

Policy for purchasing and procurement of goods and services

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Appendix 1. Tender Procedure Template

Appendix 2. Minutes from opening of tenders

Background

This policy has been adopted by the SMC board on 2022-01-27 and applies until further notice. The policy is aimed at everyone who purchases goods and services within SMC's secretariat. Purchases and procurement of goods and services made with funds that SMC forwards to member organisations and to their cooperating partners are based on this policy, which is further regulated in separate agreements signed with each party.

Purpose

The policy aims to ensure that the organisation handles the purchasing and procurement of goods and services in accordance with the following principles: transparency, equal treatment and non-discrimination, proportionality, and fair competition. The principles are important for avoiding conflicts of interest and for operations to maintain high quality and be cost-effective.

General principles for procurement

Transparency

SMC shall ensure openness and clarity at all stages of the procurement of goods and services. This obligation means advertising assignments and invitations to tender sufficiently in order to open up the market to competition and to examine the impartiality of procurement procedures.

Equal treatment and non-discrimination

SMC must ensure that all interested parties are treated in the same way, which means that all tenderers must be given equal opportunities and be subject to the same conditions when formulating their tenders. Participation in tendering procedures carried out by SMC shall be open on equal terms to all natural and legal persons¹.

Proportionality

SMC shall not take measures that exceed the limits of what is appropriate and necessary to achieve the objectives pursued. If there is a choice between several appropriate measures, SMC shall strive to choose the least burdensome measure. This may mean, for example, that the choice of procedure, as well as the amount of information, documentation and additions requested, is appropriate and necessary for the nature and scope of the product or service.

¹ A natural person is a private person with or without a sole proprietorship. Other corporate forms, such as companies, organisations and associations, are considered legal persons.

Fair competition

SMC must ensure that the procurement takes place through sound and fair competition, unless there are justified reasons to the contrary. Increased competition is also in SMC's own interest, as it gives us greater freedom of choice when it comes to the tender that is most advantageous and best suited to our needs.

Avoiding conflicts of interest

SMC shall ensure that no conflicts of interest arise for the persons who are responsible for the procurement procedure or participating in the assessment of tenders. A conflict of interest may arise when persons participating in or deciding on the procurement cannot relate independently to one or more tenderers, for example through kinship, other community of interest, economic community or dependence, previous cooperation or other circumstances. There is thus a risk that the person then gives themselves, or the tenderer direct or indirect unjustified benefits, or alternatively disadvantages someone else, by influencing the result. Everyone who participates in or decides on a procurement procedure must be able to confirm their independence to the tenderers.

Procurement procedure

Procurement encompasses the measures that an operator takes in order to purchase goods and services. SMC utilises four different procedures depending on the total value of the contract in question. Note that the threshold value applies to totals for purchases of the same type over one calendar year. The guiding principles described above must be considered in all procedures. For purchases under SEK 20,000 including VAT, no procurement or documentation on procedures, selection, assessment or other measures is required. In all procedures, SMC can choose to advertise internationally, and then adapt the language to the assignment. If the advertisement and invitation to tender are written in English, all documentation must be in English.

Negotiated procedure, SEK 20,001 - SEK 100,000 incl. VAT

When purchasing goods and services from SEK 20,001 to SEK 100,000, SMC may use a negotiated procedure based on a single tender. This means that the invitation to tender can be given to only one or a few suppliers for subsequent negotiation on price and contract terms. The negotiated procedure must be documented in a report explaining SMC's needs for the product or service, how the tenderer/tenderers were selected in the negotiations, how they met the selection criteria, how the price was determined and the justification for the award decision.

Simplified procedure, SEK 100,001 - SEK 900,000 incl. VAT

When purchasing goods and services from SEK 100,001 to SEK 900,000, SMC can use a simplified procedure, which means that SMC selects at least three (3) candidates who are invited to submit tenders. The deadline for submitting tenders must be at least 15 days from the date of publication.

Tenders received after deadline expiration shall be rejected and returned without being reviewed. Tenders received on time are reviewed by an assessment team to ensure that they meet the specified requirements. The review is carried out on the basis of established assessment criteria that are based on grounds for exclusion as well as the selection criteria and award criteria which are described in the published advertisement. In cases where too few tenders are received or if SMC does not consider any of the tenders acceptable, SMC can in exceptional cases decide to cancel the procurement. This decision must then be particularly well justified, and all tenderers must be informed at the same time.

Open procedure, SEK 900,001 - SEK 2,700,000 incl. VAT

When purchasing goods and services from SEK 900,001 to SEK 2,700,000, SMC must apply an open procedure, which means that all natural and legal persons may submit tenders. SMC announces tenders in relevant media and other channels, such as Globalportalen, daily press, magazines, consulting networks and LinkedIn. The deadline for submitting tenders must be at least 30 days from the date of publication. Tenders received after the deadline shall be rejected and returned without being reviewed. Tenders received on time must be opened as soon as possible after the deadline for submission of tenders. At least two (2) persons must be present at the opening of tenders and keep a record of it (Appendix 2). Both persons must sign this document. The tenders received and the total price for each tender shall also be noted in the Tender Procedure Template (Appendix 1). Tenders are examined in the same way as for a simplified procedure. No negotiation is allowed. In cases where too few tenders are received or if SMC does not consider any of the tenders acceptable, SMC can in exceptional cases decide to cancel the procurement. This decision must then be particularly well justified, and all tenderers must be informed at the same time.

If SMC considers it highly probable that a large and difficult-to-manage number of tenders will be received, SMC may decide on a **selective procedure**. In such case, SMC must state in the invitation to tender that only a certain number, at least four (4) and at most eight (8), candidates will be invited to submit tenders. All natural and legal persons can then register their interest in submitting tenders within at least 30 days from the date of publication. The assessment group then lists all candidates and selects the best qualified ones based on the selection criteria described in the published advertisement. SMC sends a more detailed invitation to tender to the selected candidates. In order to ensure fair competition, tenders must be submitted by the supplier or consortium requesting the tender. Changes in the tenderer's identity or composition are not permitted unless acceptable reasons have been stated and SMC has given its written approval. The assessment group examines and subsequently compares the tenders, and the contract is awarded to the selected supplier.

International open procedure, above SEK 2,700,001

When the total contract value exceeds SEK 2,700,001, SMC shall advertise the invitation to tender in internationally available channels². Advertisement and the request for tender must be written in English and, where applicable, also in other languages. All documentation must be in English. Otherwise, the same rules apply as for open or selective proceedings above.

Using negotiated procedure in exceptional cases

SMC can decide to use a negotiated procedure in exceptional and well-justified cases even when the total contract value exceeds SEK 100,001. Exceptions may be justified in the following situations:

- in crisis situations formally recognised by the Swedish International Development Cooperation Agency (Sida)
- in extremely urgent cases beyond SMC's control, upon approval by Sida
- in which the tender procedure has not been successful, in other words where no qualitatively and/or financially advantageous tender has been received. In such cases, when the tendering procedure has been suspended, SMC can negotiate with one or more tenderers that participated in the tender procedure, provided that the original terms and conditions of the tender procedure have not been substantially changed.
- if, for technical reasons or for reasons relating to the protection of exclusive rights, or for reasons protected by copyright, the contract may be awarded only to a specific service provider,
- when justified by the nature or characteristics of the goods, for example if execution of the contract requires the supplier to hold a certain patent or license to use the patent.

SMC must justify, document and archive these exceptional cases, which must be certified by two signatories.

Promoting sustainable procurement

SMC must ensure that our purchases promote environmentally and climate-sustainable development and thus contribute to the Sustainable Development Goal 12 on responsible consumption and production in Agenda 2030. SMC must therefore take environmental and climate impact into account when choosing suppliers, so that positive impact is rewarded and negative impact is avoided. Positive or low environmental and climate impact must always be included as an award criterion based on the understanding that environmentally and climate-friendly alternatives are often more expensive than conventional alternatives.

² For example, the UN publication "*Development Business*", "*Tenders Electronic Daily*" (TED) in the Official Journal of the European Union and the OECD DAC's "*Internet Procurement Bulletin Board*" or equivalent.

Environmental and climate aspects should also be included as a selection criterion to ensure the quality of the tender. SMC can agree with the supplier on compliance with specific environmental requirements.

SMC shall also ensure that the requirements for the selection of suppliers of goods and services consider fundamental human rights as expressed in the core ILO conventions³. SMC shall, to the greatest extent possible, require and review compliance with these standards in its procurements.

Responsibilities and roles

All SMC employees can, based on a given area of responsibility, carry out purchases and procurements, and are then responsible for ensuring that principles, rules and routines in accordance with this policy are followed. Each procurement must be carried out by an assessment group of at least three people in SMC's operations and must be carried out in accordance with the Tender Procedure Template (see Appendix 1). The assessment group must always consist of an odd number of people with relevant competence for the assignment under tendering and have an objective approach and high level of integrity. Participants in the tender review must be able to confirm their independence in relation to the tenderers and demonstrate respect for suppliers and consultants. The responsible manager approves by signing that the tender procedure has been conducted correctly.

The final contract must be given to the finance team for review before signature by at least one signatory.

Conditions for being awarded a contract

Selection criteria

SMC shall establish clear and non-discriminatory selection criteria in order to assess whether the candidate/tenderer has sufficient financial and economic standing as well as the technical and professional capacity to carry out the tasks in the contract. The selected criteria must be proportionate and must not fall outside the scope of the contract. The criteria and any ranking or weighting must be communicated in the invitation to tender.

In the invitation to tender, SMC must state what evidence the tenderer must attach to demonstrate his economic and financial standing, as well as his technical and professional capacity. For economic and financial standing, proof can be, for example, an F-tax certificate, a description of local tax regulations and documentation certifying that the tenderer fulfils its obligations accordingly, documentation of a certain annual turnover, information on annual accounts or a liability insurance policy.

³The ILO's eight core conventions are No. 29 Forced Labour Convention, No. 87 Freedom of Association and Protection of the Right to Organise Convention, No. 98 Right to Organise and Collective Bargaining Convention, No. 100 Equal Remuneration Convention, No. 105 Abolition of Forced Labour Convention, No. 111 Discrimination (Employment and Occupation) Convention, No. 138 Minimum Age Convention, and No. 182 Worst Forms of Child Labour Convention.

For technical and professional capacity, SMC can, for example, request curriculum vitae (CV), diplomas, references from clients, list of assignments from recent years, code of conduct, working and analysis methods, list of equipment and aids that the tenderer has at his disposal to complete the assignment, and information on measures that promote environmental and climate sustainability. In the invitation to tender, SMC must also state the criteria that SMC uses to assess the content of the tender, such as with respect to the tender's method, relevance and expected results.

Award criteria

In the tender procedure, a definite distinction must be made between selection criteria and award criteria, in particular when preparing the invitation to tender and job description, and when the tenders are examined. When the assessment group reviews the tenders on the basis of the award criteria, the review must be completed on the basis of the selection criteria.

SMC awards contracts to the tenderer who has the most economically and environmentally and climate-favourable tender. This means that SMC selects the tender with the best ratio between price, environment and climate, and quality, where *quality* here in practice means the highest total score from the assessment of the selection criteria. This award criterion must be described in the invitation to tender.

Grounds for exclusion

For participation in tendering

Candidates or tenderers must certify in their tenders that they are not in/covered by any of the following situations:

- bankruptcy or other form of insolvency, i.e. no longer able to pay their debts on time,
- there is a final judgment that the tenderer is guilty of serious misconduct in the exercise of his profession,
- has violated obligations to pay taxes and social security contributions in accordance with applicable law of the country in which the tenderer operates,
- is guilty of corruption⁴ or other criminal activity,
- has previously demonstrated deficiencies in compliance in agreements with SMC or any of our financiers, which has led to legal proceedings, or

⁴SMC's definition of corruption is: Misuse of resources, trust, power and/or position to obtain undue gain for oneself, a close relation or a group. This gain can include economic as well as other benefits, such as increased influence, improved reputation, political recognition, voter turnout and sexual or other services, benefits that can be obtained in exchange for food, housing, protection or other. Corruption can also entail failure to take action, such as not reporting a suspect.

- is listed in the list of EU restrictive measures⁵. This also applies to companies within the same group.

For awarding contracts

SMC does not award contracts to candidates or tenderers who during the procurement procedure:

- are the subject of a conflict of interest,
- have provided incorrect information requested by SMC as a condition for participating in the procurement or failure to provide such information, or
- if SMC determines that there are grounds for exclusion for participation in tendering in accordance with the section above.

This must be included in an invitation to tender

An invitation to tender must be drawn up so as to enable and encourage the greatest possible competition. In order for SMC to be able to ensure compliance with all general principles for procurement, it is necessary that the invitation to tender be clear and transparent. The requirements must be proportionate, i.e. necessary and appropriate, in order for the assignment to be carried out. The following elements shall be included in the invitation to tender:

- selection criteria and any ranking or weighting of these,
- award criteria,
- Terms of Reference that define the purpose, structure and scope of the assignment,
- instructions to the tenderer,
- deadline for submission of tenders, and
- main terms of the contract.

Special procurement rules

If SMC wishes to use a purchasing center/purchasing agent, the contract must be preceded by a procurement procedure in accordance with the threshold values of this policy. The purchasing center/purchasing agent's regulations must not conflict with SMC's regulations on significant items.

SMC can sign framework agreements with one or more suppliers for a maximum of three years for the purchase of goods and services for which SMC has a recurring need. The framework agreement determines the terms of the contracts that at a later stage will be assigned over a given period of time.

⁵The lists of persons, groups and entities subject to EU restrictive measures are published on the following website: www.sanctionsmap.eu.

This gives us a better opportunity to plan for these needs and a better negotiating position based on larger volumes. Where possible, the total volume of the Ecumenical Center should also be considered. Framework agreements are procured in accordance with the same rules and routines as described in this policy, where the threshold value for the various procurement procedures then refers to the entire contract period.

Contract

SMC shall provide information and justification on the award of contracts to all tenderers at the same time. All tenderers have the right to request documentation for decisions, such as evaluation for tender procedures. Unless otherwise agreed, all contracts must be entered into directly between SMC and the selected supplier. No changes to the contract may change the award terms that applied at the time the contract was awarded.

A contract, a framework agreement, or a special contract within the framework of a framework agreement may be amended by an addendum in accordance with current contract terms. In cases where SMC considers the change to be minor and without impact on the assignment for the contract or framework agreement, the addendum can be made without the need for a negotiated procedure. If SMC considers the changes to be major, for example if they exceed the original contract value by 50% in a negotiated or simplified procedure or 10% in an open or selective procedure, or if it questions the validity of the original tender procedure, a new procurement must be carried out.

Documentation and archiving

SMC must save and archive all documents relevant to the procurement for seven (7) years. The relevant documents mainly include the invitation to tender and description of the assignment, tenders, evaluation of the tender procedure, and decisions. The argumentation and decisions that form the basis for deviations in accordance with the paragraph "Exception rules" above must also be included. The documents must be saved in the form in which they were received at SMC, either digitally or in paper form.

Responsibility for policy

SMC's Secretary General is responsible for this policy, which is subject to revision as needed.