



AIDOS PROCUREMENT POLICY

(15th of September, 2021)

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1 Introduction

1.1 Purpose

The purpose of this policy on procurement of goods, services and works (hereafter the “**Policy**”) is to establish a standard procurement policy to ensure that the *Associazione italiana donne per lo sviluppo* (hereinafter “**AIDOS**”) obtains value for money in all its procurement activities and that procurement is conducted with the aim to:

- optimize costs;
- improve the value chain;
- ensure the transparency, sustainability and integrity of the process and its compliance with applicable laws and donors’ procedures;
- promote competition amongst vendors.

This Policy identifies and regulates the phases, activities, information flows and main controls that are necessary to adequately manage the procurement process and establishes roles and responsibilities of the main parties involved therein.

1.2 Definitions

In addition to the definitions contained herein, the following terms will have the meanings set forth below:

Authorized Person: Personnel with the responsibility and authority to approve and sign Contractual Instruments on behalf of AIDOS, approve any consequent amendment or renewal and approve the relevant payment.

Budget Holder: an individual who has been allotted or delegated a budget for the implementation of a Program or project and has the authority to confirm or certify that funds are available and request expenditure under that Program or project budget (the “**Program Officer**”) or the Finance Manager , as the case may be.

Buyer: personnel with the responsibility and authority to undertake all activities necessary for the selection of a Vendor. Under this Policy a Buyer can be the Program Officer or the Finance Manager depending on the type of selection process to be activated and the type of goods, services and works to be purchased in accordance with the rules set out in this Policy.

Contractual Instrument: any legally binding written document setting forth the obligations of AIDOS and the Vendor and the agreed terms and conditions for the performance of such obligations.

Direct Award: procurement which may, under the circumstances set out in this Policy, be undertaken directly with a single Vendor.

Exigency: an exceptional, compelling and emergent operational requirement that may lead to serious damage, loss or injury to property or persons or significant economic loss if not addressed immediately.

Framework Agreement: a type of contract which sets forth the terms and conditions under which procurement of goods, works or services can be carried out over a specified period, but which places no obligation on AIDOS to procure.

Personnel: any individual holding a contract of employment with AIDOS.

Procurement Panel: a panel composed by at least three persons, including the Program Officer.

Purchase Requisition: an internal document used to describe the type of purchase and all its features.

Requestor: a person authorized to request the procurement of goods, works or services for a program or project and in charge of verifying that goods, services and/or works are received to AIDOS satisfaction.

Vendor: a company, organization, institute or other legal entity or any individual, which may supply goods, works or services to AIDOS under the provisions of this Policy.

1.3 Scope of application

This Policy applies to all transactions for the purchase of goods, works and services in Italy and abroad. Goods include materials and products (hereafter referred to as “**Goods**”).

Works include the construction of physical infrastructures (hereafter referred to as “**Works**”).

Services include intellectual or artistic services provided by consulting firms or individual consultants, educational and research institutions, service companies, and government and non-government organizations (including but not limited to training activities, researches and analyses) and any non- intellectual service including but not limited to facility management, maintenance activities, travelling assistance (hereafter collectively referred to as “**Services**”).

The Policy applies to all persons involved in procurement activities on behalf of AIDOS, regardless of location or contractual terms, including AIDOS Personnel, consultants, and individuals seconded by other organizations to AIDOS (collectively referred to as the “**Addressees**”).

1.4 Exemptions and limitations to the Policy application

Some (public or private) donors prescribe certain conditions or restrictions to be observed in the course of procurement pertaining to the project they fund. It is the responsibility of AIDOS to ensure that such donor requirements and restrictions are observed in the procurement of Goods, Services and/or Works pertaining to the funded project, within the framework of the Policy.

In the event that a (public or private) donor imposes the application of its procurement policies in relation to the project it funds, these policies will prevail on the Policy in relation to the procurements activities pertaining to that project.

Where AIDOS forms a joint venture or partnership with another entity or individual (the “**Partner**”) for the implementation of a Program or project, the joint venture/partnership agreement shall include a commitment upon the Partner to apply the donor’s procurement policies if so requested by the latter in relation to the Program or project it funds. In the event that the donor does not impose the application of its procurement policies in relation to the project it funds, the Finance Manager must verify - before executing the joint venture/partnership agreement - if the Partner’s procurement policies comply with the minimum set of transparency and competitiveness standards provided for by this Policy. If not, the joint venture/partnership agreement shall include a commitment upon the Partner to apply this Policy in its procurement activities pertaining to that project. A copy of

this Policy shall be attached to the agreement.

1.5 General rules

Irrespective of the type of procurement process (as better detailed below) followed by AIDOS, the Addressees must comply with the following general rules:

- i. a prior approval by the Budget Holder
- ii. a detailed description of the Goods, Services or Works to be purchased
- iii. a careful selection of Vendors to ensure that best possible price, quality and delivery time available within the markets is obtained and that any conflict of interest is avoided
- iv. a segregation of duties between at least: i) the Budget Holder and ii) the Authorized Person.

1.6 Procurement phases

Each type of procurement process (as better detailed below) is divided into the following phases:

- **submission of a Purchase Requisition:** this phase consists in the request made by the Budget Holder or the Finance Manager, as the case may be, to purchase certain Goods, Services and/or Works;
- **selection:** this phase consists in the selection by the Buyer of Vendors for Goods, Services and/or Works to be purchased;
- **contract award:** this phase consists in the appointment of a Vendor for the purchase of Goods, Services and/or Works through the execution of a Contractual Instrument;
- **approval:** this phase consists in the verification that the Goods, Services and/or Works procured have been received entirely to AIDOS's satisfaction;
- **payment:** this phase consists in the payment of the Vendor in accordance to the relevant contractual terms.

2 Purchase Requisition

Each specific procurement procedure process shall be initiated by procurement requisitions made by the Budget Holder or the Finance Manager and it shall show detailed specifications and requirements for the item(s) being requested.

The Purchase Requisition shall include at least the following information:

- specification of the request of Good, Service and/or Work or, if not possible, description of the needs and objectives pursued with the purchase;
- quantities;
- delivery dates and location.

No Vendors' selection process can be initiated without a PR.

3 Selection of Vendors

3.1 Selection processes

Further to the submission of a PR by a Requestor, the Buyer can initiate the selection of Vendors by recurring to one of the following types of process:

- direct award;

- simplified procedure (i.e. minimum of 3 proposals from identified suitable Vendors);
- competitive bidding.

The type of selection process to be followed by the Addressees depends on the type of purchase and value of Goods, Services and/or Works to be purchased.

Without prejudice to the provisions set forth in paragraph 1.4. above, the following table shows the procurement process to be followed for different levels of expenditure.

TYPE OF PROCUREMENT	<€ 20,000	> € 20,000 < € 100,000	> € 100,000 < € 200,000	> € 200,000
Goods	Direct award	Simplified procedure	Competitive bidding	Competitive bidding
Services	Direct award	Simplified procedure	Simplified procedure	Competitive bidding
Works	Direct award	Simplified procedure	Simplified procedure	Competitive bidding

The procurement value shall be determined by considering the total expected contractual value, excluding reimbursement of travel/transport-related expenses and it should not be based on sub-division of the procurement into lower value amounts.

Deliberately dividing a single procurement into smaller amounts so as to circumvent calling for proposals will be considered a breach of this Policy.

3.1.1. Direct award

AIDOS directly contacts a Vendor (preferably by making recourse to already tested vendors) and - on the basis of a single quote - it provides direct award.

Who selects the Vendor? The Program Officer or the finance/administrative officer (or his/her delegate), depending on the type of Goods, Services and Works to be purchased

Who authorizes the payment? The President (or his/her delegate)

Who records the transaction and accounts for the payment? The accountant (or his/her delegate)

Description of the direct award process	
1)	The Program Officer or the Finance Manager (or his/her delegate) identifies the Vendor
2)	The Program Officer (or his/her delegate) prepares a request for quotation (the "RFQ"). The RFQ can include technical specifications or any technical attachment.

3)	The RFQ is sent by email or certified email (if possible) and a term for the submission of the quotation shall be communicated to the Vendor.
4)	The Program Officer or the Finance Manager approves the quotation only once the qualitative adequacy of the offer and its financial coverage have been verified.
5)	The selection process is concluded after the Program Officer or the Finance Manager has communicated to the Vendor the acceptance of the quotation.

3.1.2. Simplified procedure

A Simplified procedure consists in an invitation to at least three Vendors (preferably selected within already tested vendors) deemed appropriately qualified for a particular project (this process might be appropriate in the event that special requirements are requested and there is a limited number of suppliers or service providers in the relevant market).

Who makes a Vendor's pre-qualification? The Program Officer or the Finance Manager (or his/her delegate in the event that specific skills are needed to complete the pre-qualification) depending on the type of Goods, Services and Works to be purchased

Who selects the Vendor? The Program Officer or the Finance Manager (or his/her delegate in the event that specific skills are needed to complete the pre-qualification) depending on the type of Goods, Services and Works to be purchased

Who authorizes the payment? The President (or his/her delegate)

Who records the transaction and accounts for the payment? The accountant (or his/her delegate)

Description of the Simplified procedure (with request for quotation)	
1)	The Program Officer or the Finance Manager (or his/her delegate) submits to identified Vendors (at least three) a RFQ. The RFQ can include technical specifications or any other technical attachment.
2)	The RFQ is sent by email or certified email (if possible) and a term for the submission of the quotation shall be communicated to the Vendors.
3)	The Program Officer or the Finance Manager (or his/her delegate) properly stores the quotations received.
4)	The Program Officer or the Finance Manager, as the case maybe, approves the quotation only once the qualitative adequacy of the offer and its financial coverage have been verified.
5)	The selection process is concluded after the Program Officer or the Finance Manager has communicated to the selected Vendor the acceptance of the quotation.

3.1.3. Competitive bidding

AIDOS publishes on two local medias (in the country where the Goods, Services and/or Works have to be delivered), on its website and any other media relating to AIDOS, a call for bid which shall contain at least the following information:

- identity of the principal (AIDOS);
- date of publication of the call for bid;
- type of purchase and technical requirements;
- evaluation criteria;
- starting bid;
- terms and conditions to submit a bid.

Who prepares the call for bid? The Program Officer and/or the Finance Manager.

Who selects the Vendor? The Procurement Panel.

Who authorizes the payment? The President (or his/her delegate).

Who records the transaction and accounts for the payment? The accountant (or his/her delegate).

Description of the open competitive bidding	
1)	The Procurement Panel is appointed.
2)	The Program Officer and/or the Finance Manager prepare a call for bid on the basis of the project's need. The call for bid can include technical specifications or any other technical attachment. Terms and conditions to submit the offers shall be included.
3)	Based on the specifications contained in the call for bid and the project's need the Program Officer and/or the Finance Manager identify the selection criteria, the scales of evaluation and the weighted weight of each selection criterion compared to the overall assessment scale.
4)	The Program Officer receives and properly stores the offers received.
5)	The Procurement Panel evaluates the offers received and prepares and signs the evaluation minutes (" EM ") containing the final ranking.
6)	The selection process is concluded after the Program Officer has communicated to the selected Vendor the acceptance of the quotation.

3.1.4. Exceptions

A competitive bidding can be replaced by a simplified procedure, subject to the prior approval by the President and the project donor, in the following cases:

- where no bids were submitted;
- where special requirements are requested and there is a limited number of suppliers or service providers in the relevant market.

A competitive bidding or a simplified procedure can be replaced by a direct award, subject to the prior approval by the President and the project donor in the following cases:

- where the contract already signed with a Vendor needs to be renewed as its obligation to furnish Goods, Services or Works has not been completed on time due to an unpredictable event;
- where only one Vendor exists;
- where an Exigency exists, which needs to be documented properly. Factors giving rise to an Exigency must be serious, unforeseeable and, except in the

most exceptional circumstances (for instance a matter of urgent public safety), not due to the action or inaction on the part of AIDOS;

- where only a proprietary product will meet requirements, such as parts or components for equipment;
- where an agent, licensee or franchise holder has sole rights to supply a service or product;
- where there are few suitable qualified specialists in the relevant field.

3.1.5. Other exceptions

3.1.5.1 Consultancy services

A consultant is defined as an expert or professional in a specific field who has a wide knowledge of the subject matter and who provides advice and specific deliverables to the client on the basis of a defined need. Consultants are individual experts/specialists in various fields of work who can be asked to complete specific, task-based and time limited assignments.

AIDOS calls on consultants' services to supplement skills that are not regularly required, available or efficiently sourced in order to complete specific time limited assignments.

AIDOS can replace the procurement processes described above with a process similar to the process followed for the selection of employees, for consultancy services which require specific skills and to the extent that:

- the duration of the agreement is not higher than 18 months;
- the price is not higher than Euro 20,000 per year;
- the Vendor is a not a legal entity

Who selects the consultant? The Program Officer or the Procurement Panel, depending on the type of consultancy service.

Who authorizes the payment? The President (or his/her delegate)

Who records the transaction and accounts for the payment? The accountant (or his/her delegate)

Description of the direct award process	
1)	The Program Officer (or his/her delegate) lists the required skills and role through a "term or reference" (" TOR ") and/or a vacancy or a call for interest.
2)	The profile of the candidate may be posted on AIDOS website and, if needed, on other websites specialized in the research of professionals in that specific field.
3)	The Program Officer (or his/her delegate) properly stores the submissions received.
4)	If needed, the Procurement Panel is appointed (at least two persons; the presence of the Program Officer is mandatory).
5)	Based on the specifications contained in the call for interest and the project's need, the Program Officer identifies the selection criteria, the scales of evaluation and the weighted weight of each selection criterion compared to the overall assessment scale.

6)	The Procurement Panel evaluates the submissions received and prepares and signs the evaluation minutes (“EM”) containing the final ranking.
7)	The selection process is concluded after the Program Officer has communicated to the consultant to have been selected. The non-selected consultants shall be informed about the outcome of the process.

3.1.5.2. Orders for recurring requisition

In the event of procurement of a recurrent nature (*i.e.* where the same goods and services may be issued several times a year and for a long period of time) and only to the extent that the value of the procurement per year would allow AIDOS to make recourse to a Direct Award, one Vendor may be selected for a period not lower than 1 year and higher than 3 years through the execution of a Framework Agreement.

3.2 Selection criteria

Irrespective of the type of selection process followed by AIDOS, the following set of criteria is essential for deciding on choice of Vendors:

- price;
- quality of Goods/Services/Works;
- track records;
- reputation in the reference market;
- availability of Goods/Services/Works within the required delivery time;
- Vendor’s previous records of performance and service;
- financial stability of the Vendor;
- payment terms;
- warranty offered;
- non-existence of any conflict of interest.

4 Contract award

The selected Contractual Instrument shall include:

- AIDOS’s details;
- identity of the donor of the project for which the purchase is needed;
- object of the purchase;
- terms and conditions of delivery;
- consideration (including VAT, withholding tax and any other applicable tax);
- description of other possible charges such as travel expenses, visas, social contributions, insurance, storage costs, customs clearance, delivery, installation;
- after-sales services such as training, maintenance or technical assistance, if applicable;
- a license to use any copyright or intellectual property right, if applicable.

5 Control

The procurement process cannot be completed without certification that Goods, Services and/or Works procured have been received entirely to AIDOS

satisfaction. The procedure for receiving Goods, Services and/or Works is therefore important in ensuring that Vendors have entirely met their obligations. Once the Budget Holder has certified that Goods, Services and/or Works have been received to AIDOS's satisfaction, the payment can then be made. In some cases, checking of Goods, Services and/or Works may be delegated to other AIDOS Personnel who are so authorized by the President. Such might include cases where Goods, Services and/or Works are delivered directly to a project field location or where specialist's technical certification is required. Any differences between documents and internal checks should be communicated to Vendors through email, certified mail (where possible) and registered letter.

6 Payment

The Budget Holder is responsible for preparing all the contractual documentation to be forwarded to the Finance Manager for checking and certifying. All payments must be made in accordance to the contractual terms between the Vendor and AIDOS subject to the President's authorization.

7 Storage of documents

AIDOS shall keep sufficient and appropriate documentation with regard to the procurement procedures which have been applied for each purchase and which justify the decision on the selection of a certain Vendor.

8 Procurement ethical rules

AIDOS Personnel who are involved in the procurement process play an important role in ensuring AIDOS conduct its activity with integrity. The Addressees shall act in compliance with the following principles:

A. Fair process to select and award business to Vendors

The Addressees shall deal impartially and fairly with all Vendors and support the principle of fair competition as basis for selecting and awarding business to Vendors.

B. Conflict of interest

Vendors participating in a selection process shall disclose any conflict of interest.

Any Vendor found to have a conflict of interest that was not disclosed shall be ineligible for award of a contract. A Vendor with a disclosed conflict of interest may be considered for the award of a contract provided that the conflict of interest will not impact performance and the Vendor is assessed by the Procurement Committee as the most competitive provider of the Goods, Services and/or Works. In the event that a Vendor with a conflict of interest is selected, the contract award must be approved by the President.

Under no circumstances may an Addressee call on a relative to provide goods or services in relation to work directly supervised or directly managed by him/her. Relatives are defined as all persons directly related to a staff member by blood, adoption or marriage. Such relatives are: parents, spouse (or common law spouse), children, brother or sister, as well as cousins, in-laws and stepchildren or stepparents.

C. Honorability of Vendors

Vendors shall be required to act fairly and with integrity towards AIDOS and their

stakeholders and to observe the applicable rules of the law of the countries in which they operate. Vendors shall comply with AIDOS Ethical code.

D. Transparency to preserve integrity

The Addressees must comply with applicable laws in relation to the acceptance and offering of gifts and entertainment.