

ForumCiv's principles for purchase and procurement

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I. Basic principles for procurements made with ForumCiv funds

All development cooperation activities shall be characterised by efficient use of resources, promotion of good administrative practices and transparency in the management of funds, and the hindrance of corruption and irregularities. One way of achieving this is by making transparent and cost-efficient procurements.

These principles for procurement are valid for both ForumCiv and for partners whose activities are financed by grants from ForumCiv.

NGOs always have the responsibility for procurements made by themselves or by their partners with ForumCiv funds. The basic principle is that, while consideration must be given to making the procurement as economical and appropriate as possible for the organisation and for the organisation that shall receive the goods or service, all procurements financed by development cooperation funds shall be characterised by good business practice, competition and objectivity.

This means that NGOs purchasing goods and services with grants from ForumCiv shall observe good business practice in their procurements. Where competition exists it shall be utilised. Tenders and tenderers shall be treated objectively in order to achieve competition on equal terms.

2. Basic rules

- a) No price comparisons or procurements are required for purchases up to SEK 50 000 (excl. VAT). The invoice documentation or receipt shall always clearly show what forms the basis of the cost.
- b) Simplified tendering shall be done for all procurements (goods and services) above the value of 50 000 SEK excluding VAT. Written price comparisons shall be made from at least three providers and the decision shall be documented in writing. The procurement is not done in free competition, but good business practice shall still be observed.
- c) Selective tendering shall be done for all procurements (goods and services) above the value of 300 000 SEK excluding VAT. Selective tendering means that at least three providers shall be invited in writing to submit written tenders. See further rules in chapter 3 below.

- d) Open tendering shall be done for all procurements (goods and services) above the value of 2 000 000 SEK excluding VAT. Open tendering means that all interested providers are able to submit tenders and the assignment shall be notified in public. In all other aspects, the rules in chapter 3 shall be followed.
- e) The various tender procedures are open to be presented by both domestic and foreign tenders. The treatment of tenders should be done in equal ways without making any distinction.
- f) For tender presentations, there are no language requirements other than the official language of the specific country. If needed, tenders can also be presented in English.
- g) For procurements outside Sweden the threshold values shall be adopted to local situations. When these principles are applied by either ForumCiv or their partners outside Sweden the principles shall be adopted to relevant threshold values. The threshold values mentioned above shall be translated to amounts in relevant currency that corresponds to equal value of goods/services in Sweden. The threshold values in SEK cannot be exceeded.
- h) For frequent price comparisons/procurements of the same type of services, the costs during one fiscal year should be merged/be procured during one occasion, or a framework agreement should be procured. The threshold values above then need to be considered and it may be that a different level for price comparisons/procurements need to be applied if for example costs across several years are merged.

3. General rules regarding selective and open tendering¹

- Complete and explicit tender documentation in the form of technical specifications/terms of reference and commercial conditions shall be included in invitations to tender. It is important that specifications are neutral and, where reference to a certain brand or trade name is necessary “or similar” shall be added.
- In the evaluation of tenders, consideration may only be given to criteria specified in the invitation to tender. Ranking is done based on these and both the cost aspect and the quality aspect are considered based on a previously developed template with criteria linked to the tender request. The award criteria shall ensure effective competition, prevent unlimited freedom of choice and ensure that the information in the tenders is correct. Tender accepted shall be the one considered to be most advantageous when all the criteria are taken into consideration.
- Tenders may not be invited merely for purposes of comparison. An organisation invited to submit a tender shall also expect to actually be considered as a supplier.
- Invitations to tender shall be sent to at least three parties or advertised.

¹ For ForumCiv’s own procurements there are more detailed instructions in Routines on purchases and procurements.

- Tenders submitted after the deadline will be rejected.
- The composition of group of providers invited to tender should not remain permanently the same but should as far as possible be varied from time to time.
- In all procurements made with the aid of tenders, the acceptance of a tender and the reasons for its acceptance shall be specified in a special procurement decision which shall be signed by the person responsible for the procurement.
- Opening tenders. Tenders shall be opened at the same time and as soon as possible after the end of the tender period at a function where no less than two persons appointed by the contracting organisation shall participate. The tenders are to be entered on a list to be verified by those participating at the function.
- Tenderer whose tender has been accepted shall be informed of this in writing as soon as possible and no later than during the period of time when tender is binding for the tenderer.
- Tenderers whose tenders have not been accepted shall be informed of this as soon as possible. In certain individual cases, if deemed reasonable, information on the basis for decision can be disclosed to tenderers.

It can be considered reasonable that requirements must be adapted to circumstances prevailing locally and to local legislation in respect of procurements. However, it shall always be the case that procurements are conducted in accordance with good business practice.

4. Publication of notices and invitations to candidates

(Selective and open tendering)

Publication/call for competition

The contracting organisation shall, through a call for competition, announce its intention to award a contract or conclude a framework agreement. A call for competition shall be made through publications. Advertising can be done through:

- National daily or professional and commercial press (printed or electronic form)
- Organisation's website and / or similar portals
- Different networks

5. Time limits for requests to participate and tenders

When time limits for submitting a request to participate or tender are determined by the organisation, special consideration shall be paid to the complexity of the procurement and how long time the suppliers can be assumed to require to draw up the request to participate or tender.

In an open tendering, the time limit for submitting a tender shall be no less than 35 days from the day when the contract notice was sent.

If the organisation has posted a prior information notice but not used it as a call for competition, the time limit for submitting tenders may vary:

1. in an open procedure, be set to no less than 15 days from the day when the contract notice was sent for publication, and
2. in a selective procedure or a negotiated procedure with prior publication, be set to no less than 10 days from the day when the invitation to tender was sent to selected candidates.

6. Exceptions

In exceptional circumstances there may be cases in which the organisation considers itself obliged to make departures from the rules for competitive procurements. In such cases documentation principle applies, i.e. departures from the rules shall be justified and documented. Documentation shall be in reasonable proportion to amount in question.

Examples of general exceptions:

- Exceptions may be permitted in cases where the organisation's share of total project budget is small and not clearly discernible.
- A Swedish NGO acting through an international alliance or network which, in turn, has documented procurement rules can choose to follow the rules established by this party or in a documented approach to procurements by the organisation.
- The same applies to cooperation with the EU.

Example of an exception from competitive procurement (at least three tenderers):

- An exception from the rules on competitive procurements may be permitted in an acute disaster project, when a possible additional cost may be weighed against the fact that the goods are available for immediate delivery in country or region concerned.
- In situations where it is not possible to find at least three providers. ForumCiv and its partners work in difficult environments where it sometimes can be impossible to find three providers. If this is the case, as many providers as possible shall still be contacted and the contacts shall be documented.

Examples of exceptions from good business practice:

- Restrictions in respect of good business practice can be justified as a result of participation in a trade blockade recommended by the UN.
- Another reason for not accepting lowest acceptable tender can be in cases in which tenderer has failed to observe generally accepted trade practices and engagement of this supplier would damage the organisation's relations with its members and donors.

7. Environmental and legal aspects of procurements

A sustainable use of natural resources and protection of the environment is basic within all ForumCiv's work. The organisation shall ensure that all procurements take environmentally sustainable development in consideration and providers shall supply their goods/services in the most environmentally friendly way possible.

The organisation shall make sure that all procurements give due consideration to basic human rights, do not use forced labor (slavery), child labor, prohibits free organisation at work and the working conditions are equivalent to minimum working conditions as expressed in the ILO's core conventions². Providers breaking basic human rights are not accepted.

8. Exclusion of suppliers

The organisation shall exclude a supplier from participation in a procurement if the organisation through a checking or in some other manner learns that the supplier through a judgment that has entered into legal force has been found guilty of one of the following crimes: corruption, fraud, money laundering or terrorist financing, terrorist offences or offences linked to terrorist activities or trafficking of human beings.

If the supplier is a legal entity, the supplier shall be excluded if a person included in the administrative, management or supervisory body of that supplier has been found guilty of such crime. The same applies if the person found guilty of such crime has powers of representation, decision or control therein.

Before all quotations, price and quality comparisons and procurements a check must be made against the World Bank Listing of Ineligible Firms and Individuals to ensure that no suppliers/consultants are listed. The list contains both firms and individuals that have been sanctioned under the Bank's fraud and corruption policy.

9. Documentation and filing

All relevant documentation pertaining to procurements shall be kept by NGO and retained on file for a period of seven years from the date the project / programme is reported completely. Relevant documentation includes, in particular, invitation to tender, tenders, tender evaluation record, and decision. It also includes reasons and decisions forming basis of any departures made in accordance with paragraph 4 above. ForumCiv shall when deemed necessary be allowed to consult partner's relevant documents.

10. ForumCiv's audits and inspections: documentation requirements

ForumCiv's responsibility includes following up and examining procurements for development cooperation purposes which are financed by ForumCiv. These types of procurements must therefore be systematic and well documented. ForumCiv has the right to inspect all documentation pertaining to these types of procurements.

² Freedom of Association and Protection of the Right to Organize Convention, (No. 87 and 98), Forced Labour Convention, (No. 29 and 105), Minimum Age Convention, (No. 138 and 182), Equal Remuneration Convention, (No. 100 and 111)