



**GREEN
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Reviewed Administrative Guidelines on Corporate Procurement

Summary

This document presents the revised Administrative Guidelines on Corporate Procurement for the approval of the Board. The revised Administrative Guidelines on Corporate Procurement better reflect the current practice of GCF and the expanding structure of the Secretariat. These guidelines seek to enhance the efficiency of the Secretariat and its ability to promptly respond to its operational needs.

While most of the changes aim to improve the text from an editorial and terminological perspective, the substantial changes are summarized in this document under section II.

I. Introduction

1. GCF rules governing the procurement of goods, services and consultancy services are currently set out in the Corporate Procurement Guidelines on the Use of Consultants and the Corporate Procurement Guidelines for Goods and Services (hereinafter jointly referred to as the 2014 Procurement Guidelines), which were adopted by the Board at its eighth meeting in October 2014. At that meeting, by decision B.08/21, the Board:

- (a) *Approved the Corporate Procurement Guidelines on the Use of Consultants and the Corporate Procurement Guidelines for Goods and Services, contained in Annexes XXVIII and XXIX, respectively (to document GCF/B.08/31) for a period to last until the third Board meeting of 2015;*
- (b) *Authorized the Executive Director to promulgate the guidelines for a period to last until the end of 2015;*
- (c) *Requested the Secretariat to seek further written comments from the Board on the guidelines until the end of 2014;*
- (d) *Requested the Secretariat to present, at the second Board meeting of 2015, an information note with the changes to be incorporated into the guidelines on the basis of the comments from the Board; and*
- (e) *Decided that the Board will review the guidelines, on the basis of the information note, at its last Board meeting of 2015¹.*

2. In May 2015, the Secretariat circulated to the Board document GCF/BM-2015/Inf.07 titled "Information Note on the Administrative Guidelines on Procurement". The document presented the comments of the Board on the Administrative Guidelines on Procurement received by the Secretariat from 28 October to 31 December 2014 and the corresponding responses from the Secretariat.

3. The Board at its eleventh meeting and by decision B.11/07 decided to extend the period of application of the 2014 Procurement Guidelines until the end of the twelfth meeting of the Board (B.12).

4. The Board at B.12 by its decision B.12/39 approved the continued application of the 2014 Procurement Guidelines until the Board approves the revised guidelines, which should be no later than the seventeenth meeting of the Board (B.17).

5. The Board at B.17 by its decision B.17/01 decided to approve the continued application of the 2014 Procurement Guidelines until the Board has approved the revised guidelines.

6. The Secretariat has reviewed the 2014 Procurement Guidelines to reflect the current practice of GCF and the Secretariat's expanding structure, as well as to take into account various structural adjustments that affect the procurement process at the Secretariat.

7. As an outcome of this review process, the Secretariat has prepared the Administrative Guidelines on Corporate Procurement (hereafter Procurement Guidelines), contained in annex II to this document.

8. The Procurement Guidelines incorporate in a single document the Corporate Procurement Guidelines on the Use of Consultants and the Corporate Procurement Guidelines for Goods and Services. The Procurement Guidelines maintain largely unchanged the distinctive procurement methods applicable to goods/services and consultancy services. At the same time, they clearly set out those general procurement principles and rules – such as the rules on

¹ Decisions of the Board – Eighth Meeting of the Board, 14-17 October 2014 (document GCF/B.08/45).

prohibited practices, confidentiality, procurement planning and contract administration – that apply to any procurement, irrespective of the nature of the goods or services being purchased.

9. While the structure and layout of the document have been revised in their entirety, only a few substantive changes were introduced into the Procurement Guidelines, as is further specified in section IV of this document.

II. Summary of changes

2.1 Responsibilities and the delegation of authority

10. The 2014 Procurement Guidelines vested specific divisions, offices, units, committees and individual staff members of GCF with specific responsibilities and authorities. Detailed rules on the distribution of responsibilities were necessary during the initial phase of inception and operation of GCF. Considering the ongoing expansion of the Secretariat, where the structure, names and responsibilities of such divisions, offices and units may vary, it is proposed that the specific responsibilities and authorities involved in the procurement process be set out in internal administrative instructions issued by the Executive Director (ED). The ED will delegate the authorities to GCF staff members, committees, divisions, offices and units in accordance with the principles of economy, efficiency, effectiveness and transparency, and considering the value and scope of the procurement. The Secretariat has determined that this proposed amendment will ensure efficiency and effectiveness in the management of GCF corporate procurement.

2.2 Procurement of consultancy services

11. Section VI of the Procurement Guidelines sets out consolidated rules and procedures for the selection of both consultancy firms and individual consultants.

2.3 Procurement planning

12. Section III on procurement planning sets out the rules for annual planning through which the needs of each division, office and unit are assessed and consolidated across GCF. Such planning will ensure increased efficiency in procuring necessary goods and services and possible administrative savings.

2.4 Vendor registry, consultants roster

13. Section IV, among others, specifies that GCF will establish a registry of vendors, as well as a consultants roster, to allow the selection of vendors and consultants from pre-identified lists. While allowing the Secretariat to consider vendors from the GCF registry of vendors for the purposes of limited tender and shopping, the 2014 Procurement Guidelines did not specify how to establish such a registry nor did they set out the provisions for the establishment of a roster for consultants.

2.5 Exceptions to the use of formal methods of procurement

14. The Procurement Guidelines also set out a new section on exceptions to the use of formal methods of procurement, encompassing the following cases: (a) cooperation with international organizations; (b) procurement of goods, services and consultancy services for the Independent Integrity Unit (IIU), the independent Redress Mechanism and the Independent

Evaluation Unit (IEU); (c) procurement of legal consultancy services; (d) procurement of information and communications technology goods and/or services; (e) emergency purchases; and (f) urgent purchases. While most of these exceptions were already envisaged in the 2014 Procurement Guidelines, section VII of the Procurement Guidelines provides additional guidance with respect to the procurement of goods, services and consulting services for IIIU, the independent Redress Mechanism and IEU, and the procurement of legal consultancy services, with a view to guaranteeing higher standards of independence and quality for those specific services. These exceptions reflect the practice of other international organizations, including multilateral development banks.

III. Recommended action by the Board

15. It is recommended that the Board, after considering the information presented in document GCF/B.19/09 titled “Reviewed Administrative Guidelines on Corporate Procurement”, adopt the draft decision contained in annex I to this document.

Annex I: Draft decision of the Board

The Board, having reviewed document GCF/B.19/09 titled “Reviewed Administrative Guidelines on Corporate Procurement”:

- (a) Adopts the revised Administrative Guidelines on Corporate Procurement as set out in annex II to this document, which shall supersede the Corporate Procurement Guidelines on the Use of Consultants and the Corporate Procurement Guidelines for Goods and Services adopted by the Board at its eighth meeting in October 2014 by decision B.08/21.

Annex II: Revised administrative guidelines on corporate procurement

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I. General provisions

1.1 Purpose and implementation

1. The Governing Instrument for the Green Climate Fund provides, in paragraphs 19 and 23(a), that the Secretariat, which is accountable to the Board, will have effective management capabilities to execute the day-to-day operations of GCF and be responsible for organizing and executing all administrative duties.
2. The purpose of the Administrative Guidelines on Corporate Procurement (hereafter Guidelines) is to define the rules and procedures that GCF shall follow for the procurement of goods, services and consultancy services as defined in the glossary contained in appendix 1 to these Guidelines, required for its corporate needs. All procurement decisions will be governed by the overarching objectives and guiding principles of GCF in combating climate change as set out in the Governing Instrument. In the event of a conflict between these Guidelines and the provisions of the Governing Instrument, the provisions of the Governing Instrument shall prevail.
3. The Executive Director (ED) shall ensure the observance of these Guidelines, and shall develop, provide, maintain and enforce such supplemental instructions, procedures, and guidelines as considered necessary for the efficient conduct of GCF business. In the event of a conflict between these Guidelines and any such supplemental instructions, procedures and guidelines, these Guidelines shall prevail.
4. The ED may delegate to any designated GCF staff member, committee, division, office or unit of GCF the authority to perform any of the functions referred to in these Guidelines, except for those functions specified in paragraphs 3, 5 and 189.
5. In exceptional circumstances, the ED may make exceptions in the application of these Guidelines, to the extent established by the ED, so long as such exceptions are not inconsistent with the principles, criteria and obligations set out in section I of these Guidelines. The general nature and extent of material exceptions shall be reported periodically to the Board.
6. These Guidelines will take effect upon approval by the Board and will apply to procurement processes started on, or after, their date of entry into effect.

1.2 Definitions

7. Unless otherwise provided in these Guidelines, capitalized terms shall have the meaning defined in the glossary contained in appendix 1 to these Guidelines.

1.3 General procurement principles and criteria

8. The procurement of all goods, services and consultancy services by GCF shall be governed by the following principles and criteria:
 - (a) Need for economy, efficiency and effectiveness;
 - (b) Need to advertise widely;
 - (c) Need for high-quality goods, services and consultancy services;
 - (d) Need to give all eligible bidders and qualified consultants the same information and equal opportunity to compete in providing goods, services and consultancies;

- (e) In the case of consultancy services, the interest in encouraging the development and use of national consultants from GCF partner countries of operation;
 - (f) Need for fairness, integrity and transparency in the procurement process;
 - (g) Need to adhere to the highest integrity and ethical standards and to take appropriate measures to prevent and combat prohibited practices, including money laundering and financing of terrorism;
 - (h) Avoidance of any conflict of interest of bidders, vendors and consultants with the mandate, objectives and functions of GCF; and
 - (i) Avoidance of any adverse impacts on the status, privileges and immunities, independence, impartiality, credibility and reputation of GCF.
9. The procurement method applicable to the procurement of goods, services and consultancy services is determined in accordance with these Guidelines, in consideration of the nature, scope and value of the goods, services and consultancy services concerned, as well as the circumstances for their procurement.

1.4 Prohibited practices

10. All parties involved in GCF procurement activities shall be required to maintain the highest standard of integrity and ethics throughout the process of selection and contracting of vendors and consultants, as well as throughout the execution of the contract, and final evaluation of vendors and consultants.
11. GCF shall reject a bid or proposal for an award if it determines that the bidder recommended for the award has directly, or through an agent, engaged in any prohibited practice, and/or is included in the Consolidated United Nations Security Council Sanctions List or lists of sanctioned (debarred) firms and individuals by multilateral development banks (MDBs) or other international financial institutions (IFIs).
12. If, at any time, GCF determines that a bidder, vendor or consultant has, directly or through an agent, engaged in any prohibited practices, GCF shall at any time sanction such bidder, vendor, consultant, or any of their successors, from participation in GCF procurement activities (including declaring them ineligible, either indefinitely or for a stated period of time).
13. Bidding documents will include an undertaking that bidders will abide with the relevant GCF policies and national laws against prohibited practices. GCF may suspend the procurement process or terminate the contract at any stage when there is sufficient evidence to support a finding that the bidder, vendor or consultant, or any of their employees, agents or representatives, has engaged in any integrity violation in competing for, or in executing, a procurement contract. GCF will not award a procurement contract to a winning bidder that has directly or indirectly engaged in any integrity violation in competing for the contract in question.

1.4.1 Gifts, benefits, honours and awards

14. Offers to GCF of free, discounted or in any way gratuitous goods, services and/or entertainment from actual or potential bidders, vendors or consultants related to, or arising from, any procurement must be reported to the Chief Financial Officer/Director of Support Services (CFO/DSS) and is subject to approval by the Institutional Procurement Committee (IPC) when it is convened, or by the ED. When GCF personnel are offered free goods, services and/or entertainment from any potential or actual bidder, vendor or consultant, the relevant GCF regulations on gifts, benefits, honours and awards will apply.

15. Procurement contracts shall include an undertaking by the vendors or consultants that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the bid/proposal, have been given, received or promised in connection with the procurement process or the contract execution.

1.4.2. Conflict of interest

16. Bidders will be required to include in their bids a disclosure statement of any actual or potential conflict of interest that they may have in the procurement that they are participating in. Cases of actual, perceived or potential conflict of interest will be addressed in accordance with the relevant instructions, procedures and guidelines of GCF.

17. GCF personnel will immediately declare in writing any actual, perceived or potential conflict of interest in connection with a proposed procurement of which they are aware.

18. GCF personnel who are in a situation of actual, perceived or potential conflict of interest may not exercise, directly or indirectly, any responsibility in relation to the procurement in the context of which the conflict arises, including the preparation of procurement documents (including terms of reference, or TORs) or contract specifications, and/or the evaluation process for such procurement exercise, and/or in relation to the execution or supervision of such procurement contract unless the conflict situation has been resolved in a manner acceptable to GCF.

19. Former GCF staff shall not be engaged directly as vendors, or agents of vendors assigned to handle any GCF account for one year after the termination of their appointment with GCF. Any engagement after the one-year restriction period is subject to prior endorsement in writing by the CFO/DSS. Any exception to the one-year restriction period must be approved by the ED or anyone delegated by them.

20. Consultants or vendors shall not be hired for any assignment that would be in conflict with their prior or current obligations to other clients, or that may place them in a position of being unable to carry out the assignment in the best interest of GCF.

21. A consultant who has been engaged by GCF to provide services to GCF may not provide consultancy services to recipients of monies of GCF related to those services unless these are procured at the same time.

1.4.3. Money laundering and terrorist financing

22. To safeguard GCF against the illicit use of funds entrusted to it for terrorist financing and/or money laundering, user divisions and independent units, as appropriate, should assess all entities with whom business is conducted. This is to ensure that funds are used for their intended purposes only. To sustain financial control of such funds and compliance with GCF regulations and guidelines on anti-money laundering and/or counter-terrorist financing practices, organizational due diligence requires to:

- (a) Verify identity of the entity (legal and/or natural person);
- (b) Identify the beneficial owner(s) of the entity;
- (c) Review the entity's profile (i.e. background, financial reports, annual statements);
- (d) Confirm business registration;
- (e) Screen the entity against the United Nations Security Council Resolutions; and
- (f) Verify the entity against the relevant lists of debarred and cross-debarred entities established and maintained by multilateral development banks, including the list of the World Bank Group.

23. GCF will communicate to prospective bidders, vendors and consultants during the registration phase, in bidding documents and in the contract documents, that GCF vendors and consultants shall adhere to the highest ethical standards throughout the procurement process and the execution of a contract.

1.5 Confidentiality

24. Information relating to evaluation of bids and proposals and recommendations concerning awards shall not be disclosed to the bidders who submitted their bids/proposals or to other persons not officially concerned with the process until the publication of the award of contract.

25. Subject to its instructions, procedures and guidelines, GCF shall treat as confidential information contained in the bids and proposals, which is not publicly available, and where any disclosure of the documentation or information could:

- (a) Place a bidder, vendor, consultant or GCF at a disadvantage;
- (b) Provide an unfair advantage to a vendor, bidder or consultant; or
- (c) Adversely reflect upon the reputation and integrity of GCF.

26. GCF personnel involved in the procurement process shall not allow any bidder, vendor or consultant access to information on a particular procurement before such information is available to the business community at large. GCF personnel shall not disclose any proprietary information, directly or indirectly, to any person other than a person authorized to receive such information. Disclosure of procurement-related confidential information should not occur, as it may seriously jeopardize the competitiveness of procurement, the principle of fairness, and the credibility of GCF.

1.6 Language

27. Documentation and communication relating to the procurement of goods, services and consultancy services prepared by both GCF and bidders, vendors or consultants shall normally be in English. However, if necessary, and at the discretion of GCF, this can be translated for information into another language.

II. Organization and responsibilities

28. The ED is responsible for the procurement functions of GCF. Further to the specific responsibilities set out in these Guidelines, they shall have the authority to:

- (a) Establish an efficient and effective administrative structure for the management, execution, oversight and evaluation of procurement functions; and
- (b) Designate the officials responsible for performing procurement functions.

29. Subject to the general procurement principles and criteria set out in section I of these Guidelines, including the provisions on prohibited practices, the ED may delegate the procurement-related responsibilities set out in these Guidelines to their designated officials.

30. Taking into account the scope and estimated value of procurement contracts, they may designate the officials responsible for:

- (a) Endorsing and approving procurement plans;
- (b) Endorsing and approving procurement requests;
- (c) Endorsing and approving the methods for the selection of vendors and/or consultants (procurement methods);
- (d) Evaluating bidders' bids, quotations and proposals and making recommendations on their awards (evaluation authority); and
- (e) Endorsing and approving final awards (endorsing authority and approving authority).

31. The ED may establish committees to perform any of the procurement-related responsibilities set out in these Guidelines, including the responsibilities set out under paragraph 30, as they deem appropriate. The ED shall establish the composition and the terms of reference of such committees.

III. Procurement planning

32. Needs assessment, cost estimation and requirement definition are the first steps in the procurement process, and are essential components in the planning of a specific procurement activity. Procurement planning shall be undertaken by each GCF division, office and unit. This exercise should result in increased procurement efficiency and possible administrative savings through consolidation of needs.

33. GCF divisions, offices and units shall prepare a formal procurement plan in the last month of each year (the procurement plan), for the following year based on their respective work plans and budgets. Procurement plans should be revised and updated, as appropriate, during the course of each year.

34. The procurement plan shall set forth:

- (a) The particular contracts for the goods, services and consultancy services required for the year;
- (b) The proposed methods for procurement of such contracts;
- (c) The related internal review procedures, as provided in these Guidelines;
- (d) The indicative budget or cost estimate for the goods, services and/or consultancy services; and
- (e) The timeline for the provision of the goods, services and/or consultancy services.

35. The procurement plan and any update to it shall be reviewed and approved by the relevant endorsing and approving authorities designated by the ED on the basis of section II of these Guidelines. The procurement specialist is responsible for the procurement planning process and shall initiate the process and instruct the user divisions to prepare and submit the procurement plan.

IV. Vendor registration, consultants roster, qualification and management

4.1 Registry of vendors

36. GCF shall establish and maintain a registry of vendors or identify suitable online vendors' databases for sourcing goods and services.

4.2 Consultants roster

37. GCF shall establish and maintain consultants rosters or identify suitable online databases for sourcing consultancy services.

38. When establishing a consultants roster, GCF shall establish the eligibility requirements and selection modalities applicable to consultants for the inclusion in the roster. GCF shall establish any necessary supplemental instructions, procedures and guidelines for the initial and periodical assessment of such eligibility requirements.

4.3 Qualification of bidders

39. For the procurement of specific goods, services or consultancy services, GCF may decide to assess the requirements and qualifications of prospective bidders or vendors either before being invited to submit their bids or proposals (pre-qualification) or after submitting them (post-qualification).

40. For large and/or complex procurements, the evaluation authority may decide to pre- or post-qualify only upon recommendation of the user division.

41. The criteria against which the qualification of bidders, including prospective bidders, will be evaluated include, but are not limited to, the following:

- (a) Technical qualifications;
- (b) Financial Standing;
- (c) Relevant experience;
- (d) Key employees;
- (e) Record of compliance with applicable laws and/or standards on environmental protection, corporate social responsibility, and prohibited practices; and
- (f) Compliance with the provisions on prohibited practices, as set out in these Guidelines.

42. GCF may define additional evaluation criteria, which may include among others:

- (a) Experience;
- (b) Resources;
- (c) Qualification and experience of employees;
- (d) Work performance statement;
- (e) Organization/references/key staff;
- (f) Health, safety and environment;
- (g) Quality management;

- (h) Procedures and systems;
 - (i) Acceptance of the proposed terms and conditions; and
 - (j) References (if applicable).
43. Depending upon the size, value and complexity of the procurement, and/or in large and/or complex procurements, additional criteria may be identified by the evaluation authority, as appropriate. All criteria for pre-qualification shall be specified in the bidding documents.

4.3.1. Pre-qualification

44. In procurement where pre-qualification is determined to be necessary, the following procedure will apply:
- (a) The user division shall submit to the Procurement Specialist (PS) the minimum requirements to be included in the pre-qualification, bidding and related contract documents;
 - (b) The PS, in consultation with the user division, shall identify the evaluation criteria for the pre-qualification;
 - (c) The PS shall prepare the invitation to pre-qualify, including the pre-qualification documents with the relevant evaluation criteria;
 - (d) Invitations to pre-qualify, including all relevant pre-qualification documents, shall be advertised on the GCF website and any other relevant online platform;
 - (e) Bidders' pre-qualification responses shall be reviewed by the PS and the evaluation authority. Based on the estimated value of the contract, the pre-qualification of bidders may be subject to endorsement and approval by the endorsing and approving authorities designated by the ED; and
 - (f) All prospective bidders found capable of supplying the goods and/or performing the services and/or consultancy services satisfactorily in accordance with the approved minimum pre-qualification criteria will be pre-qualified and invited to submit their bids, proposals or quotations.

4.3.2. Post-qualification

45. Post qualification assessment will be performed by the evaluation authority.
46. In procurement without pre-qualification, or where pre-qualification was conducted more than 12 months prior to issuance of the relevant request for proposal (RFP), invitation to bid (ITB), or request for quotation (RFQ), the relevant evaluation authority will determine whether the bidder with the lowest evaluated bid, proposal or quotation price has the capability and resources to execute the contract effectively, based on a fixed set of criteria. If the bidder fails to meet these criteria, GCF will reject its bid/proposal/quotation and will then post-qualify the bidder with the next-lowest evaluated bid/proposal/quotation price.

V. Procurement process for goods and/or services

5.1 Procurement process

47. Unless otherwise provided under these Guidelines, section V of these Guidelines shall apply to the procurement of goods and/or services.

48. The process for the procurement of goods and/or services shall consist of the following phases:

- (a) Procurement request;
- (b) Solicitation;
- (c) Evaluation; and
- (d) Awarding of the contract.

5.2 Procurement request

49. User divisions shall submit their requests for the procurement of goods and/or services (procurement request) to the procurement unit. Unless the procurement was approved as part of the procurement plan, the procurement request is subject to prior approval by the Director or Head of the user division.

50. Requests for goods and/or services are subject to endorsement and approval, through the procurement unit, by the authorities designated by the ED pursuant to section II of these Guidelines, based on the estimated value of the contract and taking into consideration the nature of the goods and/or services concerned.

51. Procurement requests shall include the following information and documents:

- (a) Budget codes, as applicable;
- (b) Types of goods and/or services, estimated quantity, quality standards, technical requirements, estimated delivery dates or timeframes, performance criteria or monitoring systems to be used for assessing the satisfactory execution of the contract, and any other relevant information; and
- (c) Estimated value of the contract.

5.3 Solicitation

52. As a general rule, goods and services will be procured through open, international competitive bidding, except when (i) the circumstances justify using the limited and/or national competitive bidding or other procurement methods in accordance with section V **Error! Reference source not found.** of these Guidelines, or (ii) an exception set out section VII of these Guidelines applies.

53. The choice of procurement method shall be based on the estimated value of the contract, in accordance with the thresholds set forth in appendix 2.

5.3.1. Competitive bidding

54. Based on the nature of the goods and/or services, and in accordance with the thresholds set forth in appendix 2, competitive bidding may be open or limited, and may be international or national.

Preparation of bidding documents

55. The PS, in consultation with the user division, shall prepare the bidding documents and formulate the bid evaluation methodology, including evaluation criteria and evaluation framework, as appropriate. The bid evaluation methodology should take into account the technical complexity of the goods and/or services and the need to balance the quality and effectiveness of the goods and/or services with their price (value for money).

56. For large and/or complex procurements, the user division may recommend experts from among GCF personnel to assist in preparing the bidding documents and evaluating the bids. However, if the expertise required is not available within GCF, the PS, in consultation with the user division, may engage consultants as necessary.

57. An ITB, together with the relevant bidding documents, will be advertised on the GCF website and any other relevant online platform.

58. The evaluation criteria and methodology shall be disclosed in the instructions to bidders with the corresponding pass-fail criteria or weightage and scoring table. GCF may change the previously approved and published evaluation criteria and methodology when:

- (a) There are exceptional circumstances warranting such change;
- (b) All bidders are notified of the change; and
- (c) Either:
 - (i) Prospective bidders have not yet submitted their bids; or
 - (ii) Adequate time is given for the bidders to adjust their proposals to the modified evaluation criteria.

59. Any additional information, clarification, correction of errors or alteration in bidding documents shall be provided to all those who have received the original bidding documents.

60. In the event of any substantive amendments to the bidding documents, GCF will give adequate time to bidders to make any necessary changes in their bids resulting from such amendments. A period of 15 calendar days is normally considered adequate for this purpose where the changes involved are substantial.

Pre-bid meetings

61. Before receiving bids for a procurement whose estimated value exceeds USD 500,001, a pre-bid meeting may be conducted to:

- (a) Answer prospective bidders' queries or provide clarifications concerning, for example, the nature and/or complexity of the goods and/or services;
- (b) Furnish all information that may be necessary for preparing the bid and subsequently executing a contract; and
- (c) Allow prospective bidders to inspect the premises where the goods and/or services will be used or provided.

62. GCF will advise prospective bidders to send an appropriate representative to attend the pre-bid meeting. Any subsequent claim by any bidder on the lack or insufficient understanding of, or information on, the bid requirements will not be entertained.

63. GCF will give prospective bidders adequate time to prepare and submit their bids. Bidding periods will normally be from 15 to 30 calendar days, counted from issuance of bidding documents until the deadline for submitting bids. Deadlines may be extended in consultation with the relevant user division.

Bidding procedure

64. GCF will apply one of the following procedures, including by electronic means, as appropriate.
- (a) **Single-stage, one envelope:** Unless GCF considers any other bidding procedure to be more appropriate, the single-stage, one envelope procedure will be applied, as follows:
- (i) Bidders submit bids in one envelope containing both a financial offer and technical offer;
 - (ii) The envelopes are opened at the date and time advised in the bidding document; and
 - (iii) The bids are evaluated by the evaluation authority designated by the ED on the basis of section II, and the contract is awarded to the bidder who submitted the lowest evaluated substantially responsive bid price or to the bidder with the highest score, if a scoring methodology is used;
- (b) **Single-stage, two envelopes:** This bidding procedure allows bids to be initially evaluated on purely technical grounds without reference to price:
- (i) Bidders submit their technical proposal and financial proposal in two separate sealed envelopes;
 - (ii) GCF will establish a committee that, on the date and time indicated in the bidding document will open and subsequently submit the technical proposals to the evaluation authority for evaluation. GCF may request bidders to clarify the content of their technical proposals, but will not allow any amendments or changes to them;
 - (iii) To allow evaluation of the technical proposals without consideration of the price, the financial proposals will remain sealed;
 - (iv) Bids with technical proposals that do not conform to the specified requirements will be rejected as non-responsive bids and their financial envelopes will be returned unopened;
 - (v) The financial proposals of bidders that comply with the technical requirements will be opened on a date and time duly communicated by GCF to the bidders; and
 - (vi) The financial proposals are evaluated, and the contract is awarded to the bidder whose bid is determined to be the best technically and financially, or such bid that offers the best value for money using the most appropriate among the evaluation methodologies;
- (c) **Two-stage, two envelopes:** This bidding procedure may be adopted for large and/or complex procurements and where technically unequal proposals are likely to be offered, or when two or more different but equally acceptable technical solutions are available in the marketplace:
- (i) First stage: Bidders will submit their technical and financial proposal in accordance with the specifications and requirements for two-stage bidding;
 - (ii) GCF will establish a committee responsible for opening the technical proposals on the date, time and place indicated in the bidding and subsequently submitting them to the evaluation authority for evaluation. The financial proposals remain sealed;
 - (iii) During the technical evaluation process, to ensure that all technical proposals conform to the same acceptable technical standards and meet the required

- technical solution, GCF will discuss with the bidders possible clarifications, amendments or changes to their respective technical proposals. Bidders who agree to make such adjustments will be given time to do so;
- (iv) Bidders who are unable or unwilling to bring their technical proposal in line with the required technical standards will be allowed to withdraw their bids without penalty;
 - (v) Individual discussions with bidders will be duly recorded, but the evaluation authority will ensure that minutes of these discussions are not disclosed to other bidders;
 - (vi) Second stage: After evaluating the technical proposals, GCF will invite the complying bidders to submit their revised technical proposals and supplementary financial proposal, if any, based on the agreed technical standard;
 - (vii) GCF will set the time and date for opening the original and supplementary financial proposals and the revised technical proposals; and
 - (viii) The financial proposals, supplementary financial proposals and revised technical proposals will be evaluated in a single-stage, one envelope bidding procedure. The contract is awarded to the bidder whose bid is determined to be the best technically and financially, or such bid that offers the best value for money.
65. After opening the bids, GCF will ascertain whether:
- (a) The bids or proposals submitted were properly signed;
 - (b) The bids are substantially responsive to the bidding documents;
 - (c) No arithmetic errors in computation were made in the bids;
 - (d) The bids are otherwise generally in order; and
 - (e) Any overall discounts or reservations apply.
66. After the deadline for submitting bids, no bidder will be requested or permitted to alter the bid, except in accordance with paragraph 6464(c) of these Guidelines. The evaluation authority may request clarifications or allow correction of arithmetical and typographical errors that would not affect the substance or validity of the bid.

5.3.2. Other solicitation methods

67. Procurement methods other than the competitive bidding may be used by GCF in the event competitive bidding is not be the most economic, efficient and effective method for the procurement of specific goods and/or services, including in the following cases:
- (a) The goods and/or services are highly specialized and therefore provided by a sole or a limited number of vendors;
 - (b) Competitive bidding is not likely to be cost-efficient based on experience; or
 - (c) A previous tender for the goods and/or services was not successful or had to be cancelled.
68. In exceptional and compelling circumstances, the ED may authorize the use of procurement methods other than the competitive bidding for reasons other than those set out in these Guidelines.

Limited tender

69. This procurement method may be used for the procurement of goods and/or services with an estimated value:

- (a) From USD 50,001 to USD 150,000;
- (b) Equal to, or above USD 150,001 under circumstances determined by the PS that may warrant the use of this method as more efficient and practical.

70. GCF will advertise the limited tender among vendors selected from the GCF registry of vendors or any other database established or identified in accordance with section IV of these Guidelines. User divisions may also indicate additional prospective bidders, in addition to those available in the registry of vendors or any other database.

71. Bidders will be required to submit their bids in the prescribed form, together with the bid securing declaration, if required, and other required documents, on or before the date specified in the ITB.

72. GCF will seek to obtain at least three bids. If there is only one complying bid if it represents value for money it may be considered.

Shopping

73. The shopping/RFQ procurement method consists in comparing price quotations obtained from at least three bidders to assure competitive prices.

74. Shopping is an appropriate method for procuring goods and/or services with an estimated cost not exceeding USD 50,000 when:

- (a) The goods and/or services are available off-the-shelf;
- (b) The goods and/or services are standard specification commodities or simple civil works of limited value; or
- (c) Critical goods and/or services are to be procured from specialized suppliers.

75. GCF will identify at least three potential vendors from among those listed in GCF registry of vendors or any other database established or identified in accordance with section IV of these Guidelines, or indicated by the user division.

76. GCF will obtain, through the most efficient method, including by mail or electronic means, quotations from the vendors identified in accordance with paragraph 76 of these Guidelines, based on the scope of services, specifications, bill of quantities, schedule of rates.

Direct contracting

77. Direct contracting is an appropriate method of procurement when competitive bidding or other procurement methods not adequately respond to the needs of GCF, including in the following cases:

- (a) GCF requires additional quantities of the same goods and/or services that have already been procured through competitive bidding (repeat order), provided that:
 - (i) The cost of the additional quantity for the repeat order does not exceed 25 per cent of the total value of the contract awarded through competitive bidding;
 - (ii) The additional quantity is provided at the same unit price; and
 - (iii) The repeat order is requested within 12 months from the date of approval, signature or entry into effect of the contract awarded through competitive bidding, whichever is earlier.

- (b) GCF shall be satisfied in such cases that no material advantage could be obtained by further competition and that all the above conditions have been met. The repeat order shall be limited to two in any given year;
 - (c) The required goods and/or Service is proprietary and obtainable only from one vendor;
 - (d) The procurement of certain goods and/or services from a particular vendor is essential to achieve the required performance or functional guarantee of goods and/or services;
 - (e) Standardization is important, and equipment and spare parts required for expansion or repair of existing equipment must be procured from the original vendor, or from a vendor of identical goods and/or services; or
 - (f) Goods and/or services to be provided are a natural extension of an earlier or ongoing job and the engagement of the same vendor will be more economical and will ensure compatibility of results in terms of quality of the goods and/or services;
 - (g) In exceptional cases, such as, but not limited to, procurement of goods and/or services in response to a situation of emergency declared by the ED in accordance with section VII of these Guidelines; and
 - (h) When goods and/or services are procured from any the programmes, funds or specialized agencies of the United Nations system.
78. GCF will ensure that all necessary procurement due diligence be applied at all times during the direct contracting to ensure value for money.

Simple shopping

79. Low-value goods and/or services whose estimated value is equal to, or lower than, USD 10,000 will be procured through simple shopping.
80. Requirements for goods and/or services should not be disaggregated to remain under the USD 10,000 threshold value for this method of procurement.

Credit card purchases

81. Credit card purchases may be performed for goods and/or services:
- (a) That must be procured urgently to avoid an imminent degradation or suspension of a continuing service;
 - (b) The procurement of which may be undertaken only by means of a credit card facility; and/or
 - (c) As a payment method where credit card payment is required to provide a deposit or replace the need for payment in cash. These goods and/or services normally include, but are not limited to low-value expendable goods and/or services like IT-related supplies, maintenance/support services; hotel reservations; visa issuance fees/charges; travel tickets that are booked online.
82. Credit card purchases are settled using the corporate credit card, whose use is subject to the relevant GCF supplemental instructions, procedures and guideline.

5.4 Evaluation

83. The bids, proposals or quotations are evaluated by the evaluating authority designated by the ED in accordance with section II of these Guidelines.

84. A bid, proposal or quotation that is not substantially responsive to the bidding documents or contains inadmissible reservations will be rejected. A bid, proposal or quotation will be rejected if it is determined to contain an omission or misrepresentation that GCF determines to be material. A bid that is considered to be unreasonable (at least more than 15 per cent lower than all other bids) may be rejected.

85. The technical and financial evaluation will then be made to evaluate responsive bids, proposals or quotations and enable them to be compared. Bids that conform to the technical specifications and are substantially responsive to the bidding documents will be evaluated according to the evaluation criteria.

86. Contract negotiations may only take place with the successful bidder. However, if the negotiations fail, the next highest ranked bidder is called for contract negotiations.

87. The evaluation of bids, proposals or quotations, and any information regarding the examination or, clarification of bids and recommendations concerning awards, is confidential and shall not be disclosed to any person other than GCF personnel directly involved in the procurement process. Records of the bid opening and evaluation proceedings, including copy of the bids, proposals and quotations and any relevant documentation, will be confidential.

5.5 Award of contract

5.5.1 Decision on the award

88. Depending on the estimated value of the contract, the recommendation by the evaluation authority on the contract award shall be submitted to the authorities designated by the ED pursuant to section II of the Guidelines, for endorsement and approval.

89. The award shall be normally made on the basis of lowest cost among commercially and technically-compliant bids, quotations or proposals or the highest scoring proposal.

5.5.2 Notification of the award

90. Immediately upon decision on the award, GCF will notify the successful bidder of its acceptance of the successful bid, quotation or proposal. GCF will also notify unsuccessful bidders of the outcome of the bidding process.

5.5.3 Insurance and performance security

91. Upon notification of the award of contract, in consideration of the scope, value and nature of the goods and/or services, GCF may require the successful bidder to submit any liability insurance policies and performance security before commencing the execution of the contract. Based on the estimated value of the contract, the endorsing and approving authorities designated by the ED will fix the amount of performance security, which will not be less than 10 per cent of the contract value. The PS will ensure that performance securities and liability insurance policies, where required, are maintained.

5.5.4 Advance payment

92. GCF will not normally make advance payments, except:

- (a) When the advance payment was already decided at the bidding stage and indicated in the bidding documents; or
- (b) As a result of negotiation with the successful bidder.

93. On the request of the successful bidder, GCF may exceptionally agree to pay in advance, provided that:

- (a) The advance payment does not exceed 30 per cent of the contract price; and
- (b) The successful bidder provides sufficient security to ensure recovery of the advance payment should the contractor fail to deliver.

94. Advance payments of more than 30 per cent of the purchase price may be exceptionally authorized by GCF taking in consideration the value of the contract, and on condition that they are:

- (a) Required by industry practice for the particular procurement;
- (b) The successful bidder provides sufficient security to ensure recovery of the advance payment should the contractor fail to deliver; and
- (c) Endorsed by the user division.

95. The security for the advance payment shall be in the form of a bank guarantee in the same amount and currency as the advance and should be furnished to GCF before receiving advance payment.

5.5.5. Form and conditions of contract

96. Contracts for the procurement of goods and/or services will be in writing and executed by the parties in person or in counterparts through duly authorized representatives.

Long-term agreements

97. The need for a long-term agreement (LTA) shall be identified by GCF to meet frequent or repetitive requirements for the same type, or category, of goods and/or services. Vendors providing goods and/or services under an LTA will be selected through the most competitive and appropriate procurement method in accordance with these Guidelines, with a view to selecting the bidders offering the most appropriate bid for such goods and/or services at a competitive cost, with favourable terms and conditions.

98. An LTA will be entered into with vendors where:

- (a) The goods and/or services are critical and required on a continuous or repetitive basis;
- (b) Frequent changes in the goods, services or vendor would impact negatively on GCF;
- (c) Previous bidding exercises have shown that no advantage would be gained in re-tendering the particular goods and/or services; or
- (d) The perspective vendor has provided satisfactory performance as a vendor to GCF.

99. Services including, but not limited to, the following may be covered by an LTA: commercial banks; building maintenance; telecommunications; insurance; printing, type setting and editorial services; leases; and catering.

100. If a LTA is concluded with a vendor, a sub-order will be sent to the vendor for every new purchase or task to be delivered within the scope of the LTA, without the requirement for a separate tendering process.

101. If LTAs are entered into with more than one vendor for the procurement of the same good and/or service, a limited competition shall be performed between such vendors, unless the LTA clearly specifies the procedure for direct submission of suborders.

102. The ED shall determine the limit to the scope of allowable goods and/or services and the limit to the consolidated value of goods and/or services that can be procured under the LTA. A

separate tendering process will be required to award a procurement contract for the provision of goods and/or services either outside the allowable scope of goods and/or services or once the value-limit has been reached.

103. LTAs may be signed for up to three years, and may be extended up to two times, each time for one year, subject to satisfactory performance of the vendor or consultant.

104. When an LTA has a duration of more than one year, at the time of bidding, GCF can request bidders to include in their bids the details of the price increase after each year and may consider the possibility of including a price variation clause in the LTA.

105. LTAs may include service-level agreements (SLAs) to assist the user division in monitoring the performance of the vendor.

Contract conditions

106. Successful bidders are expected to contract on the standard terms and conditions of the GCF. The PS may, on the advice of the General Counsel, waive this requirement in compelling circumstances, in consideration of the scope of the contract and the nature of the goods and/or services concerned.

107. The contract conditions may include, but not be limited to, the following:

(a) A dispute resolution clause providing for:

- (i) International commercial arbitration as an alternative mode of settling disputes arising from or out of the contract;
- (ii) Governing law and the seat of arbitration; and
- (iii) In service, supply and installation contracts, and turnkey contracts, other mechanisms, such as dispute review boards or adjudicators, which are designed to permit a speedier dispute settlement.

(b) A vendor's commitment to comply with applicable laws and GCF standards on environmental protection, corporate social responsibility, and prohibited practices.

Duration/extension of contract

108. To promote transparency and efficiency, and to maintain high-quality service, LTAs in general may be awarded for an initial period of up to three years. However, subject to satisfactory performance and the availability of financial resources, a contract may be considered for extension for a term to be negotiated with the vendor and approved by the ED or anyone delegated by her/him.

109. Unless otherwise approved by the ED contracts for goods and/or services that do not fall under those that may be covered by LTAs will have a maximum duration of three years.

VI. Procurement of consultancy services

6.1 Procurement process

110. Unless otherwise provided in these Guidelines, section VI of these Guidelines shall apply to the procurement of consultancy services provided by consultants, including consulting firms and individual consultants (ICs).

111. Consultants will not normally be used to perform functions for which adequate internal resources are available.

112. GCF will use ICs to supplement its own staff to support and, where needed, provide specialized, expert knowledge and advice for the activities of GCF under contracts financed from the GCF administrative budget.

113. For qualifying consultancy assignments required by GCF it is likely that ICs are more appropriate and cost-effective than firms. ICs may be engaged directly (an independent individual) or through an organization, such as a consulting firm, an academic institution, a government, or an international agency.

114. ICs are engaged on assignments for which: (a) teams of personnel/experts are not required; (b) no additional outside (home office) professional support is required; and (c) the experience and qualifications of the individual are the paramount requirement. When coordination, administration, or collective responsibility may become difficult because of the number of individuals, it would be advisable to employ a firm. ICs may be contracted for a specific task with defined outputs to work remotely or as full-time headquarters-based consultants.

115. Fairness and transparency in the procurement process require that ICs competing for a specific assignment do not derive a competitive advantage from having already provided consulting services related to the assignment in question. To that end, GCF shall make available to all the shortlisted consultants all information, including the RFP, that would, in that respect, give a competitive advantage to a specific consultant.

116. The process for the procurement of consultancy services shall consist of the following phases:

- (a) Procurement request;
- (b) Solicitation of proposals;
- (c) Evaluation; and
- (d) Awarding of the contract.

6.2 Procurement request

117. User divisions shall submit their requests for the procurement of consultancy services (procurement request) to procurement unit. Unless the procurement was approved as part of the procurement plan, the procurement request is subject to prior approval by the Director or Head of the relevant user division.

118. Requests for goods and/or services are subject to endorsement and approval by the authorities designated by the ED pursuant to section II of these Guidelines, based on the estimated value of the contract and taking into consideration the nature of the goods and/or services concerned.

119. Procurement requests shall include the following information and documents:

- (a) Budget codes, as applicable;
- (b) Draft terms of reference specifying, as applicable: deliverables, estimated delivery dates or timeframes, required qualifications and experience of the consultants; and
- (c) Estimated value of the contract.

6.3 Solicitation

120. As a general rule, consultancy services will be procured through competitive procurement methods, except when circumstances justify using other procurement methods in accordance with section VI of these Guidelines, or an exception in accordance with section VII of these Guidelines.

6.3.1. Selection of consultancy firms

121. GCF implements a range of selection methods in order to provide a wide range of services, promote streamlining and harmonization, and reduce administrative complexities and transaction costs.

122. The choice of the selection method shall be based on the estimated value of the contract, in accordance with the thresholds set forth in appendix 3.

123. Quality- and cost-based selection (QCBS) is the preferred method for the selection of consultancy firms. For cases where QCBS is not the most appropriate or cost-effective method, the GCF may use the alternative selection methods described in this section.

Quality- and cost-based selection

124. QCBS is based on the quality of the technical and financial proposals for the consultancy services to be provided. Since, under QCBS, the cost of the proposed consultancy services is a factor in the selection, this method is appropriate when:

- (a) The scope of work can be precisely defined;
- (b) The consultant's TORs are well specified and clear; and
- (c) GCF and the bidders can estimate with reasonable precision the personnel, time as well as the other inputs required from the consultancy firm.

125. The selection process shall include the following steps:

1. *Preparation of the terms of reference*

126. The user division shall be responsible for preparing the TORs for the assignment, which shall be compatible with the available budget. The TORs shall define clearly the objectives, goals, and scope of the assignment and provide background information (including a list of existing relevant studies and basic data) to facilitate the bidders' preparation of their proposals.

2. *Preparation of cost estimate and budget*

127. Preparation of a realistic cost estimate is essential if realistic budgetary resources are to be earmarked. The cost estimate shall be based on the user division's assessment of the resources needed to carry out the assignment: staff time, logistical support and physical inputs. Costs shall be divided into two broad categories:

- (a) Fee or remuneration (according to the type of contract used); and
- (b) Reimbursable costs.

128. The cost of staff time shall be estimated on a realistic basis for international and national personnel.

3. *Advertising the request for expressions of interest*

129. Where, in consideration of the nature and scope of the consultancy services, GCF considers appropriate pre-selecting and shortlisting consultancy firms, it may advertise a request for expressions of interest (EOI) on the GCF website and/or on any other suitable online platform of free access. The information requested shall be the minimum required to make a judgment on the firm's suitability and not be so complex as to discourage consultancy firms from expressing interest. Not less than 15 days from date of posting shall be provided for responses, before preparation of the short list.

4. *Preparation of the shortlist of consultants*

130. The PS in collaboration with the user division is responsible for the review of the EOI submitted by bidders and the preparation of, and advice on, the shortlist. GCF shall give first consideration to those bidders that possess the relevant qualifications. Shortlists shall comprise three to six bidders with no more than two bidders from any one country and, at least, half of the bidders from a developing country, unless qualified bidders from developing countries cannot be found. For the purpose of establishing the shortlist, the nationality of a bidder is that of the country in which it is registered or incorporated and, in the case of a consortium, the nationality of the firm appointed to represent the consortium.

131. The shortlist may comprise entirely national bidders, if:

- (a) The estimated value of the contract is below the ceiling established as per appendix 3;
- (b) Sufficient qualified bidders are available to enable a shortlist of bidders with competitive costs to be drawn up; and
- (c) When competition, including international bidders, is prima facie not justified or international bidders have not expressed interest. However, if international bidders express interest, they shall be considered.

132. The shortlist should preferably comprise bidders of the same category, similar capacity, and business objectives. Consequently, the shortlist should normally be composed of bidders of similar experience or of entities (non-governmental organizations, universities, the United Nations and the funds, programmes and specialized agencies of the United Nations system, etc.) acting in the same field of expertise. If mixing is used, the selection should be based on quality only and weight for price should be zero. The shortlist of consultancy firms shall not include ICs.

5. *Preparation and issuance of request for proposals*

133. Where the advertising of a request for EOI is considered inappropriate, or after the preparation of the shortlist of consultants, GCF will advertise a RFP, which shall include:

- (a) A letter of invitation (LOI);
- (b) Instructions to consultants (ITC);
- (c) The TORs; and
- (d) The model contract.

134. GCF will advertise the RFP on the GCF website and/or on any other suitable online platform of free access. Where a shortlist of consultants has been prepared, GCF shall send the RFP only to the shortlisted consultancy firms by electronic means.

135. The LOI shall state the intention of GCF to enter into a contract for the provision of consultancy services, the relevant details concerning GCF and the date, time, and address for submission of proposals.

136. The ITC shall contain all necessary information that would help bidders prepare responsive proposals, and shall bring as much transparency as possible to the selection procedure by providing information on the evaluation process and by indicating the evaluation criteria and factors and their respective weights and the minimum passing quality score. The ITC shall indicate an estimate of the level of key staff inputs (in working days) required by the consultant. Bidders, however, shall be free to prepare their own estimates of staff time to carry out the assignment and to offer the corresponding cost in their proposals. The RFP shall specify the source of the exchange rate to be used and the date of that exchange rate, provided that the date shall not be earlier than four weeks prior to the deadline for submission of proposals, nor later than the original date of expiration of the period of validity of the proposal. The ITC shall specify the proposal validity period, which should be adequate for the evaluation of proposals, decision on award, and finalization of contract negotiations. Whenever the user division envisages continuity of the same consultancy services over multiple years, the requirements shall be so indicated in the RFP.

6. Receipt of proposals

137. Firms shall be required to submit technical and financial proposals in separate sealed envelopes at the same time. Any proposal received after the closing time for submission of proposals will be returned unopened, and no amendments to the technical or financial proposals will be accepted after the deadline.

7. Evaluation of technical proposal

138. The evaluation shall be based on the evaluation criteria defined in the ITC. After the technical quality is evaluated, bidders whose technical proposals did not meet the minimum qualifying score indicated in the RFP, or were considered non-responsive to the invitation requirements, will be advised and their financial proposals will be returned unopened. Bidders that have secured the minimum qualifying technical score will be advised of the location, date, and time for opening of financial proposals. The weights for the evaluation of bids will be published on the RFP and may include:

Bidder's specific experience:	0 to 10 points
Methodology:	20 to 50 points
Key personnel:	30 to 60 points
Transfer of knowledge: ¹	0 to 10 points
Participation by nationals: ²	0 to 10 points
Total:	100 points

139. The minimum qualifying mark shall be 70 per cent or above.

140. The curriculum vitae (CVs) of the key personnel must be accurate, complete, and signed by an authorized official of the consulting firm and the individual proposed. The evaluation of the key experts shall take into account the general qualifications (education, experience), adequacy for the assignment (experience in the specific sector).

8. Public opening of financial proposals

141. GCF shall then inform the bidders whose technical proposals scored the minimum points or more of the time and place where GCF will publicly open their financial proposals. The

¹ Transfer of knowledge may be the main objective of some assignments; in such cases, it shall be indicated in the TORs.

² As reflected by nationals among key staff presented by foreign and national firms.

name of the bidders, the technical quality scores, and the proposed prices shall be announced, and recorded when the financial proposals are opened.

9. *Evaluation of financial proposal*

142. GCF shall review the congruency of the technical and financial proposals, make adjustments as appropriate, and correct arithmetical or computational errors.

10. *Ranking of proposals*

143. The total score shall be obtained by weighting and adding the technical and financial scores; this will determine the overall ranking of the bidders' proposals. The weight for the cost shall be chosen, taking into account the complexity of the assignment and the relative importance of quality. Except as provided for in the case of other selection methods, the weight for cost shall normally be 25–30 per cent.

11. *Negotiations*

144. GCF shall negotiate a contract with the first ranked bidder. Negotiations will include discussions of the TORs, the methodology, personnel/experts schedule, counterpart facilities and the quantities of cost items in the firm's financial proposal. However, these discussions will not substantially alter the TORs attached to the invitation. The selected bidder should not be allowed to substitute experts, unless it is due to factors beyond the bidder's control and/or both GCF and the bidder agree that undue delay in the selection process makes such substitution unavoidable, or that such changes are critical to meet the objectives of the assignment. The proposed substitute must be equal to or better than the original key expert. Proposed unit rates for remuneration shall not be altered and other expenses shall not be negotiated since unit rate cost has been a factor in the selection process. Financial negotiations shall include clarification of the bidder's tax liability (if any) and how this tax liability has been or would be reflected in the contract. Generally, when the selection method includes price as a component, negotiations of experts' rates should not take place. However, this does not preclude the right of GCF to ask for clarifications, and, if fees are very high, to ask for change of fees, after due consultation internally. Reimbursable costs are to be paid on actual expenses incurred at cost upon presentation of receipts. GCF may define the maximum amount for specific reimbursable costs (e.g. travel or hotel rates) or per diem rates in the RFP.

145. Successful negotiations conclude with the signing of the contract. If GCF and the bidder cannot reach agreement, GCF may terminate the negotiations and start negotiations with the next ranked bidder until an agreement is reached.

12. *Rejection of all proposals and re-invitation*

146. GCF reserves the right to reject all proposals if all proposals are non-responsive because they present major deficiencies in complying with the TORs, or if they involve costs substantially higher than the original estimate. In the latter case, the feasibility of increasing the budget, or scaling down the scope of the consultancy services with the bidder, should be considered. The new process may include revising the RFP (including the shortlist) and the budget or it may cancel the consultancy.

Quality-based selection

147. QBS is a method based on evaluating only the quality of the technical proposal and the subsequent negotiation of the financial proposal and the contract with the bidder who submitted the highest ranked technical proposal. QBS is appropriate when:

- (a) Assignments are complex or highly specialized making it difficult to define precise TORs and the required input from the consultants; and

- (b) Assignments that can be carried out in substantially different ways such that financial proposals maybe difficult to compare.

148. Generally, when QBS is used, as price will not be used as a selection criterion, the RFP will request bidders to submit a technical proposal only. Using the same methodology as in QCBS for evaluation and ranking of the bidders' technical proposal, GCF shall request the bidder with the highest-ranked technical proposal to submit a detailed financial proposal, including supporting documentation that may be subject to audit. GCF and the bidder shall then negotiate the financial proposal and the contract. All other aspects of the selection process shall be identical to those of QCBS, including the publication of the award of contract except that only the proposal price of the winning firm is published.

Fixed budget selection

149. Fixed budget selection (FBS) is appropriate only when:

- (a) The TORs are precisely defined;
- (b) The time and staff inputs can be accurately assessed; and
- (c) The budget is fixed and cannot be exceeded.

150. To reduce the financial risk for the firms, and avoid receiving unacceptable technical proposals or no proposals at all, FBS can only be used for well-defined assignments where it is expected that there will be no changes during implementation. Shortlists for FBS will normally comprise six bidders with a reasonable geographic spread. The RFP shall indicate the available budget, define the minimum qualifying mark for the quality as 75 points out of a possible 100 points, and request bidders to submit their best technical and financial proposals in separate envelopes, at the same time, and within the budget fixed in the RFP. Evaluation of all technical proposals shall be carried out first, then the financial proposals of bidders meeting the minimum qualifying mark shall be opened. Proposals that exceed the indicated budget shall be rejected. The bidder that has submitted the highest-ranked technical proposal among the remaining proposals, shall be selected and invited to negotiate. Should negotiations fail, GCF shall start negotiations with the next ranked bidder until an agreement is reached.

Least-cost selection

151. The least-cost selection (LCS) is only appropriate for very small assignments of a standard or routine nature (audits, and simple surveys) where well-established practices and standards exist. Shortlists for LCS will normally comprise three bidders. The RFP shall define the minimum qualifying mark for the quality as 75 points out of a possible 100 points, and request bidders to submit, at the same time, technical and financial proposals in separate envelopes. Technical proposals will be opened first and evaluated. Those securing less than the minimum qualifying mark will be rejected, and the financial proposals of the rest will be opened in public. The bidder with the lowest price shall then be selected and invited to finalize the contract. Should negotiations fail, GCF shall start negotiations with the next ranked bidder until an agreement is reached.

Consultants' qualifications selection

152. The consultants' qualifications selection (CQS) may be used for small assignments where:

- (a) Highly specialized expertise is required for the assignment and recruitment of boutique consulting firms that provide depth of expertise in specific areas is anticipated;
- (b) Recruitment time is critical and the assignment is, typically, short term;

- (c) Few consultants are qualified; and
 - (d) The preparation and evaluation of competitive proposals are not justified.
153. GCF shall:
- (a) Prepare the TORs;
 - (b) Request amplified EOI and information on the consulting firms' experience and competence relevant to the assignment;
 - (c) Establish a shortlist of at least three firms; and
 - (d) Select the bidder with the most appropriate qualifications and references based on the EOI.
154. The selected bidder shall be asked to submit a combined technical- financial proposal and then be invited to negotiate the contract. Should negotiations fail, GCF shall initiate negotiations with the next-ranked bidder until an agreement is reached.

Single-source selection

155. Single-source selection (SSS) of consulting firms does not provide the benefits of competition with regard to quality and cost, lacks transparency in selection, and could encourage unacceptable practices. Therefore, SSS shall be used only in exceptional cases. The justification for SSS shall be examined in the context of the overall interests and the responsibility of GCF to ensure economy and efficiency and provide equal opportunity to all qualified consulting firms.
156. SSS may be appropriate only if it presents a clear advantage over competition:
- (a) For tasks that represent a natural continuation of previous consultancy services already provided by the firm;
 - (b) In emergency situations declared by the ED in accordance with section II;
 - (c) For very small assignments³;
 - (d) When only one consultancy firm is qualified or has experience of exceptional worth for the consultancy service; or
 - (e) When the consultancy service is provided by the United Nations and the funds, programmes, or specialized agencies of the United Nations system.
157. When continuity is essential, the initial RFP shall outline this prospect, and, if practical, the factors used for the selection of the firm shall take the likelihood of continuation into account. Continuity in the technical approach, experience acquired, and continued professional liability of the same consultant may make continuation with the initial consultant preferable to new competition subject to satisfactory performance in the initial assignment. For such assignments, GCF shall ask the initially selected consultant to prepare technical and financial proposals on the basis of revised TORs, which shall then be negotiated. If the initial assignment was not awarded on a competitive basis, or if the assignment is substantially larger in value, a competitive process shall normally be followed in which the firm carrying out the initial work is not excluded from consideration if it expresses interest.
158. The selected consultancy firm should not be allowed to substitute key staff, unless both GCF and the consultancy firm agree that undue delay in the selection process makes such

³ The threshold defining "very small" shall be determined in each case, taking into account the nature and complexity of the assignment but shall not exceed USD 50,000.

substitution unavoidable or that such changes are critical to meet the objectives of the assignment.⁴

6.3.2. Selection of individual consultants

159. ICs shall as much as possible be contracted following a competitive selection process of advertising.

Competitive selection

160. ICs are selected on the basis of their qualifications and experience for the assignment. The advertisement should be made on the GCF website or on any other suitable online platform of free access for at least 15 calendar days, soliciting EOIs along with CVs. Consultants shall be selected by a committee of experts established by the CFO/DSS and consisting of a minimum of three GCF personnel from different GCF divisions, offices or units. The selection should be through comparison of qualifications and experience of the bidders who expressed interest in response to the advertisement and/or through interviews, as the PS may determine. Suitability of bidders is assessed on the basis of relevant qualifications, experience and, as appropriate, knowledge of the local conditions, such as local language, culture and administrative system. ICs may also be selected from a roster established and maintained by GCF in accordance with section IV of these Guidelines. Where consultants are selected from a roster, at least three CVs must be identified and assessed.

161. In some cases, permanent staff or associates of a consultancy firm may be available as ICs. In such cases, the conflict of interest provisions described in these Guidelines shall apply *mutatis mutandis* to the consultancy firm.

Single-source selection

162. ICs may be selected on a single source basis with due justification in exceptional cases such as: (a) tasks that are a continuation of previous work that the consultant has carried out and for which the consultant was selected competitively; and (b) when the individual is the only consultant qualified for the assignment.

163. Depending on the estimated value of the contract, the use of the single-source selection method is subject to prior approval by the endorsing and approving authorities identified designated by the ED on the basis of section II.

6.3.3. Recruitment of particular types of consultants

Resource persons

164. Resource persons are professionals contracted as ICs to render specialized services such as facilitating conferences, workshops, and seminars. They may not be engaged for more than 10 days per assignment but may be recruited by using SSS.

The United Nations and the funds, programmes and specialized agencies of the United Nations system

165. The United Nations and the funds, programmes and specialized agencies of the United Nations system may be single-sourced as consultants, when they are uniquely or exceptionally qualified to provide technical assistance and advice in their area of expertise. The United Nations and the funds, programmes and specialized agencies of the United Nations system shall

⁴ Defining realistic proposal validity periods in the RFP and carrying out an efficient evaluation minimizes this risk.

not receive any preferential treatment in a competitive selection process. To neutralize the privileges of the United Nations and the funds, programmes and specialized agencies of the United Nations system, as well as other advantages such as tax exemptions and facilities, and special payment provisions, the QBS method, or the CQS method for very small assignments, shall be used.

Non-governmental organizations

166. To improve effectiveness, quality and sustainability of its operations, GCF cooperates with a range of international and national non-governmental organizations (NGOs). Simplified engagement procedures and contracting arrangements will be applied for smaller (particularly national) NGOs. Where international NGOs are included with consulting firms on shortlists, the QCBS method will be used. Where the assignment requires in-depth knowledge of local issues, community needs and/or participatory approaches for which either international or national NGOs are clearly better qualified, the shortlist may comprise entirely NGOs and the selection method will be QCBS. Where national NGOs are being selected through the QCBS selection method, GCF may apply tailored evaluation criteria to reflect their unique qualifications, including:

- (a) History of work with local communities and evidence of satisfactory performance;
- (b) Familiarity with participatory development approaches; and
- (c) Committed leadership and adequate management, and capacity to co-opt beneficiary participation.

167. GCF may select the NGO by SSS, provided all requirements and criteria for the SSS, as set out in these Guidelines, are fulfilled.

Auditors

168. Auditors typically carry out auditing tasks under well-defined TORs and professional standards. They shall be selected by the QCBS procedure, giving cost a weight of up to 50 per cent, or by the LCS. For very small assignments, CQS may be used.

Service delivery assignments

169. Assignments requiring support services (for example, training, the design or production of project training materials or promotional materials or videos, and planning and implementing workshops or seminars) may involve hiring individuals or specialized entities that deliver services on a contract basis. A lump sum contract is typically the most appropriate mechanism for engaging the service provider. When contracting with an NGO, special attention should be given to conflicts of interest – whether actual or potential. These should be identified in the contract with the NGO with a detailed explanation as to how they have been addressed.

6.4 Evaluation

6.4.1 Evaluation of consultancy firms' proposals

170. The consultancy firms' proposals are evaluated by the evaluating authority designated by the ED in accordance with section II of these Guidelines.

171. Consultancy firms' proposals that are not substantially responsive to the terms of reference will be rejected. A proposal will be rejected if it is determined to contain an omission or misrepresentation that GCF determines to be material. A proposal that is considered to be unreasonable (at least more than 15 per cent lower than all other proposals) may be rejected.

6.4.2. Evaluation of individual consultants

172. The qualifications and experience of ICs are evaluated by the evaluating authority designated by the ED in accordance with section II of these Guidelines.

173. The candidatures of ICs whose qualifications and experience do not substantially responsive to the terms of reference will be rejected. A candidature will be rejected if it is determined to contain an omission or misrepresentation that GCF determines to be material.

6.5 Award of contract

6.5.1. Decision on the award

174. Depending on the estimated value of the contract, the recommendation by the evaluation authority on the consultant's selection shall will be submitted to the authorities designated by the ED pursuant to section II, for endorsement and approval. The award is normally made to the consultancy firm obtaining the highest combined technical and financial weighted score, or the IC whose qualifications and experience better respond to the terms of reference.

6.5.2. Notification of the award

175. Immediately upon receipt of approval of the award recommendation, GCF will notify the selected consultant of its acceptance of the successful proposal. GCF will also notify unsuccessful consultants of the outcome of the selection process, as appropriate.

6.5.3. Form and conditions of contract

176. Contracts for the procurement of consultancy services will be in writing and executed by the parties in person or in counterparts through duly authorized representatives.

177. Selection of the type of contract will depend on:

- (a) The nature of the consultancy service;
- (b) Whether the scope and output are definable; and
- (c) The distribution of risks between the parties.

Contracts with consultancy firms

178. Contracts with consultancy firms may be:

- (a) **Time-based contract.** This type of contract will be used for complex studies, advisory services, and most training assignments. Payments are linked to inputs and are usually based on either daily or monthly rates for personnel/experts named in the contract, and on reimbursable expenses using actual expenses and/or an agreed unit rate.
- (b) **Retainer fee contract.** In addition to the regular time-based fee, the remuneration of the consultancy firm includes a retainer fee to ensure the availability of the consultancy firm when the need for its sporadic services arise.
- (c) **Indefinite delivery contract (price agreement).** This contract is used when GCF needs to have on-call specialized services to provide advice on a particular activity, the extent and timing of which cannot be defined in advance. This is commonly used to retain advisers for the implementation of complex assignments normally for a period of a year

or more. GCF and the individual agree on the unit rates to be paid for the experts, and payments are made on the basis of the time actually used.

- (d) **Lump sum (LS) contract.** LS contracts are used for assignments in which the content, duration of services, and the required output of the consultants are clearly defined. Prices shall include all costs and cannot be negotiated. Payments are linked to outputs, such as reports, bidding documents, and software programs.
179. Contracts should include provisions for the following items:
- (a) **Payment provisions:** Payment provisions, including amounts to be paid, schedule of payments and payment procedures, shall be agreed upon during contract negotiations. Payments may be made at regular intervals (as under time-based contracts) or for agreed outputs (as under LS contracts). Payments for all advances (for example, for mobilization costs) shall be secured by an advance payment security or guarantee, except in the case of small value contracts. If the amount of the advance is 10 per cent of the contract amount or less, the GCF may decide not to require such a security or guarantee;
- (b) **Personnel substitution:** During an assignment, if substitution is necessary (e.g. because of ill health or death, or because one of the persons assigned by the consulting firm to provide the service to GCF proves to be unsuitable), the consultancy firm shall propose other experts of at least the same level of qualifications for approval by GCF; and
- (c) **Applicable law and settlement of disputes:** The contract shall include provisions dealing with the applicable law and the forum for the settlement of disputes.

Contracts with individual consultants

180. Contracts with ICs may be:
- (a) **Lump sum contracts** are used mainly for assignments in which the content and the duration of the consultancy services and the required output of the IC are clearly defined. Payments are linked to outputs (deliverables), such as reports, completion of specific tasks, drawings, bills of quantities, bidding documents, and software programs.
- (b) **Time-based contracts** are more appropriate when the scope and/or duration and outputs of the consultancy services cannot be established with sufficient precision. ICs may be engaged as headquarters-based or remote-based consultants. Payments are based on agreed hourly, daily, weekly, or monthly rates, as defined in the contract, and on reimbursable costs using actual expenses and/or agreed unit prices. The rates for consultants may include professional fees, social security benefits (insurance, leave, etc.), overhead, and, where applicable, special allowances (e.g. special living allowance). This type of contract shall include a maximum amount of total payments to be made to the IC. This ceiling amount should include a contingency allowance for unforeseen work and duration, and provision for price adjustments, where appropriate.
- (c) **Retainer fee contracts** are used exceptionally for very sensitive assignments with unpredictable tasks that cannot be predetermined by GCF in terms of frequency, but require skilled experts available at any time. Where a retainer fee contract is signed, regular agreed payments will be made to the IC to be on stand-by. That payment will allow GCF to access the skills and experience of that IC on demand, or for a set period of time.
181. Payment provisions, including amounts to be paid, schedule of payments, and payment procedures, shall be agreed upon during negotiations with the IC. Advance payment may be considered for consultant engaged for a specific task under lump sum contract. The amount for

such advance payment shall be reasonable and be made payable upon submission of an inception report acceptable to GCF. The inception report shall outline, at the least, a brief understanding of the assignment and a work plan.

182. The contract shall include specific provisions on the parties' respective responsibilities, prohibited practices, conflict of interest, contract ceiling amount, payment schedule, deliverables schedule, reporting requirements, applicable law and dispute settlement modalities.

183. The contracts for ICs may be amended where there is need to adjust a small component of the TORs, fee rate, extension of contract or any other necessary details. However, contracts cannot be extended more than twice without endorsement by the CFO/DSS and approval by the ED.

VII. Exceptions to the use of procurement methods

184. GCF may make exceptions to, or use methods for the solicitation, evaluation and selection of bids, proposals or quotations other than, those set out in sections V and VI of these Guidelines, in the following cases: (a) cooperation with international organizations; (b) procurement of goods, services and consultancy services for IIU, independent Redress Mechanism and IEU; (c) procurement of legal consultancy services; (d) procurement of ICT goods and/or services; (e) emergency purchases; and (f) urgent purchases.

185. GCF shall exercise sound judgement and caution in applying any of the exceptions to the use of formal methods of procurement. In these cases, the contract may be awarded on the basis of an informal method of procurement or on the basis of a directly negotiated contract to a qualified vendor or consultant whose offer substantially conforms to the requirement at an acceptable price.

7.1 Cooperation with international organizations

186. GCF co-operates with other public international organizations (IOs), including the United Nations and the funds, programmes and specialized agencies of the United Nations system, and the World Bank Group, to meet the procurement requirements of GCF, provided that the procurement regulations and rules of those IOs are not inconsistent with those of GCF. Such cooperation may include:

- (a) Carrying out common procurement actions together to achieve economies of scale or other benefits;
- (b) GCF relying on a procurement decision of an IO and entering into a contract directly with the successful vendor without undertaking a new and separate selection process; or
- (c) Requesting another IO to carry out procurement activities on behalf of GCF.

187. When the proposed purchase order, long-term agreement or contract is the result of cooperation whereby GCF relies on the procurement decision of another IO, a notification to the IPC shall be made so that such cooperation can be tracked and monitored.

7.2 Procurement of goods, services and consultancy services for Independent Integrity Unit, independent Redress Mechanism and Independent Evaluation Unit

188. These Guidelines will apply mutatis mutandis to the procurement of goods, services and consulting services by the IIU, independent Redress Mechanism and IEU, as well as any other unit or mechanism established by the Board which is substantively independent of the Secretariat, to the extent compatible consistent with their respective terms of reference

7.3 Procurement of legal consultancy services

189. In view of the confidential and sensitive nature of legal consultancy services, the procurement of such services will be conducted through the procurement method established by the General Counsel, in line with international best practice, subject to prior approval by the ED and in consultation with the PS.

7.4 Procurement of information and communications technology goods and/or services

190. In view of the particular nature of ICT goods and/or services, GCF may establish supplemental instructions, procedures and guidelines for the procurement of such goods and/or services.

7.5 Procurement in situations of emergency

191. The ED shall have the authority to declare situations of emergency. For the purpose of this provision, situations of emergency are those situations where GCF faces a disaster and/or where lives of GCF personnel and/or GCF properties are in danger. Such situations would require GCF to immediately perform rapid deployment of life supporting goods and services, and to ensure timely acquisition and delivery of requirements.

192. The ED shall establish supplemental instructions, procedures and guidelines for the regulation of procurement in a situation of emergency, establishing the relevant limits and guaranteeing, to the extent possible, the principles of integrity, economy, openness, fairness, competition and transparency, in line with international best practice.

7.6 Urgent procurement

193. Urgent procurement may be used for the procurement of goods, services and consultancy services to address urgent and unforeseen needs. Urgent procurement will be subject to approval by the ED, based on strong justification provided by the user division. In no case will the provision for urgent purchases be used to circumvent the procedure for regular procurement. Urgent purchases can be undertaken only in special circumstances, when, as determined by the ED, the exigencies of GCF do not permit the delay attendant upon calling for tenders or proposals.

VIII. Contract execution

8.1 Contract administration

194. The PS will carry out the day-to-day administration of the contract and ensure that vendors and consultants comply with their obligations. To this end, the PS will:
- (a) Supervise all activities that GCF performs after a contract has been awarded in order to monitor and ensure compliance with the agreed terms and conditions;
 - (b) Be the formal contact point between GCF and the vendors/consultants from award of the contract until the goods, services and/or consultancy services are accepted or completed, the contract is terminated, or any disputes are resolved;
 - (c) Ensure the proper verification, screening and registration of vendors for goods, services and/or consultancy services through vetting procedures and eligibility checks;
 - (d) Establish, manage and maintain adequate contract management systems and act as the physical/electronic repository of all procurement contracts;
 - (e) Provide necessary support to user divisions for the efficient administration of the contracts, performance review meetings and contract amendments, as well as for the definition of requirements and related SLAs;
 - (f) Ensure, in consultation with the General Counsel as appropriate, correct and timely implementation of contract amendments; and
 - (g) Provide general advice related to contractual matters and service performance, as needed.
195. GCF shall establish the necessary supplemental instructions, procedures and guidelines to monitor and guarantee the execution of the procurement contract and GCF and vendors/consultants' compliance with the terms and conditions of contracts, including technical requirements and quality standards set forth therein. To that effect, GCF will:
- (a) Require bidders, vendors and/or consultants to submit all documents it deems necessary prior to contract award and during contract performance;
 - (b) Periodically evaluate and report on the quality of goods, services and/or consultancy services received;
 - (c) Promptly and timely address any delay in, or unsatisfactory, performance of contract obligations by vendors/consultants or any other issue arising from the interpretation or execution of the contract; and
 - (d) Timely identify and address any case of unsatisfactory performance of vendors/consultants. Unsatisfactory performance by a specific vendor or consultant must be recorded and duly considered for future procurements.
196. The procurement of goods and/or services, including consultancy services, is subject to GCF internal rules and procedures on audit.

8.2 Contract amendments

197. A procurement contract may be amended:
- (a) Due to changes in GCF operating requirements;
 - (b) To reflect extensions in the contract period, in consideration of satisfactory service as evaluated by the user division; or

- (c) For other lawful reasons to which GCF and the vendor/consultant consent.
198. Contract amendment refers to, but is not limited to, the following:
- (a) Extension of the contract period;
 - (b) Change in the total value of the contract or the rates of a specific service, or both, or a certain portion of the contract;
 - (c) Changes in the specification of goods and/or services, terms of reference for consultancy services, or support schedule, or both, but without changes to the value of the contract;
 - (d) Terms of payment for the goods, services and/or consultancy services;
 - (e) Frequency for the provision of goods, services and/or consultancy services; or
 - (f) Any combination of the above.
199. GCF will adopt supplemental instructions, procedures and guidelines for the review and approval of amendments to procurement contracts with a view to avoiding that contract amendment be used to replace competitive bidding or any other applicable procurement process. A contract amendment request that:
- (a) Increases the initial contract value, or, if previously increased pursuant to this paragraph, the aggregate value of the relevant contract including past increases, of more than 25 per cent; or
 - (b) Substantially alters the original scope or object of the contract to the extent that the change constitutes in essence a new procurement shall be treated as a new procurement and the vendor or consultant shall be selected by competitive bidding or any other procurement methods applicable under these Guidelines.
200. Contract amendments that increase the duration of contract must only be done if GCF will not gain any advantage from a new tender process.

8.3 Monitoring and evaluating performance

201. GCF may establish supplemental instructions, procedures and guidelines for the periodical evaluation of the performance of vendors and consultants and their compliance with the contract terms and conditions, including technical standards and timelines set forth therein.

8.4 Records

202. GCF shall establish and maintain records, including by electronic means, of all documents and information regarding the procurement process and the execution of procurement contracts, in accordance with the relevant GCF policies and procedures.

Appendix 1: Glossary

Administrator:	GCF staff designated to ensure the efficient administration of credit cards.
Bidders:	Any vendor or consultant, including individual consultants, that submits a quotation, proposal or bid in response to a solicitation request to provide goods and/or services, or consultancy services.
Consultant:	<p>Any juridical entity (consulting firm) or natural person (individual consultant, IC) providing consultancy services to GCF.</p> <p>Consultants may associate with each other in the form of a consortium¹ or of a sub-consultancy agreement to complement their respective areas of expertise, strengthen the technical responsiveness of their proposals and make available bigger pools of experts, provide better approaches and methodologies, or offer lower prices.</p> <p>Such an association of consultants may be for the long term (independent of any particular assignment) or for a specific assignment. If GCF employs an association of consultants in the form of a consortium, the association will appoint one of the firms to represent the association. All members of the consortium shall sign the consultancy contract and shall be jointly and severally liable for the entire assignment.</p> <p>Consultants may be international or national consultants, specifically:</p> <ul style="list-style-type: none">(a) "International consultant" means any consulting firm established, incorporated in a country other than, and having no registered office, in the country where the assignment takes place, or a person who is not a national of, or resident in, the country where the assignment takes place; and(b) "National consultant" means any consulting firm that is established, incorporated, or has a registered office, in the country where the assignment takes place, or an IC who is a national of, or resident in, the country where the assignment takes place.
Consultancy services:	Services of a professional nature provided by consultants using their skills to study, design, organize, manage and perform services as per requirements in the provided terms of reference.
Corporate credit card:	Credit card to be used as a mode of payment for goods and/or services procured in accordance with the Guidelines provided in appendix 1.
Equipment:	Office machines, furniture and/or furnishings and vehicles, among others, used for the operations of GCF.
GCF staff:	All persons appointed to a post in GCF under a letter of appointment (individually, a staff member).
GCF personnel	GCF personnel means any individual working at any level and grade within the GCF, including the Executive Director, management and staff of the GCF, and any other individual contracted by GCF, and engaged by GCF to perform procurement-related activities.

¹ The nationality of the consortium for the purpose of shortlisting will be defined by the nationality of the firm representing the consortium.

Goods:	Commodities, raw materials, products and equipment and objects in solid, liquid or gaseous form, and related services if the value of such services does not exceed that of the goods themselves. These include supplies and equipment, routine and non-routine; expendable or semi-expendable supplies, vehicles, furniture, and computer hardware/software and IT-related goods required for the operations of GCF.
Invitation to bid (ITB)	An invitation to bid (ITB) is a formal invitation issued to prospective bidders to submit a bid for the provision of goods and/or services.
Large and/or complex procurements:	Procurement of goods and services that, because of their technical nature or technical specifications, require specialized knowledge, imply high risk and/or whose estimated value is more than USD 500,000. These include supply agreements for computers and ICT-related goods and services and the like.
Long-term agreement (LTA):	Agreement between GCF and a vendor for the provision of specific goods and/or services at a defined unit price over a defined period of 12 months or longer, with generally no legal obligation for GCF to order any minimum or maximum quantity. Orders are placed by issuing purchase orders, work orders, work statements of work within the framework of, and subject to the conditions stipulated in, the LTA.
Prohibited practices	<p>Prohibited practices include:</p> <p>(a) “Corrupt practice” means the offering, giving, receiving or soliciting, directly or indirectly, anything of value to influence improperly the actions of another party;²</p> <p>(b) “Fraudulent practice” means any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation;³</p> <p>(c) “Coercive practice” means impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;⁴</p> <p>(d) “Collusive practice” means an arrangement between two or more parties designed to achieve an improper purpose, including influencing improperly the actions of another party;⁵</p> <p>(e) “Obstructive practice” includes (i) deliberately destroying, falsifying, altering, or concealing evidence material to an investigation; (ii) making false statements to investigators in order to materially impede an investigation; (iii) failing to comply with requests to provide information, documents or records in connection with a GCF investigation; (iv) threatening, harassing, or intimidating any party to prevent it from</p>

² For the purpose of this sub-paragraph, “another party” refers to a public official acting in relation to the hiring process or contract execution. In this context “public official” includes GCF staff and employees of other organizations taking or reviewing selection decisions.

³ For the purpose of this sub-paragraph, “party” refers to a public official; the terms “benefit” and “obligation” relate to the hiring process or contract execution; and the “act or omission” is intended to influence the selection process or contract execution.

⁴ For the purpose of this sub-paragraph, “party” refers to participants in the procurement or selection process (including public officials) attempting either themselves, or through another person or entity not participating in the procurement or selection process, to simulate competition or to establish contract prices at artificial, non-competitive levels, or are privy to each other’s bid prices or other conditions.

⁵ For the purpose of this sub-paragraph, “party” refers to a participant in the selection process or contract execution.

disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation; or (v) materially impeding the contractual rights of audit of GCF or its access to information;

(f) “Abuse” means theft, misappropriation, waste or improper use of property or assets related to GCF-related activity, either committed intentionally or through reckless disregard;

(g) A “conflict of interest” is any situation in which a party or any of its staff involved in the relevant decision-making process has interests that could, or could be deemed to, improperly influence its performance of official duties or responsibilities, contractual obligations, or compliance with applicable laws and regulations;

(h) “Retaliation against whistle-blowers or witnesses” means any detrimental act, direct or indirect, recommended, threatened or taken against a whistle-blower or witness, or person associated with a whistle-blower or witness, in a manner material to a complaint because of the report or cooperation with a GCF investigation by the whistle-blower or witness;

(i) “Money laundering” refers to: (a) the conversion or transfer of property, knowing that such property is the proceeds of crime, for the purpose of concealing or disguising the illicit origin of the property or of helping any person who is involved in the commission of the crime to evade the legal consequences of his or her action; (b) the concealment or disguise of the true nature, source, location, disposition, movement or ownership of or rights with respect to property, knowing that such property is the proceeds of crime; (c) the acquisition, possession or use of property knowing at the time of its receipt that it is derived from a criminal offence;⁶ and

(j) “Terrorist financing” means the act of, directly or indirectly, providing or collecting funds with the intention that they should be used or in the knowledge that they are to be used, in full or in part, to carry out terrorist acts.⁷

Request for proposals (RFP)

A request for proposal (RFP) is a formal request issued to prospective bidders to submit an offer for the provision of consultancy services.

Services:

Services, other than consultancy services, rendered to GCF by a juridical entity or natural person. These include services such as catering, insurance, installation, commissioning, surveys, training, and initial maintenance and similar services.

Service contract:

A written contract that defines the obligation of a vendor to provide a defined range of services to GCF.

⁶ Refer to Article 6 of the United Nations Convention against Transnational Organized Crime, 2000 (the Palermo Convention).

⁷ According to Article 2 of the International Convention for the Suppression of the Financing of Terrorism, a person commits the crime of financing of terrorism if that person by any means, directly or indirectly, unlawfully and willfully, provides or collects funds with the intention that they should be used or in the knowledge that they are to be used, in full or in part, in order to carry out an offense within the scope of the Convention: (a) An act which constitutes an offence within the scope of and as defined in one of the treaties listed in the annex; or (b) Any other act intended to cause death or serious bodily injury to a civilian, or to any other person not taking an active part in the hostilities in a situation of armed conflict, when the purpose of such act, by its nature or context, is to intimidate a population, or to compel a government or an international organization to do or to abstain from doing any act.



- Service-level agreement (SLA):** Part of a service contract defining the level of service and performance indicators required to measure the quality of the service contractors.
- User division:** The GCF division, office or unit requesting the procurement of goods, services and/or consulting services.
- Vendor:** Any juridical entity or natural person that supplies goods or performs services pursuant to a contract with GCF.

Appendix 2: Methods for the solicitation of bids, proposals and quotations for the procurement of goods and/or services

Estimated value (USD)	Solicitation method
500,001 and above	Open international competitive bidding ¹ or limited international competitive bidding ²
150,001 to 500,000	Open competitive bidding ³ or limited competitive bidding ⁴
50,001 to 150,000	Limited tender from pre-selected and suitable suppliers in the GCF Registry of Vendors. User divisions may further recommend pre-selected suppliers, in addition to those available in the registry
10,001 to 50,000	Shopping by requesting quotations from at least three suppliers through a written request for quotation standard document sending/receiving a written reply by fax, letter or e-mail.
Up to 10,000	Simple shopping/corporate credit card

¹ With pre- and/or post- qualification, as appropriate.

² With pre- and/or post- qualification, as appropriate.

³ Open competitive bidding may be “international” or “national”.

⁴ Limited competitive bidding may be “international” or “national”

Appendix 3: Methods for the solicitation of proposals for the procurement of consultancy services

Selection method	Maximum value of contract	Selection based on	Comments
Quality- and cost-based selection (QCBS)	Unlimited, unless for national consultants only, when the limit is USD 100,000	Quality of technical proposal and financial proposal	The most competitive method
Quality-based selection (QBS)	Unlimited	Technical proposal	Appropriate for complex or highly specialized assignments
Fixed budget selection (FBS)	Unlimited	Highest ranked technical proposal	Appropriate only when the assignment is simple and can be precisely defined and when the budget is fixed
Least cost selection (LCS)	Based on a minimum qualifying mark for the quality. There is no need to establish a threshold for this method because its use depends on the budget of the assignment	Lowest cost, technically acceptable proposal	Appropriate for selecting consultants for assignments of a standard or routine nature, where well-established practices and standards exist
Consultant's qualifications selections (CQS)	Generally, less than USD 100,000	Most appropriate qualifications and experience	Appropriate for small assignments or in emergency situations
Single-source selection (SSS)	Usually less than USD 50,000	Firm must be qualified, experienced and available	Does not provide the benefits of competition. Appropriate only in exceptional cases and for small assignments

Appendix 4: Guidelines on contracting spouses of GCF staff

1. Close relatives of current GCF staff may not be contracted by GCF as individual vendors, except for spouses and recognized partners of GCF staff (partners). This appendix sets forth the conditions and procedures to be observed in the contracting of partners as individual vendors or consultants.

Conditions and Procedure

2. In all cases, the engagement of a partner will be subject to a conflict of interest check. A partner may not be engaged as a vendor or consultant if it is determined that:

- (a) The goods, services and/or consultancy services to be contracted are requested by a division in which their staff member partner is employed;
- (b) The staff member partner would be supervising the work of their partner in the context of rating performance and/or making rate increase recommendations;
- (c) The goods, services and/or consultancy services to be contracted would be rendered for the benefit or end-use of the division in which their staff member partner is employed; or
- (d) The proposed contract could be perceived to involve an actual or potential conflict of interest, or the appearance of such a conflict of interest, on the part of the GCF staff member's partner.

3. When a user division is in doubt about an actual or potential conflict of interest, or the appearance of such a conflict of interest, it will refer the matter to the General Counsel, who, after consultations with the ED, will decide whether the procurement may proceed.

4. User divisions, when selecting the vendor/consultant, must not give the partner any preference by virtue of their relationship with a staff member. The user division should also confirm that the envisaged contract would not create any actual or potential conflict of interest, or the appearance of such a conflict of interest.

5. The PS will clear the initial engagement of partners as individual vendors or consultants, taking into account the same factors that are considered when GCF engages former GCF staff as consultants.

6. Partners who are interested in providing goods, services and/or consultancy services to GCF should disclose their relationship to the staff. Partners interested in working for consulting firms or vendors as members of their teams should contact those consulting firms or vendors directly.
