



CEB

COUNCIL OF EUROPE DEVELOPMENT BANK

Guidelines
on the internal procurement of
services, supplies and works by
the CEB
2014

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1. SCOPE

These Guidelines outline the general principles which the Council of Europe Development Bank (hereafter CEB) follows in the procurement of supplies, works and services for its own operational needs.

They accordingly do not cover procurement carried out by recipients of CEB financing. Regarding the latter, the applicable rules are set out in the CEB's Guidelines for procurement of supplies, works and services.

Furthermore these Guidelines shall not apply to contracts signed by the CEB for:

1. Financial services in connection with the issue, sale, purchase or transfer of securities or other financial instruments, in particular transactions by the CEB to raise money or capital, and central bank services;
2. Employment contracts concluded between CEB and its staff ;
3. Personnel placement and supply services ;
4. Arbitration and conciliation services;
5. Legal services.

2. GENERAL PRINCIPLES

It is CEB's policy that its procurement Guidelines and procedures¹ follow the principles of:

- equal treatment,
- non-discrimination and
- transparency.

The Bank considers that, as a general rule, these principles can be best implemented by an effective and fair competition among qualified tenderers and by a transparent selection based both on cost and quality considerations.

CEB also aims to ensure that the purchase of supplies, works and services required for the satisfactory operation of the CEB:

- is handled in a timely, efficient and effective manner with due regard to the needs of the Bank, including high level of qualifications and quality of services, efficiency and economic use of resources. Quality of services includes respect of best practices in the areas of occupational health and safety policies.
- takes into account sustainability issues, in line with its Environmental Policy, respecting human resources and the environment.

¹ Specific procurement procedures determine how the procurement process is carried out for those matters.

3. DEFINITIONS

a) Supplier

As used here, the term “supplier” shall apply without distinction to suppliers of goods, works and services (including consultancy services).

b) Candidates and tenderers

Suppliers who express their interest in participating in a public call for tenders shall be designated “candidates”. Suppliers invited to submit a tender shall be designated “tenderers”.

c) Negotiated procedure

A negotiated procedure means a procedure whereby the CEB consults the suppliers of its choice and negotiates the terms of contract with one or more of them.

d) Public call for tenders

A public call for tenders means a procedure whereby a shortlist of qualified suppliers is drawn up on the basis of expressions of interest received by the CEB following the publication of a contract notice in the press, the internet or the Official Journal of the European Union.

e) Competitive dialogue

Competitive dialogue is a procedure whereby the CEB conducts a dialogue with the candidates admitted to that procedure, with the aim of developing one or more suitable alternatives capable of meeting its requirements, and on the basis of which the candidates chosen are invited to tender.

4. ELIGIBILITY OF SUPPLIERS

This section describes the cases in which suppliers may be considered ineligible for contracts, as well as the ethical rules to be applied.

4.1. Conflict of interest and other disqualifications

(a) It is in CEB's interest to conclude contracts devoid of any conflict of interest

In particular, suppliers shall not be selected in case of:

- (i) Conflicting assignments or activities: suppliers must not be selected to provide supplies, works or services, where such provision of supplies, works or services might be incompatible with their present or past obligations towards their other clients, which might prevent them from performing their tasks to the best of CEB's interests or might jeopardise CEB's image.

(ii) Conflicting relationships: suppliers who have a business or family connection with a member of staff, a specially appointed official, a member of the Bank's organs or their Chairs, or any person working for the CEB on an ad hoc basis, shall be disqualified from the award of a contract unless the issue has been settled in a manner acceptable to the CEB (especially with regard to the CEB's Code of Conduct);

(b) Any conflict of interest which may arise must be settled at the time of evaluation.

4.2. Rules of ethics

The CEB, as a rule, requires suppliers to comply with the highest ethical standards during the selection procedure and contract execution. In accordance with these principles, the CEB:

(a) adopts the following definitions for the purposes of this article, in keeping with its Anti- Corruption Charter:

(i) corrupt practices mean offering, giving, receiving, or soliciting, directly or indirectly, anything of value to influence improperly the actions of another party (natural or legal person);

(ii) fraudulent practices mean any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party (natural or legal person) to obtain a financial or other benefit, or to avoid an obligation;

(iii) coercive practices mean impairing or harming, or threatening to impair or harm, directly or indirectly, any party (natural or legal person) or the party's property so as to influence improperly that party's actions;

(iv) collusive practices mean an arrangement between two or more parties designed to achieve an improper purpose, including influencing improperly the actions of another party;

(b) during the selection process, the CEB:

(i) shall reject a supplier's tender where it establishes that the supplier engaged in corrupt, fraudulent, coercive or collusive practices to obtain the award of the contract;

(ii) shall reject a supplier's tender where it is aware that the supplier has been convicted by a final court decision of one of the following: fraud, corruption, money laundering, participation in a criminal organisation or any other unlawful activity;

(iii) may reject a supplier's tender where the latter:

- is subject to bankruptcy or is being wound up, has suspended his business activities or is having his affairs administered by the courts, has entered into an arrangement with creditors, or is in any analogous situation arising from a similar procedure under national laws or regulations,
- has been convicted of an offence concerning his professional conduct by a judgement which has the force of res judicata,
- has been guilty of grave professional misconduct established by any means available to the CEB,

- has not fulfilled obligations relating to the payment of social security contributions or taxes in accordance with the legal provisions of the country in which the supplier is established or those of the country where the contract is to be performed,
 - following another tender procedure, has been declared by a court or an arbitration tribunal to be in serious breach of contract for failure to comply with his contractual obligations,
 - has been cross debarred by the Multilateral Development Banks having signed the Agreement for Mutual Enforcement of Debarment Decisions dated 9 April 2010,
 - is guilty of misrepresentation in supplying the information requested by the CEB;
- (iv) shall require suppliers participating in the selection process to sign on their honour a statement of integrity whereby they undertake to observe the above principles when submitting their tenders and/or in executing the contract concluded with the CEB.

Any member of staff involved in the evaluation or selection of a supplier shall act in strict accordance with the principles set out in the Anti-Corruption Charter and the Code of Conduct of the CEB.

4.3. Language

Any correspondence between the CEB and suppliers shall take place in either French or English.

5. SELECTION PROCEDURE

5.1. Applicable thresholds and procedures

The procedure to be followed for selecting suppliers varies according to the estimated contract value.

	Estimated value of contract (exclusive of VAT)	Type of procedure
1	< € 50,000	Negotiated procedure with one or more suppliers
2	≥ € 50,000 and < € 200,000 (€ 400,000 for works)	Negotiated procedure with at least 3 (three) suppliers
3	≥ € 200,000 (€ 400,000 for works)	Public call for tenders procedure or a Competitive Dialogue Procedure

5.2. Stages in the selection procedure

Depending on the contract value, and in accordance with the thresholds specified in Article 5.1, the selection procedure may include the following stages:

- (a) Determination of the contract value
- (b) Definition of technical specifications/terms of reference
- (c) Prior identification of a number of qualified, shortlisted suppliers
- (d) Invitation to submit a tender
- (e) Receipt of tenders
- (f) Evaluation of tenders

(a) Determination of the contract's value

(i) General principles

The contract value must not be determined in such a way as to avoid the application of the rules set out under Article 5.1. If separate contracts are to be concluded for a substantially connected subject matter, the procurement procedure for the award of such contracts must be determined by taking into account the consolidated value of all the contracts.

The amounts concerned shall be VAT-exclusive.

(ii) Framework contracts

For framework contracts the applicable amount shall be the total projected value of all contracts expected to be executed under the framework contract during the relevant contractual period.

(b) Definition of technical specifications /terms of reference

The CEB shall, as far as appropriate and if applicable, specify internationally accepted standards with which the supplies, works or services shall comply. The specifications/terms of reference shall be drafted so as to allow tenderers equal access and shall not result in unjustified obstacles to open competition.

(c) Prior identification of a number of qualified, shortlisted suppliers

For contracts with a value of more than € 50.000, the CEB shall draw up a shortlist of suppliers. Only shortlisted suppliers shall be eligible to submit a tender for the contract, under the conditions set out in paragraphs (d) and (e) below, or to participate in a competitive dialogue.

The method for drawing up a shortlist varies according to the contract value, in accordance with paragraphs (i) and (ii) below.

(i) Drawing up a shortlist in connection with a negotiated procedure

The shortlist shall be drawn up in an impartial manner on the basis of a roster, a market survey or any other relevant information.

(ii) Drawing up a shortlist in connection with a public call for tenders

The shortlist shall be drawn up on the basis of applications received in response to the publication of a contract notice. The contract notice may be published on CEB's website, in an international publication such as the Official Journal of the European Union (OJEU) or using any other appropriate medium.

Contract notices shall specify the pre-qualification criteria according to which the shortlist will be drawn up and any other information relevant to the assessment of the candidates' qualifications in the light of the contract under consideration.

Suppliers shall be allowed a time-limit of at least 15 (fifteen) days for submitting expressions of interest. This time-limit may be shortened to 7 (seven) days in case of urgency.

(d) Invitation to submit a tender

The CEB shall invite shortlisted suppliers to submit tenders, by sending to them, by mail or email and simultaneously, a tender file comprising the following documents:

- (i) the letter of invitation;
- (ii) the tender regulations;
- (iii) the technical specifications/terms of reference;
- (iv) the general terms and conditions applicable to the contract.

(e) Receipt of tenders

The time-limit for the receipt of tenders shall be fixed according to the size and the complexity of the contract and, as far as possible, shall not be less than 1 (one) month. Where necessary, the CEB may extend this time-limit beyond the date initially fixed in the tender file.

During this period tenderers may submit written questions to the CEB aimed at obtaining further information of relevance to the call for tenders and related documents. The CEB shall respond to these questions within a reasonable time and shall send its responses to all tenderers simultaneously in writing.

No modification of a tender shall be accepted after the closing date for the receipt of tenders. Tenders shall be opened immediately after the expiry of the time-limit for the receipt of tenders. Any tender received after the time-limit shall be returned to the sender without being opened.

(f) Evaluation of tenders

All tenders must be evaluated in an identical and non-discriminatory manner, using the evaluation criteria specified in the tender file.

5.3. Specific cases justifying a negotiated procedure with one or more suppliers

In the following cases the CEB may deviate from the thresholds provided for in Article 5.1 and proceed with a negotiated procedure with one or more suppliers:

(a) For supply, works and services contracts

(i) In the absence of applications (public call for tenders) or tenders, or where no suitable tender is received (for example, where the tenders do not meet the qualifications required or do not adequately respond to the technical specifications or terms of reference), the CEB may proceed with negotiating the contract with one or more suppliers, provided the initial conditions of contract are not substantially altered.

(ii) When, for technical or artistic reasons, or for reasons connected with the protection of exclusive rights or related to the unique competence of the supplier, the contract may be awarded only to a particular supplier.

In such cases the duration of the initial contract and subsequent contracts, if applicable, may not exceed 4 (four) years. The Administrative Council shall be informed if a new contract which brings the total duration beyond 4 (four) years is concluded.

(iii) Insofar as is strictly necessary when, for reasons of extreme urgency arising from events unforeseeable by CEB, the time-limit applicable to competitive procedures cannot be complied with. The circumstances invoked to justify extreme urgency must not in any event be attributable to CEB.

(b) For supply contracts

(i) For additional deliveries by the original supplier which are intended either as a partial replacement for normal supplies or installations or as the extension of existing supplies or installations, where a change of supplier would oblige the Bank to acquire material having different technical characteristics which would result in incompatibility or disproportionate technical difficulties in operation and maintenance. The lengths of such contracts as well as that of recurrent contracts may not, as a general rule, exceed 3 (three) years.

(ii) For supplies quoted and purchased on a commodity market.

(iii) For the purchase of supplies on particularly advantageous terms; from either a supplier which is definitely winding up its business activities, or from the receivers or liquidators of a bankruptcy, an arrangement with creditors or similar procedure.

(c) For works and services contracts

(i) for additional works or services not included in the initial contract but which have become necessary as a result of circumstances unforeseen at the time of performance of the initial contract on condition that:

- such additional works or services cannot be technically or economically separated from the initial contract without major inconvenience for the CEB; or
- such additional works or services, albeit separable from the performance of the initial contract, are strictly necessary to its completion.

However, the aggregate value of contracts for additional works or services may not exceed 50% of the value of the initial contract.

(ii) for new works or services consisting in the repetition of similar works or services entrusted to the supplier to whom the CEB awarded an initial contract, provided that :

- such works or services were taken into consideration, for the application of the thresholds provided for in Article 5.1., if applicable, at the time of the initial contract, and,
- in the case of a public call for tenders procedure, the possible use of additional works, services or deliveries was disclosed in the contract notice.

This procedure may be used only during the 3 (three) years following the conclusion of the original contract.

5.4. Competitive dialogue

CEB may resort to the competitive dialogue procedure for particularly complex contracts where it is not possible to define in advance CEB's requirements in a way that the contract could be awarded through a public call for tenders.

On publication of a contract notice on CEB's website or, when appropriate, in the OJEU, interested candidates may apply for participation in the dialogue. Candidates must submit their application within the deadline specified in the contract notice and provide the documentation requested by CEB.

The CEB must in all cases ensure that the number of candidates invited to tender is sufficient to ensure genuine competition. Provided a sufficient number of suitable candidates is available, the number of candidates invited to conduct a dialogue will not be less than 3 (three).

The CEB must ensure the equal treatment of all the tenderers in all stages of the dialogue. In this respect, it shall not provide information in a discriminatory manner which could give individual candidates advantage over others.

The CEB will pursue the dialogue until it identifies the solution suitable for meeting its needs and requirements, at which point participants will be informed of the closure of the dialogue and invited to submit tenders. The invitation to submit a tender, the opening and evaluation of tenders shall follow the rules specified in Article 5.2 (d) to (f) above.

6. SIGNATURE OF CONTRACT AND NOTIFICATION OF THE OUTCOME OF THE PROCEDURE

6.1. Signature of the contract

(a) Legal framework of the CEB

All contractual documents must take into account the legal status of the CEB, an international organisation subject to specific privileges and immunities, in accordance with the rules laid down in its Articles of Agreement and the Third Protocol to the General Agreement on Privileges and Immunities of the Council of Europe.

(b) Staff

The selected supplier shall not be permitted to replace key staff, unless the parties agree that such replacement(s) is(are) essential to the achievement of the contract's objectives and the CEB has expressly consented thereto.

(c) Price

The proposed price shall include all costs as set out in the contract.

6.2. Notification of the outcome of the procedure

The CEB shall notify the outcome of the selection procedure to all shortlisted suppliers at least 10 (ten) days before the signature of the contract.

In the case of a public call for tenders, the CEB shall announce the outcome of the procedure in the same way as it published the contract notice.

On request from the party concerned, CEB will, within 15 (fifteen) days of the written request, inform any unsuccessful candidate or tenderer of the reasons for the rejection of his request to participate or tender. The ranking of the unsuccessful tenderer may also be disclosed on his request.

Any complaint relating to the procurement process or contract award should be made in writing.

6.3. Cancellation of a tendering procedure

The CEB may cancel a tendering procedure at any time prior to signature of the contract without candidates or tenderers being entitled to claim any form of compensation.