CORPORATE PROCUREMENT POLICY

November 2023

INTER-AMERICAN DEVELOPMENT BANK
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<td>AML/CFT</td>
<td>Anti-Money Laundering and Combating the Financing of Terrorism</td>
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<tr>
<td>BDA</td>
<td>Budget and Administrative Services Department</td>
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<tr>
<td>BDA/BGT</td>
<td>Budget and Corporate Procurement Division</td>
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<tr>
<td>BEO</td>
<td>Bank Executed Operations</td>
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<tr>
<td>CPC</td>
<td>Corporate Procurement Committee</td>
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<tr>
<td>ETH</td>
<td>Office of Ethics</td>
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<tr>
<td>IDB</td>
<td>Inter-American Development Bank</td>
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<tr>
<td>IFI</td>
<td>International Financial Institution</td>
</tr>
<tr>
<td>LGBTQ+</td>
<td>Lesbian, Gay, Bisexual, Transgender, and Queer individuals</td>
</tr>
<tr>
<td>MSA</td>
<td>Master Services Agreement</td>
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<tr>
<td>NGO</td>
<td>Non-Governmental Organization</td>
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<tr>
<td>OFAC</td>
<td>Office of Foreign Assets Control of the U.S. Department of Treasury</td>
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<td>OII</td>
<td>Office of Institutional Integrity</td>
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<tr>
<td>SMEs</td>
<td>Small and Medium Enterprises</td>
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<tr>
<td>VPF/SRP</td>
<td>Executive Secretariat of the Staff Retirement Plans</td>
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</table>
# Definitions

Capitalized terms have the meaning given to them in this section.

<table>
<thead>
<tr>
<th>Term</th>
<th>Description</th>
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<tbody>
<tr>
<td>Addendum</td>
<td>A document subsequently issued to add, supplement, delete, modify, or clarify any directions, instructions, information, specifications, terms, or conditions of a Solicitation.</td>
</tr>
<tr>
<td>Approving Officer</td>
<td>A Bank official who is responsible for the budget used for the Contract and for approving contract awards and modifications for BEO Procurement.</td>
</tr>
<tr>
<td>Bank</td>
<td>The Inter-American Development Bank (IDB), including the Multilateral Investment Fund (IDB Lab) and excluding the Inter-American Investment Corporation (IDB Invest).</td>
</tr>
<tr>
<td>Bank-executed Operational (BEO) Work</td>
<td>Procurement carried-out by the Bank for the generation of products that support the Bank's development agenda to address the needs of the borrowing member countries.</td>
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<tr>
<td>Consulting Firm</td>
<td>A wide variety of private and public entities legally registered under the laws of the country of incorporation, including but not limited to engineering firms, procurement agents, inspection agents, audit firms, and specialized agencies, as well as other multilateral organizations, investment and merchant banks, universities, research institutions, government agencies, and non-governmental organizations (NGOs).</td>
</tr>
<tr>
<td>Consulting Services</td>
<td>Expert technical advice within a particular field provided by a Consulting Firm under a Contract that does not involve an employer/employee relationship including, among others, organizational change management, technical assistance in a specialized field, development of digital solutions, development of specialized training, and audit services.</td>
</tr>
<tr>
<td>Contract</td>
<td>Agreements for the procurement or provision of Goods or Services.</td>
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<tr>
<td>Corporate Procurement Function</td>
<td>Group of activities aimed at obtaining Value for Money when procuring Goods and Services to address the Bank’s institutional requirements.</td>
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<tr>
<td>Designee</td>
<td>A Bank staff member assigned by their manager or supervisor to perform Procurement actions in accordance with the Policy.</td>
</tr>
<tr>
<td>Economy</td>
<td>A principle referring to buying inputs of the appropriate quality at the right price. It takes into consideration price and non-price factors that support Value for Money, including quality, sustainability, and lifecycle costs, as appropriate.</td>
</tr>
<tr>
<td>Efficiency</td>
<td>A principle requiring that Procurement processes be proportional to the value and risks of the underlying activities.</td>
</tr>
<tr>
<td>Electronic</td>
<td>Technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities.</td>
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<tr>
<td><strong>Equalibty</strong></td>
<td>A principle that consists of giving all qualified Vendors the same information and equal opportunity to compete in providing Goods and Services.</td>
</tr>
<tr>
<td><strong>Goods</strong></td>
<td>Tangible products that fall under a variety of commodity headings, including but not limited to raw materials, machinery, equipment, industrial plants, stationery supplies, art, furniture, carpet, computer hardware and software, digital solutions, audio-visual equipment, and vehicles.</td>
</tr>
<tr>
<td><strong>Guidelines</strong></td>
<td>Internal procedures and rules necessary for the Bank to carry out its responsibilities regarding the application of the Policy.</td>
</tr>
<tr>
<td><strong>Hiring Unit</strong></td>
<td>A Bank department, country office, division, section, or unit that is responsible for selecting and contracting Consulting Services for BEO.</td>
</tr>
<tr>
<td><strong>Integrity</strong></td>
<td>A principle requiring that all parties involved in the Bank’s Procurement process observe the highest standard of ethics during said process and refrain from Prohibited Practices, in accordance with section 4.</td>
</tr>
<tr>
<td><strong>Internal Needs</strong></td>
<td>Goods and Services required for Bank’s operation such as facilities support services, food services, facilities management, security, and custodial services; construction and related design and engineering services; professional services; computer software and hardware systems; office furnishings and equipment; and physical plant, operating equipment, and supplies.</td>
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<tr>
<td><strong>Offer</strong></td>
<td>A bid or a proposal from a Vendor to sell Goods or Services under the stipulated terms and conditions of a Solicitation.</td>
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<td><strong>Offeror</strong></td>
<td>A Vendor submitting an Offer in response to a Solicitation.</td>
</tr>
<tr>
<td><strong>Procurement</strong></td>
<td>Buying, purchasing, contracting for, renting, leasing, or otherwise acquiring any Goods and Services. It includes all functions pertaining to obtaining any Goods or Services, including planning and description of requirements, selection and solicitation of sources, preparation and award of Contract, and all phases of contract administration.</td>
</tr>
<tr>
<td><strong>Procurement Card (P-Card)</strong></td>
<td>A credit card used by an authorized Bank cardholder under a program established by the Bank with a commercial card provider and operated under the Bank’s procedures established to facilitate small purchases by authorized cardholders and for Electronic billing against certain blanket orders and Contracts.</td>
</tr>
<tr>
<td><strong>Procurement Planning</strong></td>
<td>The process of identifying and consolidating requirements and determining the timeframes to have them and when they are required to achieve Value for Money.</td>
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<tr>
<td><strong>Real Property</strong></td>
<td>Physical space owned and/or leased by the Bank in a standalone or condominium property.</td>
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<tr>
<td><strong>Record</strong></td>
<td>Information created or received by IDB employees in the performance of their duties, subject to the exceptions provided by Bank policies. Records must be captured, classified, managed, maintained, preserved, and/or disposed of. Records are both evidence of business activity and information assets. As such, Records document IDB policies, decisions, processes, activities, and transactions for accountability purposes and to support the needs of the business to which they relate.</td>
</tr>
<tr>
<td><strong>Responsive Offeror</strong></td>
<td>A Vendor who has submitted an Offer that conforms in all material respects to the Solicitation.</td>
</tr>
<tr>
<td><strong>Sanction</strong></td>
<td>Any debarment, conditions on future contracting, or any publicly disclosed action taken in response to a violation of this Policy or a public international organization's applicable framework for addressing allegations of fraud, corruption, and/or other Prohibited Practices as described in this Policy.</td>
</tr>
<tr>
<td><strong>Sanctions Procedures</strong></td>
<td>Administrative procedures established by the IDB Group, as amended from time to time, to adjudicate allegations of Prohibited Practices in relation to activities financed by the Bank, and corporate Procurement.</td>
</tr>
<tr>
<td><strong>Services</strong></td>
<td>Intangible commodities, which may include the furnishing of labor, time, or effort by a Vendor to provide, among others, logistic support, printing, security, food, maintenance, cleaning, information technology, software as a service (SaaS), professional services, installation, graphic design, insurance, delivery of a generic training not developed solely for the Bank, architectural and construction services, and expert technical advice within a particular field provided by a Consulting Firm.</td>
</tr>
<tr>
<td><strong>Sole Proprietor</strong></td>
<td>A person engaged in a business either as a 'self-employed individual' (an individual in business for him/herself and who is self-employed) or as an individual in business for him/herself and who is the sole owner of the unincorporated trade or business.</td>
</tr>
<tr>
<td><strong>Solicitation</strong></td>
<td>A formal or informal request with the purpose of obtaining qualifications or Offers for receiving information or entering into a Contract for the supply of Goods and/or Services.</td>
</tr>
<tr>
<td><strong>Specialized Agencies</strong></td>
<td>Agencies affiliated with public international organizations with which the Bank may enter into an agreement to provide Services.</td>
</tr>
<tr>
<td><strong>Specification</strong></td>
<td>Any description of the physical or functional characteristics or of the nature of Goods or Services. It may include a description of any requirement for inspecting, testing, or preparing Goods for delivery.</td>
</tr>
<tr>
<td><strong>Task Order</strong></td>
<td>Each Contract signed by the Bank and a Vendor under an MSA that defines the Goods and Services to be provided by the Vendor to the Bank with the rates approved in the MSA or determined at the stage of the issuance of the task order, as requested by the Bank from time to time and in line with the SOW or TOR of an MSA.</td>
</tr>
<tr>
<td><strong>Transparency</strong></td>
<td>A principle requiring that relevant procurement information be made publicly available to all interested parties, consistently and in a timely manner, through readily accessible and widely available sources at reasonable or no cost and with appropriate reporting of Procurement activities, including contract awards.</td>
</tr>
<tr>
<td><strong>Value for Money</strong></td>
<td>A principle requiring the effective, efficient, and economical use of resources, and the evaluation of relevant costs and benefits along with an assessment of risks and non-price attributes, as appropriate. Price alone may not necessarily represent the value for money given that non-price attributes such as quality, sustainability, innovation, and life-cycle costs could also be prioritized as part of the proposal.</td>
</tr>
<tr>
<td><strong>Vendor</strong></td>
<td>Any organization that has been incorporated or registered as a company (corporation, partnership, joint stock company, joint venture, or professional association), a Sole Proprietor or any other private legal entity operated for profit, or a nonprofit, that meets the basic requirements of the Bank and that may provide or is currently providing Goods and/or Services to the Bank.</td>
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</table>
1. **Introduction**

1.1. The purpose of this document is to establish the Bank’s Policy for the Procurement of Goods and Services to support the Bank’s operation and mission. This Policy sets forth the core principles and governance for the Procurement of Goods and Services.

2. **Scope of application**

2.1. This Policy applies to the Procurement of Goods and Services to meet Internal Needs, Procurement for BEO work, and the purchase and lease of Real Property.

2.2. Procurement for BEO work is based on a decentralized structure where Hiring Units conduct the selection and contracting processes and are responsible for drafting, awarding, and supervising the ensuing contracts. This process is led by the Project Manager of the corresponding Hiring Unit. Approving Officers are responsible for contract awards in decentralized Procurement.

2.3. BEO work shall be subject to and consistent with the Bank’s Policy on Technical Cooperation and its Guidelines, as amended, or any other applicable Policy. The purchase and lease of Real Property must follow industry best practices.

2.4. This Policy does not apply to:

   i) Project and operations-related procurement, where the Bank’s borrowers and beneficiaries are responsible for the procurement process, which follows the Bank’s project procurement policies.

   ii) Hiring of Bank staff and individual consultants.

3. **Core Procurement principles and general considerations**

3.1. Core principles. The application of this Policy is governed by the core Procurement principles of Transparency, Equality, Value for Money, Integrity, Economy, and Efficiency.

3.2. **Fit-for-purpose.** The Bank shall determine the most appropriate Solicitation approach for all Procurement arrangements by considering, among others: the context, the risk to human health and the environment, the estimated value, the nature and the complexity of the Procurement.

3.3. Competition is the default approach for the Procurement of Goods and Services. Competition requires (a) advertising the procurement opportunities and (b) procuring from qualified Vendors. The Bank shall select the most appropriate method for the specific Procurement.

3.4. Direct contracting may be appropriate under the following circumstances:

   i) For Goods and Services other than Consulting Services:

      a) When it is in the best interest of the Bank to select a Vendor without competition due to the need for compatibility with previously purchased Goods and/or Services.

      b) The required Goods and Services are proprietary and obtainable from only one source.

      c) Standardization of Goods or spare parts to be compatible with existing Goods may justify additional purchases from the original supplier.

      d) For services of a complex nature, when it can be objectively demonstrated that only one Vendor is qualified or has experience of exceptional worth for the
assignment, and direct contracting presents a clear advantage over competition. Previous experience with the Bank shall not be considered as experience of exceptional worth.

e) In emergency cases brought about by unforeseeable events, such as in response to disasters, health emergencies, or where there is an immediate need to protect life or property or to prevent or minimize serious disruption of business operations.

f) For small purchases of readily available off-the-shelf Goods or simple Services with an estimated value, which shall not exceed US$50,000. Any increases in total value shall consider this same threshold.

ii) For Consulting Services:

a) For tasks that represent a natural continuation of previous work carried out by the Vendor. When continuity for downstream work is essential, if practical, the factors used for the selection of the Vendor shall consider the likelihood of continuation. Continuity in the technical approach, experience acquired, and continued professional liability of the same Vendor may make continuing with the initial Vendor preferable to a new competition subject to satisfactory performance of the initial assignment. If the initial assignment was not awarded on a competitive basis or if the downstream assignment is substantially larger in value, a competitive process shall normally be followed in which the Vendor carrying out the initial work is not excluded from consideration if it expresses interest.

b) For small assignments with an estimated value which shall not exceed US$50,000. Any increases in total value shall consider this same threshold.

c) In emergency cases, such as in response to natural disasters, health emergencies, and for Consulting Services required during the period immediately following the emergency.

d) When it can be objectively demonstrated that only one Vendor is qualified or has experience of exceptional worth for the assignment, and it presents a clear advantage over competition. Previous experience with the Bank shall not be considered as experience of exceptional worth.

3.5. Special Procurement. Upon authorization by the BDA General Manager, direct contracting may be used where the BDA/BGT Division Chief determines that an unusual or unique situation exists that makes the application of all requirements of competitive Procurement contrary to the Bank’s interest. Core principles as stated in 3.1 shall apply to Special Procurement.

3.6. Procurement Card (P-Card). The Bank manages a P-Card program for purchases by authorized cardholders to facilitate Electronic billing for which such transactions are deemed appropriate and economical for the Bank.

3.7. Sustainable Procurement. The Bank shall include, whenever applicable, social, and environmental requirements in the Procurement of Goods and Services. These requirements shall be incorporated through specific criteria and tools such as, but not limited to, certification or verification of a Vendor’s compliance with an industry environmental or social standard in each stage of the Procurement process.

3.8. Gender and diversity. The Bank promotes opportunities for Vendors owned or managed by women and persons from underrepresented groups, particularly by
LGBTQ+ individuals, indigenous persons, Afro-descendants, persons with disabilities, and persons from other vulnerable groups, to expand their participation in Procurement.

3.9. The Bank promotes opportunities for Vendors that implement additional measures to increase employment of women and persons from underrepresented groups. These measures shall be incorporated through specific criteria and tools and might include training, targeted recruitment, quotas, and paid internships. Such affirmative actions shall not be deemed discrimination, provided they are consistent with national law.

3.10. Vendors shall not engage in unlawful discrimination based on race, color, age, gender, sexual orientation, gender identity or expression, ethnicity or national origin, disability, pregnancy, religion, political affiliation, union membership, protected genetic information, or marital status in hiring and employment practices such as compensation (including wages and benefits), working conditions, promotions, and rewards, and for access to training, termination of employment or retirement, and disciplinary practices. Vendors shall implement policies and practices that ensure a diverse, inclusive, and equitable workplace for all individuals, including women and persons from underrepresented groups.

3.11. **Labor, health, and safety.** The Bank requires all Vendors to provide their employees with safe working conditions and fair and equitable work practices. Vendors must not engage in forced or compulsory labor, child labor, human trafficking, or slavery in any of its forms.

3.12. Vendors and their employees must not engage in any form of harassment, including sexual harassment, mental or physical coercion, or verbal abuse of Bank employees, other contractors, or their employees.

3.13. Vendors and their employees shall take all appropriate measures to prevent harassment or sexual harassment, sexual or other forms of exploitation, or abuse of any kind and in any form, by their officers, directors, employees and agents, subcontractors, and any other persons engaged and controlled by Vendors to perform any Service or supply any Goods for the Bank. In addition, Vendors shall refrain from, and shall take all reasonable and appropriate measures to prohibit their employees or other persons engaged and controlled by Vendors, exchanging any money, goods, services, or other things of value for sexual favors or activities, or from engaging in any sexual activities that are exploitative or degrading to any person.

3.14. **Access to Information and Confidentiality.** Subject to the Bank’s Access to Information Policy, information on Solicitations is public, and Offers are confidential. The Access to Information Policy can be found on the Bank’s website.

3.15. **Privacy.** All personal data related to Bank Solicitations, Offers, and Contracts are processed following the principles of the Personal Data Privacy Policy, which can be found on the Bank’s website.

3.16. **Guidelines and operating procedures.** The Bank shall establish internal Guidelines and operating procedures to implement this Policy.

3.17. **The use of Standard Solicitation Documents.** The use of the appropriate Standard Solicitation Documents of the Bank shall be mandatory. An indicative list of such documents is set forth on the Bank’s website.
3.18. **Award of Contract.** The Bank shall award the Contract to the Responsive Offeror whose evaluated Offer represents Value for Money and is determined to be the most advantageous to the Bank. Subject to the Access to Information Policy, a summary of contract awards above the advertising threshold shall be published on the Bank’s website.

3.19. **Authorization for the use of Electronic Records and transactions.** The Bank may conduct any Procurement transaction by Electronic means or in Electronic form. Identification, security, confidentiality, and the utilization of Electronic signatures shall follow the applicable policies and procedures of the Bank.

4. **Integrity considerations**

A. **Prohibited Practices**

4.1. All Vendors bidding for or participating in any Bank Procurement process, including their respective employees and agents (irrespective of whether the agency is express or implied), are required to adhere to the highest ethical standards.

4.2. Prohibited Practices include acts of (i) corrupt practices; (ii) fraudulent practices; (iii) coercive practices; (iv) collusive practices; (v) obstructive practices; and (vi) misappropriation.¹

4.3. Any Vendor or any past or present form of organization constituted by or with any of the same individual(s) as principal(s) declared ineligible by the Bank for having engaged in Prohibited Practices shall not be eligible to be awarded a Bank Procurement Contract or benefit from a Bank Procurement Contract during the period determined by the Bank.² Also, the Bank will not finance any amendment or Addendum introducing a material modification to any existing Contract that was signed with a suspended or debarred Vendor or individual on or after the effective date of the suspension or debarment.

4.4. When a Vendor is found to have engaged in a Prohibited Practice as per the Bank’s Sanctions Procedures ³, the Vendor may be sanctioned pursuant thereto. The determination of whether a Vendor might have engaged in a Prohibited Practice and the imposition of any resulting sanction shall be governed by the Bank’s Sanctions Procedures.

4.5. Vendors may be subject to debarment sanctions pursuant to agreements between the Bank and other IFIs regarding the mutual enforcement of debarment decisions.

4.6. Vendors, including their respective employees and agents (whether the agency is express or implied), shall report to the OII of the Bank all suspected Prohibited Practices related to Bank Procurement activities of which they have knowledge or of which they become aware during the selection process or throughout the negotiation or execution of a Contract⁴. If the Bank determines that a Vendor may have violated the laws of a country, the Bank may refer the matter to the appropriate law enforcement authorities.

4.7. The Standard Solicitation Documents and Contracts governed by this Policy shall include provisions to permit the Bank to inspect any accounts, records, correspondence, or other documents related to the preparation and submission of Offers to the Bank and to

¹ The definitions of Prohibited Practices are available on the Bank’s website (Office of Institutional Integrity).

² The list of firms and individuals sanctioned by the Bank for having engaged in Prohibited Practices is available on the Bank’s website (Office of Institutional Integrity).

³ The applicable rules regarding the investigation and sanctions process, and the agreement regulating the mutual recognition of sanctions among the IFIs, are available on the Bank’s website (Office of Institutional Integrity).

⁴ Information on how to present allegations of Prohibited Practices is available on the Bank’s website (Office of Institutional Integrity).
contract performance, as well as to have such accounts, records, and documents audited by Bank personnel or any properly designated investigator, agent, auditor, or consultant appointed by the Bank. Under these provisions the Vendor shall fully assist the Bank with its investigation. Further, the Vendor shall (i) maintain all documents and records related to the Bank’s Procurement activities for seven (7) years after completion of the work or delivery of the Goods or Services contemplated in the relevant Contract; and (ii) deliver any document necessary for the investigation of allegations of Prohibited Practices, and make available employees or its agents or sub-consultants, subcontractors, service providers or suppliers with knowledge of the Bank’s Procurement activities in order to respond to questions from Bank personnel or any properly designated investigator, agent, auditor or consultant relating to the investigation. If the Vendor fails to cooperate and/or comply with the Bank’s requests or otherwise obstructs the Bank’s investigation, the Bank, in its sole discretion, may take appropriate action against the Vendor.

4.8. Vendors shall include in the agreements with sub-contractors, sub-consultants, service providers, or suppliers’ provisions necessary to notify them of potential sanctions and shall require them to comply with the requirements of this section.

B. Anti-money laundering and combating the financing of terrorism

4.9. This Policy follows the Bank’s Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) Framework publicly available on the Bank’s website. As part of any Procurement exercise falling within the scope of this Policy, the Bank shall apply the relevant provisions on sanctions screening and counterparty due diligence set forth in the AML/CFT Framework.

C. Integrity risk management

4.10. Prior to the award of any Contract the Bank shall conduct an Integrity risk analysis on the proposed Vendor. Such analysis may vary in scope depending on the value and complexity of the Contract and may result in a request to the proposed Vendor to adopt measures to mitigate a potential impact on the Bank’s reputation and the Contract’s objective; and may even affect the eligibility of the Vendor as described in Section 7. The factors that shall be considered include, but are not limited to: (i) the presence of politically exposed persons; (ii) the existence of criminal or administrative proceedings, jurisdiction of operations and payments; (iii) the fact that the Vendor has limited business clients in addition to the Bank; (iv) the Vendor has been subject to suspension or debarment by the Bank under any of its policies and procedures or to a Sanction by any other IFI; or (v) any other factor that could present reputational or integrity risks.

4.11. If more than 25% of a Vendor’s annual revenue for each of the previous two fiscal years has been derived from Bank Contracts, no new Contracts may be awarded through direct contracting, except when it is in the Bank’s best interest and authorized by BDA/BGT Division Chief, such as in the case of start-ups or SMEs, or innovative or specialized Services.

4.12. If a Vendor, including its ultimate beneficial owner(s), directors and managers, is found to be listed in a relevant sanction list or otherwise to present Integrity risks that may have a negative impact on achieving the Contract’s objectives or the Bank’s reputation, the Bank may decide not to proceed with the award or may require specific mitigation measures.

D. Avoidance of conflicts of interest

4.13. In providing Goods or Services, Vendors must strictly avoid conflicts with other Contract assignments or their own corporate interests. Consulting Firms engaged by the Bank
are required to provide professional, objective, and impartial advice and hold the Bank’s interest paramount, without expectations for future work.

4.14. Conflicts of interest might arise when a Vendor is influenced by considerations unrelated to the assignment. Vendors shall not be hired for any assignment that would conflict with their previous or current obligations to other clients or with previous and existing Contracts with the Bank that may place them in a position of being unable to carry out the assignment in the best interest of the Bank. A Vendor may not work simultaneously for the Bank and an outside party with competing interests without prior written approval from the BDA/BGT Division Chief.

4.15. Vendors, their principals and key members, and their subcontractors/consultants shall confirm that they do not have a conflict of interest or the appearance thereof at the submission stage of an Offer. Principals or other members of a Vendor may not work for the Bank simultaneously as Bank staff or complementary workforce. Vendors shall promptly disclose to the Bank any apparent conflict of interest that may arise during the implementation of the Contract for its assessment and potential mitigation.

E. Vendor Restrictions

4.16. Former Bank staff. Vendors may not hire former Bank staff to work on Bank Contracts as a supplier, consultant, employee or subcontractor if the former Bank staff member: (a) is subject to any work restriction, including any cooling-off periods, by virtue of his/her former employment with the Bank or agreement signed upon conclusion of that employment; (b) has participated in the project to which the work or services are related, such as having worked personally and substantially in the related project or services; or (c) left the Bank because of misconduct.

4.17. Bank complementary workforce. Former or current Bank complementary workforce may not be assigned to work as personnel on Bank Contracts as supplier, consultant, employee, or subcontractor if not eligible for rehiring as such under the Bank’s rules and regulations or if they worked personally and substantially in the related project or services for the period established in the Bank’s regulations.

4.18. Relationship with Bank employees. Relatives of active Bank staff or complementary workforce (jointly, “employees”) within and including the fourth degree of consanguinity and the second degree of affinity (see Appendix I) are not eligible to directly work on Bank Procurement Contracts as a supplier, consultant, employee, or subcontractor. In addition, Vendors (including their shareholders, directors, key personnel, and sub-consultants) that have a business or employment relationship prior to or during the execution of the Contract with any Bank employee must disclose such relationship to the Bank throughout the selection process and the execution of the Contract for its evaluation and resolution.

F. Conflicts of Interest for Bank employees

4.19. All Bank employees participating in or providing support to any aspect of a Bank Procurement activity including, without limitation, the selection process, contract supervision, contractual amendments, and payments, are required to promptly disclose to their supervisor and the ETH any personal conflicts of interest with respect to Vendors or any aspect of the specific Procurement.

4.20. Pursuant to the Code of Ethics and Professional Conduct (“Code of Ethics”), which can be found on the Bank’s website, all employees shall observe the following restrictions:

i) Former employment. Except with the authorization of ETH, these employees may

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5 A principal includes but is not restricted to Management or Board Member.
not make Procurement recommendations or participate in Procurement decisions affecting a former employer for a period specified in the Code of Ethics after accepting employment with the Bank. After such period, if there is still a possible real or perceived conflict of interest, employees should consult with ETH before doing any work related to the former employer.

ii) **Prospective employment.** Employees must not allow the performance of their duties to conflict with, or be affected by, possible or prospective outside employment. Accordingly, employees must disclose to their supervisors and consult with ETH if they have initiated an application process or are being considered for a job vacancy or consulting opportunity with any Vendor involved in a Procurement activity in which they are participating or playing a supporting role.

iii) **Subsequent employment.** Except with permission from ETH, following employment, employees may not work on behalf of any entity that does business with the Bank, or is negotiating to do business with the Bank, on any project, transaction, or initiative that they personally and substantially participated in while employed at the Bank. This restriction applies for the time period specified in the Code of Ethics following termination of Bank employment.

iv) **Relatives of Bank employees.** When evaluating proposals submitted by Vendors, employees must observe the restriction set forth in Section E, paragraph 4.18 above with respect to relatives of active Bank employees within and including the fourth degree of consanguinity and the second degree of affinity. Bank employees should consult with ETH as appropriate.

v) **Financial and Other Interests.** Employees’ performance at the Bank must not be influenced, or appeared to be influenced, by personal financial interests, immediate family members’ interests or the interests of friends. Financial interest means any right to receive interest, dividends, capital appreciation, fees, or other payment or monetary benefit.

4.21. Employees should note that failure to observe these restrictions may constitute misconduct.

5. **Core roles and responsibilities**

5.1. The core roles governing Procurement are: (i) the Corporate Procurement Committee (CPC); (ii) the BDA General Manager; and (iii) the BDA/BGT Division Chief; and iv) the Approving Officers for BEO. The Finance and Legal Departments’ Managers and the Executive Secretariat of the Staff Retirement Plans (VPF/SRP) have special arrangements as described below under Special arrangements.

A. **Corporate Procurement Committee**

5.2. The CPC is responsible for oversight and review of the application of this Policy and decisions regarding Procurement actions submitted for its consideration, among others:

i) **Institutional Procurement Planning.** Oversees the institutional Procurement Planning to obtain Value for Money and advises departments to act accordingly.

ii) **Risk management.** Makes recommendations on risk mitigation measures regarding Vendor management.

iii) **Authorization to award and modify.** Reviews and authorizes the BDA General Manager or Approving Officers to award or modify any Contract over total or per annum amount of $5,000,000 for competitive and over $1,000,000 for direct contracting.
iv) **Appeals.** Makes a final determination on any appeal by an aggrieved Vendor regarding a resolution made by the BDA General Manager related to a protest or a sanction to a Vendor under the terms of this Policy. The CPC shall not have the authority to review an appeal of any sanction imposed pursuant to the Bank's Sanctions Procedures related to Prohibited Practices as described in Section 4.A or of any sanction of another institution recognized by the Bank.

v) **Extensions.** Reviews and authorizes any Contract term extension beyond seven (7) years.

vi) **Corporate Procurement Policy.** Makes recommendations on changes to the Policy.

5.3. The Vice President for Finance and Administration chairs the CPC, and the Committee comprises managers from all vice presidencies and the Bank’s Chief Risk Officer. The BDA/BGT Division Chief serves as its secretary and the General Counsel as advisor.

B. **Budget and Administrative Services Department (BDA) General Manager**

5.4. The BDA General Manager i) supervises the Corporate Procurement Function and the purchase or lease of Real Property regardless of the amount; ii) exercises control over the final disposition of the Bank’s Goods and Real Property; iii) awards high-value contracts as authorized by the CPC.

5.5. The BDA General Manager authorizes direct contracting in emergency cases, Special Procurement, settles and resolves protests from aggrieved Vendors, reports any alleged or suspected Prohibited Practices by a Vendor to OII for investigation and action, resolves all disputes by a Vendor against the Bank, and sanctions Vendors for breach of Contract and on other grounds as described in this Policy.

C. **Budget and Corporate Procurement Division (BDA/BGT) Chief**

5.6. The BDA/BGT Division Chief is responsible for the application of and compliance with this Policy. As such, the BDA/BGT Division Chief i) establishes operating procedures and systems, ii) manages all Vendor relations, and iii) establishes capacity building and certification programs for Bank employees, including creating Standard Solicitation Documents and setting the evaluation criteria for different Procurement methods.

5.7. The BDA/BGT Division Chief is responsible for the Procurement of Goods and Services to meet Internal Needs, encompassing all the activities throughout the Procurement stages, including Procurement Planning, pre-award, Contract award (all competitive Contracts up to US$5,000,000 and direct contracting up to US$1,000,000), and post-award.

5.8. The BDA/BGT Division Chief is responsible for oversight of decentralized Procurement for BEO.

5.9. The BDA/BGT Division Chief may delegate authority to designees.

D. **Approving Officers**

5.10. Approving Officers are responsible for BEO Procurement, encompassing Procurement Planning, pre-award, Contract award, and post-award. For all competitive Contracts over US$5,000,000 and direct contracting over US$1,000,000 CPC authorization is required.
E. Special arrangements

5.11. **Finance Department.** The Manager of the Finance Department is responsible for the Procurement related to treasury operations and financial planning and does not require prior review and authorization by the CPC. The Manager of the Finance Department is also responsible for keeping and maintaining the Record related to these activities.

5.12. **Legal Department.** The General Counsel and Manager of the Legal Department is responsible for the Procurement of external legal services to meet Internal Needs and does not require prior review or authorization by the CPC. The General Counsel shall develop a process for selecting providers of legal services consistent with the core Procurement principles in this Policy.

5.13. **Executive Secretariat of the Staff Retirement Plans.** The Executive Secretariat (VPF/SRP) is responsible for the procurement of external investment Consulting Firm or contract special investment-related services to assist in analyzing the various investment management services. VPF/SRP is responsible for buying and selling securities directly on behalf of the Funds, requiring the selection of a broker or dealer for each transaction.

6. Types of Contracts

6.1. The Bank may use any type of Contract it deems appropriate based on the nature, risk, and complexity of the Procurement, and Value for Money considerations. The Solicitation document shall clearly state the type of Contract to be entered into and contain the appropriate proposed Contract provisions. Contracts may be issued in the form of a purchase order or as a written Contract document.

6.2. A cost-reimbursement Contract may be used only when a determination is made by the BDA/BGT Division Chief that such a contract is likely to be less costly to the Bank than any other type or that it is impracticable to obtain the Goods or Services required other than under such a contract. Cost-plus-a-percentage-of-cost contracts are prohibited.

A. Multi-year Contracts

6.3. A Contract may be entered into for any period not to exceed seven (7) years without the prior authorization by the CPC.

6.4. The contract term, including renewals and extensions, shall be determined based on business needs and market conditions.

6.5. Annual license fees, maintenance, and support of information technology cloud storage platforms, licensed software, and/or systems containing supplier’s proprietary intellectual property that must be supported by its owner may be contracted for the planned lifetime of the licensed software or system, regardless of the length of term, without the prior authorization of the CPC.

B. Master Services Agreements

6.6. The Bank may enter into a Master Services Agreement (MSA) with one or multiple Vendors after a competitive process. Direct contracting may be used for MSAs with Specialized Agencies.

6.7. Where an MSA is concluded with a single Vendor, Task Orders based on that agreement shall be awarded within the limits of the terms established in the MSA.
7. Vendor management

A. Vendor eligibility

7.1. To be eligible, a potential Vendor must comply with the following criteria:

i) Is from a Bank’s member country, except in the case of travel to and from or events taking place in a non-Bank member country.

ii) Has the qualifications and experience needed to provide the Goods and Services required by the Bank and that it has verifiable references from other customers for which it has provided similar Goods and/or Services.

iii) Has the financial capacity to perform and meet or exceed the contract terms when awarded. Financial capacity will be assessed, among others, by considering revenues, operating and net income and overall financial standing of the vendor relative to the proposed contract amount.

iv) Either has or will obtain insurance providing the coverage limits required as determined by the Contract.

v) Its ultimate beneficial owner(s), directors and managers, any parent company, any subsidiary, or any previous form of organization constituted by or with any of the same individuals as principal(s) is not currently suspended or debarred from doing business with the Bank.

vi) Its ultimate beneficial owner(s), directors and managers, shall assist the Bank in investigating any allegations and in uncovering any evidence of Prohibited Practices relating to Bank-financed activities, if applicable.

vii) Any parent company, any subsidiary, or any previous form of organization constituted by or with any of the same individuals as principal(s) is not included in the sanctions list maintained by the United Nations Security Council Committee or any sanctions lists contemplated under the Bank’s AML/CFT Framework, and

viii) Does not present an integrity risk or reputational impact to the Bank that could not be mitigated.

ix) All other eligibility criteria per section 4, when applicable.

B. Responsibility of Vendors

7.2. A written determination of non-responsibility of a Vendor submitting Offers, or other documents in response to a Solicitation shall be made in accordance with this Policy. The unreasonable failure of a Vendor to promptly supply information in connection with an inquiry with respect to responsibility may be grounds for a determination of non-responsibility with respect to such Vendor.

C. Debriefing

7.3. After notification to unsuccessful Offerors, a Vendor has the right to ascertain from the Bank the grounds on which its Offer was not selected. The purpose of the debriefing is to provide feedback on the Offer so that the Vendor is in a position in the future to prepare Offers that might better fit the Bank’s requirements or that are more competitive in price. The scope of the debriefing shall be limited to identifying the technical deficiencies or weaknesses of the own Vendor’s Offer.

D. Vendor registration

7.4. The Bank maintains master records of Vendors registered to provide Goods and Services to the Bank. Vendors must register with the Bank and be reviewed against the
eligibility criteria before being considered for providing Goods or Services to the Bank. The use of a registered Vendor does not preclude competition under this Policy.

7.5. Potential Vendors must submit and certify all information requested in the Bank’s Vendor application form\(^6\) to be registered with the Bank.

7.6. The Bank reserves the right to validate any information provided by any potential Vendor and to exclude a potential Vendor from the master records of Vendors if the eligibility information provided is insufficient or invalid in any way.

7.7. The Bank does not guarantee that any potential Vendor registered in the master records of Vendors will be solicited to participate in a Procurement process or awarded a Contract.

8. Contractual and other remedies

A. Protests

8.1. **Right to protest.** Any actual or prospective Vendor who feels aggrieved in connection with the Solicitation or award of a Contract (the “Protestor”), or any party the Protestor has formally designated before the Bank to intervene on its behalf, may protest to the BDA General Manager. The protest shall be submitted in writing within seven (7) calendar days of issuing the Solicitation, Addendum, notice of award, or other action of the Bank.

8.2. **Stay of procurements during protests.** In the event of a timely protest under Paragraph 8.1 of this Section, the Bank shall not proceed further with the Solicitation or with the award of the Contract unless the BDA General Manager determines that the Contract award without delay is necessary to protect the substantial interests of the Bank.

8.3. **Settling protests.** The BDA General Manager shall settle and resolve a protest of an aggrieved Vendor, actual or prospective, concerning the Solicitation or award of a Contract. However, if the protest alleges any Prohibited Practice on the part of a Vendor, or potential Vendor, the BDA General Manager shall immediately refer the matter to the OII for investigation and resolution per the policies and procedures established by that Office.

8.4. **Decision.** If the protest is not resolved by mutual agreement, the BDA General Manager shall promptly issue a written decision. A copy of the decision shall be mailed or otherwise furnished immediately to the Protestor or any party the Protestor has formally designated to the Bank to intervene on its behalf and to the CPC for its information. The decision shall state the reasons for the action taken.

8.5. A Decision shall be final and conclusive unless, within seven (7) calendar days from the date of receipt of the decision, the Protestor, or any party the Protestor has formally designated to the Bank to intervene on its behalf, files a written appeal with the CPC.

8.6. The CPC shall review and resolve any appeal by a Protestor, or any party the Protestor has formally designated to the Bank to intervene on its behalf, regarding a decision by the BDA General Manager. The CPC shall promptly decide whether the Solicitation or award was in accordance with the Bank’s policies and procedures and the terms and conditions of the Solicitation and shall communicate its findings to the appellant and to the BDA General Manager, who shall proceed accordingly. The decision of the CPC shall be final and conclusive.

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\(^6\) The Vendor application form is available on the Procurement section of the Bank’s website.
B. Contract disputes

8.7. All contract disputes, including but not limited to claims of breach of contract by a Vendor against the Bank, shall be resolved by the BDA General Manager per the dispute resolution procedures set forth in the agreement governing the relationship between the parties.

C. Sanctions

8.8. Authority to sanction. The BDA General Manager shall have the authority to sanction a Vendor as provided herein. The BDA General Manager shall immediately report any alleged or suspected Prohibited Practice by a Vendor to OII for investigation and action.

8.9. The BDA General Manager may sanction a Vendor for breach of Contract and other reasons:

i) violation of contract provisions of a character which the BDA General Manager considers so serious as to justify a sanction such as:

a) deliberate failure without good cause to perform in accordance with the Specifications, or within the time limit provided in the Contract; or

b) a recent record of failure to perform or of unsatisfactory performance of the terms of one or more contracts unless such failure to perform or unsatisfactory performance was caused by acts beyond the control of the Vendor; or

ii) any other cause the BDA General Manager determines to be so serious and compelling as to affect responsibility as a Bank Vendor. The rationale for using the authority to sanction shall be documented in each case.

8.10. Notice of Sanctions. The BDA General Manager shall issue a written decision of sanction. The decision shall state the reasons for the action taken. Copies of the Notice shall be immediately forwarded to the sanctioned Vendor.

8.11. Period of suspension and reinstatement. The initial period of suspension shall be three (3) months unless the BDA General Manager, considering the gravity of the situation, decides to permanently suspend the Vendor. At the conclusion of the initial period, the suspended Vendor may present information to demonstrate that its status and/or capabilities have changed, and the BDA General Manager may, based on the information presented, either reinstate the Vendor, extend the suspension for an additional period, or permanently debar the Vendor. The decision of the BDA General Manager on any sanction shall be final unless the sanctioned Vendor appeals in writing to the CPC within seven (7) calendar days of receipt of the decision of the BDA General Manager.
Appendix I. Consanguinity and affinity

A. Relationship by consanguinity (blood) to the fourth degree of relatives of active Bank staff and complementary workforce is defined as follows:
   1. Parents, grandparents, great-grandparents, and great-great-grandparents
   2. Children, grandchildren, great-grandchildren, and great-great-grandchildren
   3. Brothers/sisters, uncles/aunts, great uncles/aunts, nephews/nieces, great nephews/nieces, and first cousins

Note: Relationships by adoption are treated as no different from relationships by blood.

B. Relationship by affinity (marriage) to the second degree of relatives of active Bank staff and complementary workforce is defined as follows:
   1. Spouses/domestic partners
   2. Stepparents, stepchildren, step-grandchildren, stepsiblings