



# Procurement Manual

Siren Associates

## 1. Introduction

Siren Associates needs to procure goods, services and works to support activities or projects for different beneficiaries and donors. This Procurement Manual contains the principles, practices, and conduct that all Siren Associates staff must adhere to when undertaking any procurement activity.

This manual also provides users with the comprehensive information necessary to undertake procurement procedures from the very first steps to the award, signature and implementation of contracts.

All Procurement within Siren Associates is to be carried out in accordance with the Procedures and Guidelines stipulated in this Procurement Manual.

## 2. Basic Rules

### 2.1. Overview

Procurements are awarded according to strict rules. These rules help to ensure that suitably qualified contractors are chosen without bias and that the best value for money or the best price is obtained, with the full transparency appropriate to the use of public or private funds.

### 2.2. Eligibility, exclusion criteria and other essentials

#### 2.2.1. The rules on nationality and origin

In general, participation in procedures launched by Siren Associates is open to all international organizations and to all natural /legal persons. However, some donors may restrict the participation to certain eligible countries or nationalities. The eligibility criteria should be clearly stated in the tender dossier.

#### 2.2.2. Exclusion Criteria

Candidates, tenderers or applicants will be excluded from participation in procurement procedures if:

1. They are bankrupt or being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are the subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
2. They have been guilty of grave professional misconduct
3. They are not in compliance with their obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which they are established
4. They have been the subject of a judgment which has the force of res judicata for fraud, corruption, involvement in a criminal organization, money laundering or any other illegal activity

Candidates, tenderers or applicants must sign a declaration certifying that they do not fall into any of the abovementioned exclusion situations. In addition to this, documentary evidence may be requested to certify the non-exclusion. Documentary evidence for eligibility may include:

- Certified or notarized copies of the bidder's certificate of business registration, certificate of incorporation, business license or similar document;
- Certified or notarized copies of the bidder's tax registration, tax clearance certificates or similar document;
- Recent extract from the judicial record issued by a judicial or administrative authority in the country of origin (i.e. Commercial Court and Bankruptcy Court)

### 2.2.3. Other Essentials points

#### Conflict of Interest

Conflict of interest occurs when an individual or corporation is in a position to exploit a professional or official capacity in some way for their personal or corporate benefit. A conflict of interest may arise where, for instance, a member of the evaluation committee or someone in Siren Associates or others involved in the procedure grant themselves, or others, unjustified direct or indirect advantages by influencing the outcome, or allow an expert or company to obtain information leading to an unfair advantage in subsequent or related procedures.

#### Awarding Principles

All contract awards must obey the principles of transparency, proportionality, equal treatment and non-discrimination.

#### Non-retroactivity

Contracts take effect from the date of signature of the last signatory. All contracts must show the true dates on which the contracting parties signed them.

### 2.3. Procurement Procedures

#### 2.3.1. Which procurement procedure to apply?

The applicable standard procedures explained later in this manual are summarized in the table below. They are divided between those for services (i.e. technical assistance and studies), supplies (i.e. equipment and materials).

The thresholds given in the table are based on the maximum budget for the contract in question.

All basic principles must be complied with (including the eligibility, exclusion and selection criteria) regardless of which procedure is used.

Other procedures can be applied regardless of the thresholds, for instance negotiated procedures on the basis of a single tender - as long as the relevant conditions are met (see article 2.3.3.)

	> \$5,000	≤\$5,000
<b>Service Contracts</b>	Restricted Procedure	Single Tender
<b>Supply and Works Contracts</b>	Competitive Procedure	Single Tender

#### 2.3.2. Single tender procedure

A contract may be awarded directly using the 'single tender procedure' when the contract value does not exceed US\$ 5,000 or what is equivalent in other currencies.

#### 2.3.3. Negotiated procedure

A contract may be awarded directly using the 'negotiated procedure' whatever the value of the contract in exceptional and duly justified cases. No specific threshold applies in such cases.

Before selecting the candidate(s), Siren Associates checks that the candidate(s) is not in an exclusion situation.

In the case of negotiated procedures, an evaluation committee must be nominated in order to proceed with the negotiation.

In this case a negotiation report must be produced, explaining how participant(s) in the negotiations were chosen, how the price was set and the grounds for the award decision.

**2.3.4. Competitive Procedure**

In a 'competitive procedure', Siren Associates invites candidates of its choice (at least three) to submit tenders. The tenders are examined, the eligibility and the financial, economic, technical and professional capacity of the tenderers. From the technically compliant tenders, the cheapest offer shall be selected.

**2.3.5. Restricted Procedure**

In a 'restricted procedure', Siren Associates invites candidates of its choice (at least three) to submit tenders. The tenders are examined, the eligibility and the financial, economic, technical and professional capacity of the tenderers. From the technically compliant tenders, the offer with the best value for money shall be selected.

**2.3.6. Fair and transparent Competition**

Whatever the procedure used, Siren Associates must ensure that the conditions allow fair competition. Siren Associates shall promote fair competition through the selection of appropriate procurement methods, being transparent and unambiguous about evaluation criteria set out in tender dossier, and avoiding deliberate use of fake competition. Siren Associates shall, to the extent possible, ensure transparency throughout the whole procurement procedure by making public the results of the procurement procedure.

**2.3.7. Selection and Award Criteria**

Regardless of the type of procurement procedure used, the capacity of the candidate or tenderer to implement the contract is always assessed on the basis of objective criteria set out below.

**2.3.7.1. Selection Criteria**

**2.3.7.1.1. General Principles**

Siren Associates must draw up clear and non-discriminatory selection criteria for the purpose of assessing that the candidate/tenderer has sufficient financial, economic, technical and professional capacity to implement the tasks of the contract.

For the economic and financial capacity this period may be no more than the last three years for which accounts have been closed. For the professional and technical capacity the timeline depends on the type of contract. For service and supply contracts it shall be what has been carried out/implemented/completed in the past three years.

When deciding on the appropriate criteria, Siren Associates must consider whether compliance can be proved and should, for instance, consider what type of documentary evidence the tenderer may submit as proof.

The selection criteria must be specified in the instructions to tenderers and applied by Siren Associates without modification unless a corrigendum has been published.

In procurement procedures for service and supply contracts, the selection criteria are applied to the consortium as a whole.

For service tenders, the documents supporting the information in response to the selection criteria shall be submitted by all the tenderers together with the tender.

For supply and works tenders, only successful tenderers have to supply proof documents to support the information submitted in the tender before the award of the contract.

#### **2.3.7.1.2. Checking the financial and economic capacity of tenderers**

Proof of economic and financial capacity may be furnished by one or more of the following documents, by way of example:

- Appropriate statements from banks;
- Evidence of professional risk indemnity insurance;
- Presentation of balance sheets or extracts from balance sheets for at most the last three years for which accounts have been closed, where publication of the balance sheet is required under the company law of the country in which the economic operator is established;
- A statement of overall turnover and turnover for works, supplies or services covered by a contract during a period of no more than the last three financial years.

#### **2.3.7.1.3. Checking the technical and professional capacity of tenderers**

Proof of technical and professional capacity may be furnished by one or more of the following documents, by way of example:

- The educational and professional qualifications of the service provider or contractor;
- A list of the principal services provided and supplies delivered or works carried out in the past three years, with the sums, dates and recipients, public or private.
- A statement of the average annual manpower and the number of managerial staff of the service provider or contractor in the last three years;
- A copy of, or extract from, the payroll or employment contracts;

#### **2.3.7.2. Award Criteria**

Contracts are awarded on the following basis:

- Best value for money (i.e. the most economically advantageous tender) for service tenders.
- Lowest price amongst compliant tenders for supply and works tenders.

The criteria must be precise, non-discriminatory and not prejudicial to fair competition.

### **2.3.8. Cancellation of Procurement Procedures**

Siren Associates may, before the contract is signed, cancel the procedure without the candidates or tenderers being entitled to claim any compensation.

Cancellation may occur, for example, if:

- The tender procedure has been unsuccessful, i.e. no qualitatively or financially worthwhile tender has been received or there is no valid response at all;
- The economic or technical data of the project have fundamentally changed;
- Exceptional circumstances or a force majeure render normal performance of the contract impossible;
- All technically compliant tenders exceed the financial resources available;
- There have been irregularities in the procedure, in particular where these have prevented fair competition;

In no event will Siren Associates be liable for any damages whatsoever including, without limitation, damages for loss of profits in any way connected with the cancellation of a tender even if Siren Associates has been advised of the possibility of damages. The publication of a tender or the invitation of shortlisted candidates does not commit Siren Associates to implement the project announced.

### **2.3.9. Ethics Clauses**

Any attempt by a tenderer to obtain confidential information, enter into unlawful agreements with competitors whose aim or effect is to impede, restrain or distort competition in a given market, or influence the evaluation committee or Siren Associates during the process of examining, clarifying, evaluating and comparing tenders and applications will lead to the rejection of its tender. Staff members of Siren Associates must adhere to the ethical standards and responsibilities that apply to procurement activities in order to protect the integrity, fairness and transparency of the procurement process.

## **2.4. Terms of Reference and Technical Specifications**

Terms of reference (for service contracts) and technical specifications (for supply and works contracts) give instructions and guidance to contractors to submit a tender which responds to all technical and administrative requirements, and later to serve as the contractor's mandate during project implementation. Staff of Siren Associates shall use their best efforts to accurately describe the needs in the form of terms of reference, technical specifications or works being procured. The terms of reference or technical specifications are included in the tender dossier and will become an annex to the resulting contract.

Thorough preparation of the terms of reference or technical specifications is extremely important for the ultimate success of the project. It is important to ensure that the project has been properly conceived, that the work is carried out on schedule and that resources will not be wasted. Greater effort during project preparation will save time and money at later stages of the project cycle.

The terms of reference and the technical specifications must afford equal access for candidates and tenderers and must not have the effect of creating unjustified obstacles to competitive tendering. They must be clear and non-discriminatory, and proportionate to the objective and/or the budget for the project. They specify what is required of the service, supply or work to be purchased.

The terms of reference and technical specifications shall be clear and sufficiently detailed. Technical specifications may not point to particular brands and types, and they may not limit competition by being too specific.

The terms of reference and the technical specifications may not be disclosed to any third party and must be kept confidential until they are made available to the tenderers simultaneously as part of the procedure.

#### **2.5. Modifying Contracts**

Contracts may need to be modified if the circumstances of project implementation have changed since the contract was signed. Contracts can only be modified during their execution period. Any changes to the contract must be made officially by means of an administrative order or an addendum.

Siren Associates

### 3. Service Contracts

#### 3.1. Definition and types

Service contracts shall comprise study and technical assistance contracts. Service contracts are mainly initiated to gain from exterior knowledge. There are two types of service contracts:

**Global Price:** The service will be paid on the basis of the delivery of the specified outputs that are set out. Partial payments have to be determined according to the partial implementation of the outputs

**Fee-Based:** The workload is quantified based on man/days spent by the experts.

#### 3.2. Procurement Procedures

##### 3.2.1. Contracts with a value of US\$5,000 or more

###### Restricted Procedure

All service contracts worth US\$ 5,000 or more must be awarded by restricted tender procedure.

###### 3.2.1.1. Selection of Shortlisted Candidates

Siren Associates draws up a list of at least three service providers and justifies its choice. The candidates are sent a letter of invitation to tender accompanied by a tender dossier.

###### 3.2.1.2. Drafting and content of the tender dossier

The annexes of the tenders must include (administrative compliance grid, draft contract, eligibility and selection criteria, invitation letter, instructions to tenderers, list of invited tenderers and tender form). Tender documents must be carefully drafted, to ensure that the contract is complete and that the procurement procedure is carried out correctly.

###### 3.2.1.3. Deadline for submission of tenders

Tenders must be submitted to the address shown in the instructions to tenderers by no later than the date and time shown in the invitation to tender. The shortlisted candidates must be allowed at least 14 days from the dispatch of the letter of invitation to tender to submit their tenders. This deadline may be shortened due to the urgency of the project or extended due to the complexity of the project.

###### 3.2.1.4. Period of Validity

Tenderers are bound by their tenders for the period specified in the letter of invitation to tender or in the tender dossier. This period must be sufficient to allow the evaluation committee to examine tenders, approve the contract award proposal, notify the successful and unsuccessful tenderers and conclude the contract. The period of validity of tenders is fixed at 90 days from the deadline for the submission of tenders.

In exceptional cases, Siren Associates may ask the tenderers for a one-off, specific extension, which may not exceed 40 days.

The successful tenderer is bound by the tender for a further 60 days, irrespective of the date of notification (i.e. 90 (+40) + 60 days) of the award of the contract.

###### 3.2.1.5. The Evaluation Committee

Siren Associates must appoint an evaluation committee whose members have the necessary technical and administrative expertise.

###### 3.2.1.6. Stages in the Evaluation Process

###### 3.2.1.6.1. Receipt and Registration of Tenders

On receiving tenders, Siren Associates must register them, stating the date and time of reception, and provide a receipt for those delivered by hand. The envelopes containing the tenders must remain sealed and be kept in a safe place until they are opened. The outer envelopes of tenders must be numbered in order of receipt (whether or not they are received before the deadline for submission of tenders).

**3.2.1.6.2. Tender Opening Session**

During this phase, the evaluation committee must decide whether or not tenders comply with the formal submission requirements. The summary of tenders received, which is attached to the tender opening report, must be used to record whether each of the tenders complies with the formal submission requirements.

The chairperson must check that no member of the evaluation committee has a potential conflict of interest with any of the tenderers.

**3.2.1.6.3. Evaluation of Offers**

**Phase One: Administrative Compliance**

The evaluation committee checks that the tenders comply with the instructions given in the tender dossier and in particular the administrative compliance grid. Any major formal errors or major restrictions affecting performance of the contract or distorting competition result in the rejection of the related tender.

**Phase Two: Technical Compliance**

The evaluation committee then examines the technical offers, while the financial offers remaining sealed. When evaluating technical offers, each member awards each offer a score out of a maximum 100 points in accordance with the technical evaluation grid laid down in the tender dossier.

Only offers which achieve a score of 80 or more are declared "technically accepted". Under no circumstances may the evaluation committee or its members change the technical evaluation grid communicated to the tenderers in the tender dossier.

Experts must be scored against the requirements in the criteria stated in the terms of reference. The key experts must fulfill the minimum requirements for all the criteria. If it is not the case, the offer should be rejected.

The tenderers must provide documentary proof for the key experts proposed. This includes copies of the diplomas referred to in the CV and employers' certificates or references proving the professional experience stated in the CV. If missing proofs are requested it will only be for the relevant experience and diplomas which are among the requirements

in the terms of reference. Only diplomas and experience supported by documentary proof will be taken into account.

On completion of the technical evaluation, the points awarded by each member are compared at the evaluation committee's session. Besides giving a numerical score, a member must explain the reasons for his/her choice and defend his/her scores before the evaluation committee.

The evaluation committee discusses each technical offer and each member awards it a final score. Evaluators may change their individual evaluation as a result of the general discussion on the merits of each offer.

In case of major discrepancies, full justification has to be provided by dissenting members. Once discussed, each evaluator finalises his/her evaluation grid on each of the technical offers and signs it before handing it over to the secretary of the evaluation committee. The secretary must then compile a summary of the comments of the evaluation committee members as part of the evaluation report.

The secretary calculates the aggregate final score, which is the arithmetical average of the individual final scores.

Before definitively concluding its evaluation of the technical offers, the evaluation committee may decide to interview the key experts proposed in technically accepted tenders (i.e. those which have achieved an average score of 80 points or more in the technical evaluation).

On completion of the interviews, and without modifying either the composition or the weighting of the criteria laid down in the technical evaluation grid, the evaluation committee decides whether it is necessary to adjust the scores of the experts who have been interviewed. Any adjustments must be substantiated. The procedure must be recorded in the evaluation report.

Once the evaluation committee has established each technical offer's average score (the mathematical average of the final scores awarded by each voting member), any tender falling short of the 80-points threshold is automatically rejected. If no tender achieves 80 points or more, the tender procedure is cancelled.

Out of the tenders reaching the 80-point threshold, the best technical offer is awarded 100 points. The others receive points calculated using the following formula:

Technical score = (final score of the technical offer in question/final score of the best technical offer) x 100.  
Only tenderers with an average score of at least 80 points qualify for the financial evaluation.

#### **3.2.1.6.4. Evaluation of Financial Offers**

Upon completion of the technical evaluation, the envelopes containing the financial offers for tenders that were not eliminated (i.e. those that scored an average score of 80 points or more) are opened and all the originals of these financial offers are initialed by the chairperson and the secretary of the evaluation committee.

The evaluation committee has to ensure that the financial offer satisfies all formal requirements.

A financial offer not meeting these requirements may be rejected. Any rejection on these grounds must be fully justified in the evaluation report.

The evaluation committee checks that the financial offers contain no obvious arithmetical errors. Any obvious arithmetical errors are corrected without penalty to the tenderer.

The envelopes containing the financial offers of rejected tenderers following the technical evaluation must remain unopened and be kept. They must be archived by Siren Associates together with the other tender procedure documents.

The tender with the lowest total fees + lump sums receives 100 points. The others are awarded points by means of the following formula:

Financial score = (lowest total fees + lump sums / total fees + lump sums of the tender being considered) x 100.

#### **3.2.1.6.5. Conclusion**

The best value for money is established by weighing technical quality against price on a 70/30 basis. This is done by multiplying:

The scores awarded to the technical offers by 0.70

The scores awarded to the financial offers by 0.30.

The resulting, weighted, technical and financial scores are then added together to find the tender with the highest score, i.e. the best value for money. It is essential to make the

calculations strictly according to the above instructions. The Evaluation Committee's recommendation shall be to award the contract to the tender achieving the highest overall score on the condition that the documentary evidence submitted by the tenderer for the exclusion and selection criteria are verified and accepted.

The entire procedure (technical and financial evaluation) is recorded in an evaluation report to be signed by the chairperson, the secretary and all evaluators.

**3.2.1.6.6. Award of the Contract**

Upon the finalization of the evaluation procedure, Siren Associates will notify the successful tenderer in writing that its tender has been accepted and draws attention to any obvious arithmetical errors which were corrected during the evaluation process.

Siren Associates will then prepare a contract dossier to be signed by all parties.

**3.2.2. Contracts with a value of less than US\$ 5,000  
Single Tender Procedure**

For services with a value of less than or equal US\$ 5,000, Siren Associates may award service contract on the basis of a single tender or may simply pay against invoices without prior acceptance of a tender. A Purchase Order (PO) is also an appropriate contractual instrument for single tender procedures.

**3.2.3. Procedures applicable without ceiling  
Negotiated Procedure**

A negotiation report must be prepared justifying the manner in which the negotiations were conducted and the basis for the resulting contract award decision.

## 4. Supply & Works Contracts

### 4.1. Definition and types

Supply contracts cover the purchase, leasing or rental of products. A 'work' means the outcome of building or civil engineering project that on its own is sufficient to fulfill an economic or technical function.

### 4.2. Procurement Procedures

#### 4.2.1. Competitive Procedure

Siren Associates may award supply or work contracts above US\$ 5,000 by competitive procedure. Siren Associates draws up a list of at least three firms with a justification for its choice. The candidates are sent a letter of invitation to tender accompanied by a tender dossier.

Tenders must reach Siren Associates at the address and by no later than the date and time shown. The chosen candidates must be allowed at least 14 days from the dispatch of the letter of invitation to tender in which to submit their tenders.

The tenders are opened and evaluated by an evaluation committee with the necessary technical and administrative expertise, appointed by Siren Associates.

If, following consultation of the tenderers, Siren Associates receives only one tender that is administratively and technically valid, the contract may be awarded provided that the award criteria are met.

##### 4.2.1.1. Drafting and content of the tender dossier

The annexes of the tenders must include (administrative compliance grid, draft contract, eligibility and selection criteria, invitation letter, instructions to tenderers, list of invited tenderers and tender form). Tender documents must be carefully drafted, to ensure that the contract is complete and that the procurement procedure is carried out correctly.

##### 4.2.1.2. Deadline for submission of tenders

Refer to article 3.2.1.3.

##### 4.2.1.3. Period of Validity

Refer to article 3.2.1.4.

##### 4.2.1.4. The Evaluation Committee

Refer to article 3.2.1.5.

##### 4.2.1.5. Stages in the Evaluation Process

###### 4.2.1.5.1. Receipt and Registration of Offers

Refer to article 3.2.1.6.1

###### 4.2.1.5.2. Tender Opening Session

The tender opening session is a formal, public process. The evaluation committee opens the tenders in public at the place and time set in the tender dossier. Although it is public, participation in the tender opening session is restricted to representatives of the companies that are tendering for the contract.

###### 4.2.1.5.3. Evaluation of Technical Offers

The evaluation committee must use the administrative compliance grid and the evaluation grid published in the tender dossier.

During the technical evaluation, the evaluation committee analyses whether the tenders satisfy the requirements set in the tender dossier.

The results are recorded in a YES/NO grid for all the items specified in the tender dossier. No scoring method should be used. If the tender is divided into lots, the evaluation should be carried out lot by lot.

With the agreement of the majority of the evaluation committee voting members, the chairperson may write to tenderers whose submissions require clarification, asking them to reply within a reasonable deadline set by the evaluation committee.

**Part 1: Administrative compliance**

Before conducting a detailed evaluation of the tenders, the evaluation committee checks that they comply with the essential requirements of the tender dossier.

A tender is deemed to comply if it satisfies all the conditions, procedures and specifications in the tender dossier. Each offer is examined for compliance with the tender dossier.

The administrative compliance of each of the tenders must be recorded in the evaluation report.

**Part 2: Technical compliance**

The detailed technical evaluation of the tenders takes place after the administrative compliance check.

The criteria to be applied are those published in the tender dossier and, accordingly, the evaluation grid included in the tender dossier must be used. Under no circumstances may the evaluation committee or its members change the evaluation grid communicated to the tenderers in the tender dossier.

The purpose of this evaluation is to assess whether or not the competing tenders meet the selection criteria and the minimum technical requirements

**4.2.1.5.4. Evaluation of Financial Offers**

Once the technical evaluation has been completed, the evaluation committee checks that the financial offers contain no obvious arithmetical errors. Any obvious arithmetical errors are corrected without penalty to the tenderer.

**4.2.1.5.5. Conclusion**

The successful tenderer is the one submitting the least expensive tender classified as 'technically compliant' during the technical evaluation. It must be declared the successful tender if it is equal to or lower than the maximum budget available for the contract.

**4.2.1.6. Award of the Contract**

Upon the finalization of the evaluation procedure, Siren Associates will notify the successful tenderer in writing that its tender has been accepted and draws attention to any obvious arithmetical errors which were corrected during the evaluation process.

Siren Associates will then prepare a contract dossier to be signed by all parties.

**4.2.2. Single Tender Procedure**

For supply or work contracts with a value of less than or equal US\$5,000, Siren Associates may award supply or work contract on the basis of a single tender or may simply pay against invoices without prior acceptance of a tender.

**4.2.3. Procedures without ceiling**

Refer to article 3.2.3.

Siren Associates