



SECRETARIAT OF THE PACIFIC REGIONAL ENVIRONMENT PROGRAMME

Procurement Manual
Approved - April 2010



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Objectives

- **Introduction**

This manual was developed by the Secretariat of the Pacific Regional Environment Programme (SPREP), to state the expectations and set the procedures governing staff when they are procuring goods and services on behalf of SPREP. While it was prepared in response to a recommendation of the October 2009 European Commission institutional assessment of SPREP, the Secretariat recognises that ensuring a disciplined approach to procurement is an important factor in strengthening its institutional processes.

- **Objectives of the plan**

Principles: To state the standards and expectations that apply to SPREP staff involved in procurement processes;

Procedures: To establish user-friendly steps to be followed to ensure the principles are upheld;

Outcomes: Good procurement practices will ensure SPREP is using its public funds efficiently and effectively to get value for money, and build the confidence of our member countries and territories, donors and partners.

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Overview

- **Context**

SPREP is the primary intergovernmental organisation in the Pacific with responsibility for environmental issues, based in Samoa. Its role in assisting Pacific island countries manage their environment and meet environmental challenges and opportunities is guided by strategic planning documents which outline priority environmental issues and the Secretariat's role in addressing them.

SPREP's annual budget varies from year to year, since it comprises core funding contributed by its 25 member countries and territories, extra-budgetary contributions from some members, and project-specific funding from donors and partner organisations. Its relationships with potential suppliers in the local and international market are governed by:

- SPREP Financial Regulations – set rules on financial management and state officers' responsibilities;
- SPREP Risk Management Plan (under preparation);
- Specific requirements of donors and partners – prescribed in project contracts;
- Where relevant, decisions of the annual SPREP Meeting of member countries and territories; and
- This Procurement Manual.

- **What is procurement?**

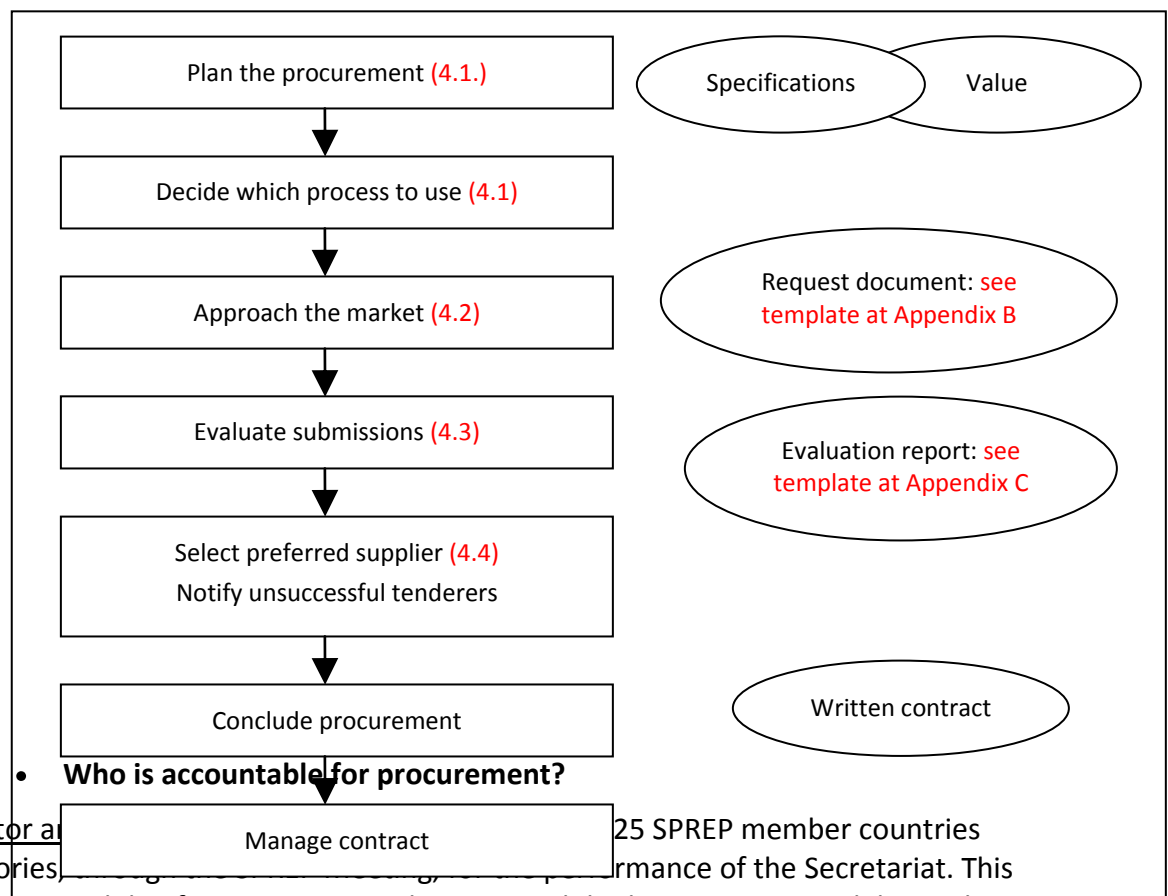
Procurement is the process of buying goods or services, e.g. equipment, maintenance services or professional consultancies. This begins when SPREP identifies a need and decides on its procurement requirement. It continues through approaching the market, evaluating alternative solutions, awarding contracts, paying for the goods or services and managing supplier contracts.

All SPREP procurement activities should be conducted in accordance with these guidelines, with the following exceptions:

- Individual travel purchases: the procurement principles will be put into effect by an annual tender process to identify a single travel agent to supply travel services throughout the year to SPREP.
- Donor-directed procurements: where SPREP has a procurement role under a contract with a donor, which requires certain procurement procedures to be followed, SPREP follows those procedures in preference to its own.

- Project funding that specifies a preferred supplier: where SPREP is obliged by a funding contract to procure services from a specific supplier, no additional procurement process is required.

The key steps SPREP staff should take to meet best practice standards, and the documentation required at each step, are described in the following diagram, with reference to the relevant section below.



The Director and territories, and 25 SPREP member countries and territories, are responsible for the performance of the Secretariat. This includes accountability for procurement decisions. While the Director may delegate his financial authority to other staff, he remains accountable for all decisions.

Programme Managers, the Finance Manager and other senior staff are accountable to the SPREP Director for both their actions and performance and those of staff who report to them. This includes ensuring staff are aware of procurement guidelines, and putting in place controls to ensure compliance.

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Principles: value for money, transparency, impartiality, clarity

3.1 Value for money

The guiding principle of the procurement process is that SPREP must get 'value for money.' Each procurement process must evaluate the costs and benefits of the available options, so that SPREP obtains the maximum benefit from the goods and services we acquire over their whole lives, within the resources available to us. The best value for money option is not always the cheapest.

To achieve value for money, SPREP requires staff involved in a procurement process to encourage competition between potential suppliers, follow the procedures, apply the criteria and make judgments, with a view to:

- **Economy:** SPREP will use its resources carefully, to save money, time or effort;
- **Efficiency:** SPREP will select options that deliver the same level of service, outputs and impacts at less cost of money, time or effort;
- **Effectiveness:** SPREP will select options that deliver a better service or higher quality outputs and impacts, and minimise risks.

3.2 Transparency

SPREP staff involved in procurement processes must comply with the principle of transparency. Each procurement process must be open and documented. Transparency will ensure all potential suppliers have access to the relevant information, and will enable SPREP's decisions to stand up to scrutiny. Therefore, SPREP requires staff to:

- **Publish information:** i.e. tendering procedures to be followed, conditions for participation and all relevant decisions;
- **Control contacts** between SPREP staff and candidate suppliers during the process;
- **Document** decision steps and outcomes, and conclude with a written contract containing all terms and conditions.

3.3 Impartiality

Procurement procedures must treat potential suppliers fairly and in a non-discriminatory manner. All candidates should have equal access, receive equal treatment with common rules and deadlines. SPREP staff involved in procurement

processes must behave ethically, be impartial and avoid actual and perceived conflicts of interest.

Potential suppliers should be dealt with in a non-discriminatory manner. SPREP staff will answer enquiries about a procurement promptly, but in a way that ensures no potential supplier gains an unfair advantage.

3.4 Clarity

The standards and duties relating to a procurement process must be clear, to ensure certainty and to avoid confusion:

- **Thresholds:** the procurement value will pre-determine which procurement procedure to use;
- **Criteria:** standards for evaluating tenders and awarding contracts will be articulated before tenders are received and the criteria and any weighting made available to potential suppliers;
- **Responsibilities:** the duties of budget holders and evaluating committees will be clearly documented.

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4.1 Plan

It takes careful planning to make a procurement process successful. Before SPREP approaches potential suppliers for value-for-money goods or services, you need to know what sort of goods or services or outcomes you require, and you need to have decided how you will approach the market to obtain quotes or other proposals.

- **Specifications:** Specify in advance the performance and technical or functional requirements of the goods or services you require. The specifications should only refer to a particular trademark, producer or supplier unless there is no other way to describe it precisely, and then the specification should state that it 'or an equivalent' is required.
- **Procurement value:** Estimate the maximum anticipated value of a contract, based on the specifications and research – including options, extensions, renewals or other mechanisms that may be executed over the life of the contract. This will guide the decisions on which procurement process to use, and the nature of selection criteria.
- **Which process:** Determine the process to be used (described in Appendix A). The minimum process is determined by the procurement value. The thresholds are:

Procurement value	Minimum process
SAT 108 001 + (≈ US\$40 001 +)	Open tender: published international invitation to tender (4-person evaluation committee: SPREP + external representation)
SAT 15 001 – 108 000 (≈ US\$5 501 – 40 000)	Select tender: approach at least 3 potential suppliers, where possible from an established multi-use list, for detailed tender documentation (methods, personnel, costs etc) (3-person evaluation committee)
SAT 2701 – 15 000 (≈ US\$1001 – 5 500)	Direct source, 3 competitive quotes for prices from known suppliers (individual officer's evaluation submitted to the officer with delegated financial authority)
<SAT 2700 (≈ US\$1000)	Direct source / over-the-counter purchase, no quotes required (unless there's likely to be a disparity between suppliers)

- **Conditions:** Specify in advance any conditions that potential suppliers must meet in order to participate in a procurement process. The potential supplier may have to demonstrate minimum legal, technical or financial capacities, for instance relevant experience in the technical field.

4.2 Approach the market

Whether the procurement process involves directly approaching potential suppliers, or a public invitation to all potential suppliers, there are common elements.

- **Request documentation:** Provide to potential suppliers, on request, all the information about SPREP's requirements that is necessary to enable them to prepare responsive, tailored submissions. Use the template at Appendix B. Generally this should include:

Description: the nature, scope and quantity of the goods or services to be procured, including any technical specifications or other instructions;

Conditions for participation: any financial guarantees, information or documents that potential suppliers must submit;

Submission guidelines: any minimum content and format requirements;

Evaluation criteria: factors to be considered in assessing submissions; and any other relevant terms or conditions.

- **Deadlines:** Give potential suppliers sufficient time to prepare and lodge a submission, e.g. 25 days, unless it is urgent. Return late submissions unopened to the sender, unless the submission is late as a consequence of SPREP's mishandling.
- **Responsibilities and evaluation committee:** Make all decisions on which staff will participate in the procurement process, including the evaluation committee where required, before approaching the market. Generally the committee should include the senior officer responsible for the subject area, and an officer from a different programme or area where possible. These staff must then control and document their contacts with potential suppliers, and recognise and address any actual or perceived conflicts of interest.

4.3 Evaluate

SPREP's Financial Regulations require staff involved in a procurement process to receive, open, and treat all quotes and tenders in a way that guarantees fairness and impartiality, and protects the confidentiality of the information provided by potential suppliers. The evaluation process will determine which proposal would best meet SPREP's needs and achieve value for money.

All tenders or quotes received within the deadline need to be evaluated, by the individual or committee assigned with the task, against the same criteria. Some criteria are general, while others should be developed specifically for the particular procurement. Use the template at Appendix C to summarise the conclusions.

- **Specific evaluation criteria:** All tenders or quotes received within the deadline need to be evaluated against the conditions, criteria and weighting indicated in the information that was available to potential suppliers.

Conditions: only those potential suppliers that satisfy the conditions set as prerequisites for participation qualify for further assessment – any that fail to do so must be eliminated;

Criteria: tenders or quotes are to be assessed against the evaluation criteria provided in the request documentation;

- **General evaluation criteria:** All tenders or quotes that were received within the deadline and that satisfy the conditions and other specific criteria should then be evaluated on the basis of their relative value for money.

Criteria: the value-for-money evaluation should consider:

- a) costs – direct and indirect benefits and costs over the whole procurement cycle;
- b) quality and fitness for purpose;
- c) environmental considerations;
- d) convenience and timeliness;
- e) the relative risks, including the performance history of the prospective suppliers;
- f) the flexibility to adapt to possible change over the lifecycle of the goods or service;
- g) favourability of proposed contract terms (for example, contract extension options).

4.4 Select preferred supplier

The individual or committee responsible for assessing the quotes or tenders needs to submit, to the designated staff member with the delegated financial authority, its recommendation on the preferred supplier. Its report should justify its reasons for concluding that the supplier:

- a) satisfies the conditions for participation;
- b) is fully capable of undertaking the contract; and

- c) submitted a proposal that will provide the best value for money, in accordance with the specific criteria in the request document and the general value for money criteria.

The staff member with the delegated financial authority needs to approve the recommendation for it to take effect.

4.5 Award a contract

In consultation with the Environmental Legal Adviser and the Finance Manager, a contract will be drawn up and negotiated with the preferred supplier. Once the contract is awarded, SPREP must:

- inform all potential suppliers whose submissions were evaluated of the decision;
- on request, provide an unsuccessful tenderer with the reasons it was unsuccessful;
- continue to keep unsuccessful submissions confidential (the successful submission is not usually kept confidential); and
- in the case of select or open tenders, the results should be published on the SPREP website, including:
 - a) a description of the goods or services procured;
 - b) the name and address of the successful supplier;
 - c) the value of the successful tender; and
 - d) the date the contract was awarded.

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Appendix A: Procurement types

Procurement type	Description
open tender	Approach the international market through an open request for tender: • suppliers respond and bid for the work by submitting a tender; • evaluate all responses received within the deadline against stated conditions and criteria; • negotiate a contract with the preferred supplier.
select tender: short list	Invite a number of short-listed potential suppliers to submit tenders: (a) publish an open request for expressions of interest: • suppliers submit expressions of interest; • evaluate all submissions received within the deadline against stated conditions and criteria; • develop a short list; (b) invite the short-listed potential suppliers to submit tenders: • responses assessed as in an open tender.
select tender: multi-use list	Invite tenders from a number of pre-qualified potential suppliers, from a list that SPREP intends to use in more than one procurement process: (a) from an existing multi-use list of suppliers of a particular service: • set conditions for participation and publish an open request for expressions of interest; • interested suppliers request inclusion; • suppliers who meet the conditions for participation are included on the list; then • when a service is required, invite listed suppliers to participate in competitive tender processes.

Procurement type	Description
	(b) from a list of licensed suppliers: • for a service that requires a special licence; or • for a service for which a supplier must comply with an essential legal requirement:
direct source	Directly approach one or more potential suppliers with the specifications, to request quotes: (a) when the procurement value is below a predetermined threshold; or (b) the procurement value is above the threshold for an open or selective tender process, but: • no suitable submissions were received in response to a tender process; • there is no competition for the particular service due to technical reasons; • it is a case of extreme urgency beyond SPREP's control; • it is an unsolicited and highly advantageous short-term value for money opportunity; • additional services are required from the original supplier to replace parts or service equipment, or where changing supplier would lose compatibility with existing equipment or services. This procurement method does not involve the procedural rules of open tendering and select tendering, but it may include a competitive process, for example obtaining multiple quotes.
over-the-counter purchase	Direct purchase of goods or services from a supplier, where the procurement value is below a threshold requiring a competitive process.



SPREP

Secretariat of the Pacific
Regional
Environment Programme

PROE

Programme régional
océanien de
l'environnement

Request for Tenders

File: Insert file no. / name
Date: 21 April, 2010
To: Interested suppliers
Contact: Insert contact details of the staff member who can be contacted for further information
Subject: Request for tenders: Insert title

1. Background

- 1.1. The Pacific Regional Environment Programme (SPREP) is an intergovernmental organisation charged with promoting cooperation among Pacific islands countries and territories to protect and improve their environment and ensure sustainable development.
- 1.2. For more information, see: www.sprep.org.

2. Specifications: statement of requirement

- 2.1. SPREP would like to call for tenders from qualified and experienced designers/ economists/ garden maintenance companies/ etc. who can offer their services to provide a series of training workshops/ regular maintenance services/ expert assistance to SPREP in developing a regional strategy on .../ etc. ...
- 2.2. The successful applicant will need to provide [insert the nature, scope and quantity of the goods or services] by insert date.
- 2.3. Describe any technical specifications or other instructions, e.g. list the terms of reference for a consultancy.

3. Conditions: information for applicants

- 3.1. To be considered for this tender, interested suppliers must meet the following conditions: list any conditions, e.g. financial guarantees, information or documents that potential suppliers must submit.

4. Submission guidelines



Appendix B: Request for tender template

- 4.1. Tender documentation should demonstrate that the interested supplier satisfies the conditions stated above and is capable of meeting the specifications and timeframes, and provide supporting examples to address the evaluation criteria. **Describe any additional minimum content and format requirements.**
- 4.2. Tender documentation should outline the interested supplier's complete proposal: methods, personnel (and their skill sets / curricula vitae), timeframes and costs.

5. Evaluation criteria

- 5.1. SPREP will select a preferred supplier on the basis of SPREP's evaluation of the extent to which their tender documentation demonstrates that they offer the best value for money, and that they satisfy the following criteria.
- 5.2. **e.g.** Expertise in ... **[indicate any weighting applied to criteria]**
- 5.3. **e.g.** Demonstrated experience in ...
- 5.4. **e.g.** Familiarity with / comprehensive understanding of ...
- 5.5. **Describe any other factors to be considered in assessing submissions.**

6. Deadline

- 6.1. The due date for submission of the tender is: **give potential suppliers sufficient time to prepare and lodge a submission, e.g. 25 days, unless it is urgent.**
- 6.2. Late submissions will be returned unopened to the sender.
- 6.3. Please send all tenders clearly marked 'TENDER: **Title of Tender**' to:
mail: SPREP
Attention: **Contact person**
PO Box 240
Apia, SAMOA
Email: **Contact person's email address.**
Fax: 685 20231
Person: Submit by hand in the tenders box at SPREP reception, Vailima, Samoa.



SPREP

Secretariat of the Pacific
Regional
Environment Programme

PROE

Programme régional
océanien de
l'environnement

Tender Evaluation

File: Insert file no. / name
Date: 21 April, 2010
To: Insert person with delegated financial authority (e.g. Deputy Director)
From: Staff member
Subject: Tender Evaluation and Recommendation: **Insert title**

1. Requirement / Terms of reference

- 1.1. Briefly outline the requirement or the consultancy terms of reference.

2. Recommendation

- 2.1. The evaluation committee recommends that SPREP awards the contract to:
supplier X.
- 2.2. This recommendation is on the basis that the information **supplier X** tendered demonstrated that they satisfied the conditions, are fully capable of undertaking the contract, and will provide the best value for money. Further information is provided in the committee's evaluation below.

3. Conditions and evaluation criteria

- 3.1. The conditions that were stated in SPREP's **advertisement / statement of requirement** were: **[insert any conditions]**.
- 3.2. The specific evaluation criteria were: **[insert criteria, e.g. the consultant expertise required, and give each criterion a number for reference in the table of evaluations below]**.
- 3.3. The general criteria evaluated the relative value for money represented by the proposals, i.e. **[delete any not relevant]**:
- a) costs – direct and indirect benefits/costs over the whole procurement cycle;
 - b) quality and fitness for purpose;
 - c) environmental considerations;
 - d) convenience and timeliness;



Appendix C: Tender evaluation template

- e) the relative risks, including the performance history of the suppliers;
- f) the flexibility to adapt to change over the lifecycle of the goods or service;
- g) favourability of proposed contract terms (e.g. contract extension options).

4. Budget

- 4.1. State the budget allowed for this activity.

5. Recommendation and evaluation

- 5.1. The evaluation committee members were: [give names and job titles].
- 5.2. SPREP received proposals from [X] potential suppliers within the deadline. Of these:
- [X] met the conditions set as prerequisites for participation and were evaluated against the criteria;
 - The evaluation committee scored each of these proposals out of [X] for each criterion [note if any criteria were weighted more heavily than others – e.g, 20 points for costs; 10 points for experience]. Scores against the criteria ranged from [X] to [X] out of a possible [XX];
 - In summary, our evaluations were:

Prospective supplier	Value for money		Quality of tender	Specific criteria				Total score	Comments
	\$ quote	Score		(1)	(2)	(3)	(4)		
V									
W									
X									
Y									
Z									

- We concluded that [X] of the proposals were competitive: [supplier X, supplier Y and supplier Z], and agreed to recommend awarding the contract to [supplier X].
- [Optional: The strengths of supplier X were: A, B, C.]
- [Optional: The strengths of supplier Y were: A, B, C.]
- [Optional: The strengths of supplier Z were: A, B, C.]

Appendix C: Tender evaluation template

5.3. Signed by:

[Name]

Chairperson of the evaluation committee