts prior to execution by the Budget and Administrative Services Department Manager.

V. PROCUREMENT PLANNING AND SOURCE SELECTION

5.1. Methods of Source Selection

All Bank contracts shall be awarded by one of the following methods, which are further described herein:

- Small Purchase or Procurement Card;
- Competitive Bidding;
- Competitive Proposals;
- Cooperative Purchasing;
- Non-Routine Procurement (Non-Competitive, Emergency or Special Procurement); or
- Reverse Auction.

5.2. Specifications

- A. Responsibility for Specifications.** Users shall have primary responsibility for the initial development and revision of specifications, Statements of Work and/or Terms of Reference. To assure proper quality control and avoid the proliferation of conflicting specifications, the Budget and Administrative Services Department Manager shall review and approve specifications for clarity, completeness and adherence to Bank policy.
- B. Standardization.** In those instances where standards are not established by the Bank's Board of Executive Directors, by an authorized individual or by a standing committee of the Bank, the Budget and Administrative Services Department Manager may establish standard specifications for goods or services used by several Users or used repeatedly by one User when the characteristics of the item remain relatively unchanged while the frequency or volume of procurements is significant. The Budget and Administrative Services Department Manager may appoint advisory committees that include both Corporate Procurement and User staff to establish, modify and update standards and specifications, subject to review and approval by the Budget and Administrative Services Department Manager. In addition, the Budget and Administrative Services Department Manager shall be appointed as a member of any Bank standing committee that may develop and establish Bank-wide standards.
- C. Maximum Practicable Competition.** All specifications shall seek to promote overall economy and to encourage competition in satisfying the Bank's needs, without being unduly restrictive. The Budget and Administrative Services Department Manager shall review specifications written by Users to assure that the specifications allow for free and open competition, and that those specifications that eliminate some brands or vendors do so to reasonably meet the needs of the Bank. The requirements of this Section shall

also apply to all specifications prepared by non-Bank personnel, including but not limited to those prepared by architects, engineers, designers, and consultants.

5.3. Socially Responsible Procurement

- A. Statement of Policy.** The Bank, through its corporate procurement practices, shall endeavor to integrate socially responsible suppliers, goods and services into its supply chain. Goods and services that promote corporate environmental sustainability will be procured whenever practical and cost-effective for the Bank.
- B. Standards.** The Budget and Administrative Services Department Manager will, in cooperation with the Bank's corporate social responsibility efforts, develop standards for use of environmentally sustainable products and will incorporate such standards into the applicable contracts.

5.4. Bid or Proposal Security

Bid or proposal security may be required on solicitations as the Budget and Administrative Services Department Manager deems necessary to protect the Bank's interests. Any such security requirement shall be set forth in the solicitation.

5.5. Performance and Payment Bonds

Performance and/or payment bonds may be required as the Budget and Administrative Services Department Manager deems necessary to protect the Bank's interest. Any such security requirements shall be set forth in the solicitation.

5.6. Insurance Requirements

The Budget and Administrative Services Department Manager shall specify standard Supplier insurance requirements and shall establish any specialized insurance coverages and amounts that may be applicable to a given procurement.

5.7. Small Purchases

Any requirement for goods or services estimated to cost less than \$50,000, and which is not available under an existing blanket order, may be made in accordance with small purchase procedures. Requirements shall not be artificially divided so as to constitute a small purchase under this Subsection. Small purchases do not require public notice, and are made subject to informal competition at the following thresholds:

1. Up to and including \$5,000: no competition is required. Purchase may be made from any qualified Supplier by a Corporate Procurement Official or by an authorized holder of a Bank Procurement Card;
2. From \$5,001 up to and including \$25,000: a Corporate Procurement Official shall solicit informal competition, to the extent practical, from a minimum of three (3) qualified Suppliers via verbal quotation or quotation submitted by electronic means, whichever is most convenient;
3. From \$25,001 up to and including \$50,000: a Corporate Procurement Official shall

solicit informal competition, to the extent practical, from a minimum of three (3) qualified Suppliers, via written quotation, which may be submitted by electronic means, by facsimile or in written form.

4. The Corporate Procurement Manager may, on an exceptional basis, proceed without such informal competition. Any such cases shall be included in the Corporate Procurement Manager's annual report to the Board of Executive Directors.

5.8. Purchases Via Procurement Card

The Budget and Administrative Services Department Manager may establish and manage a Procurement Card program to facilitate small purchases up to \$5,000 by authorized user cardholders and to facilitate electronic billing against those blanket orders and contracts for which such transactions are deemed appropriate and economical for the Bank. The Budget and Administrative Services Department Manager will establish the procedures and controls for the operation of any Procurement Card program.

5.9. Competitive Bidding

- A. Conditions for Use.** Competitive bidding is appropriate when a requirement estimated to cost \$50,000 or more can be clearly and completely defined and the basis for award is primarily pricing. Requirements may not be artificially divided to avoid the use of competitive bidding.
- B. Prequalification of Bidders.** The Bank may pre-qualify bidders for a specific procurement via a published request for prequalification documents and via invitation to identified potential Suppliers when it is in the best interests of the Bank to ensure, in advance of competition, that solicitations are extended only to Suppliers capable of performing the requirement. The prequalification process is intended to provide the Bank with sufficient data on a potential Supplier's organization, capacity, performance and financial condition to determine the Supplier's qualifications to perform.
- C. Invitation for Bids (IFB).** An Invitation for Bids shall be issued and shall include specifications and all contractual terms and conditions applicable to the procurement.
- D. Public Notice.** Adequate public notice of the Invitation for Bids shall be given for a reasonable time prior to the date set forth therein for the opening of bids. A reasonable time for public notice shall typically be not less than ten (10) business days; however, the Budget and Administrative Services Department Manager may, on an exceptional basis, determine that a shorter or longer period is in the best interest of the Bank.
- E. Bid Opening.** Bids shall be opened by a Corporate Procurement Official in the presence of two or more corporate procurement staff at the time and place designated in the Invitation for Bids. The name of each bidder and the amount of each bid shall be recorded in a log. Any applicable information regarding the bids or the bidding process shall be made publicly available in accordance with policy OP-102, Access to Information.

- F. Bid Evaluation.** Bids shall be evaluated based on the requirements set forth in the Invitation for Bids, which may include criteria to determine acceptability such as inspection, testing, quality, workmanship, delivery, and suitability for a particular purpose. Those criteria that will affect the bid price and will be considered in evaluation for award shall be objectively measurable, such as discounts, transportation costs, and total or life cycle costs. The Invitation for Bids shall set forth the evaluation criteria to be used. No criteria may be used in bid evaluation that are not set forth in the Invitation for Bids.
- G. Correction or Withdrawal of Bids; Cancellation of Awards.** Correction or withdrawal of inadvertently erroneous bids before award, or cancellation of awards or contracts based on such bid mistakes, may be permitted where appropriate. After bid opening, no changes in bid prices or other provisions of bids prejudicial to the interest of the Bank or fair competition shall be permitted. Except as otherwise provided by the procedures, all decisions to permit the correction or withdrawal of bids, or to cancel awards or contracts based on bid mistakes, shall be supported by a written determination made by the Budget and Administrative Services Department Manager.
- H. Award.** The contract shall be awarded promptly by written notice to the responsive bidder whose evaluated bid represents the best value to the Bank.

5.10. Competitive Proposals

- A. Conditions for Use.** The competitive proposal process is appropriate when a requirement estimated to cost \$50,000 or more is complex, and award will be made on some combination of evaluated factors such as management, technical and cost considerations, or when the Budget and Administrative Services Department Manager determines that the use of competitive bidding is either not practicable or not advantageous to the Bank. Services typically procured through the competitive proposal process include but are not limited to: consulting services; other professional or technical services such as architectural and engineering services, construction manager-at-risk and design-bid project delivery methods for construction services as specified in Section 5.19. (Procurement of Construction); and high technology software, systems, applications and their implementation. Requirements may not be artificially divided to avoid the use of the competitive proposal process.
- B. Prequalification of Offerors.** The Bank may pre-qualify Offerors for a specific procurement via a published request for prequalification documents and via invitation to identified potential Suppliers when it is in the best interests of the Bank to ensure, in advance of competition that solicitations are extended only to Suppliers capable of performing the requirement. The prequalification process is intended to provide the Bank with sufficient data on a potential Supplier's organization, capacity, performance and financial condition to determine the Supplier's qualifications to perform.
- C. Request for Proposals (RFP).** Proposals shall be solicited through a Request for Proposals, which shall include a statement of work or specifications, and all contractual

terms and conditions applicable to the procurement.

- D. Public Notice.** Adequate public notice of the Request for Proposals shall be given for a reasonable time prior to the date set forth therein for the receipt of proposals. A reasonable time for public notice shall typically be not less than ten (10) business days; however, the Budget and Administrative Services Department Manager may determine that a shorter or longer period is in the best interest of the Bank.
- E. Receipt of Proposals.** Proposals shall be opened in the presence of two or more procurement staff at the time designated in the solicitation. The name of each Offeror responding by the stated due date and time shall be recorded in a log. Any applicable information regarding the proposals or the competitive proposal process shall be made publicly available in accordance with policy OP-102, Access to Information.
- F. Evaluation.** In consultation with the requesting User, the Budget and Administrative Services Department Manager shall appoint an evaluation team. The Request for Proposals shall set forth the evaluation criteria to be used, such as price, qualifications, past performance and other relevant factors. The recommendation of the evaluation team shall be submitted to the Budget and Administrative Services Department Manager.
- G. Negotiation with Responsible Offerors and Revisions to Proposals.** A competitive range is determined on the basis of evaluation of the proposals against the evaluation criteria set forth in the Request for Proposals and shall include all proposals that have a reasonable chance of being selected for award. As provided in the Request for Proposals, negotiations may be conducted with responsible Offerors who submit proposals determined to be in the competitive range for the purpose of clarification to assure full understanding of, and responsiveness to, the solicitation requirements. Offerors shall be accorded fair and equal treatment with respect to any opportunity for negotiation and revision of proposals, and such revisions may be permitted after submissions and prior to award for the purpose of obtaining best and final offers. In conducting negotiations, there shall be no disclosure of any information derived from proposals submitted by competing Offerors.
- H. Award.** Award shall be made to the responsible Offeror whose proposal conforms to the solicitation and is determined in writing to be the most advantageous to the Bank taking into consideration the evaluation factors set forth in the Request for Proposals. No other factors or criteria shall be used in the evaluation. The contract file shall contain the basis on which the award is made. After reviewing the evaluation committee's recommendation, the Budget and Administrative Services Department Manager may:
1. Approve the recommendation of the evaluation committee and seek the Corporate Procurement Committee's approval of the procurement process as conducted. Written notice of selection shall be provided to all Offerors;
 2. Reject the evaluation committee's recommendation and instruct the evaluation committee to re-evaluate and make further recommendations; or

3. Reject all proposals.

5.11. Request for Information

- A. **General.** The Bank may issue a Request for Information requesting information, data, comments, or reactions from potential Suppliers pertaining to state-of-the-art technology, designs or technical literature related to products, systems, technologies or services. The Bank evaluates the information submitted to determine which product, system or technology should be identified in a future solicitation, typically a Request for Proposals. This method is commonly used as a research tool to obtain the latest industry information and to assist the Bank in determining the most appropriate technology for its intended application. No contracts are awarded via this process.
- B. **Public Notice.** When appropriate, adequate public notice of the Request for Information shall be given for a reasonable time prior to the date set forth therein for the receipt of submittals. A reasonable time for public notice shall typically be not less than ten (10) business days, however the Budget and Administrative Services Department Manager may determine that a shorter or longer period is in the best interest of the Bank.

5.12. Cooperative Purchasing

In accordance with its guiding principles of transparency, efficiency, competition and fairness, the Bank may sponsor, conduct, administer or participate in cooperative purchasing agreements with one or more other organizations for the procurement of any goods and services, so long as such agreement(s) represent best value for the Bank.

5.13. Non-Routine Procurements

- A. **Non-Competitive Procurements**
 1. **General.** A contract in an amount in excess of the small-purchase threshold may be awarded without competitive bids or proposals when the Budget and Administrative Services Department Manager, after conducting a good faith review of available sources, determines in writing, pursuant to a written justification from a Department Manager, that the requirement is not suitable to competitive bids or proposals because there is only one proprietary source from which the goods or services may be obtained (a sole source procurement), or because it is in the best interest of the Bank to select a supplier of the goods or services required without competition (a single source procurement) due to the need for compatibility with previously-purchased goods or services.
 2. **Negotiations.** The Budget and Administrative Services Department Manager shall conduct negotiations, as appropriate, as to price, delivery and terms of any non-competitive procurement.
- B. **Emergency Procurements.** Notwithstanding any other provision of this policy, the Budget and Administrative Services Department Manager may make or authorize others to make emergency procurements when there exists an immediate need to protect life

or property or to prevent or minimize serious disruption of business continuity; provided that such emergency procurements shall be made with such competition as is practicable under the circumstances. A written determination of the basis for the emergency and for the selection of the particular Supplier shall be included in the contract file.

C. Special Procurements

1. **General.** The Budget and Administrative Services Department Manager may, upon review and approval of the proposed procurement process by the Corporate Procurement Committee, initiate a procurement above the small purchase amount specified in Subsection 5.7. (Small Purchases) where the Budget and Administrative Services Department Manager determines that an unusual or unique situation exists that makes the application of all requirements of competitive bidding or competitive proposals contrary to the Bank's interest. Any special procurement under this Subsection shall be made with such competition as is practicable under the circumstances. A written determination of the basis for the procurement and for the selection of the particular supplier shall be included by the Budget and Administrative Services Department Manager in the contract file.
2. **Financial Borrowings and Investments of the Bank and Related Transactions.** For purposes of this Policy, the offering of Bank securities, investment of Bank resources, and transactions related to these activities conducted by the Bank's Finance Manager within the scope of his authority from the Bank's Board of Directors are considered Special Procurements that do not require action by the Budget and Administrative Services Department Manager or prior review and approval by the Corporate Procurement Committee. The Finance Manager will be responsible for the keeping and maintenance of the files related to these activities.
3. **Legal Department.** For purposes of this policy, the Procurement of external legal services by the Bank shall be the responsibility of the General Counsel of the Bank or his authorized designee(s) and shall be considered Special Procurements that do not require action by the Budget and Administrative Services Department Manager or prior review and approval by the Corporate Procurement Committee. This shall include the management of the procurement process, oversight of the quality and nature of the work, and the setting of reasonable fees.

The General Counsel shall develop a process for the selection of providers of legal services. Such procedure shall be subject to consultation and approval by the Corporate Procurement Committee. The General Counsel shall make the final decision as to which providers will be pre-qualified and selected for specific work.

5.14. Reverse Auctions

The Bank may award contracts for goods or certain services by reverse auction. During the bidding process, Bidders' prices are revealed, and Bidders shall have the opportunity to modify their bid prices for the duration of the time period established by the solicitation. Award shall be made to the lowest responsive, responsible bidder. Procedures regarding public notice and electronic conduct of reverse auctions shall be established.

5.15. Cancellation of Invitations for Bids or Requests for Proposals

An Invitation for Bids, a Request for Proposals, or other solicitation may be canceled, or any or all bids or proposals may be rejected in whole or in part as may be specified in the solicitation, when the Budget and Administrative Services Department Manager determines that it is in the best interest of the Bank. The reasons therefore shall be placed on file.

5.16. Responsibility of Bidders and Offerors

A written determination of non-responsibility of a Bidder, Offeror or Supplier submitting pre-qualification documents shall be made in accordance with the Corporate Procurement Procedures. The unreasonable failure of a Bidder or Offeror to promptly supply information in connection with an inquiry with respect to responsibility may be grounds for a determination of non-responsibility with respect to such Bidder or Offeror.

5.17. Right of Nondisclosure

Confidential information furnished by a Bidder or Offeror pursuant to this Section and identified as such shall not be disclosed within the Bank to persons who are not officially involved in the procurement process, nor shall it be disclosed outside the Bank without prior written consent by the Bidder or Offeror.

5.18. Substantiation of Offered Prices

A Corporate Procurement Official may request detailed cost or pricing data from any Bidder or Offeror to substantiate that the price or cost offered, or some portion of it, is reasonable, if the price is not:

1. based on adequate price competition;
2. based on verifiable established catalog or market price; or
3. set by law or regulation.

5.19. Procurement of Construction

The Budget and Administrative Services Department Manager shall select from one of the following project delivery methods for construction projects:

- A. Design-bid-build;
- B. Construction manager-at-risk;
- C. Design-build; or
- D. Unit price construction contract.

A. Design-Bid-Build

1. **Architectural, Engineering, or Land Surveying Services.** Competitive proposals, as set forth in Subsection 5.10. (Competitive Proposals), may be used to procure architectural, engineering and/or land surveying services for the project.
2. **Construction.** Construction services shall be procured by either competitive bidding, as set forth in Subsection 5.9. (Competitive Bidding); or competitive proposals, as set

forth in Subsection 5.10. (Competitive Proposals), as determined appropriate by the Budget and Administrative Services Department Manager.

B. Construction Manager-at-Risk

1. **Architectural, Engineering, or Land Surveying Services.** Competitive proposals, as set forth in Subsection 5.10. (Competitive Proposals), may be used to independently procure architectural, engineering and/or land surveying services for the project.
2. **Construction Manager-at-Risk.** Construction manager-at-risk services shall be procured by competitive proposals, as set forth in Subsection 5.10. (Competitive Proposals).
3. **Construction Contracts**
 - a. **Submission of Bids or Proposals.** The construction manager-at-risk shall receive bids or proposals, as required under its contract, from trade contractors or subcontractors for the performance of all major elements of the work. The construction manager-at-risk may seek to perform portions of the work itself if the construction manager-at-risk submits its bid or proposal for those portions of the work in the same manner as all other trade contractors and subcontractors and if the Budget and Administrative Services Department Manager determines that the construction manager-at-risk's bid or proposal provides the best value for the Bank.
 - b. **Review of Bids or Proposals.** The construction manager-at-risk and the Bank shall review all trade contractor or subcontractor bids in a manner that does not disclose the contents of the bids or proposals.
 - c. **Award.** The construction manager-at-risk shall recommend award. If the Bank requires that a different bid or proposal be accepted, the Bank shall compensate the construction manager-at-risk by a negotiated change in price, time, or guaranteed maximum cost for any additional cost or risk that the construction manager-at-risk may incur because of the Bank's requirement that a different bid or proposal be accepted.
 - d. **Default.** If a selected trade contractor or subcontractor defaults or fails to execute a subcontract, the construction manager-at-risk may, without advertising, fulfill the contract requirements itself or select a replacement trade contractor or subcontractor to fulfill the contract requirements.

C. Design-Build. Design-build project services shall be procured by competitive proposals, as set forth in Subsection 5.10. (Competitive Proposals).

D. Unit Price Construction Contract

1. **Selection.** Construction services under unit price construction contracts shall be procured by competitive bids, as set forth in Subsection 5.9. (Competitive Bidding), or by competitive proposals, as set forth in Subsection 5.10. (Competitive Proposals), subject to the following:
 - a. The Bank shall specify or publish clearly defined segments of work on which the Bidder or Offeror shall submit prices; and

- b. The Bank may award unit price construction contracts to one or more Suppliers in connection with each solicitation.
2. **Task Orders.** The Bank and the Supplier must execute a task order for a job or project. The task order may be a fixed price lump sum contract based substantially on contractual unit prices applied to estimated quantities or may be a unit price order based on the quantities and line items to be delivered.

VI. SUPPLIER MANAGEMENT

6.1. Authority

The Budget and Administrative Services Department Manager shall establish and monitor procedures for potential Suppliers to register their qualifications with the Bank and shall establish and maintain a database of those Suppliers that certify their compliance with all eligibility requirements.

6.2. Supplier Eligibility

The Bank requires that any Supplier participating in the Bank's Corporate Procurement process: (1) adheres to the highest ethical standards; and (2) reports to the Bank all suspected Prohibited Practices related to Bank-financed activities of which it has knowledge or of which it becomes aware. To be considered to do business with the Bank, a potential Supplier must certify, by completing and executing the Bank's standard Supplier Application:

- a. That its organization is not an individual independent contractor holding itself out as a business;
- b. That its organization has more than one customer and that not more than 25% of its total revenue would generally be derived from Bank contracts;
- c. That its organization has the financial capacity to perform if awarded a contract by the Bank;
- d. That its organization either has or can obtain insurance providing the coverage limits required by the Bank;
- e. That its organization has been in business for a period of time sufficient to have the qualifications and experience required to provide the goods or services it proposes to provide and that it has verifiable references of other users for which it has provided similar goods and/or services;
- f. That its organization, any parent, any subsidiary, or any previous form of organization constituted by or with any of the same individuals as principal(s) is not currently suspended or debarred from doing business with the Bank;
- g. That it has disclosed to the Bank whether: (i) it has, at any time during the previous five (5) years, been subject to suspension or debarment by the Bank under any of its policies and procedures; and (ii) it has, at any time during the previous five (5) years, been subject to a Sanction by any other International Financial Institution (IFI); and

- h. That it will assist the Bank in investigating any allegations and in uncovering any evidence of Prohibited Practices relating to Bank-financed activities, if applicable.

For purposes of this Subsection 6.2., the term “Sanction” shall mean any debarment, conditions on future contracting or any publicly disclosed action taken in response to a violation of a public international organization’s applicable framework for addressing allegations of fraud, corruption and/or other Prohibited Practices.

6.3. Supplier Registration

Potential Suppliers must submit and certify all information requested in the Bank’s Supplier Application form. The Bank will review the data submitted against the eligibility requirements stated above and in the Supplier Application form and will add the Supplier to its database if it appears to meet all stated criteria. The Bank reserves the right to validate any information provided by any potential Supplier and to exclude a potential Supplier from its database if the eligibility information provided is insufficient or invalid in any way. The Bank does not guarantee that any potential Supplier in its database will be solicited to participate in a procurement process or will be awarded a contract.

6.4. Supplier Anti-Corruption Programs

The Bank strives to ensure its activities are free of fraud and corruption and all associated Prohibited Practices. To this end, it encourages each Supplier and its agents and subcontracting parties, with which it contracts for goods and services for the Bank’s internal use to include in its corporate governance structure a fraud and corruption control policy and compliance program.

6.5. Supplier Restrictions

- A. Former Bank Staff.** Suppliers may not hire former Bank staff to work on Bank contracts as a Supplier employee or subcontractor if the Bank staff member: (a) left the service of the Bank with a Special Termination Payment or pursuant to a Mutual Agreement on or after March 23, 1990, or (b) directly and as a principal participated in the project to which the work or services are related or is subject to any work restriction by virtue of his/her former employment with the Bank.
- B. Former Bank Contractual Employees or Research Fellows.** Former Bank contractual employees (i.e. consultants, trust fund consultants, temporary help) and research fellows who are not eligible for rehiring as such under the Bank’s rules and regulations may not be assigned to work on Bank contracts as a Supplier employee or subcontractor.
- C. Relatives of Bank Staff.** Relatives of active Bank staff within and including the fourth degree of consanguinity and the second degree of affinity (see Appendix I) are not eligible to work onsite or as key personnel on Bank contracts as a Supplier employee or subcontractor. The term “Relatives” includes: spouse, mother, father, brother, sister, child, uncle, aunt, nephew, niece, (son/daughter/brother/sister)-in-law, grandparent, grandchild, first cousin, step- (parent/children/siblings), (parent/grandparent)-in-law,

spouses of brothers- or sisters-in-law, and great (grandchild/uncle/aunt/nephew/niece/grandparent).

6.6. Suggested Suppliers

Requisitioners may recommend new Suppliers, however Corporate Procurement maintains the right of final selection of any Supplier and will make such determination based on information in the Supplier Application form, Supplier performance record, percent of business with the Bank, pricing and/or quality of services offered, applicable benchmarks, if any, master agreements in place, potential to consolidate requirements and spend, and fairness/transparency of award.

6.7. Non-Compliance with Requirements

Any Supplier found to have falsely represented itself in its Supplier Application, or found to have knowingly violated any restriction as to Supplier personnel or any other matter with which it must certify its compliance to the Bank, shall be deemed to have committed a Prohibited Practice and the case shall be immediately referred to the Office of Institutional Integrity by the Budget and Administrative Services Department Manager.

VII. CONTRACT ADMINISTRATION

7.1. Purpose

The Budget and Administrative Services Department Manager shall establish and maintain a contract administration system designed to monitor and evaluate performance to ensure that a Supplier is performing in accordance with the terms and conditions of the contract. Procedures describing the roles and responsibilities of Corporate Procurement, End Users, and Suppliers from contract award through completion and final payment shall be established to ensure appropriate understanding among all parties. The procedures shall also establish mechanisms for compliance monitoring, reporting, determination that contract progress milestones are met, that any disputes or matters of contract interpretation are properly addressed, and that contract files and correspondence are developed, documented and maintained.

7.2. Authorization for the Use of Electronic Records

Wherever this policy requires a record to be in writing, an electronic record is authorized.

7.3. Authorization for the Use of Electronic Transactions

The Bank may conduct any procurement transaction by electronic means or in electronic form. Procedures shall be adopted regarding identification, security, confidentiality and the utilization of digital signatures.

VIII. LEGAL AND CONTRACTUAL REMEDIES

8.1. Protests

- A. Right to Protest.** Any actual or prospective Supplier who is aggrieved in connection with the solicitation or award of a contract (the “Protestor”), or any party the Protestor has formally designated to the Bank to intervene on its behalf, may protest to the Budget and Administrative Services Department Manager. The protest shall be submitted in writing within ten (10) business days from the issuance of the solicitation, addendum, notice of award or other action of the Bank.
- B. Stay of Procurements During Protests.** In the event of a timely protest under Paragraph A (Right to Protest) of this Subsection, the Bank shall not proceed further with the solicitation or with the award of the contract unless the Budget and Administrative Services Department Manager, after consultation with the User and the Legal Department, makes a written determination that the award of the contract without delay is necessary to protect substantial interests of the Bank.
- C. Authority of the Budget and Administrative Services Department Manager to Settle Protests.** The Budget and Administrative Services Department Manager shall have the authority to settle and resolve a protest of an aggrieved Supplier, actual or prospective, concerning the solicitation or award of a contract. However, in the event that the protest alleges any Prohibited Practice on the part of a Supplier, potential Supplier or the Bank, the Budget and Administrative Services Department Manager shall immediately refer the matter to the Office of Institutional Integrity for investigation and resolution in accordance with the policies and procedures established by that Office.
- D. Decision.** If the protest is not resolved by mutual agreement, the Budget and Administrative Services Department Manager shall promptly issue a decision in writing. A copy of the decision shall be mailed or otherwise furnished immediately to the Protestor or to any party the Protestor has formally designated to the Bank to intervene on its behalf, and to the Corporate Procurement Committee for its information. The decision shall state the reasons for the action taken.
- E. Finality of Decision.** A decision under Paragraph D of this Subsection shall be final and conclusive, unless within ten (10) business days from the date of receipt of the decision the Protestor, or any party the Protestor has formally designated to the Bank to intervene on its behalf, files a written appeal with the Corporate Procurement Committee.
- F.** The Corporate Procurement Committee shall review and determine any appeal by a party from a determination by the Budget and Administrative Services Department Manager pursuant to Subsection 8.1.C. The Corporate Procurement Committee shall promptly decide whether the solicitation or award was in accordance with the Bank’s policies and procedures, and the terms and conditions of the solicitation, and shall communicate its findings to the appellant and to the Budget and Administrative Services

Department Manager, who shall proceed accordingly. The determination of the Corporate Procurement Committee shall be final and conclusive.

8.2. Contract Disputes

All contract disputes, including but not limited to claims of breach of contract by a Supplier against the Bank shall be resolved by the Budget and Administrative Services Department Manager or his designee in accordance with the dispute resolution procedures set forth in the Agreement governing the relationship between the parties.

8.3. Sanctions

- A. Authority to Sanction.** The Budget and Administrative Services Department Manager, after consultation with the Legal Department, shall have the authority to sanction a Supplier as provided herein. The Budget and Administrative Services Department Manager shall immediately report any alleged or suspected Prohibited Practice by a Supplier to the Office of Institutional Integrity for investigation and action. Any adjudication of allegations of Prohibited Practices shall be in accordance with the Sanctions Procedures of the Bank. In such cases, the Secretary of the Sanctions Committee will advise the Budget and Administrative Services Department Manager of any sanction, if applicable.

The Budget and Administrative Services Department Manager may sanction a Supplier for the following performance and other reasons:

1. violation of contract provisions of a character which is regarded by the Budget and Administrative Services Department Manager to be so serious as to justify a sanction such as:
 - a. deliberate failure without good cause to perform in accordance with the specifications, or within the time limit provided, in the contract; or
 - b. a recent record of failure to perform or of unsatisfactory performance in accordance with the terms of one or more contracts unless such failure to perform or unsatisfactory performance was caused by acts beyond the control of the Supplier; or
 2. any other cause the Budget and Administrative Services Department Manager determines to be so serious and compelling as to affect responsibility as a Bank Supplier. The rationale for use of the authority to sanction shall be documented in each case.
- B. Notice of Sanctions.** The Budget and Administrative Services Department Manager shall issue a written decision of sanction. The decision shall state the reasons for the action taken. Copies of the Notice shall be immediately forwarded to the sanctioned Supplier, the Office of Institutional Integrity and the Legal Department.
- C. Period of Suspension and Reinstatement.** The initial period of suspension shall be six (6) months. At the conclusion of this six (6) month period, the suspended Supplier may present information to demonstrate that its status and/or capabilities have changed and

the Budget and Administrative Services Department Manager may, based on the information presented, either reinstate the Supplier, extend the suspension for an additional six (6) month period, or debar the Supplier. The decision of the Budget and Administrative Services Department Manager on any sanction shall be final unless the sanctioned Supplier appeals in writing to the Corporate Procurement Committee within ten (10) business days of receipt of the decision of the Budget and Administrative Services Department Manager.

- D. Debarment not related to Prohibited Practices.** The Budget and Administrative Services Department Manager may debar a Supplier if after one or more periods of suspension, or for other good cause shown, the Supplier has not provided sufficient evidence of its capability to perform satisfactorily for the Bank.
- E. Appeal of Sanction not related to Prohibited Practices.** Upon receipt of a properly submitted appeal of a sanction imposed pursuant to Subsection 8.3., the Corporate Procurement Committee shall decide whether a sanction was appropriate and in accordance with Bank policies. The determination of the Corporate Procurement Committee shall be final and conclusive. The Corporate Procurement Committee shall not have the authority to review an appeal of any sanction imposed pursuant to the Bank's Sanctions Procedures or any sanction of another IFI recognized by the Bank.

8.4. Prohibited Practices

If a Supplier is found to have engaged in a Prohibited Practice in accordance with the Bank's Sanctions Procedures, the Supplier may be sanctioned pursuant thereto. The determination of whether a Supplier has engaged in a Prohibited Practice and the imposition of any resulting sanctions shall be governed by the Bank's Sanctions Procedures.

In addition, Suppliers may be subject to sanctions pursuant to agreements that the Bank may have with other IFIs regarding the mutual enforcement of debarment decisions.

IX. INVENTORY MANAGEMENT AND SURPLUS GOODS

9.1. Inventory

The Budget and Administrative Services Department Manager shall exercise general supervision and control over all inventories of real and personal property, supplies and equipment, and shall specify the inventory control and reporting procedures to be used by the warehouse and User departments.

9.2. Excess Goods

The Budget and Administrative Services Department Manager shall have the authority to transfer excess goods from one department to another.

9.3. Disposal of Surplus

The Budget and Administrative Services Department Manager shall be responsible for the sale or disposition of surplus goods by a method or methods deemed by the Budget and Administrative Services Department Manager to be most advantageous to the Bank.

APPENDIX I GLOSSARY OF DEFINED TERMS

Addendum means a document that is subsequently issued to add, supplement, delete, modify or clarify any directions, instructions, information, specifications, terms or conditions of a solicitation.

Best Value is the outcome of any acquisition determined through a process that balances strengths, weaknesses, risk, price and performance in accordance with established selection criteria, that results in the most advantageous value for the Bank.

Bid Security means a sum of money, which could be in a form of a cashier's check, irrevocable letter of credit, money order or a bond issued by a surety, deposited with a bid or proposal guaranteeing that the Bidder or Offeror will not withdraw the bid or proposal for a specific period of time, will furnish bonds as required, and will accept a contract, if awarded, or forfeit the deposit.

Bidder means a Supplier submitting a bid in response to an Invitation for Bids.

Change Order means any written alteration to a contract or purchase order, executed by the Bank, in accordance with the terms of the contract or purchase order, unilaterally directing the Supplier to make changes.

Confidential Information means any information of the Bank, or of a third party, which is in possession of the Bank, and which is disclosed or known to a Bank employee or agent as a consequence of his or her service to the Bank, and which is not a matter of public knowledge or available to the public on request.

Construction means the process of building, altering, improving, or demolishing any buildings or structures, including improvements or rehabilitation of any kind to real property. It does not include the routine operation, routine repair, or routine maintenance of any existing structures, buildings, or real property.

Construction Manager at Risk means a business that assumes the risk for construction, rehabilitation, or repair of a building, structure or improvement at a contracted price as a general contractor and provides consultation to the Bank regarding construction during and after the design of the project.

Consulting Services means services provided by a firm of studying or advising the Bank under a contract that does not involve an employer/employee relationship

Contract means all types of agreements, regardless of what they may be called, for the procurement or disposal of goods or services.

Contract Modification means any written alteration in specifications, delivery, period of performance, price, quantity, or other provisions of any contract accomplished by mutual action of the parties to the contract.

Corporate Procurement is the system within the Bank that governs the purchase or lease of real property and the procurement of all goods and services acquired by and for the Bank.

Corporate Procurement Official means any person duly authorized to enter into and administer contracts and make written determinations with respect thereto.

Design-bid-build means a project delivery method in which the Bank sequentially awards separate contracts, the first for architectural and engineering services to design the project and the second for construction of the project according to the design.

Design-build means a project delivery method in which the Bank enters into a single contract for design and construction of a building, structure or a rehabilitation of or improvement to real

property.

Designee means a duly authorized representative as approved by the Corporate Procurement Committee.

Digital Signature means an electronic identifier intended by the person using it to have the same force and effect as the use of a manual signature.

Direct or Indirect Participation means involvement through decision, approval, disapproval, recommendation, preparation of any part of a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity.

Dollars and the Dollar Sign (\$) means United States Dollars.

Electronic means relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities.

Excess Goods means any tangible personal property having a remaining useful life but which is no longer required by the User in possession of the goods.

Goods means commodities, raw materials, machinery, equipment and industrial plants.

Invitation for Bids (IFB) means all documents, including those which may be attached or incorporated by reference, utilized for soliciting bids when a requirement can be clearly described or specified and the basis for award is primarily price.

May is used to express permission.

Offeror means a Supplier submitting an offer in response to a Request for Proposals or other solicitation, other than an Invitation for Bids [see also "Bidder"].

Payment Bond means a certificate issued by a surety (or other form satisfactory to the Bank) guaranteeing payments by a Supplier to all of his sub-contractors supplying labor, equipment or material for the completion of contract work.

Performance Bond means a certificate issued by a surety (or other form satisfactory to the Bank) to protect the Bank from loss due to a Supplier's inability to complete or fulfill the contract requirements.

Pre-Bid Conference/Pre-Proposal Conference means a meeting held with prospective Bidders or Offerors prior to receipt of bids or proposals, to clarify any ambiguities in the solicitation, answer Bidder or Offeror questions, and ensure that all Bidders or Offerors have a common basis of understanding regarding the goods or services required.

Procurement means buying, purchasing, contracting for, renting, leasing or otherwise acquiring any goods, services, and/or real property. It also includes all functions that pertain to the obtaining of any goods or services, including description of requirements, selection and solicitation of sources, preparation and award of contract, and all phases of contract administration.

Procurement Card means a credit card used by an authorized Bank user under a program established by the Bank with a commercial card provider, and operated in accordance with the Bank procedures established to facilitate small purchases by authorized cardholders and for electronic billing against certain blanket orders and contracts.

Prohibited Practice means any corrupt practice, fraudulent practice, coercive practice, collusive practice, obstructive practice or misappropriation in a Bank-financed activity by parties thereto as such terms are defined below:

- a. A *corrupt practice* is the offering, giving, receiving, or soliciting, directly or indirectly,

- anything of value to influence improperly the actions of another party;
- b. A *fraudulent practice* is any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a to obtain a financial or other benefit or to avoid an obligation;
 - c. A *coercive practice* is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;
 - d. A *collusive practice* is an arrangement between two or more parties designed to achieve an improper purpose, including influencing improperly the actions of another party;
 - e. An *obstructive practice* is (i) destroying, falsifying, altering or concealing of evidence material to an IDB Group investigation, or making false statements to investigators with the intent to impede an IDB Group investigation; (ii) threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to an IDB Group investigation or from pursuing the investigation; or (iii) acts intended to impede the exercise of the IDB Group's contractual rights of audit or inspection or access to information;
 - f. A misappropriation is the use of IDB Group financing or resources for an improper or unauthorized purpose, committed either intentionally or through reckless disregard.

Public Notice means the posting of a Bank requirement for goods or services in the public domain where Suppliers and other interested parties may view it and may obtain instructions on how to qualify to participate in the procurement thereof. For purposes of this definition posting in the public domain shall be via the Bank's external website. Other means of public advertising, such as newspapers, professional journals, or posting on other external websites may be used if deemed appropriate by the Budget and Administrative Services Department Manager.

Purchase Requisition means that document whereby a User requests that a contract be entered into for a specified need, which must include the technical description of the requested goods or services and the required delivery schedule. Suggested sources of supply and other information necessary for the making of any written determination required by this policy may be included.

Request for Information (RFI) means the document used in an informal solicitation of information, data, comments or reactions from possible Suppliers preceding the issuance of a solicitation. No contracts are awarded via this process.

Request for Proposals (RFP) means all documents, including those which may be attached or incorporated by reference, utilized for soliciting proposals when a requirement is complex and the Bank wishes to evaluate management, technical, cost and other factors in its selection process.

Responsible Bidder or Offeror means a Supplier who has the capability in all respects to perform fully the contract requirements.

Responsive Bidder or Offeror means a Supplier who has submitted a bid or proposal that conforms in all material respects to the Invitation for Bids or Request for Proposals, as applicable.

Reverse Auction means a procurement method wherein Bidders, anonymous to each other, electronically submit real-time bids on designated goods or services.

Services means the furnishing of labor, time, or effort by a Supplier, including, but not limited to, consulting services, printing, support services, insurance and construction.

Sanctions Procedures means the administrative procedure established by the Bank to adjudicate allegations of Prohibited Practices in relation to projects or other activities financed by the Inter-American Development Bank.

Shall is used to express an obligation.

Solicitation means an Invitation for Bids, Request for Proposals, Request for Quotations or any document used to obtain bids, proposals or qualifications for the purpose of obtaining information or entering into a contract.

Specification means any description of the physical or functional characteristics, or of the nature of goods or services. It may include a description of any requirement for inspecting, testing, or preparing goods for delivery.

Standard Terms and Conditions of Agreement means the Bank's basic contractual terms and conditions of contract as developed and revised from time to time by the Budget and Administrative Services Department Manager and the Legal Department of the Bank.

Statement of Work (SOW) means the detailed description of the work that the Bank wants a Supplier to perform. [See also "Terms of Reference".]

Supplier means any corporation, partnership, sole proprietorship, joint stock company, joint venture, professional association or any other private legal entity operated for profit or nonprofit that meets the basic requirements of the Bank and which may provide or is currently providing goods and/or services to the Bank.

Surplus Goods means any tangible personal property no longer having any use to the Bank. This includes obsolete goods, scrap materials, and nonexpendable supplies that have completed their useful life cycle.

Terms of Reference (TOR) means a Statement of Work, typically used to describe in detail the scope of work and expected deliverables for Consulting Services to be obtained by the Bank.

User means any Department, sub department, division, section, office or other unit of the Bank.

APPENDIX II CONSANGUINITY AND AFFINITY

(Ref. Subsection 6.5.B.)

A. Relationship by consanguinity (blood) to the fourth degree of relatives of active Bank staff is defined as follows:

1. Parents; including Grandparents, Great Grandparents, and Great-Great Grandparents
2. Children; including Grandchildren, Great Grandchildren, and Great-Great Grandchildren
3. Brothers/Sisters, Uncles/Aunts, Great Uncles/Aunts, Nephews/Nieces, Great Nephews/Nieces, and First Cousins

Note: Relationships by adoption are equated to relationships by blood.

B. Relationship by affinity (marriage) to the second degree of relatives of active Bank staff is defined as follows:

1. Spouses
2. Stepparents, Stepchildren, Stepsiblings
3. Parents-in-Law, Grandparents-in-Law, Sons/Daughters-in-Law, Brothers/Sisters-in-Law, and their Spouses