

CI Procurement Policy

Version 2.0, July 2021

Contents

1.0 CI Procurement Policy and Guidelines.....	2
1.1 Procurement Thresholds by Program/Office.....	5
1.2 Non-competitive (“Sole Source”) Procurement.....	6
2.0 Procurement Procedures.....	7
2.1 Procurement Planning.....	7
2.2 Solicitation.....	9
2.3 Proposal Evaluation and Selection.....	10
3.0 Preferred Vendors.....	12
Selection of Preferred Vendors.....	12
When is a Preferred Vendor List appropriate?.....	12
How to Develop a Preferred Vendor List.....	13
4.0 Contracting Through Closeout.....	15
Insurance.....	15
Security Screening.....	15
Contract Types.....	15
Flow-down Provisions.....	16
Securing Final Signatures.....	17
The Performance and Monitoring Phase.....	17
Appendix 1: Summary of Procurement Process by Tier.....	19

1.0 CI Procurement Policy and Guidelines

Purpose and Scope

The policy defines the requirements for purchase of goods and services for programs implemented by Conservation International ("CI") and outlines the procedures to be followed. The policy promotes competitive procurement for successful program implementation. The policy applies globally to all of CI including instances where CI is acting as an Executing Entity or Executing Agency under the CI GEF Agency or CI GCF Agency. Specific donors may have procurement policies and thresholds that differ from CI's. In those instances, the more restrictive policy should be followed.

Confidentiality

All proprietary information provided by the supplier (any bidder/offeror/vendor/service provider/consultant) should be treated as confidential and will not be shared with potential or actual applicants during the solicitation process. This includes but is not limited to price quotations, cost proposals and technical proposals. CI may, but is not obliged to, post procurement awards on its public website after the solicitation process has concluded, unless required under a donor agreement, and the contract has been awarded. CI's evaluation results are confidential and applicant scoring will not be shared among suppliers.

Standards of Conduct

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

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

During the life of the project, CI employees, volunteers, and agents (jointly "CI Staff") as well as CI awardees, contractors, suppliers, consultants, at any tier, as well as their employees, labor recruiters, brokers, and agents (jointly "CI Suppliers") engaged by CI will abide by CI's policies that address standards of conduct:

- [CI's Code of Ethics](#)
- [CI's Anti-bribery and Anti-corruption Policy](#)
- [CI's Conflict of Interest Policy](#)
- [CI's Policy on Prevention of Sexual Exploitation, Sexual Abuse, and Sexual Harassment](#)
- [CI's Anti-Trafficking in Persons Policy](#)
- [CI's Dispute Resolution Procedures](#)
- [GCF Policy on Prohibited Practices](#)

No employee of CI may participate in the selection, award, or administration of a contract in which

she/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 organization 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 through the [Ethics Point Hotline](#).

Social and Environmental Responsibility

CI considers environmental, social and economic impacts through its selection of goods and services while also maintaining a competitive and fair procurement environment. CI respects and enforces the environmental, social and labor standards recognized by the international community and in line with local law. CI staff are encouraged to re-use goods when able, and are encouraged to purchase recycled content materials, and environmentally preferable products. CI staff and sub-recipients are encouraged to seek suppliers that share this commitment in their corresponding business operations.

Procurement by Sub-recipients

All procurement-specific provisions in CI's financing agreement with a prime donor apply to CI's sub-recipients funded by that award. In cases where the prime donor agreement does not impose additional restrictions, CI's sub-recipients may follow their own procurement policy provided that CI has determined it is consistent with best international practices and follow procurement principles of highest quality, economy, and efficiency, non-discrimination, transparency, and free and open competition to the maximum extent practical. CI 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.

Procurement Process Standards

Elements of a fair, efficient and competitive procurement:

- A competitive procurement environment that ensures purchases are made in the best interest of CI. Often referred to as "value for money" this requires the Procurement Officer, proposal evaluators and selection panel to consider both quality of services or goods and the price of services or goods;
- 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;
- Impartial, transparent selection process based on price and qualifications. Evaluation criteria are transparent, and selection of suppliers must be based exclusively on the specifications or evaluation criteria defined in the Request for Quotations (RFQ) or Request for Proposals (RFP);
- All suppliers who are invited to submit a quote receive the same information and are given

adequate time to prepare and submit a quote or proposal;

- Proprietary information such as price quotations, technical and financial proposals provided by suppliers during the solicitation process is considered confidential and should not be shared with potential or actual applicants in order to ensure fair and unbiased competition;
- CI staff should justify their selection of a supplier 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 full and complete documentation of the full procurement process.

Documentation

Thorough records of each step of the procurement process are required from the planning stage to the receipt of goods and services. This includes donor prior approvals, solicitation documents, evidence of posting, cost/price analysis, all quotations or proposals received, justification for selection, all communications with suppliers, invoices, payment records, purchase orders or contracts and acceptance of goods or services. See Solicitation and Evaluation Documentation Requirements by Tier for more detail on minimum procurement documentation.

Related Policies

- For **construction contracts**, please refer to [CI's Construction Policy](#) which outlines internal approvals required at the proposal and contracting stages based on the amount of the contract.
- For **equipment**, please refer to [CI's Property and Equipment Policy](#) which outlines requirements for fixed assets registration and disposition.
- For **IT Equipment**, please refer to [CI's IT Procurement Policies](#) which outlines requirements for purchases of CI computers, software, mobile phones (HQ) and other hardware.

1.1 Procurement Thresholds by Program/Office

The following table defines the procurement thresholds for Conservation International. Field offices should align their country-level purchase thresholds to the three Tiers. The regional Senior Director of Operations approves country-level thresholds.

CI Global Procurement Thresholds*		
Tier	Threshold	Procurement Method
Tier 1 Micro-purchase	US: Less than or equal to \$10,000 Field: Determined Locally	Tier 1 purchases may be made without obtaining competitive proposals or quotations provided the price is fair and reasonable. To the extent practical, these purchases should be distributed equitably among qualified suppliers in the local area and should not be split to avoid the requirements for competition above the Tier 1 threshold.
Tier 2 Simplified procedure	US: \$10,001 – \$50,000 Field: Determined Locally	Consulting Services: Obtain a minimum of three proposals or three quotations solicited from qualified suppliers or service providers. Proposals for consulting services are scored using the Bid Comparison Matrix by a minimum of two people.
		Goods, Works & Non-consulting services: Minimum three proposals or three quotations solicited from qualified suppliers or service providers. Quotations for supplies and equipment may be evaluated by the Procurement Officer using the Bid Comparison Matrix.
Tier 3 Formal procedure	US: \$50,001 and up Field: Determined Locally	Free and open competitive procurement that publishes a formal Request for Proposal (RFP). RFPs are widely disseminated and publicly advertised for a minimum of three weeks. A selection panel with a minimum of three people is convened to score and evaluate proposals. Selection is memorialized in a Selection Memo.
*Specific donors may have procurement policies and thresholds that differ from CI's. In those instances, the more restrictive policy should be followed.		

1.2 Non-competitive (“Sole Source”) Procurement

CI discourages procurement of goods and services on the basis of sole source. Before engaging in sole source procurement, the Project Lead/Buyer is encouraged to expand the RFP/RFQ beyond the local market and to advertise the procurement opportunity in a wide and diverse set of publications online, in print, social media and trade or industry specific platforms for communications. Sole source procurement is allowable only under one of the five circumstances outlined below.

The sole source justification form should be prepared by the Project Lead/Buyer and approved by the Operations Director. Justification memos must be sufficiently detailed to substantiate the reasons for sole sourcing. The price for the goods or service must be reasonable as demonstrated through research, experience, purchase history or other information.

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

1. Uniqueness

CI may consider sole source awards when there is only one supplier or vendor that can provide the goods or services to meet the organization’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 specializes in the specific area of expertise, and no other individual or company specializes in the same area. In another example, CI 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.

When completing the sole source justification, the Project Lead/Buyer must identify the criteria used to establish that only one supplier can perform the work as follows:

- Adequate research to establish the existence of only one qualified supplier. In the absence of such research the CI office/program shall collect at least two professional referrals from previous customers/clients to verify the quality and value of the consultant’s work;
- Only one Service provider meets CI’s requirements, for example, the service provider needs to be in the same city as CI for service reasons or fragility of the product;
- Product is compatible in all ways with existing system presently installed;
- Highly technical or knowledgeable individuals; and/or
- Proprietary data.

2. Competition Results Are Inadequate

CI may sole source awards when only one qualified supplier responded to CI's solicitation. Staff must demonstrate that a solicitation for bid was widely publicized for an adequate amount of time and that extension of time for solicitation was not possible.

3. Continuation of the Work

CI may sole source awards for tasks that represent a natural continuation of previous work carried out by suppliers where lack of continuity of the work by the same supplier poses a risk to the product or project and there is no reasonable expectation that a subsequent vendor could do better than the incumbent.

4. Collaborative Project

Supplier is named in a proposal to a CI donor who has expressly approved the provider in their award to CI and the donor has not subjected the award to additional review or approval.

5. Unusual or Compelling Urgency

While expected to be rare and infrequent, there may be occasions when CI 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. CI may not use this option for the purpose of exhausting unobligated funds. Lack of planning does not constitute an urgent situation.

See [Template](#) for Sole Source Justification

2.0 Procurement Procedures

2.1 Procurement Planning

Procurement planning is the process of fully identifying and assessing purchasing needs. During the procurement planning process, the procurement method, timeline for purchasing and budget are determined. Procurement planning includes defining the process for managing individual procurements, assessing and mitigating risks and identifying specific donor prior approvals required throughout the procurement process.

Many donors, including the CI GEF Agency and the CI GCF Agency, require submission of a procurement plan as part of CI'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 CI funded projects by these donors to prepare a procurement plan for their CI grant as well.

See [Template](#) for Procurement Plan

Requirements Definition

Detailed specifications and requirements for the purchase are defined during the planning process. Technical specifications for goods and equipment or a detailed Terms of Reference for consulting services should clearly identify the goods, equipment or services being procured and provide suppliers a clear, accurate and full description of CI's needs.

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 suppliers or vendors should not be paid in cash.

See [Template](#) for Purchase Order

Works/Construction Services: For the procurement of works/construction services, Programs must follow [CI's Construction Policy](#).

Non-consulting Services: For non-consulting services (e.g., printing, catering, transportation) the process and documentation for obtaining non-consulting services follow those for the purchase of goods.

Consulting Services: Consulting services are intellectual and advisory in nature based on a Terms of Reference that includes the project background, purpose, objectives, methodology and reporting requirements for the service provider/supplier.

Consulting Services Agreements at CI are issued either as a firm fixed-price contract or as a time and materials contract. A firm fixed price contract is the preferred arrangement where the requirements, deliverables and schedule are defined, and the consultant is paid a fixed amount upon CI's acceptance of each deliverable. A time and materials contract should only be used in limited circumstances when the requirements, deliverables and specifications cannot be well defined and as such, the consultant is paid based on an hourly or daily rate for the number of hours spent on the assignment.

See [Template](#) for Terms of Reference

2.2 Solicitation

Solicitation Documents. The solicitation process communicates the procurement requirements and requests quotations or proposals from potential suppliers. Solicitation documents include the defined requirements (detailed specifications or Terms of Reference) and provide specific instructions to guide suppliers on how to prepare quotations or proposals for the goods or services being procured. Once the solicitation documents have been released, the requirements may not change without formal amendment. Solicitation documents should include:

- Background information on the Program funding the services;
- Objective of the services;
- Clear description of the goods in technical specifications or services in a Terms of Reference; such descriptions should not contain elements that may unduly restrict competition;
- The due date for request for clarifications on the solicitation documents;
- The deadline for submission of quotations or proposals;
- Information and documents to be submitted in the quotation or proposal;
- The quote/proposal validity period required;
- Clearly defined quotation/proposal evaluation criteria;
- Anticipated terms and conditions that will apply to the contract (e.g., services agreement template available upon request or attached to RFP);
- The email address for submission which should be a central/general, non-personal account.

Request for Quotations. A Request for Quotations (RFQ) is generally used for the procurement of goods, works and non-consulting services. Staff should use an RFQ when the requirements for the purchase are definitive, pricing is known and is stable and competition is expected. Equipment specifications should only include the technical requirements for the equipment and may not include brand names, make or model.

See [Template](#) for Request for Quotations

Request for Expressions of Interest. An Expression of Interest (EOI) is a multi-staged procurement process used when seeking to shortlist potential suppliers before then seeking detailed bids. A Request for Expressions of Interest includes a description and objective of the assignment and a set of pre-qualification requirements that must be met in order for interested parties to be short-listed. Once an EOI is reviewed, a short-list is prepared and only the pre-qualified suppliers are issued the RFP and invited to submit detailed bids.

Request for Proposals. A Request for Proposals (RFP) generally requires the supplier to submit a detailed technical proposal describing how it proposes to meet the stated requirements and a detailed

cost estimate. The RFP describes the selection process and timeline. RFPs should be published to allow the widest distribution and maximum competition and should provide the suppliers with adequate time to respond, no less than three weeks.

See [Template](#) for Request for Proposals

Communication with Suppliers. The email address used for suppliers to submit their proposal should be a central/general, non-personal account whenever possible. Any responses to questions related to the bid which are not addressed in the RFQ or RFP must be provided to all suppliers to whom the RFQ or RFP was addressed. Any additional information concerning any solicitation must be made available to every supplier or proposer.

2.3 Proposal Evaluation and Selection

The quotations or proposals received from suppliers should be evaluated against the evaluation criteria specified in the solicitation. No evaluation criteria other than those previously specified may be used. If a pre-qualification process was completed, suppliers will not be evaluated again on the criteria used in the pre-qualification.

A Bid Comparison Matrix will be used to score the proposals. Pass/fail criteria may be used for procurement of off-the-shelf goods, simple equipment and similar items. Weighted scoring is used to evaluate competitive solicitations seeking the best value for money where technical and financial criteria are both assessed.

See [Template](#) for Bid Comparison Matrix

Selection Panel. A selection panel will be required for Tier 3 procurements and above. The selection panel should be comprised of a minimum of 3 people. Selection panelists should be identified, and their commitment secured for review of proposals prior to posting the RFP. If a selection panel is formed to evaluate an RFP, members can review and score the proposals as a group or individually but should meet at least once to discuss the procurement and analyze the bids. Minutes or recording of the selection panel meetings are part of the procurement documentation to be kept on file.

The panel should review whether each proposal provides all the information requested in the solicitation and meets all the minimum criteria. If not, a bid should be deemed non-responsive and excluded from consideration. The most important aspect of the review process is ensuring that evaluation is based on the specifications and criteria outlined in the solicitation.

Selection panelists must sign the Conflict of Interest statement on the Bid Comparison Matrix. Selection panel members must remain impartial, refrain from discussing the proposals with other members

outside of the selection panel meetings, refrain from contacting or responding to inquiries from suppliers and keep all proposal information confidential.

In the case of Tier 3 procurements, a Selection Memo is required.

Selection Memo The Selection Memo is prepared by the Procurement Officer in collaboration with the Project Lead/Buyer. The Selection Memo details the procurement process, the bids received, the evaluation process including minutes from the selection panel, the bid comparison matrices, and the final selection. Its purpose is to record each step in the procurement process, the chronology, the evaluation and selection process, the final recommendation and any other background information that should be part of the formal record.

See [Template](#) for Selection Memo

Notice of Award to Suppliers. The Procurement Officer will send a written notice of bid acceptance to the successful supplier and notice of non-award to the unsuccessful suppliers.

See [Template](#) for Bid Acceptance Letter

See [Template](#) for Bid Declined Letter

Solicitation and Evaluation Documentation Requirements by Tier

- **Tier 1, Micro purchase:** Purchases less than the value of the micro purchase threshold can be non-competitive if the quoted price is reasonable and provided that purchases are not split to avoid the requirements for competition above the Tier 1 threshold. Purchases must be equitably distributed among qualified suppliers to the extent practical.

Procurement documentation must include:

1. Terms of Reference (TOR) for consulting services; Or
Purchase Order for goods/equipment
 2. Supplier quote/ bid on letterhead or CV and hourly/daily rates (for consulting services)
- **Tier 2, Simplified Procedure:** In the simplified procedure, three quotations or proposals are obtained from qualified sources and scored by a minimum of two people in the case of consulting services, or evaluated by the Procurement Officer, in the case of goods/equipment. For the Simplified Procedure, a targeted solicitation to suppliers is the competition requirement and CI must receive 3 proposals. There is no requirement to post an RFP publicly and there is no requirement to convene a Selection Panel.

Procurement documentation must include:

1. Terms of Reference (TOR) for consulting services; Or
Purchase Order for goods/equipment
 2. Supplier quote/ bid on letterhead or CV and hourly/daily rates (for consulting services)
 3. Communications with suppliers
 4. Bid Comparison Matrix/Matrices
- **Tier 3, Formal Procedure.** Procurements above the value of Tier 3 must be conducted in a free and open competitive process that publishes a formal RFP or RFQ. RFPs and RFQs are widely disseminated and publicly advertised for a minimum of three weeks. A Selection Panel with a minimum of three people is convened to score and evaluate proposals. Selection is memorialized in a Selection Memo.

Procurement documentation must include:

1. Terms of Reference (TOR) for consulting services; Or
Purchase Order for goods/equipment
2. Request for Proposals (RFP) for consulting services; Or
Request for Quotations (RFQ) for goods/equipment
3. Evidence of posting including any posted amendments or clarifications
4. Supplier proposals
5. Communications with suppliers
6. Bid Comparison Matrices
7. Selection Memo
8. Selection Panel meeting minutes or recording
9. Bid Acceptance / Declined Letters

3.0 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 CI to secure favorable contract conditions including best pricing, trust of vendors, flexible payment terms. In a preferred vendor relationship, CI has leverage over contract terms.

When is a Preferred Vendor List appropriate?

- ✓ When the services or goods are required on a regular, recurring basis for a one-year term.

- ✓ 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

(see related forms [here](#))

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 evaluation 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.

Step 4: Publicize the Solicitation: Advertise your solicitation as widely as possible. Give the suppliers 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 suppliers. Potential suppliers are required to complete a Preferred Vendor Registration Form.

Step 5: Proposal Evaluation: Assemble the selection panel, virtually or in-person, to evaluate proposals/quotations based on your evaluation 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 CI'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.

4.0 Contracting Through Closeout

Insurance

The purchasing program must comply with [CI'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, CI is required to conduct due diligence for all CI funding recipients which includes screening those recipients against international sanctions lists. As further background, as a US-based 501c(3), CI must comply with US Patriot Act and Executive Order 13224 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. CI represents to the US Government, multinational and other funders and grantors and our donors that CI follows a rigorous screening process for all funds recipients. Additional screening may be required by the donor. In these cases, the Grants and Contracts Unit will conduct the additional screening as needed.

Prior to issuing any sub-grants or sub-contracts using funds from CI, 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 CI as detailed in the grant agreement. CI Programs may provide this guidance to grantees who will conduct their own security screenings of their sub-recipients.

Contract Types

CI categorizes 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. Additional information can be found in [this table](#). The table specifies when a contract requires a Contract Master File ("CMF") in Business World.

These agreements often have either consultant income tax withholding requirements or sales/VAT tax payments required. Each CI 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. See [Classification of Employee, Consultant and Other Workers](#) for more information.

Elements of a Valid Contract

Written agreements must be used whenever CI 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

[Service Agreement Template for non-USG funding](#)

[Service Agreement Template for USG funding](#)

Flow-down Provisions

Certain terms and conditions in US Government, multilateral or other bilateral prime awards may need to be incorporated into a contract/sub-agreement. For contracts funded the CI-GEF Agency and the CI-GCF Agency, CI programs must use the approved templated that has all the flow-down clauses imposed by these two Funds.

If a contract is funded by US Government agencies or by other bilateral or multilateral government agencies, consult the General Counsel's Office before drafting the agreement. Especially if a program expects to award a significant number of contracts from one of these sources, it should contact the General Counsel's Office up front, in order to develop a standard template for this source of funding.

For contracts not funded by US Government and multi-lateral funds, field-based programs must use the approved in-country template that has been reviewed and approved by local counsel. If no in-country approved template exists, use the CI contract template until an in-country template becomes available.

Each service agreement must include the following:

- Properly Identified Service Provider – name should be consistent with other documentation:
 - Name on incorporation or registration certificate
 - Name on bank account
 - Name on signature block
- 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.
 - Deliverables-based contracts are required to have a clear table of deliverables with deadlines and specific acceptance criteria for each deliverable. Clear and specific acceptance criteria is the basis for CI approving a consultant's deliverables and associated payment.
- Disbursement Schedule for Contract

- 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.

Securing Final Signatures

Once the agreement is reviewed and approved, the final signatures of the Service Provider's and CI's authorized representatives can be secured. See [Signature Authority Policy](#).

The Performance and Monitoring Phase

CI's Responsibility to Monitor Consultants and Contractors

CI 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 inquiries concerning project activities

Addressing Performance Problems

Consult with CI'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, and
- Final payment has been made to the service provider.
- All equipment has been disposed of according to CI policy or the prime donor requirements, if applicable.

Appendix 1: Summary of Procurement Process by Tier

Tier 1 Micro-purchase: US less than \$10,000 / Field: Determined locally

Tier 1 purchases may be made without obtaining competitive proposals or quotations provided the price is fair and reasonable. To the extent practical, these purchases should be distributed equitably among qualified suppliers in the local area and should not be split to avoid the requirements for competition above the Tier 1 threshold

Solicitation

- Request price/quote on supplier letterhead or CV and daily/hourly rate for consulting services

Evaluation/Selection

- Confirm price reasonableness

Award/Contracting

- Purchase Goods/Services, execute Purchase Order or Services Agreement, if applicable

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 documentation is in Business World

Tier 2 Simplified Procedure: US: \$10,001 to \$50,000 / Field: Determined locally

Obtain a minimum of three proposals or three quotations solicited from qualified suppliers or service providers. Proposals for consulting services are scored using the Bid Comparison Matrix by a minimum of two people. Quotations for supplies and equipment may be evaluated by the Procurement Officer using the Bid Comparison Matrix.

Solicitation

- Buyer develops Terms of Reference (TOR) including definition of deliverables (services) or product specifications (goods/equipment) and drafts RFP
- Procurement Officer reviews, edits and approves final RFP
- Procurement Officer solicits a minimum of 3 official quotes or proposals via Request for Quotation or Request for Proposals (public posting not required)
- Suppliers submit written quotes or proposals on supplier's letterhead

Evaluation / Selection

- Procurement Officer reviews all submissions for eligibility and screens for conflict of interest, former employee, government employee and prior history with CI
- Procurement Officer develops Bid Comparison Matrix using criteria from RFQ/RFP
- For procurement of goods, Procurement Officer completes Bid Comparison Matrix based on quotations received
- For procurement of services,
 - Procurement Officer obtains evaluation of proposals from two people who complete the Bid Comparison Matrix and the
 - Procurement Officer calculates the highest scoring proposal based on the two completed Matrices
- Procurement Officer notifies successful and unsuccessful bidders

Award/Contracting

- Procurement Officer negotiates final price with supplier and creates purchase order or services agreement
- Procurement Officer creates or verifies existing VMF in BusinessWorld
- Procurement Officer creates CMF in Business World (services)
- Procurement Officer uploads RFQ/RFP, all communication with suppliers, all quotations or proposals, Bid Comparison Matrices and to Business World
- Procurement Officer processes purchase order, contract or services agreement through appropriate module in Business World and secures 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 technical lead's approval of consultant deliverables email uploaded in the Business World CMF
- 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
- Maintain regular contact with the service provider and make appropriate inquiries concerning project activities

Close Down

- Process all pending payments, invoices, reimbursables

Ensure all procurement documentation is in Business World

Tier 3 Formal Procedure: US: \$50,001 and up / Field: Determined locally

Free and open competitive procurement that publishes a formal Request for Proposal (RFP). RFPs are widely disseminated and publicly advertised for a minimum of three weeks. A selection panel with a minimum of three people is convened to score and evaluate proposals. Selection is memorialized in a Selection Memo.

Solicitation

- Buyer develops Terms of Reference (TOR) including definition of deliverables (services) or product specifications (goods/equipment) and drafts RFP
- Procurement Officer reviews, edits and approves final RFP
- Procurement Officer disseminates RFP by posting/publishing in public websites/newspapers, including on CI's website. If deemed necessary, the RFP will be posted on international websites or in international publications to ensure maximum competition.
- The RFP should be posted for at least three weeks and extended if a minimum of 3 proposals are not received.
- Suppliers submit written proposals and all supporting documentation per instructions in RFP

Evaluation / Selection

- Procurement Officer reviews all submissions for eligibility and screens for conflict of interest, former employee, government employee and prior history with CI
- Procurement Officer develops Bid Comparison Matrix using criteria from RFQ/RFP
- Procurement Officer distributes proposals and Bid Comparison Matrix to proposal evaluators with instructions on the proposal review process.
- Proposal evaluators review proposals, complete and sign the Bid Comparison Matrix and return to the Procurement Officer
- Procurement Officer convenes Selection Panel (virtually or in-person) to review and score proposals using the Bid Comparison Matrix.
- Procurement Officer writes Selection Memo documenting rationale for selection per the Selection Panel's input
- Procurement Officer notifies successful and unsuccessful bidders

Award/Contracting

- Procurement Officer negotiates final price with supplier and creates services agreement
- Procurement Officer creates or verifies existing VMF in BusinessWorld
- Procurement Officer creates CMF in Business World (services)
- Procurement Officer uploads RFP, evidence of postings, all communication with suppliers, all proposals, Bid Comparison Matrices and to Business World
- Procurement Officer processes services agreement through appropriate module in Business World and secures approvals and signatures as appropriate

Monitoring

- Technical lead documents approval of consultant deliverables, email uploaded in the Business World CMF
- 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 inquiries concerning project activities

Close Down

- Process all pending payments, invoices, reimbursables

Ensure all procurement documentation is in Business World