



TITLE: Procurement policy			
TYPE: Corporate Policy			
APPROVER: Finance			
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exec. dir WASTE

1. General

It is WASTE's objective to obtain the best value for goods and services it purchases and to maintain the highest ethical standards in dealing with its suppliers. Values include consideration for the environment, price, quality and service. Stakes (financial as well as with respect to relationships) by WASTE staff in suppliers should be avoided. If such stakes exist, the matter should be reported to the director [for appropriate action].

Guiding principles

Within the indicated maximum amounts described in this policy and within the parameters set by the year plan and the budget, staff may initiate purchases in accordance with the criteria hereunder.

A competitive bidding process (with three suppliers) is required for purchases from EUR 220,000 (as per European norms, the amount is decreasing annually) upwards. A restricted bidding process differs for very practical reasons between regular purchases and project related expenditures (Tables below). WASTE typically has relations with a number of trusted suppliers for most expenditures below € 30,000.

type of purchase	Amount < € 5,000 approval by	Amount, €5,000< €30,000 approval by	Amount, €30,000< ~ 220,000	Amount € > ~ 220,000 (as per European norms) Bid process
ICT	Controller	Director, 3 Quotes	3 bids, restricted tender	Public tender not restricted
office supplies	Controller	Director, 3 Quotes	3 bids, restricted tender	Public tender not restricted
Publications	Controller	Director, 3 Quotes	3 bids, restricted tender	Public tender not restricted
Subscriptions	Controller	Director, 3 quotes	3 bids, restricted tender	Public tender not restricted
travel (not project related)	Controller	Director, 3 quotes	3 bids, restricted tender	Public tender not restricted

Project related	Amount <€5,000	Amount, €5,000< €30,000 approval by	Amount, €30,000< ~ 220,000	Amount € > ~ 220,000 (as per European norms) Bid process
project related including subcontractors (within budget) ^{1,2}	Project Manager	Project lead if within budget. Outside budget director WASTE.	3 bids, restricted tender	Public tender not restricted*

¹In several instances, only one (quality) supplier is available or the project related expenses form part of an ongoing trajectory (mentioned in the approved project proposal), in which cases the Project Manager will thus indicate to the Director who may subsequently waive the bidding process in writing. This is limited to €50,000.

² See Waste partner policy and the specified criteria for selecting local project partners

General Conditions for the awarding of contracts

- a) Services are to be put out to competitive tender. Conduct which restricts competition, and unfair practices must not be countenanced. No companies may be discriminated against in the

allocation of services. It is the procurement officer's responsibility to award services to expert, competent and reliable tenderers at reasonable and transparent prices.

- b) Processes, decisions (recording of the awarding of the contract), and reasoning in connection with procurement processes, and the supply and the whereabouts of the goods must be properly documented, as must payments.
- c) For the awarding of contracts which are financed with funds from public donors (European Commission, UN; USAID, DGIS, German Federal Ministry for Economic Cooperation and Development (BMZ) etc. the related conditions of the grant contract are to be complied with in full; if required an alternative awarding procedure must be agreed with the donor in writing. All employees entrusted with the awarding of contracts must know and apply the regulations which are set out with binding force in the Agreement of Allocation and its annexes.
- d) The awarding of contracts is allowed only if the required funds are included in the project budget. Prior written approval is required for unplanned expenses.
- e) It is not permitted to split a contract relating to the same matter in order to go below the maximum limits set out in the Policy or in the Agreement of Allocation.
- f) All other employees of the organisation must refrain from supplying information to bidders and other third parties, or from exercising any influence on the bidding process.
- g) If an employee is offered or promised personal favours, he must inform the management of this without delay.
- h) All value thresholds listed in the scope of this Policy are deemed to include the respective applicable VAT.
- i) Any deviations from above conditions need to be properly documented and supported.

2. TYPES OF PROCUREMENT AND TENDERING PROCEDURES

2.1 "On the spot purchase"

On the spot procurement is the purchasing in a shop ("go there, select and take away") without tendering. Purchases can be made on this basis without the completion of forms up to the threshold of € 5,000 (incl. VAT), but appropriate means should be used to ensure that only reasonable prices are paid.

2.2 "Restricted tendering"

If the value of goods is between € 30,000 and € 220,000 (as per European norms (incl VAT), restricted tendering should be carried out. The respective responsible awarding party establishes a tendering procedure by means of which a limited number of suitable companies / organisations are requested to submit bids. There must be at least three bids in writing.

2.3 "Unrestricted tendering"

If the procurement amount is above ~ € 220,000 (as per European norms (incl VAT) a competitive tender must take place. International and national bidders are treated equally. The public tendering serves to reach as many bidders as possible. Public tendering's are to be publicised on the website of WASTE and via its networks in such a way as to be accessible to the largest possible group of bidders.

2.4 "Discretionary Awarding"

If the procedures listed under 2.1 to 2.5 are departed from, this is called a "Discretionary Awarding", i.e. an awarding of services without carrying out completely the awarding procedure required for the value. The requirements for the acceptance of a discretionary awarding are described in Appendix A.

In the case of a value of goods of over €1,000.00 the reason why discretionary awarding should be used must be comprehensively documented on file. For partner contracts that are falling under project related expenses the value must be € 25,000 or above.

3.0 "PROCESSING AND SIGNING"

See table of authorization version 1.1 dated 31/12/2021.

4.0 "GROUNDS FOR EXCLUSION"

In WASTE's "Code of Conduct", it is clarified that WASTE assumes that our partners, inter alia, abstain from corruption, sexual harassment, sexual exploitation including prostitution. WASTE's analysis is based on risk and materiality and a do-no harm perspective.

WASTE shall not support activities that counteract the objectives of development cooperation in general and the current strategy in particular.

Assistance funded by WASTE is to be considered as aid according to the OECD / DAC definition of aid. WASTE does not finance companies or organizations listed on the EU sanction list.[2] WASTE does not finance activities that include:

- Production of weapons, ammunition or products used as a platform for weapons and military strategic products
- Production of illegal drugs
- Production of tobacco and tobacco products
- Extensive production of alcoholic beverages
- Commercial gambling/betting activities
- Destruction of areas with high conservation/environmental value
- Promotion or production of pornography
- Promotion or production of racist or antidemocratic media
- Promoting or production of chemicals not approved within the EU.[3]

[1] As financial aid, in the form of guarantees, public procurement etc.

[2] List of economic operators excluded or subject to financial penalty.

[3] EU, ECHA, <https://echa.europa.eu/>

APPENDIX A: NOTES ON "DISCRETIONARY AWARDING"

Discretionary awarding is contracting of services without the full carrying out of a limited or (inter)national tendering process. In certain circumstances discretionary awarding may take place

even in the case of high value of goods (e.g. in the case of emergency assistance and where speed is of the essence), if necessary, also dispensing with formal regulations.

a) if for particular reasons only ONE company / organisation comes into consideration for the service (e.g. special experience, reliability, equipment or particular methods of execution),

b) if following on from development services, contracts have, to a reasonable extent and for a reasonable time, to be given to companies/organisations which participated in the development work, unless this leads to an impairment of competitive conditions,

c) if a particular company / organisation holds property rights in connection with the services, unless the purchaser or the other companies are entitled to use these rights

d) if for minor subsequent orders following on from an existing contract the price demanded is no higher than for the original contract and tendering is not expected to produce any economic result. The follow-on orders should not exceed in total 20% of the value of the original service.

e) if required for reasons of confidentiality,

f) if the type and scope of the service cannot be described prior to the allocation so clearly and exhaustively that adequately comparable bids may be expected,

g) if after the cancelling of a public or restricted tendering process a new tendering process does not hold the prospect of any economic advantage

APPENDIX B: TENDERING PROCESSES AND PROCEDURAL RULES

Procedural rules for public tendering

B1. Internal consultation before issuing the tender

All tenders of a WASTE financed project are to be agreed in good time in the run-up to the procurement measure with respective controller/requester so as to establish the type and scope of the tender as well as the participating parties and the scheduling of the tender. Bidders are to be requested in the text inviting tenders to send bids as per the specifications of the tender.

B2. Opening of the bids in tendering processes

After expiry of the bid deadline the bids are reviewed by the controller. The controller checks:

- Name of the company / organisation, bid number
- checks if all the requirements as specified in the tender are included by the bidder
- Overall price

Bids which are received after expiry of the deadline for submitting bids are in principle not considered for the awarding of the contract. An extension of the bid deadline may be possible but must be documented in writing with the reasons for it. All bidders are to be informed without delay of the extension of the bid deadline.

Corrections, amendments or supplements to bids may only be considered if they arrive before the deadline.

B3. Results of the tender

The results of the tender are to be treated as confidential even after the contract has been awarded. In particular, prices of the party winning the contract may not be passed to companies which were not selected, unless the donor demands that the results of the tender are made public. The company / organisation which is not successful does receive a written reply. The argument for rejection of a bid is only available on request.