CATHOLIC OFFICE FOR EMERGENCY RELIEF AND REFUGEES
AND
COERR FOUNDATION

Bangkok, Thailand

PROCUREMENT POLICIES AND PROCEDURES MANUAL

CATHOLIC OFFICE FOR EMERGENCY RELIEF AND REFUGEES
AND
COERR FOUNDATION

INTRODUCTION

Procurement requirements vary considerably depending upon the mission of an organization, and procurement units will vary in size and composition depending on these procurement requirements. For COERR, it is up to the Finance and Admin Director to establish a formal structure that is relevant to the needs of the organization.

No matter what shape, size, or composition the procurement operations take, however, certain basic procurement functions must always be fulfilled, and policies and procedures must be established to help manage the procurement functions.

This Manual contains the policies and procedures that should govern the procurement and related functions and activities of COERR. It is intended to be a source of information and guidance for all COERR officers and staff particularly the Logistics Unit. The reader is directed to note especially the Overall Policies (Statement Code PRM-02) and particularly the policies on Standard of Conduct and Business Ethics.

This Manual does not cover purchases that are nominal in nature and which are paid out of the Petty Cash Fund. The Financial Manual should be consulted for this type of purchases.

This Manual should be updated without delay whenever there is a change in the policies and/or procedures covered. It should be reviewed at least once a year to ensure that the policies and procedures remain current and reflect the prevailing intentions of COERR.

CATHOLIC OFFICE FOR EMERGENCY RELIEF AND REFUGEES /
COERR FOUNDATION
PROCUREMENT POLICIES AND PROCEDURES MANUAL

TABLE OF CONTENTS

0 Changes Control

1 Definitions

2 Overall Policies
1. Overall Policy Objective
2. Procurement Responsibilities
3. Competitive Bidding
4. Local versus International Procurement
5. Business Opportunity
6. Quality and Delivery Time
7. Contract Award
8. Limitation of Authority
9. Standard of Conduct
10. Business Ethics
11. Documentation of Procurement Actions
12. Supplier Code of Conduct

3 Identification of Needs

4 Requisition

5 Establishing a Vendors List

6 Soliciting Offers for Goods

7 Soliciting Proposals for Services

8 Receipt of Offers/Proposals

9 Evaluation and Awarding of Offers

10 Proposals Ordering

11 Transport

12 Expediting/Contract Management Receiving,

13 Rejection, and Claims

14 Payment

15 Contracting for Services

16 Sample Documents

Annex I – Supplier Code of Conduct

CATHOLIC OFFICE FOR EMERGENCY RELIEF AND REFUGEES /
COERR FOUNDATION
PROCUREMENT POLICIES AND PROCEDURES MANUAL

Statement Code: PRM-00	**Page 1 of 1**
Prepared date: 17 December 2002	**Revised date: 1 January 2025**
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CHANGES CONTROL

Revision No.	Revision Date	Changed Details	Statement Code
0	17 December 2002	Implementation	All
1	1 July 2010	Overall Manual Updated	All
2	1 October 2014	Updating Authorization Limit of Manager level in Section 8	PRM-02
3	17 April 2018	- Updating Manual to include 'COERR Foundation' entity. - Implementing Changes Control. - Updating Advance Payment Definition. - Updating Price Comparison & Exception in Overall Policies. - Implementing Supplier Code of Conduct, Section 12.	PRM-00 PRM-01 PRM-02 PRM-02
4	1 January 2020	- Replacing 'lowest price' with 'best value for money'. - Updating Section 8-Limitation of Authorities and Authorization Schedule. - Updating section 12-Supplier Code of Conduct. - Updating minimum floating time for formal and informal tenders. - Purchase Requisition is not required for small items value less than 200 Baht.	PRM-01, 02 PRM-02 PRM-02 Annex I PRM-07 PRM-04
5	1 January 2021	- Updating small items value less than 300 Baht. - 3 quotations required for UNHCR requisition value more than 100 USD.	PRM-04 PRM-06
6	1 January 2024	- Asset acquisition must be approved by Finance & Admin Director	PRM-02
7	1 January 2025	Updating Authorization Limit of Director level in Section 8	PRM-02

Statement Code: PRM-01	**Page 1 of 4**
Prepared date: 17 December 2002	**Revised date: 17 April 2018**
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DEFINITIONS

Advance Payment: Advance payment should normally not be used altogether. For good purchased on cash term or advance payment for project activities, construction and service contract; the advance payment is allowed for amount not exceeding the lower of 25 per cent of the full contract amount or Baht 100,000. The approval from Director is required for an advance amount higher than the threshold. He/she should also be responsible for ensuring that:

- The advance payment is fully justified in writing, and official approval is first obtained prior to making any commitments; and,
- Where the advance payment does not present a financial risk to COERR.

Assets (non-expendable property): Items with an original cost of at least Baht 10,000 per unit (excluding freight and insurance charges) and also have a serviceable life of more than 1 year. Special items, exceptionally considered as non- expendable, are vehicles, computer equipment, audio-visual equipment, office furniture and equipment, electrical appliances, road making and agricultural equipment, boats, telecom equipment and security equipment.

Authorization Schedule: A table that shows the limits of authority of COERR officers in relation to purchase commitments and approval of disbursements.

CIP: Carriage and Insurance Paid. An INCOTERMS term referring to vendor's price (unit or total) that includes all costs up to a named port of entry.

Contract: A deliberate agreement between two or more competent person/parties to perform or not to perform a specific act or acts. A Purchase Order, when accepted by the vendor, becomes a contract.

DDU: Delivery Duty Unpaid. An INCOTERMS term referring to vendor's price (unit or total) that includes all costs up to a named place of destination.

Emergency: An unexpected situation that is so compelling that, if not corrected immediately, would endanger life, property or adversely affect essential operations.

Emergency Statement: A written explanation that must accompany the purchase requisition if Emergency is invoked.

DEFINITIONS

Expendable Property: Items with an original purchase cost of less than Baht 10,000 per unit (excluding freight and insurance charges) or which have a serviceable life of less than 1 year, with the exception for Assets (non-expendable).

EXW: Ex Works. An INCOTERMS term referring to vendor's price (unit or total) that includes the cost for packing and loading but not transport.

FCA: Free Carrier In. An INCOTERMS term referring to vendor's price (unit or total) that includes all costs up to a named place of departure.

INCOTERMS: The trade terms used internationally to specify the obligations for delivering goods in international contracts (i.e. EXW, CIP, etc.). These trade terms are regularly updated and issued by the International Chamber of Commerce, Paris.

Invitation to Bid (ITB): A solicitation document in which the requirements for formal competitive bidding are specified for contracts with 150,001 Baht budget and above.

International Procurement: Procurement of goods or services from outside Thailand except from neighboring countries whose international border with Thailand is close to where a COERR program is located.

Local Procurement: Procurement of goods or services within Thailand where COERR operates or from a neighboring country whose international border with Thailand is close to where a COERR program is located.

Logistics Unit: The organization unit within COERR's Bangkok Head Office or Field Offices that is responsible for the procurement process.

Price Proposal: The second requisite component (the first is the technical proposal) of proposals for services that address an overall quotation and detailed costing of the service(s) to be performed.

Procurement: The process that includes definition of requirements, sourcing, evaluation of offers/proposals, contract award, inspection, delivery, installation and commissioning.

DEFINITIONS

Procurement Manager: The officer/supervisor appointed by the Finance & Admin Director as responsible for COERR's Logistics Unit.

Purchase Order: A contract for the procurement of goods.

Requisition: Standardized form containing detailed specifications, which are completed by the requestor and duly authorized, in order to initiate the procurement process by the Logistics Unit.

Requestor: COERR's unit or staff member who submits a request for goods or services to be procured.

Request for Proposals (RFP): A solicitation document designed to obtain proposals for services to satisfy a requirement that cannot be described in a complete or definitive manner. An RFP leads to the selection of the proposal that offers the best value in accordance with the pre-defined evaluation criteria. Where appropriate, the RFP will indicate that negotiation may be undertaken in respect of the preferred proposal.

Request for Quotation (RFQ): A solicitation document that describes the requirements quantitatively and qualitatively and requests prices and commercial terms from vendors, for goods that meet neutral specifications and are usually readily available on the market.

Service Contract: A contract for the delivery of services.

Technical Proposal: One of two requisite components (the other component is the financial or price proposal) that comprise proposals for services and which addresses the technical part of the required services.

Tender Committee: The main purpose of this committee is to open and evaluate the proposals, and select the vendor that offers the optimum combination of factors such as appropriate quantity, life-cycle costs, delivery time and other parameters which can include social, environmental or other strategic objectives which meet the end-user needs. For Bangkok Head Office, the Tender Committee should consist of at least one director, one manager from the Finance and Accounts Unit, and one manager from the Program Unit. For the field offices, the Tender Committee should consist of at least one Field Manager, one representative from the field office Finance and Account Unit, and one representative from the field office Program Unit who in no way is related to that particular offer or proposal.

Statement Code: PRM-01	**Page 4 of 4**
Prepared date: 17 December 2002	**Revised date: 17 April 2018**
Effective date: 17 April 2018	**Revision no.: 3**

DEFINITIONS

Vendor: A provider of goods or services.

Vendors Database: A database of qualified vendors that COERR use as a resource to identify and select the eligible companies when preparing the list of vendors for a particular purchase.

Statement Code: PRM-02	**Page 1 of 9**
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OVERALL POLICIES

1. Overall Policy Objective

The overall policy objective of procurement is to provide the appropriate quality and quantity of goods and services to support COERR operations at the time and place that they are needed and in the most cost-effective manner, while taking into account the following considerations:

- The mandate of COERR
- The fairness, integrity and transparency of the process
- Non-discrimination and equal treatment of vendors; and,
- The award of contracts on the basis of competitive bidding

2. Procurement Responsibilities

COERR's Logistic Unit in the Head Office and Field Offices are responsible for the procurement processes. Their primary procurement function is to ensure that goods and services supplied should be of the required quantity and quality, available within the time required and at the lowest acceptable cost in order to deliver the best value for money.

The Logistics Unit should have the following major procurement responsibilities:

- Provide a service to other units by acting as the principal contact between vendors and COERR. It serves as the exclusive channel through which all requests regarding prices and products are handled, as well as correspondence with vendors concerning prices and quotations.
- Be responsible for making final determination of supply source, price and delivery schedule, in conjunction with other units when appropriate. Only authorized Logistics Unit staff should undertake negotiations with vendors, and the purchase commitments should be approved by the authorized manager, director and/or his/her designates.
- Be responsible for developing a sufficiently wide range of sources to provide adequate competitive bids.
- Make sure that adequate measures have been taken to safeguard the vendor's confidentiality.
- Ensure that all follow-up activities after the issuance of a contract are maintained.
- Keep the Finance & Admin Director informed about economic and market conditions.

OVERALL POLICIES

- Ensure that employees involved in procurement comply in all respects with laws that apply to their purchasing activities and strictly adhere to the Standard of Conduct and Business Ethics laid down in this document.

COERR's Finance Director should have the ultimate authority and responsibility for the procurement of goods and services necessary to support the operations.

The Finance Director should ensure that coherent procurement functions are established and maintained in COERR. He/she should form the Logistics Unit that will be responsible for the procurement processes. He/she should then delegate, as he/she finds appropriate, the responsibility for the various elements of this task to members of Logistics Unit staff according to their qualification.

It is the Finance Director's responsibility to ensure that proper controls for monitoring and review are in place. It is also the responsibility of the Finance Director to ensure that a local Procurement Manual exists, which provides detailed guidance to the Logistics Unit staff for effective operation.

It is the employee's responsibility to consult with a superior if policies and procedures are not completely understandable or if there may be difficulties fulfilling the requirements of any policy or procedure.

3. Competitive Bidding

Competitive bidding or quotation should be employed in all procurement undertaken by COERR which have value of 15,001 Baht and above but not exceeding 150,000 Baht. It requires that three or more qualified vendors be solicited for written offers/proposals when the contract has a value of 15,001 Baht to 150,000 Baht.

For single or aggregate purchases with a value of 150,001 Baht and above, a formal tendering exercise involving at least three formal bids received from potential suppliers shall be undertaken.

Competitive bidding should be handled by qualified staff of the Logistics Unit.

OVERALL POLICIES

The exceptions from price comparison and competitive bidding rules may have in the following cases:

- Prices or rates are fixed by national legislation or by regulatory bodies (e.g. sugar);
- Standardization of supplies, equipment, or spare parts render competition impracticable (e.g. toner cartridges for a particular photocopy machine);
- An emergency exists (defined as an unexpected situation that is so compelling that, if not corrected immediately, it would endanger life, property or adversely affect essential operations.), and it is so great that it precludes requisitioning through normal supply channels, use of normal contracting methods and obtaining advanced approvals normally required
- to respond to the situation (e.g. sudden influx of refugees or fire or flood in a refugee camp).
- The proposed contract relates to procurement from a sole source of supply or services (e.g. sole authorized vendor locally in Thailand)
- Requests for quotations or proposals would not give satisfactory results, cannot be evaluated objectively or would not be deemed in the interest of COERR (e.g. a contract is to be extended, changing the vendor would not provide continuity in the work etc.)

It is important to strictly adhere to these policies and the exceptions should be kept to an absolute minimum. The Director or his/her designate must approve in writing all exceptions to the policy that requires prices comparison and competitive bidding.

4. Local versus International Procurement

To support the economies of Thailand and of the hosting cities or towns, preference is to be given to procurement of goods manufactured and services readily available in the areas where COERR operates.

COERR gives due consideration to the procurement of goods and services in Thailand to support the economy of the country. If international procurement is necessary, especially of assets and large purchases, a comparative analysis of local and international procurement must be documented.

Statement Code: PRM-02	**Page 4 of 9**
Prepared date: 17 December 2002	**Revised date: 1 January 2020**
Effective date: 1 January 2020	**Revision no.: 4**

OVERALL POLICIES

5. Business Opportunity

COERR should maintain an up-to-date database of qualified vendors that meet objectively the minimum requirements of COERR. It should invite to bid the widest possible base of potential vendors suitable for a specific contract.

Vendors requesting an opportunity to render an offer/proposal should be given the opportunity to do so, unless there is supportable evidence that the firm cannot realistically be expected to provide the required goods/services.

6. Quality and Delivery Time

The primary procurement function of COERR's Logistics Unit is to ensure that goods and services supplied should be of the required quantity and quality, available within the time required and at the lowest acceptable cost in order to deliver the best value for money.

The Logistics Unit has the responsibility to carefully review purchase requisitions concerning specifications, allocated budget and delivery time and, when in doubt, make appropriate inquiries to the requestor.

Advice from experts should be sought before purchasing special relief items such as chemicals (pesticides, fertilizers, etc.), specialized equipment (laboratory, agricultural, medical, etc.) and services. If the relevant expertise is not available, the donors should be consulted to examine the requirements to ensure that appropriate goods/services are purchased.

Delivery time must take into account lead time required by the Logistics Unit in preparing and processing documents, the ability of the market to respond, evaluation of offers/proposals, production time, transport time and delivery to final destination.

If Emergency is invoked, a written explanation (Emergency Statement) must accompany the purchase requisition.

Statement Code: PRM-02	**Page 5 of 9**
Prepared date: 17 December 2002	**Revised date: 1 January 2020**
Effective date: 1 January 2020	**Revision no.: 4**

OVERALL POLICIES

7. Contract Award

Key criteria specified in the solicitation documents, such as quality, delivery time, payment terms and compatibility with existing equipment, should be used to evaluate the offers/proposals.

The Purchase Order or Service Contract shall be awarded to the competitive bidder.

The suppliers who provide goods and services should submit their proposals in two separate envelopes: the first envelop contains the Technical proposal, and the second envelop is the Financial proposal. The Technical proposal should be evaluated in the first instance against the specification and technical requirements. The Financial offer should be evaluated subsequently and the score of this part should be then combined with the technical score to reach a total score.

Proposals for service contracts should be evaluated in accordance with technical criteria and financial criteria established by the Tender Committee. The Tender Committee, considering input from the requestor, should establish the respective criteria for the technical and financial scoring ratio. For certain more technically oriented formal tender, the scores of technical evaluation and financial evaluation can be adjusted to 70:30 or 60:40.

Pre-award surveys are recommended prior to the first award to a new vendor for a contract of high value, high priority or complex goods/services. Among the topics to be surveyed should be the vendor's credit rating, affiliations, familiarity with the technical requirements, facilities, experience, references, capacity, production equipment, type of personnel, etc.

Statement Code: PRM-02	**Page 6 of 9**
Prepared date: 17 December 2002	**Revised date: 1 January 2025**
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OVERALL POLICIES

8. Limitation of Authority

The Finance & Admin Director should design and keep up to date the authorization levels and obtain appropriate approval from the Board of Directors. The authority limits for purchase commitments in general are divided into 4 levels:

Authorized Staff	Value in Baht
Chairman of Board of Directors and Attorneys	Unlimited
President of COERR Board	Unlimited
Directors	Up to Baht 2 million
Managers	Up to Baht 200,000
Supervisors	Up to Baht 50,000

Asset acquisition with value 10,000 Baht or more must be approved by Finance & Admin Director; and the donation, presentation and gift expenses shall be approved by the President and/or Director level.

COERR has decentralized the procurement and payment processes by which the purchase commitments and payment authorities are delegated away from the Central Head Office to 4 Field Managers and 1 BRC Program Manager.

In accordance to UNHCR Implementing Partnership Management Guidance Note No. 4, COERR has implemented the Authorization Schedule Template to manage the appropriate segregation of duties in procurement and payment functions and ensure that no single individual has complete authority over one purchase and payment where UNHCR's funds are used, rather the power is divided between at least two people. It essentially involves three key authorities as follows:

- Budget Holder Authority who requests a purchase.
- Authority to seek quotations, negotiation and commit a purchase.
- Authority to accept and pay.



COERR Authorization Schedule 2020 Final.x

Statement Code: PRM-02	**Page 7 of 9**
Prepared date: 17 December 2002	**Revised date: 17 April 2018**
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OVERALL POLICIES

9. Standard of Conduct

Dealing with outside firms engaged in the selling of goods and services is an activity that is potentially vulnerable to fraud. All COERR employees with designated procurement authority should therefore understand and observe the following Code of Conduct:

- Business will be conducted ethically (see Business Ethics) in a manner above reproach and with total impartiality, and preferential treatment for none.
- Maintaining the integrity and confidentiality of the procurement process is of paramount importance.

COERR employees must be aware of what constitutes conflict of interest:

- Staff conduct should not foster any suspicion of conflict between professional duty and personal interest.
- Nobody should solicit or accept, directly or indirectly, any gift, favor, entertainment, loan or anything of monetary value from vendors or potential vendors. The only exception to this rule is inexpensive public relations gifts such as business diaries, calendars, or pens.
- Bids shall not be solicited from, nor contract awarded to, any company that is owned, controlled or actively influenced by any COERR employee or an immediate relative to that employee.
- If a vendor participates in developing or drafting specifications, these must be kept as generic as possible, to avoid unfair advantage of the vendor who assisted in their preparation.

OVERALL POLICIES

10. Business Ethics

The following constitute proper business ethics that should prevail in COERR and in all its procurement activities:

a. Promote fair, ethical, and legal trade practices.
b. Accord prompt and courteous reception in an atmosphere of good faith and equal treatment, devoid of intentional misrepresentation.
c. Treat all information received from vendors in the strictest confidence. Guarantee the confidentiality of all specifications and price quotations received.
d. Decline to take advantage of vendor's errors but show cooperation.
e. Avoid causing needless expenses or inconvenience when requesting offers/proposals.
f. Declare "for information purposes only" if request will not result in the award of a contract.
g. Remain absolutely free from any obligations to any vendor.
h. Make every reasonable effort to negotiate an equitable and mutually agreeable settlement of any controversy with a vendor.

If, exceptionally, negotiations are conducted with more than one prospective vendor, such negotiations must refrain from any price auction or technical leveling (bringing proposals up to the level of the best offer/proposal).

11. Documentation of Procurement Actions

All procurement activities must be fully and transparently documented. This is the only means that COERR has of managing its procurement process and demonstrating that funds are being responsibly committed. A completed purchase must be supported with a fully cross-referenced "stand alone" file. Documentation must be completed fully and accurately in every case.

12. Supplier Code of Conduct

The suppliers are selected and evaluated beyond the basis of economic criteria. COERR also looks closely at environmental protection, compliance with human rights, workplace safety, local labor and social standards as well as COERR's code of conduct and anti-corruption policies. Where UNHCR's funds are used, the suppliers should only be contracted if they perform satisfactorily and ideally in accordance with the principles

detailed in the UN Supplier Code of Conduct regarding labor, human rights, environment and ethical conduct (see Annex I).

In order to process payment to a vendor for goods, the Finance Unit should require an original invoice, the original Receiving Report or hand-over documents to the freight forwarder, Third Party Inspection Report, if applicable, and a copy of the Purchase Order. For payment against a service contract, a copy of the contract is required together with the original invoice approved by the requestor, and the evaluation for the last payment.

A typical "stand alone" procurement file would contain the following, in this order, and separated by dividers for easy reference:

- Requisition.
- Company names and contact person for vendors solicited.
- Copy of the request for quotation, invitation to bid, or request for proposal.
- Original offers/proposals from responsive vendors, including all related correspondence.
- Evaluation of offers/proposals or approved waiver, justification for vendor selection and award price.
- Justification for lack of competition when less than 3 bids were received.
- Copy of the purchase order or service contract including orders for inspection and insurance, if applicable.
- Expediting documents.
- Customs clearance documents (for international procurement)
- Copy of the receiving report.
- Copy of the vendor invoice.
- Other documents and correspondence related to the contract.

The Procurement Manager must document any anomalies or deviations from policy or procedures in a purchase with a signed explanatory "note to the file". Full supporting documentation will answer any question that an auditor or external examiner may raise.

Statement Code: PRM-03	**Page 1 of 1**
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IDENTIFICATION OF NEEDS

Most procurement requirements are anticipated and are the results from the annual budget and business planning process. Therefore, planning of requirements by the Requestor must be at the forefront of all purchases.

If exceptional circumstances prevent planning and early notification of the requirement, it is still required that purchasing processes and procedures are followed. If this is not possible because of urgency, approval should be sought from the Finance Director and the reasons and circumstances for the urgency should be fully documented.

Before initiating any procurement, it should be a standard measure to check if the goods and in particular, assets, are available from other sources than procurement (e.g. redeployment).

Statement Code: PRM-04	**Page 1 of 1**
Prepared date: 17 December 2002	**Revised date: 1 January 2021**
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REQUISITION

A formal written Requisition must be made by an authorized Requestor and submitted to the Logistics Unit in order to initiate the procurement process. The Purchase Requisition should be submitted on a standard form (see Statement Code PRM-16, Sample Documents) prescribed by COERR. No procurement activity will be carried out without a fully completed and authorized Purchase Requisition, except small items using petty cash fund less than 300 Baht e.g. recap, car wash, medicine and household etc. The Purchase Requisition is not required if it's related to training, foods and beverages provided for such training / meeting that has been approved via the training requisition form and part of the pre-approved meeting agenda.

To buy a gift and representation costs that are not part of the program activities must be approved by the Director level.

The Logistics Unit should provide planning support. It should support and advise the Requestor in completing the Requisition. It should give appropriate input as regards to:

- Quality.
- Delivery expectations.
- Detailed specifications.
- Policy and procedures.
- Budget lines

The most fundamental review that the Logistics Unit makes of a Requisition, before proceeding with any procurement is to make certain that proper approval has been obtained. Note that Logistics Unit staff is not authorized to alter specifications, quantity or other details of a Requisition unless changes have been discussed with the Requestor and given appropriate approval.

The completed Requisition, along with the subsequent offers or proposals from vendors and evaluations done by the Logistics Unit serve to support the creation of a formal Purchase Order and Service Contract (see Statement Code PRM-16, Sample Documents) and eventual payment to a vendor.

Statement Code: PRM-05	**Page 1 of 1**
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ESTABLISHING A VENDORS LIST

COERR should maintain an up-to-date vendor database which it should use as a resource when procuring goods and services. The database should contain the following information, apart from goods and services supplied:

- Full name and addresses.
- Product information and data sheets.
- Supply information (quality, delivery times, payment terms and warranties);
- After sales services.
- Packing and shipping facilities
- Management data and historical data.
- References.
- Result in previous bidding and comments on past performance.

From this database of qualified vendors, COERR should identify and select the following eligible companies when preparing the list of vendors for a particular purchase:

- Vendors who delivered against the last contract.
- Competitive vendors from the last Request for Quotations, Invitation to Bid, Request for Proposals (see Statement Code PRM-16, Sample Documents);
- Newly identified vendors.

Newly identified vendors should be requested to fill in a Vendor Registration Form (see Statement Code PRM-16, Sample Documents). The Procurement Manager should evaluate this form before deciding to add the vendor to COERR's active vendor database and consequently to the vendors list.

There is little point in adding names to a bidding list to make up the numbers or to find that several of the bidders pull out of the bidding because they are unable to supply. It is neither helpful to invite, on a regular basis, those prospective vendors who are unlikely to win a contract at present.

COERR should secure more than three (3) offers/proposals, especially where any of the following factors apply:

- There are many potential vendors.
- Some companies may decline from bidding.
- New vendors are entering the marketplace.

Statement Code: PRM-06	**Page 1 of 4**
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SOLICITING OFFERS FOR GOODS

The Request for Quotation (RFQ) or Invitation to Bid (ITB) (see Statement Code PRM-16, Sample Documents) should be used as the main documents in soliciting offers for goods. The RFQ should be used for requests at 15,001 Baht to 150,000 Baht. An ITB should be used for contracts at the value of 150,001 Baht and above.

An RFQ is not necessary for requests whose value is less than 15,000 Baht. Soliciting quotations by phone is acceptable for requests of this value. However, this needs to be recorded in the "note to the file". For UNHCR, 3 quotations are required for a request value of more than 3,200 Baht or 100 USD.

The solicitation documents should furnish all information necessary for a prospective vendor to prepare an offer. This includes the main criteria for their evaluation. The rights of COERR regarding the acceptance or rejection of offers should also be stated in the solicitation documents.

Solicitation documents should be sent simultaneously to all potential bidders to ensure equal treatment.

The following matters should be included when soliciting offers for goods:

- The requirements
- Conditions for Purchase Orders
- Vendor Registration Form
- Offer Form
- Manner of submission
- Closing date/time
- Validity of offers
- Warranty
- Exempt status
- Payment terms
- Additional information

Statement Code: PRM-06	**Page 2 of 4**
Prepared date: 17 December 2002	**Revised date: 17 April 2018**
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SOLICITING OFFERS FOR GOODS

The Requirements:

The RFQ or ITB should give a clear description of the goods required by COERR. It should set forth a detailed description of the merchandise including the specifications, quantity, and delivery place.

Conditions for Purchase Orders:

In general, the party in a contract relationship submitting the first draft of a proposed agreement has definite advantage. It is therefore important to ensure that the vendor accepts COERR's general terms and conditions.

For the purpose of evaluation and comparison of offers, bidders should be requested to quote on the basis of identical trade terms. Bidders are required to state the following:

- EXW unit prices (Ex Works)
- EXW total price, including cost for packing and loading.

Whenever applicable, price increment for delivery according to INCOTERMS should also be specified in the offer. Examples are:

- FCA to named place of departure (Free Carrier in);
- CIP to named place of port of entry (Carriage and Insurance Paid to);
- DDU to named place of destination (Delivery Duty Unpaid).

The cost of the following services, if required, should be quoted separately from the cost of the goods:

- Freight and other expenditures related to inland transportation and delivery by the vendor in the country of destination.
- Installation and commissioning.
- Training.
- Maintenance and repair.
- Detailed operations and maintenance manuals, etc.

Vendor Registration Form:

This form was discussed earlier under "Establishing a Vendors List". The form should be sent (together with the RFQ or ITB) to new vendors who are not yet registered in COERR's database of vendors.

Statement Code: PRM-06	**Page 3 of 4**
Prepared date: 17 December 2002	**Revised date: 1 January 2020**
Effective date: 1 January 2020	**Revision no.: 4**

SOLICITING OFFERS FOR GOODS

Offer Form:

Interested vendors can use an Offer Form (see Statement Code PRM-16, Sample Documents) in submitting a bid. When completed, the form should give technical specifications and delivery conditions.

Manner of Submission:

The RFQ or ITB should state clearly that the offers should be prepared and submitted in either Thai or English. It should always stipulate that offers should be submitted in sealed envelopes. This is particularly mandatory where an ITB is used for high value bids.

For high value bids, sealed envelopes should be marked "not to be opened before (closing date/time)" and should bear the references requested by COERR on the outside envelope for identification purposes.

The number of copies of offers submitted by the vendors depends a lot on the number of evaluation team members. Whatever the number, RFQ or ITB should state very clearly the number of copies to be submitted, in addition to the original.

Closing date/time:

The response time allowed for offers should be based on the complexity of the goods required. For informal solicitation method, a minimum floating time (no less than three working days) shall be granted to vendors for submitting their offers. In case of emergency, vendors may be required to respond in as little as 24 hours.

For formal tender procedure, a minimum floating time of no less than four weeks (as low as two weeks may be considered in certain cases only if well justified and documented). Whatever the date or time, the solicitation documents should state specifically the closing date/time and address for submitting the offer. It should stipulate that COERR will reject any offer received after this date/time or sent to another address.

SOLICITING OFFERS FOR GOODS

An extension of the closing date/time could be granted if justified by exceptional circumstances and so requested in writing by more than one bidder. When an extension is granted, all bidders should be informed immediately and simultaneously. A bid opening should only take place after the new deadline for the submission of bids.

Validity of Offers:
The time of validity of offers should be sufficient for the Logistics Unit to complete the comparison and evaluation of offers, to clarify particular aspects of the proposed contract, to obtain all necessary approvals, to award the contract, and to receive back the contract countersigned from the vendor. This time should be set forth in the RFP or ITB.

Warranty:
There are items that, by their nature and price, should be guaranteed against deficiencies. A warranty from the vendor for these items should be mandatory.

Exempt Status:
If COERR has exempt status in Thailand, no value added tax, customs duties and other import taxes levied in connection with an importation of goods, should be included in the offer. The bidder should specify that the prices quoted are free of customs duty and other taxes.

Additional Information:
Any potential bidder requiring additional information should make a written request either by letter, e-mail or by fax. The reply should likewise be in writing and a copy of the reply should be sent simultaneously to all other potential bidders. Should a meeting with potential bidders prove necessary to provide additional information, a record of the meeting should be prepared immediately and provided simultaneously without delay to the requesting potential bidder and to all other potential bidders.

Prompt action must be taken in order not to compromise the deadline for the submission of bids.

Statement Code: PRM-07	**Page 1 of 4**
Prepared date: 17 December 2002	**Revised date: 17 April 2018**
Effective date: 17 April 2018	**Revision no.: 3**

SOLICITING PROPOSALS FOR SERVICES

The Request for Proposal (RFP) (see Statement Code PRM-16, Sample Documents), together with the necessary annexes, should be used as the main document in soliciting proposals for services. It should furnish all the information necessary for a prospective vendor to prepare a proposal, including the main criteria for their evaluation. The rights of COERR regarding the acceptance or rejection of proposals should also be stated in the solicitation document.

Solicitation documents should be sent simultaneously to all potential bidders to ensure equal treatment.

The following matters should be included when soliciting proposals for services:

- Terms of Reference (TOR)
- Conditions for service contracts
- Vendor Registration Form
- Manner of submission
- Closing date/time
- Validity of proposals
- Required contents of proposal
- Performance security
- Requests for customer/staff references
- Additional information

Terms of Reference (TOR):
The TOR (see Statement Code PRM-16, Sample Documents) should contain a clear description of the requirements for which the services are being sought. It should set forth a detailed description of the services to be provided. Criteria that should be included in the TOR are listed in the Sample Documents.

Conditions for Service Contracts:
In general, the party in a contract relationship submitting the first draft of a proposed agreement has definite advantage. It is therefore important to ensure that the vendor accepts COERR's general terms and conditions.

Statement Code: PRM-07	**Page 2 of 4**
Prepared date: 17 December 2002	**Revised date: 17 April 2018**
Effective date: 17 April 2018	**Revision no.: 3**

SOLICITING PROPOSALS FOR SERVICES

Vendor Registration Form:

This form was discussed earlier under "Establishing a Vendors List". The form should be sent (together with the RFP) to new vendors who are not yet registered in COERR's database of vendors.

Manner of Submission:

The RFP should state clearly that the proposals should be prepared and submitted in Thai or English. It should always stipulate that proposals should be submitted in sealed envelopes. Sealed envelopes should be marked "not to be opened before (closing date/time)" and should bear the references requested by COERR on the outside envelope for identification purposes.

The RFP should also state clearly that the proposal should consist of two components: technical and price. For highly complex and specialized contracts, bidders should be asked to submit a financial proposal and a technical proposal in separate sealed envelopes labeled accordingly.

The number of copies or proposals to be submitted by the vendors depends a lot on the number of evaluation team members. Whatever the number, RFP should state very clearly the number of copies to be submitted in addition to the original.

SOLICITING PROPOSALS FOR SERVICES

Closing Date/Time:

The response time allowed for offers/proposals should be based on the complexity of the services required. For informal solicitation method, a minimum floating time (no less than three working days) shall be granted to vendors for submitting their offers. In case of emergency, vendors may be required to respond in as little as 24 hours.

For formal tender procedure, a minimum floating time of no less than four weeks (as low as two weeks may be considered in certain cases only if well justified and documented). Whatever the date, the RFP should state specifically the closing date/time and address for submitting the proposals. It should stipulate that any proposal received after this date/time or sent to another address will be rejected.

An extension of the closing date/time could be granted if justified by exceptional circumstances and so requested in writing by more than one bidder. When an extension is granted, all bidders should be informed immediately and simultaneously. A bid opening should only take place after the new deadline for the submission of bids.

Validity of Proposals:

The time of validity of proposals should be sufficient for the Logistics Unit to complete the comparison and evaluation of offers/proposals, to clarify particular aspects of the proposed contract, to obtain all necessary approvals, to award the contract, and to receive back the countersigned contract from the vendor. This time should be set forth in the RFP.

Required Contents of Proposal:

As mentioned earlier, the proposal from vendors should consist of two components: the technical and the price.

The technical component should include, but not necessarily limited to, the following information:

- Description of the firm and its qualifications
- Understanding of the requirements for services, including any assumptions
- Proposed approach, methodology, timing, and outputs
- Proposed personnel to carry out the assignment

Statement Code: PRM-07	**Page 4 of 4**
Prepared date: 17 December 2002	**Revised date: 17 April 2018**
Effective date: 17 April 2018	**Revision no.: 3**

SOLICITING PROPOSALS FOR SERVICES

The price component should contain an overall quotation in Thailand Baht, and this should be relayed unequivocally to the vendors. In addition, the price component should cover all the services to be provided and should itemize the following:

- An all-inclusive rate per person-day (including honorarium and living expenses);
- An all-inclusive amount for travel and related expenses.
- Other costs, if any, broken down by nature of cost
- A proposed schedule of payments

Performance Security:

A performance bond should be considered for high value contracts and critical projects. The vendor should provide such a performance bond on or before the effective date of contract.

Requests for Customer/Staff References:

Requests for customer and/or staff references should also be considered and included in the RFP especially for high value and critical projects.

Additional Information:

Any potential bidder requiring additional information should make a written request either by letter, e-mail or by fax. The reply should likewise be in writing and a copy of the reply should be sent simultaneously to all other potential bidders. Should a meeting with potential bidders prove necessary to provide additional information, a record of the meeting should be prepared immediately and provided simultaneously without delay to the requesting potential bidder and to all other potential bidders.

Prompt action must be taken in order not to compromise the deadline for the submission of bids.

Statement Code: PRM-08	**Page 1 of 2**
Prepared date: 17 December 2002	**Revised date: 1 January 2020**
Effective date: 1 January 2020	**Revision no.: 4**

RECEIPT OF OFFERS/PROPOSALS

Offers/proposals should be immediately sent or brought to the person designated to receive them for recording and safekeeping. Under no circumstances will an offer/proposal be opened, reviewed or examined, nor will it be marked or defaced in any way, prior to official opening.

Offers/proposals should be received at the designated place and time. If received after the deadlines they should not be considered. All late offers/proposals will be placed in the file with a copy of the letter to the vendor informing that it was late, could not be considered and requesting a timely submission in the future.

Offers/proposals required to be submitted in sealed envelopes, but those which are submitted in unsealed envelopes are also not to be considered.

Offers/proposals whose value is **150,001 Baht** and above should be opened formally by a Tender Committee who will subsequently evaluate the offers/proposals and determine the vendor at the lowest acceptable cost in order to deliver the best value for money within the timeframe required. For Bangkok Head Office, the Tender Committee should consist of at least one director, one manager from the Finance and Accounts Unit, and one manager from the Program Unit. For the field offices, the Tender Committee should consist of at least one Field Manager, one representative from the field office Finance and Account Unit, and one representative from the field office Program Unit who in no way is related to that offer or proposal.

The following arrangements should be made for the opening of offers/proposals whose value is 150,001 Baht and above:

- Offers/proposals should be opened by at least two Committee members, who should prepare and sign a record of the bid opening, including at least the date and hour when it was held, the persons present and their initials, the number of offers/proposals received, and the names of the bidders.
- An official unconnected to the procurement function should participate in the bid opening for contracts whose value is 150,001 Baht and above. This role of independent participant should be rotated among COERR's officers. The selection should be done at random.

Statement Code: PRM-08	**Page 2 of 2**
Prepared date: 17 December 2002	**Revised date: 17 April 2018**
Effective date: 17 April 2018	**Revision no.: 3**

RECEIPT OF OFFERS/PROPOSALS

Those who open the offers/proposals should ascertain whether they:

- Meet the requirements for valid receipt specified in the solicitation documents.
- Have been properly signed.

No bidder should be requested or permitted to alter the offer/proposal after closing. Any bidder may, however, be requested to clarify an aspect of an offer/proposal, but no change in the substance or price of the offer/proposal should be sought, offered or permitted.

Prior to the award, no information may be revealed concerning offers/proposals such as relative standing, names of bidders, etc. After the award, the name of the successful bidder may be given. Under no circumstances, however, will any bidder's confidential information be disclosed to another vendor.

Statement Code: PRM-09	**Page 1 of 3**
Prepared date: 17 December 2002	**Revised date: 1 January 2020**
Effective date: 1 January 2020	**Revision no.: 4**

EVALUATION AND AWARDING OF OFFERS/PROPOSALS

All information pertaining to offers/proposals must be treated as highly confidential and must not under any circumstances be disclosed to other bidders or to officials not directly concerned with the evaluation process.

The purpose of evaluation and comparison of offers/proposals is to determine which vendor can deliver the best value for money for acceptable specifications. In determining whether an offer/proposal is acceptable, non-price factors are considered.

In the event of a calculation error in an offer/proposal, the unit price will prevail. If it is clear beyond doubt that a mistake has been made, the Procurement Manager may permit the bidder to withdraw but not alter the offer/proposal.

In addition to price, the factors to be considered in an evaluation for the purpose of determining the best acceptable offer/proposal as specified in the RFQ, ITB, RFP shall include where applicable:

- Compliance with technical specifications, relevant international standards and technical norms.
- Compatibility with existing equipment and standardization plans.
- Compliance with required time schedules.
- Delivery times.
- Payment terms.
- Guarantees, availability of spare parts, after-sales services and training.
- Life-cycle aspects covering maintenance and operating costs.
- Capability, capacity, financial standing, past experience and performance of the vendor and its local representative.

If delivery time is the main factor for the award, a liquidated damages clause should be made part of the contract (see Sample Documents: Conditions for Purchase Order, Conditions for Service Contracts).

The Tender Committee should be careful and should thoroughly review each bidder's offer/proposal to detect any problem at an early stage.

Statement Code: PRM-09	**Page 2 of 3**
Prepared date: 17 December 2002	**Revised date: 17 April 2018**
Effective date: 17 April 2018	**Revision no.: 3**

EVALUATION AND AWARDING OF OFFERS/PROPOSALS

Depending on whether it is local or international procurement, the evaluation and comparison of offers/proposals should be made on the basis of Delivered Duty Unpaid (DDU) or Carriage and Insurance Paid (CIP) prices to the port of entry, unless otherwise stipulated. If offers/proposals are in a currency other than local currency, they should be converted at the prevailing Bank of Thailand rate of exchange.

Offers/proposals for complex goods/services should be submitted to the Requestor for technical evaluation in accordance with the award criteria listed in the solicitation document; however, all pricing information should be removed from the offers/proposals prior to the technical evaluation.

When considering an award of a high-value contract to a vendor, with whom COERR has little or no previous experience, a firm specialized in pre-award surveys may be engaged under the contract budget to obtain information regarding the capability, capacity and financial standing of the vendor under consideration.

The Tender Committee should prepare and sign a detailed Evaluation Score Sheet and Evaluation Report (see Statement Code PRM-16, Sample Documents) or minutes on the evaluation and comparison of proposals for services. It should include all supporting documents and a written statement of all relevant factors leading to the final recommendation for the award of the contract.

If the award was preceded by negotiation, this should be documented in the order file by a negotiation memorandum, specifying the contract negotiation objectives (price, delivery, quality, etc.).

An evaluation report is usually not required for single purchases of "off-the-shelf" goods following a Request for Quotation. The Tabulation of Offers (see Statement Code PRM-16, Sample Documents) and the supporting documents should form the basis of the award of the contract. The Tabulation of Offers should be signed by the buyer and approved by the Procurement Manager.

Statement Code: PRM-09	**Page 3 of 3**
Prepared date: 17 December 2002	**Revised date: 17 April 2018**
Effective date: 17 April 2018	**Revision no.: 3**

EVALUATION AND AWARDING OF OFFERS/PROPOSALS

The following documents should form the basis for awarding the contract:

- Requisition.
- Request for Quotation, Invitation to Bid, or Request for Proposal.
- Record of the opening of the offers/proposals.
- Evaluation report (for services).
- Tabulation of Offers (for goods).
- Offers/proposals (all in original) received.

Extension of Validity:
COERR should complete promptly the evaluation and award of the contract within the period of the validity of offers/proposals as stipulated in the solicitation document. If justified by exceptional circumstances, and an extension of the validity period is requested, COERR should not ask or permit bidders to change the price or other conditions of their offer/proposal. Bidders have the right to refuse to grant such an extension. However, any bidder not granting an extension automatically declines his/her further participation in the bidding process concerned.

Rejection of Offers/Proposals:
The Conditions for Purchase Orders or for Service Contracts, submitted with each RFQ, ITB, or RFP, should contain a statement concerning COERR's right to accept or reject any offer/proposal prior to the award of contract and to annul the bidding process and reject all offers at any time. Where the interest of COERR so requires, all offers/proposals may be rejected, and new ones solicited based on the same or revised specifications. However, such action should not be taken for the sole purpose of obtaining lower prices. Rejection of all offers/proposals is justified when an insufficient number of substantially responsive offers/proposals is received or when there is a lack of effective competition. A Regret Letter (see Statement Code PRM-16, Sample Documents) should be sent to all vendors whose offer or proposal did not qualify for the bid.

For audit purposes, all documents must be kept for a period of five years. Documents should be filed according to contract numbers.

Statement Code: PRM-10	**Page 1 of 3**
Prepared date: 17 December 2002	**Revised date: 17 April 2018**
Effective date: 17 April 2018	**Revision no.: 3**

ORDERING

Purchase Orders (for goods) and Service Contracts (for services) (see Statement Code PRM-16, Sample Documents) should be used to establish contractual obligations for an amount of 15,001 Baht and above. The Purchase Order or Service Contract should have the following basic data:

- Contract number and date;
- Page number and number of pages (Page _ of _);
- Vendor's address, contact person and phone number;
- Vendor reference number;
- Consignee and, if different, delivery address;
- Trade terms (INCOTERMS);
- Mode of shipment and transshipment point (via);
- Delivery date (never "ASAP");
- Cash terms (prompt payment discounts);
- Item number(s);
- Complete description of goods or services;
- Quantity, unit of measure, unit price and total for each item;
- Total order value;
- COERR's name/code and phone number;
- COERR's authorized signature.

Purchase Orders and Service Contracts should be issued according to a numerical sequence of reference numbers. A record of these documents should be maintained. This record should contain, as a minimum:

- Contract number, in sequence, and date;
- Vendor's name;
- Short item description;
- Total order value;
- Requisition reference;
- Buyer reference.

Statement Code: PRM-10	**Page 2 of 3**
Prepared date: 17 December 2002	**Revised date: 17 April 2018**
Effective date: 17 April 2018	**Revision no.: 3**

ORDERING

Purchase Orders and Service Contracts should be issued in 3 copies. The first copy should be given to the vendor. The second copy should be sent to Finance and Accounting. The third copy should be retained by the Logistics Unit.

The INCOTERMS give a uniform set of guidelines for the interpretation of buyer and vendor obligations under three main headings: Place of delivery; the division of costs; the point at which the insurance risks pass from the vendor to the buyer. The INCOTERMS also identify which party is responsible for export documentation under each term. By stating the INCOTERMS under which the Purchase Order is issued, the vendor and COERR know the rules governing the delivery. COERR's Logistics staff, therefore, should be fully conversant with the meaning and ramifications of the quoted terms.

Inspection of consignments at various stages in the supply process ensures quality and quantity control of the goods provided. To minimize problems encountered with delivery, COERR should consider the need for inspection services by a neutral inspection company for each contract. The services of an inspector may range from a general pre-shipment inspection to inspection during all stages of production and laboratory analysis.

Insurance coverage should also be considered at least for high value or otherwise critical contracts. Certain INCOTERMS make transport insurance a part of the vendor's responsibility (e.g. DDU, CIP). Transport insurance can usually also be obtained separately through a freight forwarder.

A sample Cover Letter for Service Contracts is included under the Statement Code PRM-16, Sample Documents.

Statement Code: PRM-10	**Page 3 of 3**
Prepared date: 17 December 2002	**Revised date: 17 April 2018**
Effective date: 17 April 2018	**Revision no.: 3**

ORDERING

The Conditions for Purchase Orders or Conditions for Service Contracts respectively (see Statement Code PRM-16, Sample Documents) should be incorporated in all contracts. Any deviation from these should be approved by the Finance Director and referenced in the contract.

If progress payment is requested by the vendor and has been negotiated, it should be specified in the contract.

Change (including cancellation) of an outstanding contract must be made in writing to the Procurement Manager, who will consult with the Requestor and the vendor. Under no circumstances will the Requestor contact the vendor directly. If change is approved, a new contract should be issued with the words "Change Order" written on the top of the page. A description of the changes should be written into the body of the contract.

Statement Code: PRM-11	**Page 1 of 2**
Prepared date: 17 December 2002	**Revised date: 17 April 2018**
Effective date: 17 April 2018	**Revision no.: 3**

TRANSPORT

Vendors should be required to transport the goods purchased to the destination office. This condition should be written clearly in the Purchase Orders and Conditions for Purchases. If this is not all possible, the Logistics Unit may consider hiring the services of freight forwarders. Before even contacting the freight forwarders, however, the Logistics Unit should check first if COERR's own vehicles can be used for transport.

Vendors should always take care of transporting purchased goods from Bangkok to the field offices. COERR's own vehicles should be used for transferring purchased goods from the field offices to the camps, unless this is not practical because of the nature of the goods purchased. In this case, the vendors should be required to bring the goods all the way to the camps. Alternatively, freight forwarders may be hired to do the work.

Transportation and transport documents can be complex and can carry pitfalls. The Logistics Unit is strongly recommended to be extra careful and attentive when dealing with transport and its related documents

Even though most country agreements with host governments provide for exemption from duties, taxes and levies on purchased items, it does not always follow that this exempt status is automatic. The Logistics Unit, therefore, should advise vendors at the time a Purchase Order or Service Contract is issued of the exemption status and prepare for these exemptions to take effect and ensure that goods move in an expeditious manner from the vendor to final destination through conscientious follow-up procedures.

In the selection and contracting of freight forwarders, COERR should remember that all carriers and their agents conduct their business under limited liability and under agreed conventions. The only occasion when carriers or agents' liability becomes unlimited is when total negligence on their part can be proven.

Statement Code: PRM-11	**Page 2 of 2**
Prepared date: 17 December 2002	**Revised date: 17 April 2018**
Effective date: 17 April 2018	**Revision no.: 3**

TRANSPORT

For international procurement, COERR should instruct the appointed freight forwarder to send the following documents to the consignee:

- Advance shipping advice by fax or e-mail;
- Waybill (original and one copy);
- Commercial invoice (copy);
- Packing list;
- Third party inspection certificate (if applicable);
- Insurance certificate (if applicable);
- Certificate of origin (if required);
- Others (if required) (e.g. radiation certificate, certificate of analysis).

Statement Code: PRM-12	**Page 1 of 2**
Prepared date: 17 December 2002	**Revised date: 17 April 2018**
Effective date: 17 April 2018	**Revision no.: 3**

EXPEDITING/CONTRACT MANAGEMENT

The usual practice is for the Requestor to keep track of his pending Requisitions and then to follow them up with the Logistics Unit who, in turn, follows up the vendor. This practice should continue, but it should not prevent the Logistics Unit from being proactive in expediting purchases and in monitoring contracts. The Logistics Unit, therefore, should regularly check pending purchases and open contracts, and should follow them up without undue delay.

The staff responsible for tracking the expedition of Purchase Orders and/or the management of Service Contracts should review all active files on at least a weekly basis, or as frequently as required. Expediting is most efficiently done in advance of delivery rather than chasing late consignments.

The Logistics Unit should maintain a shipment expected/arrivals record to track orders and shipments and to keep the final destination informed of progress. It should monitor each stage (ship's arrival, discharge, storage, customs clearance, and loading/transport to final destination). It should also consider reasonable requests for support and assistance from vendors to enable them to meet their contractual obligations.

In monitoring/expediting Purchase Orders and/or Service Contracts the following procedures should be observed:

- Examine the delivery status of all contracts which have been confirmed with vendors and which, according to the files, have not yet been received or executed by the stated delivery date;
- For those contracts singled out by this review, check with the Requestor for eventual receipt. If not received, check whether the goods or the services are still required;
- If the Requestor still needs the delayed goods/services, then contact the vendor for a realistic delivery date and follow up on prompt expedition.
- If the vendor states that the goods (and documents) have been shipped or the services delivered, then 1) obtain the shipping date and shipping information; 2) ask the vendor to investigate and advise current status; and 3) trace the consignment through receiving agents; 4) in the case of services, obtain proof of their satisfactory delivery.

Statement Code: PRM-12	**Page 2 of 2**
Prepared date: 17 December 2002	**Revised date: 17 April 2018**
Effective date: 17 April 2018	**Revision no.: 1**

EXPEDITING/CONTRACT MANAGEMENT

COERR should carry out the evaluation and appraisal of vendor performance on a continuous basis. Visits to or from the vendor to monitor ongoing performance of Purchase Orders and Service Contracts may be appropriate, using performance evaluation forms and quality control checklists. The evaluator should document any findings/reviews/inspections and ensure that one copy is included in the file and another copy in the vendor database. The information is required for the following purposes:

- To assist in the resolution of any dispute arising from contracts.
- To feedback on the vendor selection system and pre-qualification of vendors.
- To provide a baseline for vendor development programs.

Statement Code: PRM-13	**Page 1 of 2**
Prepared date: 17 December 2002	**Revised date: 17 April 2018**
Effective date: 17 April 2018	**Revision no.: 3**

RECEIVING, REJECTION AND CLAIMS

As soon as goods or services are received, they should be promptly and carefully examined to ensure that they fully conform to the contract.

For each Purchase Order (local or international), a Receiving Report (see Statement Code PRM-16, Sample Documents) or its equivalent should be completed, and the authorized official should sign and date the report, stating whether the goods have been received in full and in good order or otherwise. The original Receiving Report or its equivalent is the basic document to initiate payment to local vendors. (International vendors have usually to be paid upon delivery to the forwarder in the exporting country in accordance with INCOTERMS). A copy of the Receiving Report or its equivalent should be kept on file for follow-up action and closure.

In case of any problem detected upon delivery such as loss, damage, wrong quality or quantity, the basic policy is not to accept any non-conforming goods or services and to immediately inform the vendor. However, it is important to know the legal status of the goods or services in order to take appropriate action. This depends on whether the ownership is already with the consignee or still with the vendor.

The following actions must be taken for all non-conforming deliveries irrespective of the ownership:

- Note reason for objection
- For goods: on the transport document i.e. the waybill as well as on the Receiving Report (or its equivalent);
- For services: on the hand-over document.
- Inform the vendor immediately.

In addition, for contracts where the vendor has full responsibility until delivery is accepted by the consignee (e.g. DDU), COERR should consider the following options:

- Reject delivery or part of it;
- Request replacement, re-performance or repair free of charge;
- Contract again with the second-in-line vendor of the bidding process and collect excess costs from the defaulting vendor;
- Terminate the contract.

Statement Code: PRM-13	**Page 2 of 2**
Prepared date: 17 December 2002	**Revised date: 17 April 2018**
Effective date: 17 April 2018	**Revision no.: 3**

RECEIVING, REJECTION AND CLAIMS

If a contract is terminated, COERR should take particular care toward maintaining a satisfactory relationship between the vendor and COERR during and after the termination.

For contracts on the basis of other terms provided they are covered by insurance, COERR should initiate a claims action (carrier, vendor, insurance). If a carrier is suspected to be at fault, COERR should send a Protest Letter to the last carrier (see Statement Code PRM-16, Sample Documents). COERR should also obtain a Short landing Certificate and/or arrange for an independent Survey Report that are required for a later insurance claim;

Only in exceptional cases should COERR consider the following options:

- Allow contract performance after obtaining adequate consideration and approval from the Requestor.
- Agree to an equitable adjustment and issue a Change Order.

It sometimes becomes necessary to return goods. A memo to the Logistics Unit for action should be prepared, identifying each item with reference to the original contract. The Logistics Unit should then negotiate the return of the goods with the vendor. The options available are:

- The vendor furnishes a suitable replacement at no charge, arranges pick-up, handling and freight costs.
- The goods are returned to the vendor for full credit with freight collect (or at cost);
- The goods are returned to the vendor with his/her consent (except DDU delivery) for full credit, less replenishment charge and freight.
- The goods are scrapped with the approval of the vendor and/or the insurance company.

Statement Code: PRM-14	**Page 1 of 2**
Prepared date: 17 December 2002	**Revised date: 17 April 2018**
Effective date: 17 April 2018	**Revision no.: 3**

PAYMENT

It is important that COERR achieve a high level of trustworthiness in this area of vendor relations, since prompt payment according to contract terms is perhaps the most critical aspect of these relationships.

Invoices from vendors should be examined, verified and certified by the Finance Unit (distinct from the buyer). Such examination should include supplementary documentation covering:

- Unit and total prices;
- Quantities specified in the contract;
- Previous payments;
- Deductions;
- Signed Receiving or Hand-over Report;
- Other obligations specified in the contract (installation, training, etc.);

Examination and verification of invoices should be conducted expeditiously in order to assure timely payment within the period agreed. Any deficiencies or discrepancies should be referred to the buyer. If progress payment was agreed upon in the contract, the Requestor of the goods or services should certify the progress.

Only the amount stated on the invoice, exclusive of discounts, should be paid. Cash discounts taken or lost should be reported accordingly. Lost discounts should be justified in writing and the note added to the file. Promotional items given by the vendors in relation to the purchase should also be reported.

Statement Code: PRM-14	**Page 2 of 2**
Prepared date: 17 December 2002	**Revised date: 17 April 2018**
Effective date: 17 April 2018	**Revision no.: 3**

PAYMENT

Several payment options exist depending upon the agreement reached between COERR and vendors. Whatever the conditions, they should always be clearly detailed in the contract. The principal options are:

- Bank transfer directly from COERR's account by which COERR also has control throughout the payment process. Transfers are accomplished by forwarding a letter to the bank. The letter should include the name and number of the account to be debited, amount and currency of transfer, purpose of transfer (contract reference, invoice number), bank name and address, beneficiary name in full, beneficiary account number and authorization signatories.
- Cheque drawn from COERR's account and handed over directly to the vendor. The cheque should be crossed A/C Payee Only.
- Cash handed over directly to the vendor, if a bank transfer and a drawn cheque will not be practical.
- Letter of Credit (L/C) This should be discouraged since it is normally costly and time-consuming.

Statement Code: PRM-15	**Page 1 of 2**
Prepared date: 17 December 2002	**Revised date: 17 April 2018**
Effective date: 17 April 2018	**Revision no.: 1**

CONTRACTING FOR SERVICES

Contracting for services requires clear terms of reference and active oversight by the Requestor following the award of contract.

The Requestor should prepare the Terms of Reference (TOR) (see Statement Code PRM-16, Sample Documents) and he/she should succinctly and clearly state the nature, timeliness, and measures of performance required of the contractor. TOR may include standards for accomplishing work. The Logistics Unit can assist with clarifying the TOR but responsibility for preparation rests with the Requestor.

The Requestor should also prepare an estimate of the cost for the services to be acquired. Sources for the estimate include amount paid for previous contracts under competitive conditions, and market surveys. A realistic, reasonable estimate provides a baseline to permit analysis of proposed prices and determination of reasonableness.

The Logistics Unit should maintain records of solicitation documents, all original proposals, selection documents, evaluation reports, an original copy of the contract and proof of financial clearance and availability of funds to enter into the contract.

Service Contracts should be signed by COERR and the contractor. It is usual practice that the contractor signs the contract first. The total number of signed contract originals may vary and should be determined by COERR. However, a minimum of two originals should be prepared: one for the contractor and one for COERR. Copies of the contract should be provided to the Requestor and to the Finance Unit.

Modifications to Service Contracts should arise only when unexpected or emergency situations occur. This is one reason for well-defined and clearly written TOR. Funds must be certified as being available prior to modifying a contract that increases its amount.

Statement Code: PRM-15	**Page 2 of 2**
Prepared date: 17 December 2002	**Revised date: 17 April 2018**
Effective date: 17 April 2018	**Revision no.: 3**

CONTRACTING FOR SERVICES

Active oversight, or contract management, ensures contractor performance is monitored and any shortcomings should be promptly brought to the attention of the contractor for correction and adherence to the contract TOR. Active oversight also ensures timely processing of contractor invoices.

Payment should be made upon completion and acceptance of work. The contractor should submit an invoice, and payment should be made in accordance with COERR payment policies.

Advance payments should be discouraged and should only be made for exceptional reasons refer to the definition of Advance Payment on page 4.

Progress payments should be acceptable but should be designed for contracts lasting longer than 1 month and for services with discrete or regular progress intervals. For example:

- Monthly payments for an annual maintenance or other service contract. The payment schedule should be reflected in the contract;
- Study or report lasting several months to a year. Payment can be based on steps accomplished to achieve the final report or study. Milestones should be realistic and reasonable.

Statement Code: PRM-16	**Page 1 of 1**
Prepared date: 17 December 2002	**Revised date: 17 April 2018**
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SAMPLE DOCUMENTS

Officers and staff members of COERR in general and of the Logistics Unit in particular should use the documents listed below when procuring goods and/or services. These documents have been designed and coded specifically to facilitate the proper procurement of goods and services for COERR operations. The documents and their codes are:

PRF-01	Purchase Requisition (Rev Jun 10)
PRF-02	Vendor Registration Form (Rev Jun 10)
PRF-03	Request for Quotation/Invitation to Bid
PRF-04	Conditions for Purchase Orders
PRF-05	Offer Form
PRF-06	Request for Proposal
PRF-07	Terms of Reference
PRF-08	Conditions for Service Contracts
PRF-09	Form for Pricing Proposal
PRF-10	Evaluation of Proposals for Services
PRF-11	Tabulation of Offers
PRF-12	Regret Letter
PRF-13	Purchase Order (Rev Jun 10)
PRF-14	Service Contract
PRF-15	Cover Letter for Service Contract
PRF-16	Receiving Report
PRF-17	Protest Letter for Loss and/or Damage

Samples of the documents are shown in the following pages.

ANNEX I

UN Supplier Code of Conduct



UN Supplier Code of Conduct.pdf



Supplier Code of Conduct (COERR Four