



PROCUREMENT POLICY

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PROCUREMENT POLICY

1. Policy

The policy defines the requirements for purchase of goods and services for programs implemented by The FCA and outlines the procedures to be followed. The policy promotes competitive procurement for successful program implementation.

Specific donors may have procurement policies and thresholds that differ from The FCAs. In those instances, the more restrictive policy should be followed.

2. Purpose and Scope

This procurement policy is to ensure that the FCA obtains the goods and services it needs in a timely, efficient, and cost-effective manner. The policy also aims to ensure that the FCA complies with all applicable laws and regulations related to procurement.

The scope of the procurement policy covers all aspects of procurement, from the identification of needs to the selection of suppliers to the management of contracts. The policy also covers specific topics such as conflict of interest, ethics, and sustainability.

3. Who is covered by this policy?

This policy applies to those working at all levels and grades, including members, senior managers, officers, trustees, employees, consultants, contractors, trainees, homeworkers, part-time and fixed-term employees, casual and agency staff and volunteers (collectively referred to as staff in this policy).

4. Who is responsible for this policy?

The Steering Committee have overall responsibility for the operation of this policy.

It is the responsibility of everyone working for or on behalf of the organisation to report any allegations of misconduct on the procurement policy.

5. Standards

All FCA staff are expected to exercise sound business judgment and prudent administrative practices. Purchases must be necessary, reasonable and ensure the best value for The FCA. All persons involved in the procurement process are responsible for protecting the integrity of the process and ensuring that all bidders/vendors/service providers are treated on a fair and impartial basis.

FCA staff must also ensure that purchases comply with all applicable funding agreement's terms and conditions and adheres to the FCA's values.

During the life of the project, FCA staff will abide by the FCA's policies that address standards of conduct:

- Equal Opportunity policy
- Anti-Corruption and Bribery policy
- Conflict of Interest Policy
- Grievance Policy
- Whistleblowing Policy

No employee of the FCA may participate in the selection, awarding, or administration of a contract in which s/he has a real or apparent conflict of interest. Such a conflict exists when an employee, any member of his immediate family, his or her domestic partner, or an organisation which employs or is about to employ any of the aforementioned parties, has a financial or other interest in the provider selected for the award. Employees shall neither solicit nor accept gratuities, favors, or anything of monetary value from providers of goods/services or parties to sub-agreements. The selected supplier may have had no role in the design of the Terms of Reference. Suppliers that participate in the development of a specific Terms of Reference will not be eligible to receive a contract for that work. Any questionable or unethical behavior should be reported to The FCA Steering Committee. Sound procurement is characterised by the following standards:

- Fairness, integrity and transparency
- A competitive procurement environment that ensures purchases are made in

the best interest of the FCA

- Impartial selection process based on price and qualifications.
- Quality goods, works and services delivered at the time and place required by responsible and reliable suppliers
- Well-documented selection process

6. Procurement by Sub-recipients

All procurement-specific provisions in FCA's financing agreement with a prime donor apply to FCA's sub-recipients funded by that award. In cases where the prime donor agreement does not impose additional restrictions, FCA's sub-recipients will follow the terms and conditions of the FCA grant agreement which includes procurement requirements consistent with this policy. FCA reserves the right to request reimbursement for any contract or purchase that has not been awarded in conformity with the standards defined in this policy.

7. Definitions

- a. Approver. The individual/s authorised to sign contracts on behalf of the organisation.
- b. Buyer. The individual within FCA, usually the Project Lead or individual with budget authority for the project.
- c. Deliverables. A report or product that must be delivered to FCA by a supplier/vendor/consultant to satisfy contractual requirements.
- d. Goods Received Note. A Goods Received Note is an internal document that records goods delivered and received by FCA. The Goods Received Note should match the Purchase Order.
- e. Preferred Vendor List: Preferred Vendor List (PVL) is a list of competitively selected vendors that provide regular, ongoing, supplies and services to a FCA program such as office supplies, technical installations, equipment maintenance and automotive services.
- f. Prior Approvals: Many donors require that FCA secures their approval in writing for a procurement during the procurement process and before the actual purchase is made or contract is awarded. If such "prior approval" from a donor

is required, it will be detailed in FCA's agreement with the donor. If prior approval is required per the terms of the donor agreement, failure to obtain that approval from the donor can be grounds for the donor to declare a mis-procurement, to disallow the cost of the goods/service and to terminate the funding agreement. For the purposes of this policy, "donor" includes FCA programs awarding internal grants and FCA Membership contributions.

- g. Purchase Order: A commercial document used to request someone to supply goods according to specifications and in a certain quantity in return for payment.
- h. Bill of Quantities: The bill of quantities (sometimes referred to as 'BoQ' or 'BQ') is a document prepared by the cost consultant (often a quantity surveyor) that provides project specific measured quantities of the items of work identified by the drawings and specifications in the tender documentation.
- i. Purchase Request Form: Also known as a purchase requisition or a requisition, a Purchase Request Form (PRF) is an internal document used to initiate the procurement process.
- j. Purchasing Officer: The Purchasing Officer is the individual within FCA responsible for conducting the procurement process on behalf of the Buyer/Requester. The Purchasing Officer is considered the Operations Director or his/her designee. The Purchasing Officer has the authority to solicit and negotiate the contract on behalf of FCA. The Purchasing Officer cannot be the same as the Buyer.
- k. Receiver: The "Receiver" is the FCA employee who receives and signs for purchased goods or accepts the consultant's deliverables, confirming that they meet the terms of reference and acceptance criteria in the contract.
- l. Request for Quotations: A bill of quantities request for Quotations (RFQ) is generally used for the procurement of goods, works and non-consulting services. An RFQ generally includes a request for item/service description/specifications, price and other commercial terms and conditions related to the procurement.
- m. Request for Proposals. A Request for Proposals (RFP) generally requires the bidder to submit a detailed technical proposal describing how it proposes to

meet the stated requirements and a detailed cost estimate. RFPs should be published to allow the widest distribution and maximum competition and should provide the bidders with adequate time to respond, no less than three weeks.

- n. Terms of Reference: Also known as scope of work, statement of work, the Terms of Reference (TOR) provide the background, objectives, purpose, specifications and limitations of the project, desired methodology and reporting requirements. Procurement Thresholds by Program/Office

8. Global procurement policy

The following table defines the procurement thresholds for FCA. Field offices should align their country-level purchase thresholds to the five Tiers and corresponding Selection Process and Required Documentation. The Vice President of Global Operations approves country-level thresholds based on consultation with and recommendation from the Country’s Operations Director and the Procurement Advisor in FCA’s Finance division.

FCA Global Procurement Policy*			
Tier	Threshold	Procurement Method	Documentation
Tier 1 Micro-purchase	EU: Less than £2,000 Field:Determined Locally	No price analysis required	1. Invoice 2. Goods Received Note (Equipment) 3. Acceptance of Deliverables (Services)
Tier 2 Micro-purchase	EU: £2,001 to £4,999 Field:Determined Locally	Shopping:documented research of multiple vendors (at least 3).	1. Selection memo- Informal 2. Purchase Order, if applicable 3. Invoice 4. Goods Received Note (Equipment) 5. Acceptance of

			Deliverables (Services)
Tier 3 Small Purchase	EU: £5,000 to £14,999 Field: Determined Locally	Informal process that requires at least 3 vendors to submit a quote on their letterhead. Best practice uses a Request for Quotation.	<ol style="list-style-type: none"> 1. Terms of Reference including Deliverables 2. Purchase Requisition Form 3. Request for Quotation preferred 4. 3 quotes on vendors' 5. Letterhead Bid comparison matrix 6. Purchase Order, Contract or Services Agreement as applicable 7. Invoice 8. Goods Received Note (Equipment) 9. Acceptance of 10. Deliverables (Services)
Tier 4 Medium Purchase	£EU: 15,000- £49,999 Field: Determined Locally	Targeted solicitation: minimum 3 Proposals/ Quotations; Selection based on evaluators' scores and written rationale for selection required.	<ol style="list-style-type: none"> 1. Terms of Reference including Deliverables 2. Purchase Requisition Form 3. Request for Quotation/Proposal required 4. Minimum 3 Quotations/Proposals 5. Bid comparison matrix 6. Selection justification memo based on evaluators' scoring 7. Purchase Order, Contract or Services Agreement as applicable

			8. Invoice 9. Goods Received Note (Equipment) 10. Acceptance of 11. Deliverables (Services)
Tier 5 Large Purchase	EU: £50,000 and up Field: Determined Locally	Free and open competitive procurement: formal Request for Proposal publicly advertised for a minimum of three weeks; convene Selection Panel to score and evaluate proposals; written rationale for selection required.	1. Terms of Reference including Deliverables 2. Purchase Requisition Form 3. Request for Proposal required 4. Evidence that RFP was widely publicised 5. Minimum 3 Proposals 6. Bid comparison matrix 7. Minutes of Selection panel 8. Selection justification memo- to include rationale for selection 9. Contract or Services Agreement, as applicable 10. Invoice 11. Goods Received Note (Equipment) 12. Acceptance of Deliverables

*Specific donors may have procurement policies and thresholds that differ from FCA's. In those instances, the more restrictive policy should be followed.

9. Procurement Planning and Types of Purchases

Procurement planning is the process of deciding what to buy, when and from what source. During the procurement planning process, the procurement method is determined and the expectations for meeting the procurement requirements are determined. A procurement plan template can be found here.

A Procurement plan is:

- a. Table that is linked to your budget for goods, supplies, equipment and services that provides specific details on what your program plans to procure over a specific period of time,
- b. Includes items to be procured, method of procurement, projected date of procurement, required prior approvals, budgeted amount
- c. A collaboration tool that allows for operational and technical teams to coordinate project timelines and communicate about available budget and approvals required for a particular purchase or contract.
- d. A monitoring tool that allows FCA operations staff to ensure that procurement activities are in compliance with institutional and donor requirements

Many donors, require submission of a procurement plan as part of FCA's proposal submission package. Revisions to approved procurement plans are subject to the prime donor's prior review and approval. It is also best practice to require sub-recipients of FCA funded projects by these donors to prepare a procurement plan for their FCA grant as well.

Types of Purchases

Once the Program has identified a need for goods or services, the following information, as applicable, should be provided by the Project Lead (i.e. Buyer) to the individual responsible for purchasing in their program (i.e. Purchasing Officer).

Goods: For the procurement of goods, specifications must list performance requirements or salient characteristics as well as appropriate nomenclature. Specifications cannot include make, model, or brand. When procuring goods, staff should select established providers that provide pre-printed, numbered invoices that include the business name, business address, business phone, fax, website and e-mail contact information. These businesses will have bank accounts in the name of the business to which payments should be made by check or wire transfer. Regular vendors should not be paid in cash.

Non-consulting Services: For non-consulting services, physical aspects predominate and a measurable output results (e.g. satellite imagery, aerial photography, mapping). The process and documentation for obtaining non-consulting services follow those for the purchase of goods and works with appropriate adaptations as well as acceptance criteria.

Consulting Services: Consulting services are intellectual and advisory in nature. For the procurement of consulting services, a Terms of Reference (also called "Statement of Work" or "Scope of Work") should include the following:

- i. Background information on the Program funding the services
- ii. Objective of the services
- iii. Description of tasks/activities
- iv. Required reports/deliverables and milestone schedule
- v. Period of performance providing time for review and approval of final deliverables
- vi. An indicative budget which shall include consultant fees plus a ceiling for eligible consultant out-of-pocket expenses, if applicable.
- vii. Minimum and desired qualifications of service providers
- viii. Acceptance criteria that describe how performance will be monitored and evaluated; deliverables-based contracts must have acceptance criteria for each deliverable.

Once the need for goods or services has been identified, the Buyer in collaboration with the Purchasing Officer will decide on the appropriate method of procurement. Depending on the nature, size, complexity, and appropriate market (local or international) for obtaining the required goods, works or services, the sourcing of suppliers and the procurement methods will differ.

10. Solicitation Process – Competitive (Bidding) and Non- Competitive (Sole-Source)

10.1 Solicitation

All purchases should have written requirements, either product specifications or Terms of Reference. At this stage in the project, the Project Lead should be able to define the expected deliverables under the contract.

Specifications for equipment should not include brand names, make or model. Equipment specifications should only include the technical requirements for the equipment. The complexity and length of the specifications, or terms of reference, will

vary based on the complexity and size of the purchase.

Terms of Reference for services should describe the project background, purpose, objectives, methodology and reporting requirements for the service provider/supplier.

Elements of a fair, efficient and competitive process:

- Solicitation and selection processes are free of conflicts of interest, including that the supplier may not have participated in the design of the Terms of Reference
- All vendors who are invited to submit a quote receive the same information at the same time
- All vendors and service providers are given adequate and equal time (not less than three weeks) to prepare and submit a quote or proposal
- Selection criteria are transparent and contract terms fully disclosed at the time of solicitation
- FCA staff should seek the most favorable purchase terms to FCA for purchases of any amount bearing in mind the specific need against quality, quantity, and price considerations.
- FCA staff should justify their selection of vendor/contractor/consultant for purchases of any amount. The form and formality of the justification will vary with the procurement method, but the premise is the same for all purchases.
- Procurement records for each purchase must include the documents required for the purchase threshold.

10.2 Non-competitive (“Sole Source”) Procurement

The FCA discourages procurement of goods and services on the basis of sole source. Sole source procurement is allowable only under one of the five circumstances outlined below.

Sole Source procurement may require approval from your donor prior to making the purchase;

Be sure to check the governing donor agreement(s) first. Sole source procurements greater than the value of Tier 2 must receive approval from the program’s Operations Director or his/her delegate before the purchase is made.

The FCA must fully document and justify the sole source procurement. The sole source justification form should be prepared by the Project Lead. Sole source procurement based on circumstances #1-4 below shall be approved by the Operations Director or

his/her designee and must include evidence that substantiates the reasons for sole sourcing. The Operations Director approval shall be based on the quality of due diligence and reasonableness of the request and does not represent a validation of the technical skills of the proposed consultant.

Sole sourcing based on unusual or compelling urgency (#5 below) shall be approved by the Director. For example, if the sole source justification is based on only one available supplier, the memo must detail the market research conducted to evidence that there is only one qualified supplier. In all cases, the sole source justification must include a substantiation of the reasonableness of the contract amount.

The circumstances under which a program may sole source a procurement are as follows:

- Uniqueness. FCA may consider sole source awards when there is only one vendor that can provide the goods or services to meet the organisation's needs. This may be, for example, because the goods or services are not otherwise available in the accessible marketplace or the goods or services may come from a highly technical or knowledgeable individual or company that specialises in the specific area of expertise, and no other individual or company specialises in the same area. In another example, FCA may need goods or services that are controlled by or subject to limited rights to data, patents, copyrights, etc. In the examples, the supplier has a unique capacity to provide the goods or services. Programs awarding a sole source contract under the Uniqueness category must document that the FCA office/program has conducted adequate research to establish the existence of only one qualified vendor. In the absence of such research, or if such research is not adequate, the FCA office/program shall collect at least two professional referrals from previous customers/clients to verify the quality and value of the consultant's work. When completing the sole source justification, the Project Lead must identify the criteria used to establish that only one vendor can perform the work, as follows:
 - Product is compatible in all ways with existing system presently installed.
 - Only one Service provider meets FCA's requirements.
 - Highly technical or knowledgeable individuals;
 - Proprietary data;

- Substantial technical or institutional risk in going with a vendor different from incumbent vendor; no reasonable expectation that a subsequent vendor could do better than the incumbent.
- Competition Results Are Inadequate. FCA may sole source awards when fewer than three providers responded to FCA's solicitation and all providers were given a minimum of three weeks to respond. Staff must demonstrate that a solicitation for bid failed and extension of time for solicitation was not possible.
- Continuation of the work. FCA may sole source awards for tasks that represent a natural continuation of previous work carried out by providers where lack of continuity of the work by the same provider poses a risk to the product or project. Contracts awarded under this category must be reviewed annually to ensure that the contract still represents the best value to FCA.
- Collaborative project. Provider is named in a proposal to a FCA donor who has expressly approved the provider in their award to FCA and the donor has not subjected the award to additional review or approval.
- Unusual or Compelling Urgency. While expected to be rare and infrequent, there may be occasions when FCA will need goods or services during a time of unusual or compelling urgency. In this case, an emergency or urgent demand may exist and competitive procurement would take too long. The Director will ultimately decide what meets the definition of unusual or compelling urgency for the purposes of this purchasing provision via signature of the sole source justification. FCA may not use this option for the purpose of exhausting unobligated funds. Lack of planning does not constitute an urgent situation.

11. Procurement Process by Threshold

The following section outlines the steps associated with procurement at each threshold/tier. Specific donors may have procurement policies and thresholds that differ from FCA's. In those instances, the more restrictive policy should be followed.

Procurement Process Standards

A sound procurement process is characterised by the following standards:

- Fairness, integrity and transparency.
 - Revisions to the RFP, RFQ or other solicitation document must be shared with all bidders at the same time. In addition, if using open competition,

the RFP must be re-posted, and the deadline extended.

- All bidders should receive the same information at the same time throughout the entire process.
- Any communication or information with one bidder that is not extended to all bidders creates an unfair competitive advantage and nullifies the integrity of the process.
 - A competitive procurement environment that ensures purchases are made in the best interest of FCA
 - Often referred to as “best value” this requires the purchasing officer or evaluation panel to consider both quality of services or goods and the price of services or goods
- Impartial selection process based on price and qualifications
 - Selection of vendors and consultants must be based exclusively on the specifications or evaluation criteria defined in the RFQ or RFP.
- Quality goods, works and services delivered at the time and place required by responsible and reliable suppliers.
- Well-documented selection process.

Tier 1: EU less than £2,000 / Field: Determined locally

No price analysis required.

Solicitation

- n/a

Evaluation/Selection

- n/a

Award/Contracting

- Purchase Goods/Services

Monitoring

- Goods Received Note or Acceptance of Deliverables
- Invoice review and payment

Close Down

- n/a

Tier 2: EU: £2,001 to £4,999 / Field: Determined locally

Research multiple vendors (at least 3) and document your research and decision to support your selection.

Solicitation

- Conduct price survey by phone or email, of at least 3 suppliers

Evaluation/Selection

- Document research and selection for file.

Award/Contracting

- Purchase order or services agreement, if applicable
- Purchase Goods/Services

Monitoring

- Goods Received Note or Acceptance of Deliverables
- Review invoices and performance reports submitted by the service provider
- Obtain reasonable assurance that services billed have been delivered according to the contract

Close Down

- Process all pending payments, invoices, reimbursables

Ensure all procurement documentation is recorded

Tier 3: EU: £5,000 to £14,999 / Field: Determined locally

Informal process that requires at least 3 vendors to submit a quote on their letterhead. Best practice uses a Request for Quotation

Solicitation

- Buyer develops Terms of Reference (TOR) including definition of deliverables (services) or product specifications (goods/equipment)
- Buyer completes Purchase Request Form
- Purchasing Officer develops Request for Quotation, if applicable
- Purchasing Officer reaches out to vendors informally via phone, email, internet search to request a minimum of three quotations
- Vendors submit written quotes on vendor letterhead

Evaluation / Selection

- Purchasing Officer develops Bid Comparison Matrix
- Purchasing Officer completes Bid Comparison Matrix based on quotations received
- Purchasing Officer creates or verifies existing VMF
- Purchasing Officer creates CMF
- Purchasing Officer uploads price quotes and Bid Comparison Matrix to Document Archive

Award/Contracting

- Purchasing Officer negotiates final price with vendor and creates contract or services agreement
- Purchasing Officer processes purchase order or services agreement through appropriate module (VMF or CMF) and secures reviews, approvals and signatures as appropriate

Monitoring

- Receiver documents receipt of goods or services. For goods, a delivery receipt is typically provided (Goods Received Note). For services, documentation of receipt is indicated through approval of consultant deliverables email.
- Review invoices and performance reports submitted by the service provider
- Obtain reasonable assurance that services billed have been delivered according to the contract
- Perform on site reviews, when appropriate, to check the nature and quality of the services being provided
- Regular contact with the service provider and make appropriate enquiries concerning project activities

Close Down

- Process all pending payments, invoices, reimbursables
- Ensure all procurement documentation is recorded

Tier 4: EU: £15,000– £49,999 / Field: Determined locally

Targeted solicitation: minimum 3 Proposals/ Quotations; Selection based on evaluators' scores and written rationale for selection required.

Solicitation

- Buyer develops Terms of Reference (TOR) including definition of deliverables (services) or product specifications (goods/equipment)
- Buyer completes Purchase Request Form
- Purchasing Officer develops Request for Quotation (RFQ) or Request for Proposals (RFP)
- Purchasing Officer solicits a minimum of 3 official quotes or proposals via Request for Quotation or Request for Proposals
- Vendors submit written quotes or proposals on vendor letterhead

Evaluation / Selection

- Purchasing Officer develops Bid Comparison Matrix
- Purchasing Officer completes Bid Comparison Matrix based on quotations received and completes a selection justification memo
- Purchasing Officer creates or verifies existing VMF
- Purchasing Officer creates CMF
- Purchasing Officer uploads quotations or proposals, Bid Comparison Matrix and selection justification memo to the Document Archive

Award/Contracting

- Purchasing Officer negotiates final price with vendor and creates contract or services agreement
- Purchasing Officer creates or verifies existing VMF
- Purchasing Officer creates CMF
- Purchasing Officer processes purchase order, contract or services agreement through appropriate module and secures reviews, approvals and signatures as

appropriate

Monitoring

- Receiver documents receipt of goods or services. For goods, a delivery receipt is typically provided (Goods Received Note). For services, documentation of receipt is indicated through approval of consultant deliverables email.
- Review invoices and performance reports submitted by the service provider
- Obtain reasonable assurance that services billed have been delivered according to the contract
- Perform on site reviews, when appropriate, to check the nature and quality of the services being provided
- Regular contact with the service provider and make appropriate enquiries concerning project activities

Close Down

- Process all pending payments, invoices, reimbursables
Ensure all procurement documentation is recorded

Tier 5: EU: £50,000 and up / Field: Determined locally

Free and open competitive procurement: formal Request for Proposal publicly advertised for a minimum of three weeks; convene Selection Panel to score and evaluate proposals; written rationale for selection required. Programs are encouraged to contact FCA's Procurement Advisor directly for support of a procurement in this tier.

Solicitation

- Buyer develops Terms of Reference (TOR) including definition of deliverables (services) or product specifications (goods/equipment)
- Buyer completes Purchase Request Form
- Purchasing Officer prepares Request for Proposals (RFP)
- Purchasing Officer solicits a minimum of 3 proposals in public websites/newspapers, including on FCA's website. The RFP should be posted for at least three weeks, preferably six weeks. If deemed necessary, the RFP will be posted on international websites or in international publications to ensure maximum competition.
- Vendors submit written proposals and all supporting documentation per instructions in RFP

Evaluation / Selection

- Purchasing Officer develops Bid Comparison Matrix
- Purchasing Officer convenes Selection Panel (virtually or in-person) to review and score proposals using the Bid Comparison Matrix. To ensure impartiality the Selection Panel may not be the same individuals for consecutive purchases. The Purchasing Officer will be a non-voter.

- Selection Panel members sign their Bid Comparison Matrix
- Selection Panel selects the proposal most advantageous to FCA
- Purchasing Officer writes selection justification memo documenting rationale for selection per the Selection Panel's input
- Purchasing Officer uploads price quotes or proposals, Bid Comparison Matrix and selection justification memo to the Document Archive

Award/Contracting

- Purchasing Officer negotiates final price with vendor and creates contract or services agreement
- Purchasing Officer creates or verifies existing VMF
- Purchasing Officer creates CMF
- Purchasing Officer processes contract or services agreement through appropriate module and secures reviews, approvals and signatures as appropriate

Monitoring

- Receiver documents receipt of goods or services. For goods, a delivery receipt is typically provided (Goods Received Note). For services, documentation of receipt is indicated through approval of consultant deliverables email
- Review invoices and performance reports submitted by the service provider
- Obtain reasonable assurance that services billed have been delivered according to the contract
- Perform on site reviews, when appropriate, to check the nature and quality of the services being provided
- Regular contact with the service provider and make appropriate enquiries concerning project activities

Close Down

- Process all pending payments, invoices, reimbursables
- Ensure all procurement documentation is recorded

12. Preferred Vendors

Selection of Preferred Vendors

The purpose of having a preferred vendor list (PVL) is to simplify the purchasing process for regular, ongoing, supplies and services. Preferred vendors allow FCA to secure favorable contract conditions including best pricing, trust of vendors, flexible payment terms. In a preferred vendor relationship, FCA has leverage over contract terms.

When is a Preferred Vendor List appropriate?

- i. When the services or goods are required on a regular, recurring basis.
- ii. When the services or goods provided are exactly the same each time.

Examples include office supplies, translation services, vehicle maintenance, copier maintenance, office cleaning services.

How to Develop a Preferred Vendor List

Step 1: Gather Information: Develop a list of the goods and services your office purchases on a regular, recurring basis. Describe the product in detail and ask for any information that you will need to make an informed purchasing decision. Assistance from other departments may be helpful to validate the technical specifications of the product.

Step 2: Identify and Engage the Selection Panel: The selection panel should be composed of the Operations Director or his/her delegate, a representative from the technical team, and a third staff member to evaluate proposals/quotations. The selection panel may be requested to define the selection criteria. Contact the proposed members of the selection panel early in the process and share a solicitation timeline with them.

Step 3: Prepare the Solicitation: Write Solicitation document (usually an RFQ) that contains the details of the goods and services required by your office. Your solicitation must be clear and concise to attract as many offerors as possible. Receive as many

proposals as possible to give you the flexibility to select the most advantageous proposal for CI.

At a minimum your Solicitation document must include:

- Introduction or Background
- Description of Goods/Services required
- Minimum desired qualifications (for services) or minimum desired qualities (for goods)
- Purchasing and delivery location
- Contractual arrangements
- Evaluation criteria
- Other criteria, depending on the nature of goods/services being solicited

Step 4: Publicise the Solicitation: Advertise your solicitation as widely as possible. Give the offerors the same information and the same amount of time for bid preparation. The solicitation document must be published on public websites, newsletters, magazines and should be accessible to all interested offerors. Potential offerors are required to complete a Preferred Vendor Registration Form.

Step 5: Proposal Evaluation: Assemble Selection Panel, virtually or in-person, to evaluate proposals/quotations based on your selection criteria set forth in your solicitation document. At a minimum, the scoring should be based on:

- Entity's capabilities, experience, and past performance
- Key personnel, if applicable
- Cost
- Any other important factors depending on the type of goods or services

The selection panel will narrow the list down to only those vendors that meet the office's needs. You should end up with a short list of qualifying vendors listed in order of highest to lowest scoring. To confirm the existence and good standing of the selected vendors, a member of the selection panel should be appointed to make a

physical inspection visit to validate the existence of the vendor and to confirm that all information included in the proposal is aligned with the business of such vendor. When physical inspection is not viable, conduct external reference checks and obtain a copy of the vendors operating license. The preferred vendors list must be renewed at least every two years to ensure the business processes are fair and transparent and to confirm the best pricing in the market.

Upon selection of the vendor, proceed with contracting for a term no greater than two years via FCA's standard contracting procedures using either a purchase order or services agreement as described below.

Programs may engage more than one preferred vendor in a particular service/product category if a single vendor is unable to meet all of their needs in an economical way. In these cases, the Program should contact the next highest rated vendor from the scoring sheet.

13. Contracting through Closeout

Insurance

The purchasing program must comply with FCA's Property and Liability Insurance Policy.

Security Screening

To reduce risk and ensure compliance with heightened screening requirements of various anti-money laundering ("AML") and counter-terrorist financing ("CTF") legislation and AML/CTF related donor obligations, FCA is required to conduct due diligence for all FCA funding recipients which includes screening those recipients against international sanctions lists. FCA must comply and demonstrate that all funds are used for charitable purposes and that funds are not used to support sanctioned entities or individuals. In order to meet those requirements, a security screening of all sub-recipients and vendors must be performed. FCA represents to the EU Government, multinational and other funders and grantors and our donors that FCA follows a rigorous screening process for all funds recipients.

Additional screening may be required by the donor. In these cases, FCA will conduct

the additional screening as needed.

Prior to issuing any sub-grants or sub-contracts using funds from FCA, grantees must screen their sub-grantees and service providers and save the screening results as part of the grant's supporting documentation. Supporting documentation is subject to review by FCA as detailed in the grant agreement. FCA Programs may provide this guidance to grantees who will conduct their own security screenings of their sub-recipients.

Contract Instruments

The most common contract instruments suitable to FCA's procurement needs are defined below;

Purchase Order (PO): a commercial document used to request seller to supply goods, when accepted by the seller, it becomes a contract binding on both parties. A purchase order sets forth the descriptions, quantities, prices, discounts, payment terms, date of performance or shipment, other associated terms and conditions, and identifies a specific seller.

Blanket Purchase Order: A contractual arrangement between a buyer and a supplier for the supplier to deliver goods or services to the buyer at a pre-set price over a period of time. A Blanket Purchase Order allows the buyer to consolidate a number of smaller purchase orders into one large purchase. Use this instrument when you will have recurring purchases from the same supplier over an extended period of time.

Services Agreement: A contract for services primarily benefits FCA's program directly. Usually there will be a direct tangible benefit or product (a deliverable), such as a report or study that is given to FCA. A very wide range of different services may fall under the general rubric of "consultancy": the provision of guidance and advice, the preparation of documents or software, the management of personnel, the implementation of projects, etc.

Master Service Agreement (MSA): A Master Service Agreement is a contract between parties, in which the parties agree to the fundamental terms that will govern future transactions or future agreements. A master agreement permits the parties to negotiate future deal-specific transactions or agreements within the umbrella terms

of the master agreement, so that the same terms need not be repetitively negotiated. Programs must establish a ceiling amount for the MSA and this amount determines the procurement threshold (Tier) to be used when procuring the service.

All contracts must be recorded. Once a program has selected an individual or firm, the program (1) creates a Contract Master File, (2) requests the necessary security screening, (3) requests the tax ID forms such as W8 or W9 (4) creates an agreement using the standard template and requests the necessary reviews, (5) has the agreement signed by an authorised signatory, (6) monitors the performance of the consultant/provider/contractor, and (7) closes the contract.

Contract types

FCA categorises its contracts into five categories. The categories are: Project-related contracts (also called Consulting or Services Agreements); Communications & IT Contracts; Administrative & Operational Contracts; Leases and Construction Contracts.

These agreements often have either consultant income tax withholding requirements or sales/VAT tax payments required. Each FCA office is responsible for collecting any necessary tax forms and complying with local laws.

Consulting/service agreements shall not be used to engage an individual who would more appropriately be hired as an employee.

Elements of a Valid Contract

Written agreements must be used whenever FCA transfers anything of value (cash or goods/services) to an external entity or individual.

- There are different contract templates available depending on the source of funding for the contract. Use the service agreement template that fits the situation

Statement of Work

The contract must clearly state the work, service, or product to be performed, rendered, or provided. The statement of work and budget should be included as

annexes to the grant agreement.

Disbursement Schedule for Contracts

- The contract must clearly express the maximum amount to be paid and the basis on which payment is to be made (e.g. a fixed amount based on a specific deliverable, billing based on time spent at a specific rate plus actual expenses).
- Payment in arrears is the prescribed method of remitting payments for services from private firms.
- Advance payments are not permitted in excess of 20% of the contract value (excluding out-of-pocket expenses).
- Payment amount should not exceed 90 percent of the total amount of the contract, with the balance to be paid upon satisfactory completion of the contract.

Foreign Corrupt Practices Act and Anti-Terrorism Terms

Contracts must include FCA's standard Foreign Corrupt Practices Act (FCPA) and anti-terrorism clauses whenever possible, understanding that certain vendors will require the use of their templates with no changes.

Securing Final Signatures

Once the agreement is reviewed and approved, the final signatures of the Service Provider's and FCA's authorised representatives can be secured.

The Performance and Monitoring Phase

FCA's Responsibility to Monitor Consultants and Contractors

FCA has the responsibility to ensure that the service provider complies with the terms of the contract.

Contract recipient monitoring should occur throughout the project life. Monitoring may take various forms, including the following:

- Reviewing invoices and performance reports submitted by the service provider
- Obtaining reasonable assurance that services billed have been delivered according to the contract
- Performing on site reviews, when appropriate, to check the nature and quality of the services being provided

- Regular contact with the service provider and making appropriate enquiries concerning project activities

Addressing Performance Problems

Consult with FCA's Grants and Contracts Unit to formally notify the service provider that performance is not in compliance with contract requirements. This notification should be in writing and should include the following information:

- Identification of the problem: the problem should be clearly identified so there is no possibility of misunderstanding the situation on the supplier's part.
- Identification of the corrective actions to be taken: the Program staff managing the contract should ensure that any corrective action requested is within the bounds of its remedial rights under the contract. If necessary, the Program staff should seek legal advice to review the corrective action request.
- Identification of the time frame allowed to the service provider to address corrective action: the Program staff managing the contract should provide the supplier with a specific time frame for the service provider to investigate and provide its recommended remedy to correct the problem.

The Closeout Phase

A contract is considered to be completed when:

- The service provider has completed the required deliverables
- The program staff has formally accepted the deliverables
- Final payment has been made to the service provider
- All equipment has been disposed of according to FCA policy or the prime donor requirements, if applicable.
 - Many public and multi-lateral donors have specific disposition instructions, please check the prime award prior to the closeout phase.

14. Policy review

This Policy will be reviewed at least every two years. The next formal review will therefore take place in June 2025. This Policy may be reviewed earlier should there be a legislative or other significant need.