

ForumCiv's principles for purchase and procurement

Approved by: Secretary General
Date of decision: 2022-11-22
Period of validity: Until further notice
Authorised by: Head of Finance

1. Guiding principles for procurements made with ForumCiv funds

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

These procurement regulations are valid for ForumCiv as well as for partners whose activities are financed by grants from ForumCiv.

Individual civil society organisations always have responsibility for procurements which they, or their partners, carry out with ForumCiv funding. The basic principle is that, while the procurement process must be as economical and efficient as possible for both the organisation and for the organisation that shall receive the goods or service, all procurements financed by development cooperation funds must be characterised by good business practice, competition and objectivity.

This entails that individual civil society organisations procuring goods and services with grants from ForumCiv must observe good practice in their procurements. Competitive opportunities are to be sought and exploited. Tenders and tenderers shall be treated as objectively so as to achieve competition on equal term.

2. Basic rules

- a) No price comparison or tender is required for purchases up to 50 000 SEK excluding VAT. The invoice or receipt, together with documentation, must always clearly show the basis for the cost.
- b) Simplified tendering must be made for all procurements (of both goods and services) exceeding 50 000 SEK excluding VAT. Written price quotations must be obtained from at least three suppliers, and the decision on the choice of supplier must be documented in writing. Procurement is therefore not made in open competition, but good business practice must be observed.

- c) Selective tendering must be used for all procurements (of both goods and services) exceeding 300 000 SEK excluding VAT. Selective tendering entails that at least three suppliers shall be invited in writing to submit written tenders. See regulatory framework in chapter 3 below.
- d) Open tendering must be used for all procurements (of both goods and services) exceeding 2 000 000 SEK excluding VAT. Open tendering entails that all interested suppliers are able to submit tenders and the assignment shall be notified in public. In all other aspects, regulatory framework in chapter 3 shall be applied.
- e) The various tendering procedures are open to both domestic and foreign tenders. Tenders shall be treated equally without distinction.
- f) For tender presentations, there are no language requirements other than the official language of the specific country. If necessary, tenders can also be presented in English.
- g) For procurements outside Sweden the threshold values must be adopted to local conditions. When these principles are applied by ForumCiv or its partners outside Sweden the principles must be adjusted to relevant threshold values. The threshold values must be translated into amounts in relevant currency that corresponds to equal value of goods/services in Sweden. The threshold values in SEK are always maximum amounts and 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 above threshold values need to be considered and a different level for price comparisons/procurements may need to be applied if for example costs across several years are merged.

3. General rules applying for selective and open tendering¹

- Complete and clear tender documentation in the form of technical specifications/terms of reference and commercial terms must be included in the request for tender. It is important that specifications are neutral and, if reference to a particular brand or trade name is necessary, “or similar” shall be added.
- The evaluation of tenders may only consider the criteria specified in the request. Ranking is done based on these criteria and both cost and quality aspect are taking into account, based on a pre-developed template with criteria linked to the tender request. The award criteria must ensure effective competition, prevent unrestricted freedom of choice and ensure that the information in the tenders is accurate. The tender that is accepted considered to be most advantageous, considering all these criteria, shall be accepted.

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

- 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.
- Requests for tenders must be sent to at least three parties or advertised.
- Tenders submitted after the time limit will be rejected.
- The composition of the group of suppliers invited to tender should not always be the same but should varied from time to time as far as possible.
- In procurements via tenders, the acceptance of the tender and the reasons for its acceptance must be specified in a special procurement decision signed by the person responsible for the procurement.
- Opening of tenders. Tenders shall be opened simultaneously and as soon as possible after the end of the tender period by a committee composed of at least three appointed by the contracting organisation. Tenders shall be indicated on a list to be verified by the members of the committee.
- Tenderer whose tender has been accepted shall be notified informed of this in writing as soon as possible and at the latest within the period during which the tender is binding for the tenderer.
- Tenderers whose tenders have not been accepted shall be informed as soon as possible. In certain cases, information regarding the basis for the decision may be disclosed to tenderers, if deemed reasonable.

It can be considered reasonable that the requirements must be adapted to the local conditions and local legislation in the given area. However, the procurements must always be conducted in accordance with good business practice.

4. Contract 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 contract notice. Contract notices can be issued through:

- National daily or professional and commercial press (printed or digital form)
- Organisation's website and / or similar portals
- Various 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 drawing up the request to participate or tender.

In an open procedure, 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 contracting organisation has advertised in advance, without using the advertisement as a call for competition, the time limit for submitting tenders may:

1. For open procedure, be set to no less than 15 days from the date which the contract notice was sent for publication, and
2. For selective procedure or a negotiated procedure with prior publication, be set to no less than 10 days from the date which 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 depart from the competitive procurements regulations. In such cases, the principles of documentations applies, i.e. any departures must be justified and documented.

Documentation shall be in reasonable proportion to amount in involved.

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 operating through an international alliance or network which, in turn, has documented procurement rules can choose to follow the rules set by this party or in a documented approach to procurements by that ~~the~~ organisation.
- The same applies to EU cooperation.

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

- In the case of an emergency response, where any additional cost must be balanced against the availability of the goods for immediate delivery in the country or region of operation, an exemption from the regulations on competitive procurement may be granted.
- In situations where it is impossible to find at least three suppliers. ForumCiv and our partners work in difficult environments where it can be impossible to find three suppliers. If this is the case, as many suppliers as possible must still be sought, and the efforts must be documented.

Examples of exceptions from good business practice:

- Limitations in good business practice may be justified as a result of participation in a trade embargo recommended by the UN.
- Another reason for not accepting minimum acceptable tender may be if the tenderer has breached 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 human aspects of procurements

A sustainable use of natural resources and protection of the environment are fundamental to all ForumCiv's work. The individual organisation must ensure that all procurements take environmentally sustainable development in consideration and suppliers shall produce and deliver their goods/services in the most environmentally friendly way.

The individual organisation must ensure that all procurements respect fundamental human rights, does not use forced labor (slavery), child labor or prohibits free organisation in the workplace and that working conditions correspond to the minimum standard for working conditions as expressed in the ILO's core conventions². Suppliers who violate basic human rights are not accepted.

8. Grounds for 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, financing of terrorism, or offences related to terrorist activities or trafficking in 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.

Prior to all purchases, 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 includes both firms and individuals who have been sanctioned under the Bank's fraud and corruption policy.

9. Documentation and filing

All documents relevant to the procurement must be kept by the individual organisation and archived for a period of seven years from the date the project/programme is reported completely. The relevant documents include, 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 the organisation's relevant documents.

10. ForumCiv's audits and inspections: documentation requirements

ForumCiv's responsibilities include monitoring and reviewing 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 access all documents relating 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)