



Inter-American Institute for  
Cooperation on Agriculture

Procedures Manual for the  
**Procurement of Goods and  
Services**

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## Introduction

The present Manual establishes rules and procedures for the management of the procurement of goods and services at Headquarters and at the IICA Delegations in the Member States, thus facilitating compliance with the guidelines included in the institutional policies and the regulations approved by the governing bodies of IICA, the Rules of Procedure of the General Directorate and the Financial Rules.

Compliance with this Manual is mandatory for all Institute staff. The Manual applies to the procurement of goods and services funded with internal Institute resources or with external resources; in the latter case, it is subject to the agreements reached between IICA and the counterpart, as outlined in the corresponding Legal Instrument.

## Objectives

### 1. General objective

To establish an institutional regulatory framework for the procurement of goods and services required by IICA, geared toward complying with the principles of:

- transparency,
- prudent use of resources,
- objectivity in selection processes,
- impartiality,
- equity,
- efficiency,
- efficacy,
- honesty,
- legitimacy,
- competitiveness,
- economy,
- sustainability,
- accountability and,
- respect for human rights.

## 2. Specific objectives

- a. To establish the institutional guidelines to ensure speediness in the procurement of goods and services, by means of an efficient, safe and bureaucracy-free procedure with a decentralized approach that contributes in a timely manner to the fulfillment of the activities detailed in the current Medium-term Plan and the effective execution of projects. This process should incorporate technological advances and ensure that contracted goods and services are obtained under the best market conditions in terms of price and quality, and that this is done in keeping with the associated institutional regulations.
- b. To achieve greater efficiency in the execution of financial resources that the Institute and its projects allocate to the procurement of goods and services.
- c. To provide, in a timely and pertinent manner, the goods and services that the Institute's Units may require to facilitate the execution of activities conducted in compliance with the mandates issued by the Member States and within the framework of projects executed by the Institution.
- d. To ensure that the financial resources involved in the procurement of goods and services are correctly executed, by identifying and mitigating risks and foreseeing fraud, corruption and conflicts of interest, among other issues.
- e. To contribute to a sustainable development approach by means of institutional provisions and procedures for the procurement of goods and services.

## General Provisions

The present Manual will be governed by the following general provisions:

- a. All institutional procurement of goods and services at Headquarters or at the IICA Delegations in the Member States must be conducted in accordance with the provisions of the present Manual, and are mandatory, except in the case of externally-funded projects where the signed legal instrument establishes different conditions for procurement or where there is a duly authorized administrative manual for the management of projects financed with such resources.
- b. Procurement of goods and services must be conducted by competitive methods, promoting transparency and accountability in the processes and equal opportunities for bidders or suppliers. The processes must also foster financial prudence, quality and rational spending.



- c. Procurement of goods and services will be subject to the existence of budgetary resources that have been duly approved for that purpose, as well as the availability of financial resources.
- d. The Institute must ensure the protection of any third-party personal data to which it may have access as a result of the procurement and contracting processes, and to this end must establish policies, procedures and systems that ensure their protection, privacy and confidentiality. The binding clauses of the institutional policies shall be included in contracts accordingly.
- e. Institutional processes and practices related to the procurement of goods and services must prioritize sustainability criteria and apply a concept known as sustainable procurement, which is understood to mean “A process whereby organizations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole-life basis in terms of generating benefits not only to the organization, but also to society and the economy, whilst minimizing damage to the environment.”<sup>1</sup>Sustainable procurement must take into account the life cycle of the good or service as well as the environmental, social and economic consequences of the following, as appropriate: design, use of non-renewable materials, manufacturing and production methods, logistics, provision of services, use, management, maintenance, reuse, recycling options, elimination, and the ability of suppliers to face these consequences throughout the entire supply chain.
- f. The Institute is committed to preventing, detecting, investigating, reporting, correcting and sanctioning all acts relating to prohibited practices. Therefore, the Institute has a zero-tolerance policy toward fraud and corruption, money laundering, financing of terrorism, human trafficking, child labor and other prohibited practices; consequently, any action relating to any of these practices shall be reported and investigated as applicable. This Policy applies, without exception, to all IICA activities and operations in response to any irregularity or suspected irregularity involving staff, suppliers, consultants, contractors and/or any other party that has an employment or contractual relationship with IICA.
- g. All Institute staff members must comply with the guidelines detailed in this Manual; otherwise, the Institute will have the legal authority to apply the disciplinary measures established in the Institute's regulations.
- h. Management of the procurement of goods and services is the exclusive responsibility of the Administrative Services Division at Headquarters and of the Administrative Areas of the different IICA Delegations in the Member States. Therefore, no staff member may delegate the procurement of goods or

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<sup>1</sup>Sustainable Public Procurement Implementation Guidelines – Introducing UNEP’s Approach. 2012, p.7. Available at: <http://www.unep.org/10yfp/Portals/50150/10YFP%20SPP/UNEPImplementationGuidelines.pdf>

services to another staff member, or compromise institutional or external resources, unless required to do so as part of their position.

- i. Any costs incurred due to a breach or incorrect application of this Manual, and which may be detrimental for the Institute, shall be recovered as indicated in the Financial Rules, rule 1.6. The recovery of any sum after this process shall be analyzed in accordance with institutional regulations.
- j. The IICA Delegations in the Member States may prepare proposals for Guides to the procurement of goods and services that facilitate their own operations and that of the externally funded projects they execute, in order to provide their staff with a complementary and more detailed tool. However, under no circumstances shall they be contrary to the guidelines of the present Manual, which is based on the provisions stipulated in the Institute's rules. The Guide for the Procurement of Goods and Services of the Delegations must be approved by the National Purchasing Committee of each Delegation, and in the case of exceptions, by the Corporate Purchasing Commission prior to its publication and application.
- k. The names of units and divisions mentioned in the present Manual may vary in the future, but this will not alter the responsibilities or duties of those areas.

## Chapter I – Procurement categories and methods

Procurement of goods and services may be categorized as:

- Direct procurement
- Procurement by comparing at least three written quotations
- Procurement by means of an institutional bidding process

The procurement method will depend on the total estimated cost of the required good or service, based on the following parameters in the currency of the United States of America or its equivalent in another official currency, at the exchange rate in effect at the time at which the procurement process begins:

Procurement method	Value greater than	Value less than or equal to
Direct procurement: <ul style="list-style-type: none"> <li>• Purchase from petty cash</li> <li>• Direct procurement (<i>with a written quotation</i>)- includes <i>consultancy services</i></li> </ul>	USD 1	USD 500
	USD 1	USD 2,000
Procurement by comparing at least three written quotations	USD 2,000	USD 50,000
Procurement by means of an institutional bidding process	USD 50,000	

### 1. Direct procurement:

#### a. Purchases from petty cash:

Unforeseen, urgent purchases that do not correspond to goods or services obtained as part of the provision of technical cooperation services, with a maximum value of USD 500, are paid out of Petty Cash. Both Headquarters and the different Delegations may establish a maximum value under USD 500 for each purchase out of petty cash, based on specific needs and considering risk factors.

Purchases made from petty cash do not require that the Institute obtain quotations; however, it is important to rotate suppliers, ensure that purchases uphold the principles of rationality and institutional transparency in the management of budgetary and financial resources, and avoid splitting up purchases as a way of disregarding the application of the procurement methods previously described in this chapter.

The procedures for handling Petty Cash Accounts are established in Rule 3.8 of the Financial Rules.

Periodically, when 50% of the Petty Cash Account balance has been used, the “Petty Cash Report” form must be completed to receive the corresponding cash reimbursement. The form should include at least the information listed below. **Annex I** features a suggested template.

- Summary of the Petty Cash Fund (total value of the submitted expense report, cash balance and pending vouchers),
- Breakdown of purchases,
- Accounting distribution.

The Request for Goods or Services must be attached to the form, in accordance with the Institute's information system for the management of procurement processes, as well as the legal invoice issued for said procurement.

#### **b. Direct procurement:**

When procuring goods or services (including consultancy services) for a sum less than or equal to USD 2,000, direct awarding may be used. Please note that purchases of up to USD 500 may be paid out of Petty Cash, (refer to point a. above).

Both Headquarters and the different Delegations may establish a maximum value less than USD 2000 for each direct procurement, based on specific needs and considering risk factors. A written quotation and a Purchase Order must be obtained.

The use of Qualified Suppliers to address recurring needs, a concept described in section 4.a, must be encouraged; alternately, a rotation of suppliers should be fostered. In either case, purchases must uphold the principles of rationality and institutional transparency in the management of budgetary and financial resources.

**Public services:** Contracting of public services such as water, energy, internet and telephone services, for which there is only one supplier, is conducted under this method.

In the case of IICA member countries with several public service suppliers, the corresponding Administrative Area must conduct a documented analysis at the beginning of the year and recommend the service supplier that is best able to address IICA's needs, for a period of one to two years at most. Therefore, the direct contracting method will be used for all public services, even if the monthly cost exceeds USD 2,000.

The following suggested checklist aims to ensure compliance with the abovementioned procedure:

**Check list**  
**Direct procurement**

	<b>Yes</b>	<b>No</b>
<b>1</b> Maximum amount of the procurement USD 2,000 (or equivalent)	[ ]	[ ]
<b>2</b> This provider is qualified as recurrent	[ ]	[ ]
<b>3</b> Registration at the Revenue or Financial Office, either as a natural person or legal entity authorized by the supervising body to carry out the commercial activity or provide the services to the Institute (support consultations)	[ ]	[ ]
<b>4</b> Verification of exclusion from the European union and/or the United States database (support consultations)	[ ]	[ ]

**If option 2 is marked as "Yes", then options 3 and 4 do not apply**

**2. Procurement through a comparative process:**

Procurement in amounts greater than USD 2,000 but less than or equal to USD 50,000, is conducted by comparing at least three written quotations. The procedures for implementing this method are described in detail in Chapter III of the present Manual.

Any exception must be justified reasonably, fully and in writing.

The following suggested checklist aims to ensure compliance with the abovementioned procedure:

**Check list**  
**Competitive procurement**

	<b>Si</b>	<b>No</b>
<b>1</b> Maximum amount of the procurement USD 50,000 (or equivalent)	[ ]	[ ]
<b>2</b> A search or divulgation process was carried out.	[ ]	[ ]
<b>3</b> There are at least 3 bids for the procurement received correctly and in a timely manner	[ ]	[ ]
<b>4</b> If a minimum of 3 bids has not been received, the corresponding justification is attached	[ ]	[ ]
<b>5</b> This provider is qualified as recurrent	[ ]	[ ]
<b>6</b> Registration at the Revenue or Financial Office, either as a natural person or legal entity authorized by the supervising body to carry out the commercial activity or perform the services provided to the Institute (support consultations)	[ ]	[ ]
<b>7</b> Verification of exclusion from the European Union and/or the United States databases (support consultations)	[ ]	[ ]

**Either option 3 or 4 must be marked as "Yes"**  
**If option 5 is marked as "Yes", then conditions 6 and 7 do not apply**

### 3. Procurement by means of an institutional bidding process:

For procurement valued at USD 50,000 or more, a competitive bidding process is required. Several bidders compete for procurement, and a transparent process is fostered. At IICA, the institutional bidding process is subject to the Institute's internal standards and procedures as well as its legal standing as an international organization.

This institutional bidding process may be conducted through an open or invite-only Call for Tenders. Additionally, the call may apply for bidders at the national, regional, hemispheric or international levels, depending on whether a specific area would lead to greater achievement of results, or if a specific area is necessary due to the nature of the project.

The procedures, details and variations of the institutional bidding process are described in Chapter IV of this Manual.

#### 4. Special considerations:

##### a. Qualified suppliers for the procurement of goods or services to address recurring needs:

A qualified supplier is a bidder selected via a competitive process to provide the Institute with the goods and services it needs on a recurring basis.

The Corporate Purchasing Committee at Headquarters and the National Purchasing Committee in each Delegation must promote the process of selecting qualified suppliers for the procurement of goods or services required on a recurring basis, with the aim of benefiting the Institute by selecting the best option in terms of price, quality, support, technical support, technical specifications, guarantee of availability, delivery or installation time, and transportation to the office, among other aspects.

The call for and identification, analysis, and evaluation of proposals, as well as the selection of qualified suppliers to address recurring needs, will be the responsibility of the Administrative Services Division at Headquarters and of the corresponding Administrative Area at the IICA Delegations in the Member States. The evaluation and selection of qualified suppliers to address recurring needs must be conducted through the use of competitive methods. A contract must be signed with the qualified supplier establishing the conditions governing the terms under which the commercial relationship will be conducted, and the contracting period must not exceed one year; following this period, if the need for the goods or services persists, the search for suppliers and the selection process must be conducted again or the existing providers must be evaluated. Where duly justified, the term can exceed one year, as long as this constitutes a competitive advantage for the Institute regarding price sustainability and other criteria that may be beneficial and of interest to the Institute.

**Annex 2**, entitled “Selection of qualified suppliers for goods and services required on a recurring basis,” describes the procedures for identifying, evaluating and selecting qualified suppliers.

The Administrative Services Division at Headquarters and the corresponding Administrative Area at the IICA Delegations in the Member States must document the process of identifying, analyzing, verifying legal and fiscal requirements, and documenting this verification process with evidence; evaluating, and selecting qualified suppliers to address recurring needs. In the first two months of every year, both, the Administrative Services Division and the Administrative Areas, must submit a report to the Corporate Purchasing Committee in the case of Headquarters and to the National Purchasing Committee in the case of the Delegations, describing and documenting the

selection process that was carried out as well as the suppliers that are qualified for the procurement of goods and services, with the aim of addressing a recurring need.

**b. Consolidated or volume-based procurement:**

Headquarters and the IICA Delegations in the Member States must plan annual procurement of goods and services, in order to group or merge the procurement of goods and services of Units and projects overseen by Headquarters or the Delegations.

The procurement of goods and services whose characteristics are equal or similar, such as in the case of technological equipment, industrial equipment, software licenses, furniture, and hotel services for events, among others, must be carried out through a single purchase or negotiation, in order to obtain the best prices, quality, services and benefits that represent value added for the Institute.

These processes must meet the following requirements:

- be duly approved as part of the Annual Action Plan, as well as the Technical Cooperation Instrument, if external resources are being used;
- the corresponding budgetary resources must be approved and allocated;
- procurement must be formalized by means of a Purchase Order.

Additional needs for goods or services that arise after a consolidated or volume-based procurement process is conducted, as a result of unforeseen situations, such as damaged equipment or unexpected needs, may be carried out through the regular methods described at the beginning of this chapter.

**c. Procurement of professional consultancy services:**

The procurement of consultants by the Institute is subject to Article 13 of the Rules of Procedure of the General Directorate, which establishes that:

The Director General, when he/she deems necessary, may hire persons, internationally or locally, with high academic qualifications and broad professional experience, as consultants for periods of up to one year, to provide special or technical services. These persons shall not be considered Institute staff, and therefore their rights and obligations, as well as the Terms of Reference for the activities they are to perform, shall be as specified in the respective contract.

This procurement is undertaken given IICA's need to engage external professional services in the following cases:



- When temporary professional services are required in a specialized area in which the Institute does not have specialists; or
- When specific technical needs must be met for a set time period and cannot be met by IICA staff, due to lack of time and because of their extraordinary and transitory nature; or
- When short-term professional services are required in a specialized area to execute an externally funded project.

All professional consultancy services contracts should be done and formalized with the signing of a contract, which should include an annex with Terms of Reference, as an integral part of the contract. Among other things, the Terms of Reference of the contract should specify the terms of payment of the agreed fees, which in all cases should be contingent on the completion of each phase or on the delivery of expected products, in accordance with the technical requirements and the established deadlines. All of this should be stipulated in the general conditions of the contract.

No service of any kind should be rendered nor resulting payment made prior to the approval and signing of the contract by the designated person at the Institute. Even if the contract has been signed by the relevant individual, IICA assumes no responsibility whatsoever until it has been authorized and signed, in accordance with its rules and procedures.

#### **i. Preconditions**

No consultancy services contract will be awarded to the following persons:

- Members of staff of the Institute, government employees, or any immediate blood relative or spouse of the previously mentioned persons.
- Any person who has failed to fulfill a consultancy services contract with IICA or who has not fulfilled it satisfactorily.

No consultancy services contract may be entered into, issued, signed or executed unless all funds for the contract (regardless of the source of funding) are available and allocated to the corresponding account. Compliance with this provision is the responsibility of the unit that is requesting these services. In the event of non-compliance, the corresponding disciplinary measures will be taken, as established in Article 1.6 of IICA's Financial Rules.

No consultancy services contract may be awarded for performing duties or carrying out operational or administrative functions normally carried out by members of staff of the Institute.

The costs for the consultancy services shall be covered by the approved budget in effect during the period of the contract.

No original services contract or addendum thereto may be retroactive.

A contract for the provision of professional consulting services with a person who has previously held the position of Director General or Deputy Director General of IICA may only be signed with the written authorization of the Director General.

## ii. Classification of consultants according to their status

What follows is a series of definitions of the concepts of consultant as an individual and consultant as a legal entity. No natural person or legal entity providing services under a professional consultancy services contract, or contract for specific work, shall be considered IICA staff, and shall not be entitled to claim any rights enjoyed by IICA employees. Accordingly, their rights and obligations will be those stipulated in the contract, pursuant to Article 13 of the Rules of Procedure of the General Directorate. This document includes (*Sub-section xiv. Rights and obligations of the consultant*), which specifies obligations of the consultant that should be stipulated in the respective contract.

### Consultant – individuals

Refers to an individual hired to undertake technical studies and/or generate specific products in a personal capacity and for a specified period, in accordance with the stipulated Terms of Reference for the activity to be undertaken and independently subject to the tax and social security regulations in force in the country regarding the provision of professional services. The consultant is an individual who performs an intellectual activity independently (unassisted), using his/her own means and methods, without delegating the specific aspects of their task. The consultant's activity is for the purpose of obtaining the products specified under the contract, in his/her field of specialization.

### Consultant – legal entity

A legal entity consultant or legal person is a precept which allows for the existence of an individual with rights and obligations that is not a natural person, but an institution, organization or company pursuing a social goal, for-profit or non-profit, and which is contracted to perform technical studies or generate specific products for a given term, in accordance with the specific terms of reference of the activity undertaken and which is

subject to tax obligations and requirements associated to the economic activity carried out in their country of residence.

### **iii. Classification of consultants according to their scope of action**

Classification of consultants hired by IICA, whatever the source of funding, will be done based on the requirements of the type of service to be provided and the country that is engaging the services. Classification of consultants will be done in keeping with the guidelines established in this chapter.

#### **International consultants**

International consultants are those that are providing their services outside of their official or usual country of residence, which is different to the country of the Delegation that is hiring them.

#### **National consultants**

Local consultants are consultants hired by the IICA Delegation in the country of their official or usual residence. A foreigner in any member country of the Institute must have an officially accredited work permit, in order to be considered for a local consultancy contract. Being a national consultant does not prevent or have any bearing on the fact that an individual may need to travel within or outside of the country, in order to comply with the Terms of Reference of the consultancy.

### **iv. Classification of consultants according to the service provided, academic background and experience**

The definition of the types of consultants hired by IICA, whatever the source of funding for their procurement, will be done based on the requirements of the type of service to be provided, as well as the academic qualifications and professional experience of the consultant. This definition will be made, taking into account the guidelines established in this Manual or the agreements made in the legal instruments, in the case of externally funded consultancies.

### **Expert consultant**

This category includes professionals with solid academic training and extensive professional experience in a specific field, in which they are considered experts. They are hired to generate products in fields that are considered to be highly specialized.

This consultant should have more than ten years of professional experience in the area of specialty or field required by the contracting unit, a university degree, post-graduate studies, certifications, specializations or equivalent credentials, at least, in a subject related to the services to be provided, or a sufficient combination of experience and academic training to enable compliance with the Terms of Reference of the consultancy.

### **Senior consultant**

Individuals with solid academic training and professional experience. This type of consultant will be hired mainly to generate products dealing with substantive issues in his/her area of specialization or to provide advisory services to staff at the management and coordination levels.

This consultant should have between five to ten years of professional experience in the specialty or field required by the contracting unit, at least a university degree in a subject related to the services to be provided, and a sufficient combination of experience and academic training to enable compliance with the requirements of the consultancy.

### **Junior consultant**

This category includes professionals with university training who are in the early stages of their professional development. This type of consultant is hired primarily to generate products in his/her field of specialization or to provide technical support in a specific area.

This individual should have at least one year of professional experience in the specialty or field required by the contracting unit, a university degree in a subject related to the services to be provided, should be attending their last year of university, or have a sufficient combination of experience and academic training to enable compliance with the requirements of the consultancy.

### **Highly knowledgeable consultant**

This applies to those consultants without specific formal academic training in the area for which they will potentially be hired, but who have acquired widespread and proven experience that will enable them to fulfill the tasks stipulated in the Terms of Reference of the respective contract.

#### **v. Database of consultants**

The Institute has an open database where natural persons or legal entities interested in offering their services to IICA can register. It is available at: [www.iica.int](http://www.iica.int), as well as in the links available in the Member States.

#### **vi. Procurement requirements, procedures and responsibilities**

Representatives in the Member States and Directors and Managers at Headquarters are primarily responsible for the contracting of consultancy services. Through the Administrative Area in the Delegations and the Administrative Services Division at Headquarters, they shall manage the contracting requirements, which include initiating, preparing, monitoring and processing contracts for professional consultancy services.

##### **In the Delegations**

The Representatives in the Member States shall be responsible for procurement in the Delegations. The Administrator of the Delegation shall provide support for administrative and budgetary control of contracts and their follow-up.

##### **A. Requirements**

The following conditions are indispensable for all procurement:

- An adequate written justification of the need for and relevance of the consultancy services
- Available funds for the procurement of the consultancy services.
- In the case of externally funded projects, consideration of the consultancy as an eligible expense.

- The Terms of Reference for the consultancy services that are required.
- Calculation to determine the fees.
- The contract signed by the parties (including the Terms of Reference, the work plan, the schedule of activities, the general conditions of the contract, the contract period, fees, and the agreed-on products and results, *Annex 3*).
- All consultants must have an insurance policy that includes at least basic health coverage the cost of which will be borne by the consultant. This must be stipulated in the signed contract.

## **B. Procedures and responsibilities**

1. The person making the request should ensure that the Terms of Reference of the consultancy are in accordance with the guidelines of this manual. In the case of externally funded projects, the terms should be determined with the agreement of the counterpart and should adhere to the conditions of the legal instrument that governs the procurement.
2. The Administration shall verify that budgetary resources are available to make the corresponding payment before processing a request for the contracting of consultancy services.
3. The Administration will then disclose the Terms of Reference of the contract.
4. Once candidates' proposals have been received, an evaluation report containing a preliminary analysis must be prepared by the Administration and sent to the applicant together with the recommended candidate to be hired.
5. The person making the request shall indicate to the Administration the reason for procuring the services of the recommended consultant or the justification for his/her selection over other candidates that were assessed.
6. The Administration shall then proceed to inform the selected consultant, prepare a contract and ensure that it is signed. Under no circumstances, will contracts be approved retroactively.
7. Once the contract has been signed, the Administration will prepare the purchase or contracting order and follow the usual procedures, indicated in Chapter III of this manual.
8. The requesting unit is responsible for monitoring the progress of the consultancy, in keeping with the Terms of Reference of the contract, for ensuring the expected

products (goods and services) are delivered to the entire satisfaction of the Institute, and for requesting the respective payments, according to the dates stipulated in the contract.

9. The requesting unit, through the person designated to supervise the consultancy, will place on record an evaluation of the consultancy.
10. The Administration is responsible for ensuring that all contracts signed by the Delegation are kept in its archives, along with the respective supporting documentation.
11. Consultancy contracts between natural persons or legal entities and the Delegations shall be signed by the Representative. Only with the authorization of the Director General can this responsibility be delegated.
12. Where a Delegation requires the recruitment of a consultant to carry out consultancy in another location, the requesting Delegation will be responsible for preparing the contract and the Terms of Reference, verifying that the consultant has the appropriate insurance policy, and fulfilling the relevant institutional procedures and providing technical follow-up of the respective consultancy.
13. The IICA Delegation in the consultant's Member State of residence shall coordinate and review the consultancy contract to be executed at that Delegation, ensuring that it complies with applicable local laws and fiscal regulations, and will assist in obtaining the signature of the consultant and in making payments (via a payment order or authorization), upon receipt of a written payment request and the respective charge advice from the designated staff member at the Institute. In order to request this support, the contracting Delegation should send a copy of all documentation to the Delegation from which it is requesting support.
14. Contracts for consultancy services must be signed by the IICA Representative in the Member State in which the consultant is legally registered, whether it is his/her country of residence or the country to which he/ she is to transfer for the full provision of services. In the case of consultants whose place of residence or provision of service is not an IICA Member State, the contract will be signed by the Director General or by the person to whom the Director General delegates this responsibility.

## At Headquarters

### A. Requirements

For all contracts, the following are indispensable:

- A written justification of the need for and relevance of the consultancy services.
- Provision in the budget to cover the costs of the consultancy services.
- In the case of externally funded projects, consideration of the consultancy as an eligible expense.
- Terms of Reference for the required consultancy services.
- Calculation to determine the consultancy fees.
- The contract signed by the parties (including the Terms of Reference, the work plan, schedule of activities, general conditions of the contract, contract period, fees, products and agreed-on results, *Annex 4*).
- Submission of the names of at least three eligible consultants, if they are available.
- All consultants must have an insurance policy that includes at least basic health coverage the cost of which will be borne by the consultant. This must be stipulated in the signed contract.

### B. Procedures and responsibilities

1. The requesting unit should submit the requisite documentation to the Administrative Services Division for their review and approval.
2. Likewise, they should ensure that the Terms of Reference for the consultancy comply with the guidelines of this manual. In the case of externally funded projects, the Terms of Reference should be agreed on with the counterpart and should be in keeping with the conditions of the legal instrument that governs this consultancy.
3. The Administrative Services Division shall verify that funds are available to pay for the consultancy services prior to disclosing the Terms of Reference.
4. It will also proceed to disclose the Terms of Reference for the consultancy, requesting that technical and financial bids be submitted in separate envelopes.
5. Once the proposals have been received from the candidates, the technical bids will be analyzed and screened, according to the criteria defined in the publication, and



the evaluation table and initial classification of the candidates will be sent to the requesting unit.

6. The requesting unit will define a technical evaluation strategy, based on the Terms of Reference, and will request that the Administrative Services Division open the financial bids and incorporate the information into the evaluation table.
7. The requesting unit will utilize the strategy to evaluate the candidates, if so decided. Other units in the organization may assist in evaluating the potential consultants.
8. Based on the selection that is made, the requesting unit will send the final classification to the Administrative Services Division, along with the name of the recommended consultant.
9. The Administrative Services Division will review the process and then advise the consultant who has been selected, as well as the other candidates.
10. The Division will also prepare and ensure the signing of the contract. Under no circumstances will contracts be approved retroactively.
11. Thereafter, the unit to which the budgetary resources have been assigned will prepare the contracting request and will follow the regular procedure, as indicated in Chapter III of this Manual.
12. The requesting unit is responsible for monitoring the progress of the consultancy, ensuring compliance with the Terms of Reference of the contract, ensuring that the contracted products (goods and services) are delivered to the entire satisfaction of IICA, and requesting the respective payment, according to the dates established in the contract.
13. On behalf of the requesting unit, the person who has been designated to supervise the consultancy, will place on record the evaluation of the consultancy.
14. The Administrative Services Division is responsible for keeping a record of the contracts that are signed in its archives, along with the corresponding supporting documentation.
15. Consultancy contracts with individuals at Headquarters will be signed by the Director General or by the person to whom the Director General delegates this responsibility.

**vii. Publication of awards on the Institute's website**

In accordance with the Institute's principle of transparency, the Administrative Area in the Delegations and the Administrative Services Division at Headquarters shall be responsible for posting<sup>2</sup> the following information for all awarded consultancy contracts exceeding USD 15,000 or the equivalent in local currency:

- a) Name of the Delegation
- b) Title or purpose of the consultancy service
- c) Name of the consultant,
- d) Amount
- e) Currency

The information must be posted on the Institute's website, [www.iica.int](http://www.iica.int), within 10 business days of the undersigning of the contract.

If the indicated information is not posted due to an exception, this shall be duly justified in writing by the consultant, in accordance with the Personal Data and Privacy Protection Policy of the Institute. **Annex 5** describes the corresponding procedure for publishing awards.

**viii. Method of selection of consultants**

Processes to select consultants must apply competitive methods, and should begin by publishing or disclosing the Terms of Reference for the required contract. This is aimed at ensuring that: a) the selected consultant is suitable, b) the service provided is of high-quality, c) all applicants are afforded equal opportunities, and that d) the process is transparent, including the method for scoring and evaluating the technical and financial bids submitted by the applicants.

The methods applied for selecting consultants may be Technical and Financial or Technical with a Fixed Price.

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<sup>2</sup> IICA takes as a reference the elements of the IATI international standard for publications to guarantee that the information published is accessible, understandable and useful.

Procedures regarding classification and method of procurement are established in Chapter I of this Manual and are binding.

### **Evaluation of bids**

The following aspects should be considered when selecting and assigning a score to the submitted bids:

#### **Technical bid:**

The bid will be given a score, in accordance with the Terms of Reference and at the discretion of the Requesting Unit or Area in charge of hiring the consultant. It is recommended that this bid should account for at least 70% of the total score.

The technical bid consists of:

- i. *Experience in previous consultancies on similar projects:* This experience should be accredited through an uncertified copy of previously signed contracts, records or recommendation letters issued by public or private organizations or by individuals for whom the consultant has provided consultancy services in the period immediately prior to the date of hiring. These should also indicate if the consultancy satisfied expectations. Alternatively, the applicant may provide references from previous work experiences, which should be verified and then properly documented by the Institute.
- ii. *Academic records of the consultant.* Consultants should submit their CV, with the relevant supporting documents.
- iii. Technical value proposition, work plan and schedule of activities, according to the scope of the Terms of Reference.

#### **Financial bid:**

A score will be assigned at the discretion of the Requesting Unit or Area in accordance with the Terms of Reference. If the score of the previous technical bid applies, the score for the financial bid should not account for more than 30% of the total score. The established score will be assigned to the most financially competitive bid.

The financial bid should take into account estimated costs for travel that the consultant considers necessary, in order to obtain the results, in those cases where these are not included in the value of the financial bid.

#### **Technical with a Fixed Price:**

This corresponds to the contracting of a natural person for a fixed amount, already stipulated in the budget, and who is considered to have the best qualifications to provide the service, as a result of a selection process and technical evaluation.

*Annex 6* provides an example of a bid evaluation table.

#### **ix. Fees**

An acceptable consultancy fee will be calculated in accordance with the guidelines established in *Annex 7* of this document and based on the Terms of Reference of the contract.

The following aspects should be taken into account, when establishing the amount of fees payable:

- a) The nature of the services to be procured or the required products (complexity, difficulty and required level of expertise and experience);
- b) Price of similar consultancies (for reference purposes);
- c) The need to obtain quality service at a competitive price;
- d) Time spent on the consultancy; and
- e) The available budget for the consultancy.

#### **x. Payment of fees**

As proof of each payment, the consultant must submit an invoice for each of the products or deliverables that were agreed on in the contract. This invoice should satisfy the legal requirements of the country in which the consultant resides.

The consultant's progress, products, deliverables and reports will be reviewed and deemed to be in full compliance by the staff member that the contract designates to approve each of the respective payments, as evidence that the service has been provided to the entire satisfaction of IICA, within the established deadlines and as stipulated by the contract.

In the event that the Institute is not satisfied with the product received, either because it does not comply with the requirements of the contract or for reasons of quality, quantity or delivery time, the designated staff member at IICA should immediately inform the consultant in writing, with a copy to the Representative or Director of the respective area, indicating that the consultant should proceed to correct, expand on or even perform the work again, in keeping with the previously established indications of the consultancy contract.

Payment will not be disbursed until the consultant resolves the issues in response to the observations of the Institute and the technical officer in charge accepts the product. The responsibility for quality and compliance of the products delivered by the consultant rests with the staff member designated by IICA.

The payment request should be made through the Requesting Unit or Area and should be accompanied by the invoice and by the deliverable or product submitted by the consultant in electronic format.

**First payment:** An initial payment may be authorized based on the delivery of the first product, in accordance with the Terms of Reference of the contract. For the most part, the maximum amount of this initial payment may not exceed 15% of the total fee agreed upon. In exceptional cases, which have been duly justified and documented, the corresponding authority, as established in the scope of this Manual, may authorize payment of up to 40% of the contract.

The presentation of a work plan or schedule of activities cannot be considered as the first product, since these documents are part of the technical bid that the applicant should include in the service proposal.

**Interim payments:** In accordance with the progress of the consultancy and the delivery of the agreed-on products and results to the entire satisfaction of the Institute, a schedule for payment at specific intervals may be established. Interim payments cannot be paid on a monthly basis and should not all be the same percentage.

**Final payment:** Will be contingent on the approval of the final report or delivery of the final product of the consultancy and may be not less than 20% of the total fees agreed on.

Neither the Administrative Services Division nor the Administrative Area of the Delegations may disburse payment prior to verifying compliance with the abovementioned requirements.

**Currency of payment:** Fees will be paid in the currency established in the contract.

#### **xi. Duration of the consultancy services contract**

No contract for consultancy services funded with IICA resources may last for more than twelve consecutive months, except in exceptional cases, authorized by the relevant authority, as established in the scope of this Manual, provided that they are in compliance with labor legislation.

In the case of externally funded projects, time limits will be determined by the conditions stipulated in the corresponding legal instruments and the applicable national legislation. Therefore, the duration of contracts funded with externally resources may exceed 12 (twelve) months, provided that the relevant national legislation allows it and that the period falls within the lifetime of the project.

Efforts should be made to ensure that no consultancy contract continues after the respective externally funded project has ended.

No individual who is providing consultancy services will be eligible for another consultancy services contract for the three months following a consecutive twelve-month period of contracts.

Under no circumstances shall consultants enter into more than one consultancy contract at the same time. An individual who is executing a consultancy contract for the Institute may sign another one when the number of hours of the existing consultancy added to the number of hours of the new consultancy is reasonable, in the opinion of the contracting unit. In these cases, which are only when strictly necessary, in order for the same consultant to undertake another consultancy contract at the same time, approval will be required from the corresponding authority, as established in the scope of this Manual.

Either party may rescind a consultancy services contract by advising the other party in writing, in accordance with the rescission conditions established in the contract.

#### **xii. Evaluation of the consultancy**

All consultancy contracts will be evaluated at the end of the contractual period or upon receipt by IICA of all the products established therein. The person that the Institute designates to supervise the consultancy will place on record an evaluation of the consultancy, using the following scale:

- a. **Satisfactory completion:** All products have been satisfactorily completed.
- b. **Partial fulfillment:** One, several or all products have been partially fulfilled or require partial or total adjustment by the consultant.
- c. **Non-compliance:** One, various, or all products have not been fulfilled by the consultant, who has not made the partial or total adjustment requested by IICA.

A consultant who has obtained a rating of non-compliance or partial compliance with expectations will lose the opportunity to be hired again, either at Headquarters or in any of the Delegations. In cases of non-compliance, the Institute reserves the right to take the corresponding legal actions to claim for damages caused by the non-compliance of the consultant in any of the areas evaluated.

Headquarters and the Delegations may establish any mechanisms that they consider appropriate to undertake this evaluation.

### **xiii. Rights and obligations of consultants**

It is the personal responsibility of consultants—individuals—to have secured their own basic medical insurance coverage.

In cases in which it is strictly necessary for the efficient undertaking of the consultancy, the Institute may provide the consultant with the required physical space and computer tools (an institutional e-mail address in his/her capacity as **consultant**) for the effective execution of the contract.

Once the contract has ended, the staff member overseeing the consultancy should ensure that any tool or asset that has been made available to the consultant is returned, and that the institutional e-mail account assigned to the consultant is deactivated.

While on IICA premises and for the duration of the contract, the consultant undertakes to be apprised of and abide by the provisions of institutional regulations, policies and procedures that include mandatory provisions and rules.

The consultant may not divulge any information or results obtained from the services arising under this contract, whether through publications, reports, conferences, or otherwise, as said information and results are the sole property of IICA. If, however, the consultant has been specifically tasked with publishing or publicizing matters related to the

Institute, the designated person in charge will be responsible for determining the content. In keeping with institutional policies, only the corresponding authority, as stipulated in the scope of this Manual, may expressly and in writing authorize the use of information and results stemming from a consultancy contract.

The consultant should provide relevant and verifiable proof of the requisite experience, depending on the type of consultancy, by means of uncertified copies of contracts, records or recommendation letters issued by public or private organizations or by individuals to whom the consultant has provided consultancy services in the period immediately prior to the date of hiring. They should also indicate if the consultancy satisfied the expectations of the contracting agencies. Consultants should also send their CV, with the relevant supporting documents.

The consultant should prepare the schedule and work plan (including travel and its estimated cost) and submit this information as part of their bid. The consultant should also deliver the products indicated in the Terms of Reference within the established timeframe. Failure to deliver the products within the established timeframes shall be deemed a breach of the obligations by the consultant.

It is the personal responsibility of the consultant to comply with the requirements of the national labor and tax laws of the country in which they provide professional services or in their own country, if different, and in the event that national laws so stipulate.

As proof of each payment, the consultant should deliver an invoice for the corresponding professional services, which should be legally authorized in each country.

#### **xiv. Travel**

If the consultant is required to travel for the execution of the consultancy contract, the contract should indicate expressly if such travel is covered by the consultant or by IICA.

Everything related to national or international travel by the consultant should be duly established or included in the Terms of Reference of the consultancy, which should indicate, insofar as possible, the duty station, estimated dates, objective, estimated costs, etc.

In the event that there is agreement in the contract that the trips that the consultant needs to make for the effective execution of the contract must be assumed by the Institute, the consultant should proceed in accordance with IICA's current rules and procedures. In this case, a per diem will be determined in accordance with IICA's Per Diem Scale that is valid for the date on which the trip is made. In the event that the consultancy is funded by



external resources, other scales may be utilized upon request by the counterpart and as authorized by the Representative of the Member State.

IICA may assist consultants in obtaining visas for countries where travel is necessary for work related reasons. If for any reason, unrelated to the consultant, he/she does not obtain the visa to make the necessary trips to carry out the consultancy, the contract will terminate without any responsibility on the part of either party.

#### xv. Addendum

An addendum may be made to the existing consultancy services contract to correct, amend and modify the scope of the contract, including an extension of the timeframe. All addenda will be approved by the same units that approved the original contract.

An addendum will not be made in cases where the fundamental purpose of the original contract is modified, or to add activities that are not linked to the purpose of the original contract.

A maximum of two duly justified addenda to a contract may be made. Should an addendum be required to modify the fee amount, the sum of the amounts listed in the addenda must not be greater than 25% of the original contract amount.

The addendum may be made while the contract is in force. If it has been concluded, a new contract must be processed (*Annexes 8 and 9*).

#### d. Procurement of airline tickets for official trips:

Headquarters and the IICA Delegations in the Member States must carry out a competitive process to select the travel agency through which they purchase airline tickets and operate IICA's national, regional, or corporate contracts with airlines; this may be done by obtaining quotations or conducting an institutional bidding process, as appropriate. Application of the procurement method selected for the year will be based on total expenses incurred in purchasing airline tickets in the previous year. With the aim of benefitting the entire Institute, regional or corporate contracts will be managed by the Administrative Services Division at Headquarters, which will communicate this information to the IICA Delegations on an annual basis.

If purchasing airline tickets from a single travel agency is not the most convenient option, the IICA Delegations may choose to obtain quotations from several travel agencies or purchase tickets from direct suppliers, such as airline offices or online platforms (by

phone or via the Internet), in compliance with established procurement methods and current regulations. In this case, the Delegation must attach vouchers of the different options that were considered to the corresponding Travel Authorization form.

The policy for official trips is included in Chapter VIII “Official Travel” of the Staff Rules and Personnel Manual.

**e. Procurement and/or renewal of vehicles:**

The Director of Corporate Services, in coordination with the Director General, will be responsible for approving the procurement or renewal of vehicles. Several criteria will be taken into account, including the need for vehicles, equity across the Institute’s fleet of vehicles, seniority, maintenance and replacement costs of vehicles currently in use, devaluation in the country, use of privileges granted by the Member States, accidental events such as theft or accidents that require urgent replacement of a vehicle, market surrender value for a used vehicle, and the Institute’s budgetary and financial status.

The procurement of vehicles should be carried out in accordance with the methods described at the beginning of this chapter, and at least three quotations must be assessed, even in cases in which the vehicle that will be replaced is offered as payment for the new vehicle.

Replacement of any institutional vehicle requires previous authorization from the Director General or a person authorized by the Director General to dispose of institutional assets, pursuant to Rule 4.17 of the Financial Rules.

Vehicles to be purchased must have the necessary technical features, so that they may be used by staff to attend technical cooperation, administrative or official activities. They must not be any type of sports or luxury vehicle, in terms of their brand or external and internal characteristics.

The criteria used to analyze vehicle quotations must take into account at least the following factors:

- a. Estimated annual maintenance cost and projected increases.
  - i. fuel consumption and cost of fuel per kilometer or mile traveled,
  - ii. estimated annual depreciation,
  - iii. cost of car parts or replacement parts,
  - iv. payment of road tax, car insurance, and other related expenses.
  - v. greater environmental care.
- b. Warranty, technical support, and availability of car replacement parts in the country.

- c. Possibility of reselling the vehicle in the future, and resale price.

In the case of externally-funded vehicles, for which the agreements detailed in the corresponding legal instrument must be fulfilled, immunities and official license plates (international mission, diplomatic service, international organization, among others, depending on the Member State) will be processed through the corresponding authorities, provided that the vehicle is under the possession and control of the Institute and that this has been agreed upon and stated in the legal instrument. The Institute may make arrangements to purchase vehicles financed with external resources without processing immunities or requesting official license plates for international organizations, in which case the project would pay the taxes for the vehicle in the country. Furthermore, IICA will transfer ownership of and deliver the purchased vehicle to the project counterpart by means of a Certificate of Delivery and Receipt at the time of purchase.

The Financial Management Division at Headquarters and the Administrative Areas in the Delegations are responsible for maintaining an inventory of the vehicle fleet and its characteristics, both for institutional vehicles and for externally funded projects.

The Financial Management Division at Headquarters and the Administrative Areas of the IICA Delegations in the Member States must ensure that every vehicle registered under the name of the Institute (whether institutional or financed with external resources) meets institutional regulations with respect to insurance policies (coverage, inclusion and exclusion). The cost of contracting insurance for vehicles financed with external resources must be covered with same resources used to finance the acquisition.

On completion of the execution term of the supporting legal instrument that financed the acquisition of vehicles with official license plates, the vehicles acquired shall be officially delivered to the institution as set forth in the legal instrument or as agreed with the financial organization, which shall be stipulated in the record of settlement of the legal instrument and the official license plates must be returned to the local agency that authorized their use. The transfer of ownership shall be certified by way of a Delivery Receipt Certificate for the vehicle, signed with the project counterpart, and by signing the contract for the transfer of ownership.

#### **f. Procurement of office materials and supplies**

Headquarters and the IICA Delegations in the Member States may keep materials and supplies, provided they are rotated frequently and stored in adequate conditions and for adequate periods of time, to avoid loss and deterioration.

Procedures must be established to ensure adequate management, safekeeping and control of office materials and supplies, for which inventories must be created on a quarterly

basis, by referencing existing records and checking physical materials. Any change in the inventory must be justified in writing and recorded in accounting records.

Office materials and supplies may be purchased from qualified suppliers or by volume, using the methods described in this chapter, based on the most convenient option for the Institute.

## Chapter II – Institutional organization for the procurement of goods and services

### 1. General considerations:

- a. The Institute controls, regulates, advises on, and supervises the procurement of goods and services through two bodies: the National Purchasing Committee of each country in which an IICA Delegation is located and the Corporate Purchasing Committee. The first has a national scope and assigns the budgetary resources used to finance procurement or contracting processes. The latter has an institutional scope, addressing the needs of Headquarters and the IICA Delegations in the member countries; its recommendations and approvals extend beyond the duties assigned to the National Purchasing Committees.
- b. The Corporate Purchasing Committee and the National Purchasing Committee may meet systematically or on an as-needed basis.
- c. The meetings of the Corporate Purchasing Committee and the National Purchasing Committee may be held in person or online.
- d. For each meeting to be valid, at least half, plus one, of the regular members of the corresponding Committee must be present.
- e. The agreements reached at each meeting shall be approved by a simple majority of the regular members.
- f. When both advisory bodies meet, they must document the topics that were analyzed in the Meeting Minutes, which must include at least the following:
  - i. Number of the meeting or session (in chronological order, beginning each calendar year),
  - ii. Date and time of the meeting, names of the participants and their corresponding job titles,
  - iii. Topic addressed,
  - iv. Description of the request submitted to the corresponding committee, the source of funding for the requested procurement process, background, clauses and agreements reached,
  - v. Date on which the Minutes were drafted, and the name, position and original or digital signature of each participant,

- vi. Any additional pertinent information on the topic addressed, as well as documents, tables, etc. that broaden or support the information included in the Minutes should be attached to the Minutes of the Meeting.
- vii. Additionally, in the case of externally-funded procurement of goods and services, any supporting documentation exchanged with the counterpart must be attached as well, to provide evidence of the approval and eligibility of the expense, as a mechanism for protecting the Institute.
  
- g. Pursuant to the provisions of point 11 of Chapter III of the present Manual, safekeeping of the Meeting Minutes of the Corporate Purchasing Committee shall be the responsibility of the Administrative Services Division and the Meeting Minutes of the National Purchasing Committee shall be the responsibility of the Administrative Area of the corresponding IICA Delegation.

## **2. Corporate Purchasing Committee:**

### **a. Objectives:**

- i. to ensure the proper operation of the institutional system for procurement of goods and services, ensuring compliance with its rules and procedures regarding the procurement processes while observing the principles of transparency, rationality, objectivity, equity and accountability;
- ii. to supervise, control and monitor adherence to the provisions of the present Manual;
- iii. to advise the Director General, or the person to whom the Director General delegates this responsibility, regarding the procurement of goods and services in general, and, in the case of institutional bidding processes financed with IICA funds (quota, miscellaneous, indirect cost recovery (ICR) and self-financing), make the respective recommendation for his/her approval;
- iv. to identify opportunities for improving institutional procurement processes and promote the incorporation of these improvements into Institute rules and procedures; and
- v. to promote optimal use of institutional resources.

**b. Membership:**

- i. The regular members of the Corporate Purchasing Committee with the right to speak and vote are the:
  - Director of Corporate Services, who shall chair the Committee,
  - Head of Administrative Services, responsible for the Secretariat of the Committee,
  - Director of the Financial Management Division,
  - Director of Programming, Budgeting and Control, and
  - Coordinator of the Legal Unit.
- ii. Other staff members involved in the topic at hand may participate with a right to speak, but must be invited to participate by the Secretariat of the Committee.
- iii. When conducting a procurement process financed with external resources, a delegate appointed in writing by the legal representative of the counterpart, and the coordinator or head of the program or project, may also participate in the committee with the right to speak, in order to ensure that any information needed to carry out the analysis of the topic at hand is provided during the meeting. If the participation of the two members is not possible for geographic reasons, they may participate by means of a virtual conference call, and their participation will be noted in the Minutes of the Meeting. However, if this alternative is not possible, the corresponding Minutes must include a record of the reasons for which the members were unable to participate.
- iv. If the externally-funded project was agreed upon through the creation of a procurement regulatory body different from the one described above, IICA will abide by the terms agreed to in the legal instrument; however, the Institute must be represented, with the right to speak and vote, by at least one or two staff members, appointed by the Chairperson of the Committee. Consultants may not represent IICA.

**c. Functions of the Corporate Purchasing Committee:**

- i. To ensure the application of Institute rules and the effective use of resources in the procurement of goods and services conducted at Headquarters, while observing the principles of transparency, rationality, objectivity, equity, impartiality, efficiency, honesty, economy and accountability.
- ii. To conduct the procurement of goods and services at Headquarters for amounts exceeding USD 50,000 or its equivalent in another official

currency, based on the exchange rate when the process begins, whether using institutional or external resources. These processes must be conducted by means of an institutional bidding process; to this end, the Committee must carry out the following activities:

- Review and approve the national or international institutional Call for Tenders, which includes the corresponding terms of reference.
  - Review and approve the schedule of activities corresponding to the bidding process.
  - Review and approve technical and economic evaluation criteria.
  - Open technical and economic bids received in response to the Call for Tenders.
  - Analyze and evaluate the technical and economic bids received.
  - Obtain from the selected bidders economic and technical improvements that benefit IICA.
  - Grant the institutional bids financed with external resources to the supplier that best meets the requirements listed in the Call for Tenders, in terms of scope, quality, and price.
  - Select winning bids for bidding processes financed with the institutional resources of Headquarters. If considered appropriate, it should submit the recommendations to the Director General or the person to whom the Director General delegates this responsibility for approval.
  - Declare the process void if no supplier fulfills the requirements listed in the Call for Tenders or if there are no bids at the latest date established in the Call for Tenders.
- iii. To prepare the Minutes for each of the Committee meetings, based on the parameters established in section 1.e of the “General considerations.”
- iv. To forward to the Director General or the person to whom the Director General delegates this responsibility any well-founded requests for exceptions to the application of institutional rules and procedures in bidding processes for the procurement of goods and services, whether at Headquarters or in the IICA Delegations in the Member States.
- v. To analyze institutional bidding processes and the corresponding recommendations issued by the National Purchasing Committees regarding the winning bid, in the case of goods and services financed with Institute resources, and, if deemed appropriate, submit the corresponding recommendations to the Director General or the person to whom the Director General delegates this responsibility for approval.
- vi. To analyze and approve the report on the selection of qualified suppliers to address recurrent procurement and contracting needs, as stated in section 4.a of Chapter 1 of the present Manual.



- vii. To designate the members of the Corporate Purchasing Committee who will participate in Expanded National Purchasing Committees at the request of the IICA Delegations in the Member States. At his or her discretion, the President of the Corporate Purchasing Committee may include additional members who are not regular members of the Committee to participate with the right to speak but not to vote, so that they may contribute knowledge or experiences that are relevant to the topic being discussed.
- viii. In cases of noncompliance with the provisions of the present Manual, to request application of the disciplinary and compensation measures indicated in Rule 1.6 of the Financial Rules and Chapter X of the Staff Rules and the Personnel Manual.

### **3. National Purchasing Committee:**

#### **a. Objectives:**

- i. To ensure adequate operation of the system for the procurement of goods and services at the IICA Delegations in the Member States and projects coordinated by the Delegation, ensuring compliance with rules and procedures for the procurement of goods and services while observing the principles of transparency, rationality, objectivity, equity and accountability.
- ii. To supervise, control and monitor compliance with the provisions set forth in the present Manual.
- iii. To identify opportunities for improving the procurement of goods and services.

#### **b. Membership:**

- i. The regular members of the National Purchasing Committee with the right to speak and vote are the:
  - IICA Representative, who chairs the Committee,
  - Administrator of the IICA Delegation, who is responsible for the Secretariat of the Committee,
  - Staff member from the technical area, appointed by the Representative,
  - Staff member responsible for the procurement of goods and services at the IICA Delegation,

The absence of staff members appointed to the positions listed above, with the exception of the Representative, will only be justified if the organizational structure of the Delegation does not include those positions. In those cases, the National Purchasing Committee should, ideally, have an uneven number of members.

- ii. Other staff members involved in the topic at hand may participate with a right to speak, but must be invited to participate by the Secretariat of the Committee.
- iii. When the procurement of goods and services is financed with external resources, a delegate, appointed in writing by the legal representative of the counterpart and the coordinator or head of the project, may also participate in the committee with the right to speak, in order to ensure that any information needed to carry out the analysis of the topic under discussion is provided during the meeting. If the externally funded project was agreed upon under the creation of a procurement regulatory body that is different from the one described above, IICA will abide by the terms agreed to in the legal instrument; however, the Institute must be represented, with the right to speak and vote, by at least one or two staff members appointed by the IICA Representative. Consultants may not represent IICA.

#### **c. Functions of the National Purchasing Committee:**

- i. To ensure the application of Institute rules and the effective use of resources in the procurement of goods and services at the Delegation, while observing the principles of transparency, rationality, equity, objectivity, efficiency, honesty, economy, and accountability.
- ii. To establish internal control procedures at the Delegation that complement institutional rules and procedures, to ensure that the procurement of goods and services are appropriately conducted in the country.
- iii. To conduct the procurement of goods and services in the country where the Delegation is located, for amounts exceeding USD 50,000 or its equivalent in another official currency, based on the exchange rate when the process begins, whether using institutional or external resources. These processes must be conducted by means of an institutional bidding process; to this end, the Committee must carry out the following activities:
  - Review and approve the national or international institutional Call for Tenders, which includes the corresponding terms of reference.

- Review and approve the calendar of activities corresponding to the bidding process.
  - Review and approve technical and economic evaluation criteria.
  - Open technical and economic bids received in response to the Call for Tenders.
  - Analyze and evaluate the technical and economic bids received.
  - Obtain from the selected bidders economic and technical improvements that benefit IICA.
  - Grant the institutional bids financed with external resources to the bidder that best meets the requirements listed in the Call for Tenders, in terms of scope, quality, and price.
  - Issue a recommendation regarding the winning bid, in the case of goods and services financed with Institute resources, to the Corporate Purchasing Committee for approval, attaching the Minutes of the National Purchasing Committee meeting and supporting documents for the corresponding bidding process.
  - Declare the process void if no supplier fulfills the requirements listed in the Call for Tenders or if there are no bids at the latest date established in the Call for Tenders.
- iv. To prepare the Minutes for each of the Committee meetings, based on the parameters established in section e. of “General considerations.”
- v. To forward, via the IICA Representative of the corresponding Member State, any well-founded requests for exceptions to the application of institutional rules and procedures in bidding processes for the procurement of goods and services. To this end, it must forward to the Corporate Purchasing Committee, the Minutes of the National Purchasing Committee, providing a clear and reasonable justification, as well as any pertinent supporting documents
- vi. In the case of institutional bidding processes for goods or services financed with institutional funds, the IICA Representative in the corresponding Member State must issue his or her recommendation regarding the winning bid to the Corporate Purchasing Committee, along with the complete file for the bid, for approval by this Committee.
- vii. To forward to the Director of Corporate Services, via the Representative, any proposal for a Procedures Guide on the execution of external resources, prepared at the Delegation in order to complement the present Manual on the procurement of goods and services. This guide should serve as a broader, more detailed and specific tool; it must not contradict the guidelines of the present Manual or Institute rules and procedures.
- viii. Via the IICA Representative in the corresponding Member State, the Secretariat of the National Purchasing Committee must inform the

Director of Corporate Services of its members, providing their names and job titles. Additionally, they must promptly notify the Committee of any changes in that regard.

- ix. Via the IICA Representative, the Secretariat of the National Purchasing Committee may set up an Expanded National Purchasing Committee, if the topics addressed by the National Purchasing Committee extend beyond the duties assigned to this Committee, or if the topics represent institutional commitments of great importance. This Expanded Committee shall comprise the members of the National Purchasing Committee described in section 3.b.i under “Membership,” as well as other members of the Committee that it deems appropriate, and whose participation, with the right to speak but not to vote, may contribute knowledge or experience to the topic being discussed.
- x. Analyze and approve the Report on the Selection of Qualified Suppliers for addressing recurrent purchasing and contracting needs, as stated in section 4.a of Chapter I of the present Manual.

#### **4. Personnel responsible for requesting the procurement of goods and services:**

Each Operating Unit of the Institute will assign in writing, to one or more staff members, the responsibility of requesting the procurement of goods and services.

**Annex 10**, entitled “Duties and responsibilities of staff in charge of requesting the procurement of goods and services” provides further information.

#### **5. Personnel responsible for the procurement of goods and services:**

Personnel responsible for the procurement of goods and services on behalf of the Institute must be part of the Institute’s organizational structure. They cannot be consultants, interns or trainees. Management of the procurement of goods and services is the exclusive responsibility of the Administrative Services Division at Headquarters and of the Administrative Areas of the IICA Delegations in the Member States.

At the Delegations, depending on the specific structure of each office, the responsibility of procuring goods and services may be assigned to a specific position or added to the duties of another administrative position. However, in all cases, the assignment of this responsibility must be conducted in a clear manner, by including it in the staff member’s

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job description. The responsibilities of requesting, approving, and procuring goods or services cannot be delegated to a single staff member.

**Annex 11** entitled “Duties and responsibilities of staff in charge of conducting procurement processes” provides further information.

## Chapter III – Procedure for the procurement of goods and services

### 1. General Considerations:

- a. The procurement of goods or services begins when the requesting Operating Unit to which the budgetary resources were assigned prepares a request that responds to the needs detailed in its approved Annual Action Plan.
- b. Requests for the procurement of goods or services require different levels of approval based on the value. The approval process begins with the immediate supervisor; the process may also require the approval by the National Purchasing Committee, the Corporate Purchasing Committee and the Director General, or the person to whom the Director General delegates this responsibility, as applicable and in accordance with the provisions set forth in the present Manual.
- c. If the requesting Operating Unit (responsible for the budgetary resources) requires a good or service from a Delegation located in another Member State, the request, approval and documentation processes, among others, must be coordinated via the Administrative Area of the Delegation involved. Without exception, the Unit must ensure compliance with the Procurement Categories and Methods detailed in Chapter I of this Manual; additionally, if necessary, the topics must be previously forwarded to the National Purchasing Committee and/or the Corporate Purchasing Committee, as appropriate.
- d. Where applicable, technical specifications for the procurement of goods and services must be analyzed, evaluated and recommended by the specialist or specialized Units of the Institute, as in the case of specialized project equipment and materials, technological equipment, software, books and subscriptions.
- e. The staff member who submits the procurement request and the person who approves it should not be the same person.
- f. IICA Delegations in the Member States that have Project Executing Units (PEUs) may delegate administrative duties related to the procurement of goods and services to the PEUs. However, IICA may not delegate to the PEUs the responsibility of using and executing resources. Therefore, each Delegation must detail, in writing, the duties of the corresponding PEU. The preparation of the Purchase Order, the signing of the Purchase Order and payment management may not be delegated to the PEUs, and must therefore

be carried out by the Administrative Area of each IICA Delegation; to this end, the Delegation must have available the documentation collected during the processes carried out by the PEU, and is responsible for safekeeping of all supporting documentation for the procurement process, as stated in section 11 of this chapter.

- g. The IICA Delegations in the Member States must conduct the necessary processes to make use of the privileges and immunities to which the Institute may be entitled or have access. Therefore, each Delegation is required to recover taxes paid that are subject to exemptions, in accordance with the procedures established in each country, if applicable.
- h. The procurement of goods and services must include the following procedures:
  - Requesting goods or services (Procurement Request or Request for Goods and Services),
  - Procurement categories and methods (refer to Chapter I),
  - Requesting quotations (except for purchases from petty cash),
  - Selecting the winning bid and awarding the contract,
  - Preparing the contract (if applicable),
  - Preparing the Purchase Order,
  - Receiving, verifying and authorizing the good or service,
  - Paying for the good or service
    - Partial payments,
    - Advances of funds.
- i. Upon entering into a formal commercial obligation with the Institute, all suppliers of goods or services shall fill out the Know Your Client form (KYC), in keeping with the following provisions (for further information, please consult the Policy for the Prevention of Money Laundering and Financing of Terrorism):
  - i. Legal entity, where the amount of the procurement by IICA exceeds USD 50,000 or its equivalent in local currency.
  - ii. Natural person, where the amount of the procurement exceeds USD 30,000 or its equivalent in local currency.

The abovementioned amounts apply for individual commercial operations. If the supplier has previously completed the KYC form, they will not need to complete it again for a new commercial operation.

When the annual sum of various commercial operations with one supplier exceeds the mentioned values, the KYC form shall be completed before exceeding the indicated limits.

The form shall be completed only once by suppliers exceeding the indicated procurement values, as long as the completed KYC form is not older than the period indicated in the Institutional Policy, in which case the supplier shall update the KYC form.

The procedure to be followed for institutional bidding processes is described in greater detail in Chapter IV of the present Manual.

## **2. Requesting goods or services (Procurement Request or Request for Goods and Services):**

The first step required to begin the procurement process is to request the good or service.

The request (Procurement Request or Request for Goods and Services) must be prepared by the requesting Operating Unit that is responsible for the budgetary resources, by completing the form authorized by the Institute for this process, which must include the information detailed in **Annex 12**.

## **3. Requesting quotations:**

Written quotations must include the supplier's logo and basic information, such as the legal or personal name, corporate or personal identification number, telephone number, e-mail address, physical address, name of contact person, signature of the person submitting the bid, date and validity period of the bid, quantity of goods being offered or delivery timeframes for the services being offered, detailed description of the good or service, price of the good or service (unit price, total price, price with and without taxes, currency that applies), timeframe for providing the service or delivering the good, etc. Depending on the type of good or service, other relevant information may need to be included, such as information regarding warranty, payment method, delivery location, and complementary services (advising, installation, support, etc.). Quotes sent by e-mail shall have the same validity as the original document.

## **4. Selecting the winning bid and awarding the contract:**

Any procurement process that involves comparing at least three quotations must be backed by a comparative table that includes information on the good or service for which



quotations were requested, and must include the elements that allowed for a reasonable comparative process to be carried out. This comparison must be prepared by staff members responsible for carrying out the procurement of goods and services. The table must indicate the recommendation regarding the winning bid, with the corresponding justification. If the Operating Unit that requested the good or service recommends a different option, it must provide a written justification.

The quotations that are received, the clarifications provided by the suppliers, and the comparative table presenting the different alternatives and recommendations must form part of the supporting documentation for the process. **Annex 13**, entitled “Procurement of goods and services by means of a comparative process of written quotations” provides a template.

## 5. Purchase Order:

The Purchase Order is the official document via which IICA assumes the commitment with a supplier to purchase a good or contract for a service; therefore, in issuing and delivering the Purchase Order to the supplier, the Institute acquires a legal and contractual commitment.

The Purchase Order is the document that results from the previous processes of requesting and comparing quotations and selecting and awarding the winning bid.

All Purchase Orders must be prepared by personnel responsible for the procurement of goods and services, as described in **Annex 11**. They must be approved and signed by another staff member (not the staff member who prepared the Purchase Order). The Director General shall delegate this responsibility to a specific staff member in the corresponding Unit at Headquarters. On the other hand, at the Delegations, the Representative will be able to delegate this responsibility to the Administrator at the Delegation or whoever performs this function, subject to approval by the Director General. The person appointed must be part of the Institute’s organizational structure and cannot be a consultant, intern or trainee.

The information that must be included in the Purchase Order is detailed in **Annex 12**. This document must be forwarded to the winning bidder in writing and in a verifiable manner. Headquarters and each Delegation must keep a physical record in chronological order of Purchase Orders that have been issued. **Annex 12** details the required supporting documentation for each Purchase Order.

## 6. Modifications in procurement processes:

During the procurement of goods and services, certain modifications may be made to the initial conditions that were agreed upon and described in the corresponding Contract and Purchase Order.

In those cases, the modification must be documented by updating the Contract (refer to section 7 below) and the Purchase Order, if an agreement was reached. To this end, the document “Modification of the Purchase Order” must be completed, indicating the information included in the initial Purchase Order as well as the elements that were modified.

The Modification of the Purchase Order will undergo the same approval and signing process as the initial Purchase Order.

The Modification of the Purchase Order must be forwarded to the supplier in a written and verifiable manner.

## 7. Contracts:

Contracts for specific projects, professional services or general services that are subject to the delivery of results and partial payments require that a Contract be signed by the legal representatives of the parties, to ensure compliance with the expected conditions and results.

A Contract must also be prepared for cases in which the Institute must make advances of funds prior to receiving a good or service or ensuring that it has been received and/or is functioning.

When modifications are made to a procurement process that was agreed to by means of a Contract, the parties must agree upon an Addendum that describes the modifications.

Addenda for contracts may be created during the validity period of the initial contract; otherwise, a new Contract must be created.

Addenda may not be created in those cases where the basic purpose of the original contract is modified, or where activities not related to the original purpose of the contract are added.

A maximum of two addenda may be made to a contract, and these must be duly justified.

If an addendum is needed to modify the amount, the amount of the maximum number of addenda authorized by IICA shall not exceed 25% of the original amount of the contract.

**Annex 14** presents a basic template for a Contract for the Provision of Services and Contract for Specific Work; however, both Headquarters and the IICA Delegations in the Member States must ensure that Contract templates are revised and updated on a regular basis by the corresponding legal professional and based on the country's legal provisions pertaining to contracting processes.

At Headquarters, Contracts will be signed by the Director General or the person to whom that responsibility was delegated in writing. In the Delegations, Contracts will be signed by the corresponding IICA Representative. In all cases, Contracts must be signed exclusively by authorized personnel who possess sufficient legal powers, and the name of the signer and the identification number must correspond. Electronic signatures shall be valid where these are legal or duly authorized in the country of origin.

The contracts will include the institutional clauses that have been approved in compliance with current policies.

## **8. Receipt, verification and approval by IICA:**

In the case of **goods**, receipt and verification is the responsibility of the designated staff member, who must review the conditions that the parties agreed to in the Purchase Order. The supplier must deliver the good together with the corresponding invoice. The Purchase Order and the invoice must coincide in terms of the characteristics of the good that is received.

Goods acquired and received must be delivered to the requesting Operating Unit, which will issue an acknowledgement of receipt. If the good is considered to be a fixed asset, it will be assigned to a responsible staff member via a written declaration; it will then be labeled or a plaque affixed to it, and included in the corresponding control system (whether it is a capitalizable asset or not).

Fixed assets purchased with external resources that are delivered to the counterpart, and for which control and safekeeping cannot be conducted by IICA, must be delivered to the project counterpart by means of a Certificate of Delivery and Receipt upon purchase.

In the case of contracted **services**, the validation and acceptance processes must be conducted by the requesting Operating Unit, which must verify that the products or deliverables are received in accordance with the conditions that were agreed upon, to the full satisfaction of the Institute. The supplier must provide the Institute with the

corresponding invoice. At Headquarters, it must be submitted to the Administrative Services Division; at the IICA Delegations in the Member States, it must be submitted to the corresponding Administrative Area.

All invoices received by the Institute, whether for purchased goods or contracted services, must be legible and in good condition, without any smudges or erasure marks. They must be issued in IICA's name, indicating the corresponding Purchase Order number, and must comply with the national fiscal regulations of the Member State such as letterhead, approval, etc. Electronic signatures shall be valid where these are legal or duly authorized in the country of origin.

Once the Institute has received the good or service to its full satisfaction, the payment management process begins. In the case of goods, the requesting Operating Unit will sign the acknowledgement of receipt via the staff member responsible. In the case of services, the requesting Operating Unit must acknowledge receipt by preparing and signing the form entitled "Payment Authorization," included in **Annex 15**.

## 9. Payments:

To ensure that resources are adequately applied, efforts must be made to make a single payment as soon as the good or service has been delivered in its totality and to the full satisfaction of the Institute. However, depending on their characteristics, certain goods or services may require the establishment of a payment schedule; in those cases, the payments must be equivalent to the goods or services received, even when they are partial payments.

### a. Partial payments:

Partial payments may be made in the case of contracting for services whose delivery of advances, products or deliverables are clearly specified in the respective Contract and Purchase Order.

In the case of procurement of goods, partial payments may be made when the process includes import, installation, design and construction, among other activities.

### b. Advances of funds:

Advances of funds, up to 40% of the total cost of the good or service, shall only be provided to suppliers in justified cases; however, in all cases, efforts will be made to ensure that the percentage is lower, in order to reduce risks for the Institute, taking into account the corresponding contractual and legal precautions.

Advances of funds will be provided in the following cases:

- i. If it is an essential requirement due to the nature of the good or service, as in the case of construction projects, the procurement of goods with specific technical characteristics, or the provision of services that require suppliers to make significant initial expenses.
- ii. When purchasing goods from a new supplier who does not grant a payment term because it has not previously engaged in commercial negotiations with the Institute.
- iii. When no other supplier offers the goods or services that the Institute requires, and the exclusive distributor does not grant a payment term.

If the advance of funds is necessary for a reason not listed above, an adequate explanation and justification must be provided in writing.

The Institute may request surety as deemed necessary to protect its interests and minimize risks in providing advances of funds. However, for amounts of USD 50,000 or more, or its equivalent in another official currency, the contractor shall be required to provide a performance bond, letter of credit or other similar surety that can be swiftly converted into cash or a retention of the full value of the procurement, as a way to guarantee performance.

In all cases, if an advance of funds or advance payment is provided, the supplier must provide an official invoice or legal proof of the money that was received.

**c. Procurement of goods or services using the institutional credit card:**

The Institute may purchase goods or contract for services using institutional credit cards as a payment method if it is the only option available, or if it is the most economic option. Even in cases in which the contracting process and the payment are conducted by means of a single operation, the parties must comply with the provisions of the present Manual.

Procurement of goods or services using the institutional credit card must be conducted by means of a single quota or payment; funding methods involving installments or quotas may not be used.

At Headquarters, the Director General will delegate the responsibility of purchasing goods and contracting for services with the institutional credit card. At the IICA Delegations in the Member States, the Representative may delegate this responsibility to the Administrator of the Delegation following

approval by the Director General, or the person to whom the Director General delegates this responsibility, as long as the appointed staff member is part of the Institute's organizational structure and is not a consultant, intern or trainee.

Safekeeping and control of the institutional credit card will be the responsibility of a single staff member.

The assignment of institutional credit cards and guidelines with respect to the responsibility for, and safekeeping and managing of the cards will be provided by the Director General or the person to whom the Director General delegates this responsibility.

## **10. Database of suppliers of goods and services:**

Headquarters and the IICA Delegations in the Member States must have a database of suppliers that offer goods and services to the Institute. The suppliers must be registered in the corresponding control systems as well. Incorporating a new supplier involves verifying the supplier's existence and legal standing in the country, possession of permits to conduct commercial or professional operations, identification number, address, banking information and information on its corresponding taxation regime, and in general ensuring that the supplier does not engage in any prohibited or fraudulent practices (taking as reference subsection 9., Evaluation of bids, a. Exclusion of bidders, i., of Chapter IV below).

Headquarters and each Delegation may set up a link on IICA's official Web site to advertise goods and services that the Institute or its projects require, providing at least the following information: request number, date of publication of the requisition, technical specifications or terms of reference for the good or service, deadline for submitting bids, timeframe for providing clarifications and responses, and e-mail address.

Additionally, they may make periodic calls to invite suppliers to form part of the databases. These calls may be made online or in print, documenting, the process carried out and the evaluation process.

The use of legally purchased technological tools to search for suppliers of goods and services may be used; however, without exception, compliance with all the provisions of the present Manual is required for all procurement processes.

## 11. Safekeeping of supporting documentation:

The Administrative Services Division at Headquarters and the Administrative Areas at the IICA Delegations in the Member States are responsible for the safekeeping of supporting documentation for the procurement of goods and services.

All documents resulting from procurement processes must be kept for a period of at least five years; however, in the case of externally funded projects, the specifications on safekeeping detailed in the corresponding Legal Instrument must be followed as of the date on which the contract ends. If the Legal Instrument does not specify an amount of time for safekeeping of documents, a maximum period of five years will apply as of the date on which the Legal Instrument expires.

The information resulting from the procurement of goods and services described in sections 2 to 9 of the present chapter, must form part of the corresponding supporting documentation.

Additionally, a physical and electronic file must be created for institutional bidding processes, which must include at least the following information:

- Request for the procurement of goods or services issued by the Operating Unit and the Terms of Reference,
- Institutional Call for Tenders, advertisements or any documents that prove that the call was conducted,
- Institutional bidding process, Minutes of Meetings of the Corporate Purchasing Committee or the National Purchasing Committees, queries and clarifications by bidders and IICA,
- Technical and economic bids received,
- Analysis of bids and table with a summary of the analysis, verifications according to the procedure described in subsection 9, Evaluation of bids, a. Exclusion of bidders, i., of Chapter IV below.
- Award letter, communication with bidders, copy of Contract signed by the selected bidder and IICA, and the “Know your Customer” form, duly completed and signed.

## 12. Queries, Complaints and Reports in procurement processes:

To maintain transparency in its procurement processes, the Institute offers bidders the following channels for them to submit queries or file complaints or reports in relation to the bids in which they have participated:

### a. Queries or complaints relating to the process or result of an Institutional Bid

Once IICA has communicated the result of an institutional bidding process, all participating bidders shall have a maximum term of 7 business days to submit any requests for clarification or file a complaint, if they consider that the process did not comply with any one of the provisions set forth in the Terms and Conditions or Call for Tenders, or for any other reason related to the process. In the case of complaints, they shall be duly justified and documented.

Queries or complaints shall be formally submitted by email to the same address indicated in the Call for Tenders for the presentation of the bid, copying the Ethics Committee of IICA in said e-mail at [ec.ce@iica.int](mailto:ec.ce@iica.int).

IICA must address these complaints promptly, within 7 business days following the receipt of the query or complaint. The response shall be sent to the e-mail address indicated by the interested party.

### b. Filing of reports associated with procurement processes (*this section does not include queries or complaints described above*):

In the event that a provider of goods or services identifies institutional actions that fail to follow or are contrary to the regulatory framework and the principles set forth in the present Manual, or if they identify prohibited practices in the processes executed by IICA and which are regulated in the present Manual, they may file a report through the channels established by IICA to this end:

- i. The official website: [www.iica.int](http://www.iica.int), section REPORTING/COMPLAINT; and
- ii. At the e-mail [ec.ce@iica.int](mailto:ec.ce@iica.int)

Any complaint, investigation and information regarding the subject reported will be examined and analyzed objectively by the Institute's Ethics Committee, that will



decide on the approach to address the report, and establish the disciplinary measures and the corresponding actions.

In due course, information on the processing of the complaint and on the result of the investigation will be communicated. For this purpose, the complainant must indicate an email address.

All complaints received by IICA related to breaches of institutional policies are subject to the application of the Policy for the processing of reports and the protection of whistleblowers and witnesses, and its scope.

### **13. Sanctions:**

IICA reserves the right to take proportional measures in those cases where providers of goods and services fail to be truthful, provide false or omit important information, thus limiting the timely identification of the risks described in section 9 Evaluation of bids, a. Exclusion of bidders, i., of Chapter IV below.

In such a case, and having proven the bidder's misconduct, the Institute shall have the right to i) demand that the identified situation be corrected to the Institute's satisfaction, ii) cancel the awarded contract, without liability for IICA; iii) in the event that the misconduct is identified while a contract between the parties already exists, the Institute is authorized to terminate said contract with no liability for IICA and iv) ban the provider from being contracted in future bids until the verified misconduct has been rectified.

The Institute shall take all legal actions it considers relevant to ensure the protection of its resources and of the projects it executes.

## Chapter IV – Institutional Bidding Processes

### 1. General considerations:

- a. Institutional bidding processes are required when procuring goods or services valued at more than USD 50,000 or the equivalent in local currency at the exchange rate in effect when the procurement process gets under way.
- b. Institutional bidding processes make it possible to select the supplier of goods and services that best meets the institutional requirements when the cost involved is significant for both the Institute and externally funded projects. Competitive processes of this kind should be fair, transparent, meticulous and documented, and should allow the Institute, to the extent possible, to identify the risk of prohibited or fraudulent practices by bidders. To this end, the calls for project proposals shall identify the best supplier and secure reasonable prices and high quality by means of a safe process that adheres to the regulatory and procedural framework of the Institute as an international agency that has its own regulations consistent with best practices and generally accepted principles.
- c. A bidding process may be carried out at the national, regional, inter-American or international level, whichever is deemed most appropriate to achieve the desired results or best suited to the scope of the project concerned.
- d. At Headquarters, the Administrative Services Division shall handle the operating aspects of institutional bidding processes, assisted by the Corporate Purchasing Committee, which will be responsible for reviewing and approving bids as described in subsection 2 (c) of Chapter II of the present Manual. In the case of Delegations, the Administrative Area shall be in charge of the operating process, assisted by the National Purchasing Committee, whose functions are described in subsection 3 (c) of the same Chapter.
- e. At least three tenders shall be obtained from different suppliers in order for a contract to be awarded. Where duly justified and documented, the evaluation and selection may be done with fewer than three bids, such as with highly specialized teams, products, inputs or services with specific characteristics, location or availability, among other factors. Qualified suppliers contracted for recurring needs may participate in Institutional Bids, but without limiting the process to them alone. The concept of qualified supplier is described in subsection 4 (a) of Chapter I of the present Manual.

- f. The Corporate Purchasing Committee at Headquarters or the National Purchasing Committee of the respective IICA Delegation in a Member State shall draw up and sign a minute justifying and confirming the decision to undertake an open institutional bidding process or invite suppliers to tender.
- g. A physical file and an electronic file encompassing the entire process shall be kept on every institutional bidding process. The files shall be kept by the Administrative Services Division at Headquarters or the Administrative Area of the respective IICA Delegation in a Member State, organized in the manner indicated in section 11 of Chapter III of the present Manual.

## **2. Procedure for conducting an institutional bidding process:**

The basic steps involved in an institutional bidding process are as follows:

- a. The requesting Operating Unit identifies the need to procure goods or services whose cost is estimated at more than USD 50,000.
- b. The requesting Operating Unit prepares the Terms of Reference document with complete, detailed and reasonable specifications for the good or service to be procured, pursuant to the Approved Action Plan. In the case of externally funded projects, all procurement requirements shall be based on the expenditure eligibility criteria contained in the Legal Instrument that was signed. The Terms of Reference shall include at least the following information:
  - i. the name of the requesting Operating Unit or project, as well as the source of the resources to be used to pay for the good or service that is to be procured;
  - ii. the available approved budget that will be used to pay for the good or service;
  - iii. in the case of externally funded projects, the effective life of the Legal Instrument;
  - iv. the background to, and objectives of, the goods or services to be procured;
  - v. the date and place of delivery of the goods or services to be procured;
  - vi. in the case of goods, full technical specifications for the goods to be acquired; and,
  - vii. in the case of services, a complete description of the services to be procured and the deliverables or results to be achieved, with a specific timescale.

- c. The Administrative Services Division at Headquarters or the Administrative Area of the Delegation concerned shall prepare the following documents in coordination with the requesting Operating Unit, which shall be submitted for approval to the Corporate Purchasing Committee (in the case of processes at Headquarters) or the National Purchasing Committee (in the case of Delegations):
  - i. Proposed schedule of activities of the institutional bidding process. A basic model is provided in **Annex 16**.
  - ii. Proposed advertisement or announcement of the institutional bidding process.
  - iii. Proposed call for tenders to be used for the institutional bidding process.
  - iv. Proposed method for evaluating the bids received.
- d. The Administrative Services Division at Headquarters or the Administrative Area in the Delegation publish and disseminate details of the institutional bidding process.
- e. Once the deadline for the receipt of bids has passed, the envelopes are opened or the files are read in cases where the information is received by e-mail.
- f. The technical and financial bids are evaluated. These evaluations must be adequately documented in order to verify that the criteria relating to prohibited or fraudulent practices has been duly reviewed for each bidder, among other aspects.
- g. Based on the results of the evaluation carried out, the Corporate Purchasing Committee makes a recommendation to the Director General, or the person to whom the Director General delegates this responsibility, regarding the bidder to which the contract should be awarded. In the Member States, the IICA Representative as president of the National Purchasing Committee shall award the contract based on the results of the evaluation conducted. The aforementioned advisory bodies may, when appropriate, recommend that the institutional bidding process be declared void; in doing so, they shall justify their recommendation in writing and suggest the procedure to be used to procure the good or service required.

### **3. Means of disseminating calls for tenders:**

The Corporate Purchasing Committee at Headquarters or the National Purchasing Committee in the IICA Delegation in a Member State shall determine the desirability of issuing a call for tenders by means of a public process, direct invitation, or a combination

of the two, provided that the principles of transparency and reasonability are observed. The decision shall be documented in a minute.

**Public call for tenders:** this shall be disseminated in the written media or specialist media related to the subject matter of the call for tenders, such as widely read national newspapers, specialist newspapers, magazines, information systems, the Institute's web pages and social media, and websites of institutions linked to IICA or to the subject matter of the call for tenders, among others.

National calls for tenders shall be disseminated in national written media; in the case of websites, the national scope of the procurement process should be indicated.

In the case of regional, inter-American or international calls for tenders, the use of recognized virtual communication media should be promoted. The scope of the institutional bidding process should also be specified.

**Direct invitation to tender:** the invitation to tender shall be communicated directly to the suppliers of goods and services that are selected. The suppliers invited to tender shall be selected through a consultation, evaluation or reference process, whichever is most appropriate in relation to the expected results of the goods or services to be procured. A direct invitation to tender may be issued when necessary for reasons of security, when highly specialized technical goods or services are involved and few suppliers exist, or when such a method of dissemination would be a key factor in the success of the procurement process concerned.

In all cases, the issuing of an invitation to tender shall be justified in the respective minute to the corresponding Committee, which shall approve both the method used and the suppliers selected.

Depending on the nature of the institutional bidding process concerned, both means of dissemination may be used: a call for expressions of interest is issued first, followed by an invitation to tender to the suppliers that expressed interest and were deemed qualified to participate.

#### **4. Call for tenders:**

The call for tenders is the official document in which the Institute establishes the general and specific requirements for the goods or services it needs to purchase. These include technical specifications, expertise, guarantees, exclusion criteria due to prohibited or fraudulent practices, and elements that can be evaluated, in order to compare the bids

received and select the one that best meets and fully complies with the proposed requirements.

The deadline for the receipt of bids in an institutional bidding process shall be approved by the Corporate Purchasing Committee or National Purchasing Committee, as applicable, and established in the documentation; however, the deadline should not be less than two weeks from the moment that those interested in the process or invited to take part receive the document, except where duly justified.

The call for tenders may establish a timescale and a method for fielding queries, as described in section 11 below.

**Annex 17** details the information that should be included in the advertisement or announcement for an institutional bidding process.

**Annex 18** contains a model call for tenders, with the minimum information required.

## 5. Guarantees:

The guarantees shall be established by the Corporate Purchasing Committee or National Purchasing Committee, as applicable. The percentage of the funds involved, the time frame and the implementation conditions should be based on aspects such as the amount involved in the contract, the nature of the work or good to be procured, and the regulations of the source of the financial resources in the case of externally funded projects. The period for executing or liquidating guarantees should be reasonable for the good or service in question, and in the case of goods or services paid for with external resources, may not exceed the effective life of the corresponding Legal Instrument.

The call for tenders should specify the type of surety that the bidder is required to present, and policies governing the execution and return of guarantees, and penalties for non-performance. Sureties should preferably be quick and easy to liquidate, i.e., bank drafts, bonds issued by banks or insurance companies, deposits in cash, or faithful performance policies, which should be approved in advance by the respective Committee, and their legitimacy verifiable.

In **Annex 19**, more information is provided about the use of guarantees and the types of basic surety that may be requested, depending on the type of procurement process involved. However, Headquarters and Delegations may opt for other kinds of guarantees that are legal and in use in the country concerned, provided they ensure that the interests and resources of the Institute and its projects are duly protected in the different legal instruments signed.

In all cases, the delivery of guarantees and their return by IICA shall be established in writing.

## **6. Contents of bids:**

Bids may be received in physical or electronic format; in both cases, information must remain confidential, and the content may be accessed only while the bids are being received and until the institutional bidding process has concluded, while ensuring transparency in the process. We recommend that the Call for Tenders establish a single mechanism for the receipt of bids, either by post or e-mail.

### **a. Technical bids:**

The supplier should describe in detail the service or good offered as specified in the call for tenders - the characteristics and quality, and the proposed schedule of activities. In the case of services, the information should include the service records of the people who will be carrying out the work, and the bidder's profile, credentials and experience. In the case of goods, the information should include the brand, manufacture, technical specifications, delivery time, guarantee, transportation, services provided during and after the sale, advisory services, quality, associated costs, maintenance, and the availability of replacement parts and technical support, among others.

### **b. Financial bids:**

The supplier should specify the total cost of the good or services offered, unit costs, associated costs not included or possible associated costs. The financial bid should be valid for at least 60 calendar days from the date on which it is submitted to the institutional bidding process, and in all cases it must be clarified that bids shall remain valid until the contract is entered into or the process is declared void. The bid should be made in the currency requested in the call for tenders, and indicate whether taxes are included, and the tax rate applied.

It is recommended, when applicable, that a budget format be adopted that makes it possible to identify costs for outputs or stages, which will facilitate IICA's evaluation of the bids received.

**c. Legal documents:**

The supplier shall present the legal and tax documentation and financial statements specified in the call for tenders. The basic legal and tax documents requested are:

- i. Record of incorporation of the natural or artificial person, or corporation.
- ii. Certification of legal status as a natural or artificial person or corporation, or the equivalent document in the country concerned, valid under national law.
- iii. Photocopy of identity documents of the representatives (natural or artificial person), according to the legal status presented in the bid.
- iv. Compliance documents required under the country's laws, such as certifications of social security payments, workers' insurance policy, certificate indicating up-to-date tax returns, etc.
- v. Copy of the latest financial statements; if necessary, certified or audited statements may be requested.
- vi. Tax documents required under the laws of the country that demonstrate that the person or corporation is legally entitled to operate.
- vii. Sworn statement authenticated by a notary public that indicates that no lawsuits have been filed against the company; otherwise, it should indicate and describe the nature of those legal proceedings
- viii. Sworn statement indicating that no lawsuits have been filed against the professionals designated for the development of activities and outputs defined in the Call for Tenders; otherwise, it should indicate and describe the nature of those legal proceedings.
- ix. "Know your Customer" form, duly completed.

**7. Receipt of bids:**

Bids prepared in response to institutional calls for tenders shall be submitted to the Administrative Services Division, in the case of Headquarters, or to the Administrative Area, in the case of IICA Delegations in the Member States, only within the period established in the institutional call for tenders.

If bids are received as a physical document, these must be logged in writing indicating day, time and name of the person who submitted and delivered the bid with their respective identification, as well as the staff member of IICA who received the duly sealed envelopes. When envelopes containing bids are submitted by mail or courier, the bidder assumes all responsibility for their loss or late arrival.



For bids received by e-mail, a digital file must be created identifying each bidding person or company. The bids and legal documentation received must be attached to said file.

The Administrative Services Division or the respective Administrative Area in the Delegation shall proceed, accordingly, to reject all bids received late (after the specified date and time), to return the envelopes to the bidders unopened, and to notify late delivery by e-mail. As a result, the bids shall not be considered in the institutional bidding process, and this should be noted in the log kept on the bidding process.

## **8. Opening of bids:**

Once the bids have been received, the Corporate Purchasing Committee or National Purchasing Committee, as applicable, shall be convened to open the envelopes or the electronic files.

It is up to the respective Committee to decide whether to open the envelopes or the electronic files in a private session, with only the members of the advisory body present, or to invite the bidders to observe the process of opening the envelopes or files.

It is also up to the respective Committee to decide whether to open the three envelopes (technical bid, financial bid, and legal documents) simultaneously, or only to open the envelope containing the technical bid and, after it has been evaluated, to open the other two envelopes, to ensure that the cost of the good or service does not influence the technical evaluation process.

## **9. Evaluation of bids:**

The Corporate Purchasing Committee or National Purchasing Committee, as applicable, shall evaluate the offers received pursuant to the agreed criteria and weighting, as established in subsection 2 (c) (iv) of the present Chapter.

Both advisory bodies may set up *ad hoc* groups to assist in evaluating the bids. All such groups must submit a written report to the Committee in question on the results of the analysis of the bids received, with a recommendation regarding the bidder to which the contract should be awarded.

The evaluation process must be documented and form part of the bidding process file.

**a. Exclusion of bidders**

i. In addition to the quantitative and qualitative evaluation process described above, a verification process must be conducted for the identification of risks in the case of bidders engaging in prohibited or fraudulent practices and who are eligible for being awarded a contract under the principles of transparency and legitimacy. For this reason, the following verifications must be conducted with regard to the bidders:

- Bankruptcy proceedings, insolvency or liquidation;
- Breach of obligations regarding the payment of taxes or social security of their staff;
- Grave professional misconduct, including false representation;
- Fraud;
- Corruption;
- Conduct related to a criminal organization;
- Laundering of capital or financing of terrorism;
- Crimes of terrorism or related to terrorist activities;
- Child labor and other types of human trafficking;
- Not being a legally registered company or not having legitimate corporate goals;

ii. In order to comply with these guidelines, the Administrative Services Division at Headquarters and the Administrative Area at IICA Delegations in the Member States, shall make queries and document the verification process so as to gather sufficient evidence. Furthermore, international databases must be consulted (United States of America<sup>3</sup> and European Union<sup>4</sup>, among others) to ensure that the bidders are not banned due to prohibited practices. All consultations made must be documented.

iii. The Institute may grant exceptions to the application of the procedure of exclusion of bidders in those cases where the source of financing for the funds to be executed for the institutional bid require a different type of verification and where the counterparty or the legal instrument of the projects release IICA from the application of the described procedure.  
Any exception to the abovementioned criteria must be documented.

iv. In the event that the bidder demonstrates not being subject to any of the exclusion criteria indicated in section i. above, he may appeal the Institute's decision to exclude him from the process. In this case, the Institute must reinsert

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<sup>3</sup><https://sanctionssearch.ofac.treas.gov/>

<sup>4</sup><https://webgate.ec.europa.eu/fsd/fsf#!/files>

the bidder into the Institutional Bidding process, to complete the evaluation process.

What follows is a suggested checklist to ensure compliance with the procedure described in this subsection:

### Exclusion Criteria

For bidders participating in institutional bidding processes

Name of supplier:	
Identification number:	

Exclusion criteria analyzed	YES complies	NO does not comply	N/A <sup>2</sup>
Know your Customer form			
Certification of legal status			
Copy of legal or personal identification			
Number of clients to which they currently provide services and at least three written references of clients using a service similar to the one being offered to IICA.			
Description of modalities of operation and services			
Recent financial statements (20xx–20xx)			
Certification of up-to-date tax returns and employer obligations			
Notarized sworn statement indicating that no lawsuits have been filed against the company; otherwise, it should indicate and describe the nature of those legal proceedings			
Clause regarding the Policy on Prohibited Practices/Anti-Fraud and Anti-Corruption included in the signed contract			
Clause regarding the Policy on the Prevention of Money Laundering and Financing of Terrorism included in the signed contract			
Clause regarding the Policy on the Management of Conflicts of Interest included in the signed contract			
Verification with the exclusion database of the European Union and/or the United States of America (for procurements financed with resources from the European Union, it is mandatory to consult this entity's database). <a href="https://webgate.ec.europa.eu/fsd/fsf#!/files">https://webgate.ec.europa.eu/fsd/fsf#!/files</a> <a href="https://sanctionssearch.ofac.treas.gov/">https://sanctionssearch.ofac.treas.gov/</a>			

## 10. Doubts or clarifications:

During the process of analyzing and evaluating the bids, the respective Committee or *ad hoc* group may request any necessary clarifications through the Secretariat of the body concerned. Both requests for clarification, and the respective replies, should be made in writing. If bidders fail to reply within three working days, they shall be excluded from the process. Only in totally justified cases may the deadline be extended, and this fact should be made explicitly clear to the bidders.

## 11. Award of contract:

The Corporate Purchasing Committee at Headquarters or the National Purchasing Committee in the respective IICA Delegation in a Member State shall issue a recommendation regarding the award of the contract, which should be based on the information contained in the file on the call for tenders. In all cases, the bidder that best meets the interests of the Institute shall be declared the winner.

The Corporate Purchasing Committee shall award the contracts at Headquarters and, if deemed necessary, may submit its recommendations to the Director General, or the person to whom the Director General delegates this responsibility, for approval.

In IICA Delegations, the respective National Purchasing Committee shall be responsible for validating and approving the awarding of the contract.

In the case of bidding processes financed with the Institute's own funds, the National Purchasing Committee in question shall send its recommendations regarding the awarding of contracts to the Corporate Purchasing Committee for analysis, validation, and approval. The latter may also submit its recommendations to the Director General or the person to whom the Director General delegates this responsibility, for approval, if deemed appropriate.

It is the responsibility of the Secretariat of the respective Committee to inform the bidders, in writing and in a timely manner, whether they have been awarded the contract or not.

The requesting Operating Unit, working with the Administrative Services Division at Headquarters or the Administrative Area of the respective Delegation, shall draft the contract to be signed by the parties, specifying the commitments of the respective parties based on the call for tenders that was disseminated and any clarifications made and additional information provided during the process. All such documents shall form an integral part of the Contract.

## 12. Publication of contract award on Institutional Website

The Administrative Services Division at Headquarters and the Administrative Areas in the Delegations shall be responsible for posting<sup>5</sup> the following information relating to the awarding of institutional bids:

- a) name of the Delegation
- b) bid number
- c) title or purpose of the bid
- d) name of the successful bidder
- e) amount
- f) currency

This information must be published on the institutional website [www.iica.int](http://www.iica.int) within 10 business days after the bidders are notified that they have been awarded the contract. Any exception in the publication of the information described above shall be duly justified and in keeping with the Personal Data Protection Policy. **Annex 5** includes the procedure to publish the awarding of contracts.

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<sup>5</sup> IICA takes as a reference the elements of the IATI international standard for publications to guarantee that the information published is accessible, understandable and useful.

## Chapter V - Authority

1. Article 7 of the Rules of Procedure of the General Directorate (RPGD) states that “The Director General may delegate functions and grant powers to other employees of the Institute when he/she deems this advisable, assuming full responsibility for such delegations.” Accordingly, the Director General has delegated responsibility for the Institute’s procurement operations to the heads of the respective units as follows:
  - 1.1. At Headquarters, responsibility for procurement processes is delegated to the Services and Administrative Services Division.
  - 1.2. In IICA Delegations in the Member States, responsibility for procurement processes is delegated to the Administrative Area.
  - 1.3. At Headquarters, contracts shall be signed by the Director General or by whomever the Director General delegates in writing.
  - 1.4. In IICA Delegations in the Member States, contracts shall be signed by the Representative.
  
2. Article 98 of the Rules of Procedure of the General Directorate states, “The Director General may authorize exceptions for purchases of materials valued at less than USD 30,000 when he/she considers that the bidding method does not serve the interest of the Institute. When the value of the purchases is USD 30,000 or more, the Director General may make exceptions to the use of the bidding method only under the following circumstances:
  - 2.1. Emergencies, such as disaster aid, repairs, and other actions that are urgently needed to protect lives or property; or,
  - 2.2. Purchase of technical and scientific material to be used for projects approved by the Board and that are to be carried out in the Member States. In these cases, and according to the wishes of the Member States or the institutions, the purchases may be made by the General Directorate or, if the purchase will not be more expensive, by the national institution participating in the project.”

Furthermore, Rule 4.10 of the Financial Rules establishes, “...the Institute shall use competitive methods for any type of contract with a value of more than USD 30,000. In order to comply with Article 92 of the RPGD, the Director General shall establish a procedure for the application of the bidding process and for the conduct of competitive purchasing methods with the objective of attaining fair prices.”

Therefore, and in order to preserve the Institute’s purchasing power and ensure that such processes remain competitive, these provisions are complemented with

the guidelines on procurement methods detailed in Chapter I of the present Manual.

Goods and services valued at more than USD 50,000.00 shall be procured using the institutional bidding process method described in Chapter IV above.

The Director General, represented by the Director of Corporate Services, may make exceptions to the use of the institutional bidding process method in the circumstances described in Article 98 of the RPGD, and when it is confirmed that only one supplier of the required good or service exists, or when a competitive process would have a negative impact on the Institute's activities and results, which should be duly explained and justified in writing for approval.

3. Any exception to the present Manual shall be requested from and duly authorized in writing by the Director General, who shall entrust the Director of Corporate Services with the analysis of the exception and its resolution. The Director of Corporate Services shall, if deemed appropriate, call a meeting with the Corporate Purchasing Committee and request their support in the process of analysis, advice and recommendations for the issue at hand. The final resolution shall be notified in due course to the person requesting the exception.
4. Any aspect not included in the present Manual, or which could be subject to different interpretations, shall be clarified by the Administrative Services Division and previously authorized by the Director of Corporate Services.
5. The updating of the present Manual is the responsibility of the Directorate of Corporate Services, which together with the Corporate Purchasing Committee, shall be responsible for submitting the amendments to the Director General for validation, approval and publication.
6. Members of staff involved in procurement processes shall observe the Institutional Code of Ethics and all institutional policies relating to transparency, legitimacy and transparent access to financing. Likewise, they must comply with the principles set out in **Annex 20** of the present Manual.

## Chapter VI - Internal Audit

Article 98 of the Rules of Procedure of the General Directorate establishes that “All purchases shall later be reviewed by the Office of Internal Auditing.”

Therefore, Internal Auditing shall periodically review compliance with procurement processes with the Institute’s rules and the present Manual. In doing so, it shall use any of the selection methods established in the International Standards on Auditing.

In conducting its review, Internal Auditing shall incorporate crosschecking procedures into the processes carried out from the request for the good or service through to the payment, in order to verify that the regulations were followed and the processes implemented were transparent.

Rule 5.7 of the Financial Rules states that, “Institute staff members are obliged to provide all information that the Internal Audit may require in the performance of its duties. Institute officials shall not issue orders or instructions that may interfere with or impede the Internal Audit.”

Therefore, Internal Auditing shall send a written request for the information and documentation it requires from the Operating Unit in charge of the process under review; and return all such documentation when it has completed its work. This procedure shall not apply to unannounced reviews or interventions, which should be duly justified and about which the Director General should be informed in advance.





## Annex 2: Selection of qualified suppliers for goods and services required on a recurring basis

The Administrative Services Division at Headquarters and the Administrative Areas in IICA Delegations in the Member States shall conduct a competitive process each year to select qualified suppliers for goods and services required on a recurring basis. The procedure to be followed is described below:

- a. **Identification of goods and services that the Institute requires on a recurring basis:** The Administrative Services Division and the Administrative Areas in IICA Delegations in the Member States shall be responsible for identifying the goods and services required on a recurring basis with the same or similar characteristics, that cannot be procured all at once or in large volumes, as described in subsection 4(b) of Chapter I of the present Manual, because they are needed frequently but at different times of the year. Cases in point are catering services for events, accommodation, translation, interpretation, locution and editing services, and office cleaning and maintenance inputs and supplies, among others.

The Institute shall determine the technical requirements or terms of reference, establishing the need and the conditions that the supplier will have to meet. The latter include quality, scope, fair price, backup, technical support, guarantees, delivery times or time required to provide the service, transportation to the site, and before-and-after sales technical advice.

- b. **Identification of potential suppliers who can supply the Institute with goods and services required on a recurring basis:** the next step is to identify potential suppliers to which the Institute could write asking them to submit bids for the goods and services that IICA requires on a recurring basis. To facilitate the subsequent evaluation process, at least the following information should be requested:
  - legal name of the supplier, whether a natural or artificial person, their identification or registration number in the country and the date on which the company was founded (in the case of artificial persons).
  - registration with the tax office, as a natural or artificial person authorized to engage in the commercial activity concerned or provide the services offered to the Institute.
  - certifications showing that the supplier is up to date with its tax and employer-employee obligations.
  - detailed information about the goods or services it offers: physical characteristics, brand, guarantees, support, time and place of delivery, unit price and price by volume (in the case of goods); description of the service, experience, qualifications, curriculum, and references (in the case of

services). All the criteria required to conduct an objective, transparent evaluation should be included.

- Letters of reference related to the goods or services offered to the Institute.
- Letter agreeing to comply with the terms required by the Institute and offered by the supplier, if qualified.
- Period during which the supplier could provide the same goods or services to the Institute at the same price (this depends on the good or service).
- Complete the Know your Client (KYC) form, contained in the Policy for the Prevention of Money Laundering and Financing of Terrorism (available at the Institute's website, [www.iica.int](http://www.iica.int)), for purchases above the amounts stipulated.

- c. **Evaluation of suppliers of goods and services that the Institute requires on a recurring basis:** The evaluation process should aim to identify the suppliers that best meet the Institute's requirements and wish to develop a medium-term relationship based on trust, respect, inclusion, transparency and shared responsibility, and the identification of risks for suppliers regarding prohibited or fraudulent practices. Staff of the Operating Units that require the goods and services in question may support the evaluation of the suppliers.

Presented below is a suggested model for evaluating suppliers that can meet recurring needs, with certain criteria that may be incorporated into the process:

Criteria	Factor weight	Factor evaluation	Total score
Quality			
Availability of good or service			
Prior experience or commercial references			
Price			
Post-sales service			
Technical advice			
Support and guarantee			
Added value			
Sustainability of prices or increases			
Processing of claims or adjustments			
Other			
Other			
<b>Weighted Evaluation</b>			

- d. **Exclusion criteria:** Additionally, all suppliers must undergo a verification process to ensure exclusion in the case of prohibited or fraudulent practices, with the

purpose of protecting institutional resources and those of the counterparties, thus ensuring sound financial management and identifying beforehand any unreliable natural persons or legal entities that could constitute a threat to the institutional mission.

This document is intended for internal use and shall apply to all suppliers, whether natural persons or legal entities, wishing to hold the position of Supplier for recurring procurement needs of goods and services and thereby maintain a commercial relationship with IICA:

**Exclusion criteria**

For potential recurring suppliers

Name of supplier:	
Identification number:	

Analyzed exclusion criteria	YES complies	NO does not comply	N/A
Verification of legal name of the bidder, either a natural person or legal entity (legal or personal identification document).			
Registration at the Revenue or Financial Office, either as a natural person or legal entity authorized by the supervising body to carry out the commercial activity or perform the services provided to the Institute.			
Certification of up-to-date employer obligations and tax payments.			
Detailed information on the goods and services offered: in the case of goods, physical characteristics, brand, warranty, support, time and delivery location, unit and per-volume price; in the case of services, description of the service, experience, credentials, academic background and references.			
Reference letters of compliance in their commercial activity or the services offered to the Institute.			
Letter of Commitment indicating compliance with the terms required by the Institute and offered by the bidder, if eligible.			
Term during which the bidder can maintain the goods and services offered to the Institute unchanged and at the same price (this applies according to the good or service).			
Verification of exclusion from the database of the European Union and/or the United States of America (for procurements financed with resources from the European Union, it is mandatory to consult this entity's database). <a href="https://webgate.ec.europa.eu/fsd/fsf#!/files">https://webgate.ec.europa.eu/fsd/fsf#!/files</a> <a href="https://sanctionssearch.ofac.treas.gov/">https://sanctionssearch.ofac.treas.gov/</a>			

Before analyzing, evaluating and rating the supplier's suitability, the staff involved should establish which requirements are obligatory (i.e., any supplier that does not meet them is automatically disqualified). However, a reasonable period may be permitted to enable suppliers to meet the requirements or clarify what they can provide.

- e. **Selection of suppliers of goods and services that the Institute requires on a recurring basis:** The evaluation process should aim to identify and select the best bidders. The suppliers selected will be designated "Qualified suppliers for recurring needs." Up to three qualified suppliers may be selected for a single recurring need, since the objective of this selection process is to maintain a database of preferred suppliers, not to guarantee the exclusivity of a single supplier. Furthermore, whenever the Institute deems it advisable it may decide to compare at least three written quotations for the procurement of a given good or service, even if a qualified supplier exists.

If it is in the Institute's interest, the Administrative Services Division at Headquarters or the Administrative Areas in IICA Delegations in the Member States may enter into a contract with each qualified supplier, establishing the conditions and regulating the terms on which their commercial relationship will be conducted. A clause shall be included in the contract specifying that the supplier enjoys preferred but not exclusive status and that it accepts, as part of the process of qualified suppliers, that each time the Institute procures goods or services, it will evaluate the results.

## Annex 3: Contract for professional consultancy services and terms of reference for the Delegations

This document is a draft that can be used as a model when drawing up contracts; however, it should be revised and adapted to the current legislation of the country concerned and the specific needs of the IICA Delegation that uses it. The provisions of the Manual for the Procurement of Goods and Services should be observed at all times.

### CONTRACT FOR PROFESSIONAL CONSULTANCY SERVICES

#### - DELEGATIONS

We, **The Inter-American Institute for Cooperation on Agriculture (IICA)**, hereinafter referred to as **The Institute**, represented for the purposes of this contract by Mr. **[name of representative]**, IICA Representative in **[name of country]**, Diplomatic Identification Card (DIDI) No. **[number]**, with offices in **[address]**, and Mr./Ms. \_\_\_\_\_, of \_\_\_\_\_ nationality, with identification number \_\_\_\_\_, with offices in \_\_\_\_\_, acting on his/her own behalf and in his/her capacity as a Consultant, agree to enter into this Contract for Professional Consultancy Services, subject to the following declarations and clauses:

#### DECLARATIONS

##### **The Institute declares:**

- That this Contract is being entered into given the need to procure professional consultancy services, pursuant to the attached Terms of Reference that are an integral part of this Contract.
- That this engagement is subject to the provisions of Article 13 of the Rules of Procedure of the General Directorate and the Procedures Manual for the Procurement of Goods and Services (*Chapter I – Procurement categories and methods, section 4 – Special considerations, sub-section c – Contracting of professional consultancy services*) of the Institute.

**The Consultant declares:**

- That the information provided to the Institute with respect to his/her status as an individual, qualifications, and professional experience, is true.
- That he/she understands the full extent of the Terms of Reference specified in this contract and has the expertise to provide the Consultancy services with the required dedication, due care, and efficiency.
- That he/she is not subject to any impediment to provide the Consultancy services, due to employment in or Consultancy with any public or private institution.
- That in his/her capacity as Consultant, he/she recognizes and accepts that he/she is not a member of staff of the Institute. Thus, all obligations and rights, as well as the Terms of Reference for the Consultancy services that will be provided will be limited to those specified in this Consultancy Contract.

**CLAUSES**

**ONE:** The Consultant agrees to offer Professional Consultancy Services, for which the products, time schedule, place of execution, payment, and other specific characteristics, are stipulated in the Terms of Reference of this Contract.

**TWO:** The Institute shall pay the Consultant the local equivalent of the total sum of \_\_\_\_\_ as a professional fee, in accordance with the current institutional exchange rate and upon delivery of the products established in the Terms of Reference that are an integral part of this Professional Services Contract, as long as the products have been received to the entire satisfaction of the person that the Institute has designated for this purpose and upon submission of an invoice.

**THREE:** The Consultant agrees to provide his/her services as at \_\_\_\_\_, and to end on \_\_\_\_\_, with the latter being the final day of this Consultancy for all legal purposes.

**FOUR:** The Institute shall not assume any labor obligations with respect to the Consultant or any professional that the Consultant may have subcontracted to perform the services arising under this Contract.

**FIVE:** The Consultant declares that he/she is complying with the requirements of the applicable social security and tax laws of \_\_\_\_\_.

**SIX:** It is the personal responsibility of the Consultant to secure adequate insurance coverage. In case of any eventuality, the Institute shall assume no responsibility for said coverage. If, in Terms of Reference establish the need for international travel, the Consultant must have travel insurance for this purpose.

**SEVEN:** This Contract may be terminated prematurely by either party, by giving the other party fifteen days' written notice. In that event, the Consultant shall submit the deliverables produced as at that date, and subject to their approval by IICA, shall receive only the amount owing at that time.

**EIGHT:** The Parties shall not be held liable for failure to comply with any of the obligations arising under “**THE CONTRACT,**” to the extent and during the period in which they cannot be carried out in a reasonable manner, where such non-compliance is as a result of force majeure or unforeseen circumstances, in which case the party should immediately notify the other of the start and end date of the effective cause. In cases in which there is a claim of force majeure or unforeseen circumstances, the Parties will take necessary and reasonable actions to minimize delays and resulting costs. Unforeseen circumstances or force majeure are considered to be those acts that are completely out of the control of the Parties, for example, natural events, earthquakes, floods, epidemics, acts of war, or other events that make it impossible to provide the services arising under this Contract.

**NINE:** The general conditions governing this Contract with respect to the coordination of services, product receipt and ownership, any rights arising from the contracted services, the relationship between the Institute and the Consultant, early termination, and review of this Contract are stipulated as follows:

- 9.1 The Institute, through its representative in [**name of country**], or of their designate, shall be responsible for coordinating at all times, the activities, services and/or products covered by this Contract and for providing the Consultant with any written observations regarding their execution, to enable any adjustments to the schedule and relevant Terms of Reference, as well as any amendments that may be required.
- 9.2 The Institute shall consider as received all products and services derived from this Contract if they have been generated in accordance with the Terms of Reference and other agreed stipulations.
- 9.3 The Consultant agrees not to divulge any information or results obtained as a result of the services stipulated by this Contract, whether through publications, reports, conferences, or otherwise, without the expressed and written consent of the Institute, which retains ownership of this information and results.
- 9.4 The Consultant alone shall be responsible for performing the Consultancy services and activities in accordance with this Contract. If the activities have not been



executed in accordance with this Contract and its annexes and/or the written instructions provided by the Institute, the Consultant shall correct or perform them again immediately, and shall not be entitled to any compensation for work that is less than satisfactory.

9.5 Given that the reasons for entering into this Professional Consultancy Contract are extraordinary and temporary, both Parties agree that upon completion of the stipulated period, this Contract shall automatically lapse, with no requirement to provide prior notice. Given the nature of the Consultancy services, the Consultant releases the Institute from any present or future responsibility with respect to labor and social security laws.

9.6 When the Institute deems the Professional Consultancy Contract to be concluded due to causes not attributable to the Consultant, the Institute shall pay the Consultant an amount corresponding to any services rendered or products generated as at that date.

9.7 Any controversy arising from the execution of this Professional Consultancy Contract will be settled by common agreement between the Parties within a period not exceeding thirty business days.

If the Parties fail to reach agreement, they shall submit themselves unconditionally and irrevocably to the procedure and decision of an Arbitral Tribunal or Conciliation Committee made up of three arbiters, designated as follows: one arbiter appointed and financed by each of the Parties individually, and a third appointed by mutual agreement and financed by the Parties. It is understood that the Arbitral Tribunal may decide all questions of procedure in those cases in which the Parties do not agree on the matter in dispute. The decision of the Arbitral Tribunal shall be final. All arbitral decisions reached in accordance with the previous paragraph shall be final, without appeal and legally binding on the Parties. The provisions stipulated in this Clause shall replace any other procedure for settling disputes between the parties.

**TEN:** Amendments to the Contract: For all legal purposes, it is agreed that the present instrument and its annexes shall prevail over any other agreement or instrument on the matter. However, the Parties agree that any amendment to the main instrument may be incorporated by way of an addendum.

**ELEVEN:** Policy on Prohibited Practices/Anti-fraud and Anti-corruption. IICA has instituted mechanisms to prevent, detect, report, and punish fraud and corruption, this being a critical component of its good governance and administration practices. In keeping with its Code of Ethics and values and the applicable law in the countries in which it operates, the Institute has a zero tolerance policy towards prohibited practices, fraud and corruption, which applies to its personnel, as well as to individuals and legal entities with which it has established relationships as part of different activities.

**TWELVE:** Privileges and Immunities. Nothing contained in this Contract or related to same is to be considered an express or tacit renunciation of the immunities and privileges, exonerations and benefits enjoyed by IICA and its personnel in accordance with international laws, treaties or international agreements or the national legislation of its Member States.

**THIRTEEN:** Policy for the Prevention of Money Laundering and Financing of Terrorism. IICA has a Policy for the Prevention of Money Laundering and Financing of Terrorism that must be enforced for all individuals or companies conducting activities for or on behalf of the Institute

**FOURTEEN.** Policy for the management of conflicts of interest at IICA. IICA has a Policy for the management of conflicts of interest at IICA, which governs all individuals and companies conducting activities for or on behalf of the Institute, and which is consistent with its Code of Ethics, its values and the applicable law in each of the Member States of the Institute

**FIFTEEN:** Personal Data Protection Policy. IICA has a Personal Data Protection Policy that must be enforced for all individuals or companies conducting activities for or on behalf of the Institute, which is consistent with international standards in this regard, with its Code of Ethics, its values and the applicable law in the Member States of the Institute.

In witness whereof the parties have signed this Contract in two original copies on the \_\_\_\_\_ day of the month of \_\_\_\_\_ of 2019.

\_\_\_\_\_  
For the Institute

[Name of representative]

IICA Representative in [country]

DIDI No. [number]

\_\_\_\_\_  
The Consultant

[NAME]

Identification document

No. [number]

**TERMS OF REFERENCE**

<b>Consultant:</b>	<i>[Name of consultant]</i>
<b>Type:</b>	<i>[National or international]</i>
<b>Start date:</b>	<i>[Start date of the consultancy services]</i>
<b>End date:</b>	<i>[End date of the consultancy services]</i>
<b>Total fees:</b>	<i>[amount]</i>

- 1. Background and justification**
- 2. Objective of the consultancy<sup>6</sup>**
- 3. Activities and work schedule**

	<b>20XX</b>			
<b>Activities</b>	<b>June</b>	<b>July</b>	<b>August</b>	<b>September</b>

**4. Travel:**

The cost of any travel and tickets that are agreed on will be included in the total fees or covered by the Institute in addition to the fees for professional services.

**5. Expected products<sup>7</sup>**

<b>Product</b>	<b>Due date</b>	<b>Description of product</b>

<sup>6</sup>An objective is an end one aspires to achieve in a given situation. At the very least, it must be specific, measurable and time-bound.

<sup>7</sup>A product is a good or service that, in this case, the consultant delivers to the Institute and that, individually or together with other products, allows for achieving the objective of the consultancy.

**6. Payment method:**

- **First payment:** [15%] of the total consultancy fee, equivalent to [amount in words] [(amount in numbers)], upon receipt and approval of the [XX] products to the entire satisfaction of IICA and upon submission of the relevant invoice. [Due date].
- **Interim payment:** [65%] of the total consultancy fee, equivalent to [amount in words] [(amount in numbers)], upon receipt and approval of the [XX] products to the entire satisfaction of IICA and upon submission of the relevant invoice. [Due date].
- **Final payment:** [20%] of the total consultancy fee, equivalent to [amount in words] [(amount in numbers)], upon receipt and approval of the [XX] products to the entire satisfaction of IICA and upon submission of the relevant invoice. [Due date].

-----*Last line of the Terms of Reference* -----

## Annex 4: Contract for Professional Consultancy Services and terms of reference at Headquarters

### CONTRACT FOR PROFESSIONAL CONSULTING SERVICES

#### – HEADQUARTERS

We, **The Inter-American Institute for Cooperation on Agriculture (IICA)**, hereinafter referred to as **The Institute**, represented for the purposes of this contract by Mr. \_\_\_\_\_, Diplomatic Identification Card (DIDI) No. \_\_\_\_\_, in his capacity as **Director of Corporate Services with Full Power of Attorney**, with offices in San Isidro de Coronado, and Mr. (Ms.) \_\_\_\_\_, of \_\_\_\_\_ nationality, with identification number \_\_\_\_\_, with offices in \_\_\_\_\_, acting on his/her own behalf and in his/her capacity as a Consultant, agree to enter into this Contract for Professional Consultancy Services, subject to the following declarations and clauses:

#### DECLARATIONS

##### **The Institute declares:**

- That this Contract is being entered into given the need to procure professional consultancy services, pursuant to the attached Terms of Reference that are an integral part of this Contract.
- That this engagement is subject to the provisions of Article 13 of the Rules of Procedure of the General Directorate and the Procedures Manual for the Procurement of Goods and Services (*Chapter I – Procurement categories and methods, section 4 – Special considerations, sub-section c – Contracting of professional consultancy services*) of the Institute.

##### **The Consultant declares:**

- That the information provided to the Institute with respect to his/her status as an individual, qualifications, and professional experience, is true.
- That he/she understands the full extent of the Terms of Reference specified in this contract and has the expertise to provide the Consultancy services with the required dedication, due care, and efficiency.

- That he/she is not subject to any impediment to provide the Consultancy services, due to employment in or Consultancy with any public or private institution.
- That in his/ her capacity as Consultant, he/ she recognizes and accepts that he/she is not a member of staff of the Institute. Thus, all obligations and rights, as well as the Terms of Reference for the Consultancy services that will be provided will be limited to those specified in this Consultancy Contract.

## CLAUSES

**ONE:** The Consultant agrees to offer Professional Consultancy Services, for which the deliverables, time schedule, place of execution, payment, and other specific characteristics, are stipulated in the Terms of Reference of this Contract.

**TWO:** The Institute shall pay the Consultant the local equivalent of the total sum of \_\_\_\_\_ as a professional fee, in accordance with the current institutional exchange rate and upon delivery of the products established in the Terms of Reference that are an integral part of this Professional Services Contract, as long as the products have been received to the entire satisfaction of the person that the Institute has designated for this purpose and upon submission of an invoice.

**THREE:** The Consultant agrees to provide his/her services as at \_\_\_\_\_, and to end on \_\_\_\_\_, with the latter being the final day of this Consultancy for all legal purposes.

**FOUR:** The Institute shall not assume any labor obligations with respect to the Consultant or any professional that the Consultant may have subcontracted to perform the services arising under this Contract.

**FIVE:** The Consultant declares that he/she is complying with the requirements of the applicable social security and tax laws of \_\_\_\_\_.

**SIX:** It is the personal responsibility of the Consultant to secure adequate insurance coverage. In any eventuality, the Institute shall assume no responsibility for said coverage. If the Terms of Reference establish the need for international travel, the Consultant must have travel insurance for this purpose.

**SEVEN:** This Contract may be terminated prematurely by either party, by giving the other party fifteen days' written notice. In that event, the Consultant shall submit the deliverables produced as at that date, and subject to their approval by IICA, shall receive only the amount owing at that time.

**EIGHT:** The Parties shall not be held liable for failure to comply with any of the obligations arising under “**THE CONTRACT,**” to the extent and during the period in which they cannot be carried out in a reasonable manner, where such non-compliance is as a result of force majeure or unforeseen circumstances, in which case the party should immediately notify the other of the start and end date of the effective cause. In cases in which there is a claim of force majeure or unforeseen circumstances, the Parties will take necessary and reasonable actions to minimize delays and resulting costs. Unforeseen circumstances or force majeure are considered to be those acts that are completely out of the control of the Parties, for example, natural events, earthquakes, floods, epidemics, acts of war, or other events that make it impossible to provide the services arising under this Contract.

**NINE:** The general conditions governing this Contract with respect to the coordination of services, product receipt and ownership, any rights arising from the contracted services, the relationship between the Institute and the Consultant, early termination, and review of this Contract are stipulated as follows:

- 9.1 The Institute, in the person of Mr./ Ms. \_\_\_\_\_, or of their designate, shall be responsible for coordinating at all times, the activities, services and/or deliverables covered by this Contract and for providing the Consultant with any written observations regarding their execution, to enable any adjustments to the schedule and relevant Terms of Reference, as well as any amendments that may be required.
- 9.2 The Institute shall consider as received all products and services derived from this Contract if they have been generated in accordance with the Terms of Reference and other agreed stipulations.
- 9.3 The Consultant agrees not to divulge any information or results obtained as a result of the services stipulated by this Contract, whether through publications, reports, conferences, or otherwise, without the expressed and written consent of the Institute, which retains ownership of this information and results.
- 9.4 The Consultant alone shall be responsible for performing the Consultancy services and activities in accordance with this Contract. If the activities have not been executed in accordance with this Contract and its annexes and/or the written instructions provided by the Institute, the Consultant shall correct or perform them again immediately, and shall not be entitled to any compensation for work that is less than satisfactory.
- 9.5 Given that the reasons for entering into this Professional Consultancy Contract are extraordinary and temporary, both Parties agree that upon completion of the stipulated

period, this Contract shall automatically lapse, with no requirement to provide prior notice. Given the nature of the Consultancy services, the Consultant releases the Institute from any present or future responsibility with respect to labor and social security laws.

9.6 When the Institute deems the Professional Consultancy Contract to be concluded due to causes not attributable to the Consultant, the Institute shall pay the Consultant an amount corresponding to any services rendered or products generated as at that date.

9.7 Any controversy arising from the execution of this Professional Consultancy Contract will be settled by common agreement between the Parties within a period not exceeding thirty business days. If the Parties fail to reach agreement, they shall submit themselves unconditionally and irrevocably to the procedure and decision of an Arbitral Tribunal or Conciliation Committee made up of three arbiters, designated as follows: one arbiter appointed and financed by each of the Parties individually, and a third appointed by mutual agreement and financed by the Parties. It is understood that the Arbitral Tribunal may decide all questions of procedure in those cases in which the Parties do not agree on the matter in dispute. The decision of the Arbitral Tribunal shall be final. All arbitral decisions reached in accordance with the previous paragraph shall be final, without appeal and legally binding on the Parties. The provisions stipulated in this Clause shall replace any other procedure for settling disputes between the parties.

**TEN:** Amendments to the Contract: For all legal purposes, it is agreed that the present instrument and its annexes shall prevail over any other agreement or instrument on the matter. However, the Parties agree that any amendment to the main instrument may be incorporated by way of an addendum.

**ELEVEN:** Policy on Prohibited Practices/Anti-fraud and Anti-corruption. IICA has instituted mechanisms to prevent, detect, report, and punish fraud and corruption, this being a critical component of its good governance and administration practices. In keeping with its Code of Ethics and values and the applicable law in the countries in which it operates, the Institute has a zero tolerance policy towards prohibited practices, fraud and corruption, which applies to its personnel, as well as to individuals and legal entities with which it has established relationships as part of different activities.

**TWELVE:** Privileges and Immunities. Nothing contained in this Contract or related to same is to be considered an express or tacit renunciation of the immunities and privileges, exonerations and benefits enjoyed by IICA and its personnel in accordance with international laws, treaties or international agreements or the national legislation of its Member States.

**THIRTEEN:** Policy for the Prevention of Money Laundering and Financing of Terrorism. IICA has a Policy for Prevention of Money Laundering and the Financing of



Terrorism that must be enforced for all individuals or companies conducting activities for or on behalf of the Institute.

**FOURTEEN.** Policy for the management of conflicts of interest at IICA. IICA has a Policy for the management of conflicts of interest at IICA, which governs all individuals and companies conducting activities for or on behalf of the Institute, and which is consistent with its Code of Ethics, its values and the applicable law in each of the Member States of the Institute.

**FIFTEEN:** Personal Data Protection Policy. IICA has a “Personal Data Protection Policy” that must be enforced for all individuals or companies conducting activities for or on behalf of the Institute, which is consistent with international standards in this regard, with its Code of Ethics, its values and the applicable law in the Member States of the Institute.

In witness whereof the parties have signed this Contract in two original copies on the \_\_\_\_\_ day of the month of \_\_\_\_\_ of 2019.

\_\_\_\_\_  
For the Institute

[NAME]

Director of Corporate Services with

Full Power of Attorney

DIDI No. [DIDI number]

\_\_\_\_\_  
The Consultant

[NAME]

Identification document

No. [number]

**TERMS OF REFERENCE**

<b>Consultant:</b>	<i>[Name of consultant]</i>
<b>Type:</b>	<i>[National or international]</i>
<b>Start date:</b>	<i>[Start date of the consultancy services]</i>
<b>End date:</b>	<i>[End date of the consultancy services]</i>
<b>Total fees:</b>	<i>[amount]</i>

**1. Background and justification**

**2. Objective of the consultancy<sup>8</sup>**

**3. Activities and work schedule**

	20__			
Activities	June	July	August	September

**4. Travel:**

The cost of any travel and tickets that are agreed on will be included in the total fees or covered by the Institute in addition to the fees for professional services.

**5. Expected products<sup>9</sup>**

Product	Due date	Description of product

<sup>8</sup>An objective is an end one aspires to achieve in a given situation. At the very least, it must be specific, measurable and time-bound.

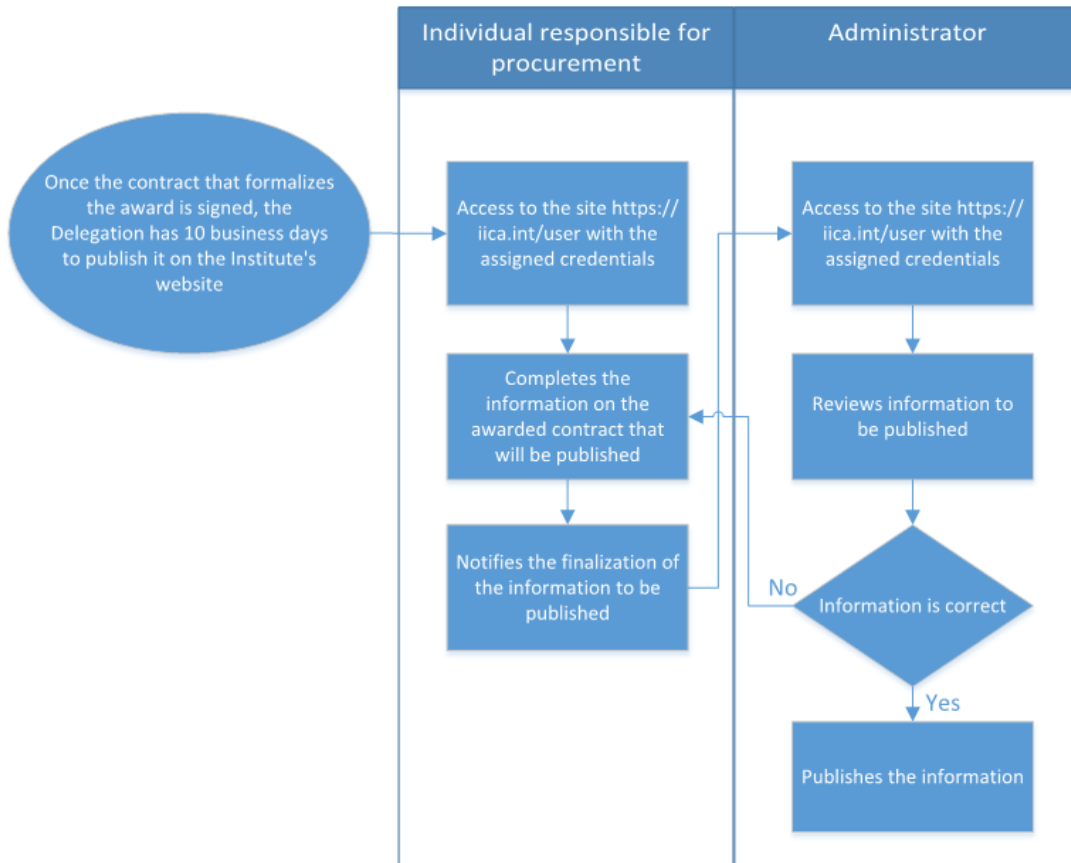
<sup>9</sup>A product is a good or service that, in this case, the consultant delivers to the Institute and that, individually or together with other products, allows for achieving the objective of the consultancy.

**6. Payment method:**

- **First payment:** [15%] of the total consultancy fee, equivalent to [amount in words] [(amount in numbers)], upon receipt and approval of the [XX] products to the entire satisfaction of IICA and upon submission of the relevant invoice. [Due date].
- **Interim payment:** [65%] of the total consultancy fee, equivalent to [amount in words] [(amount in numbers)], upon receipt and approval of the [XX] products to the entire satisfaction of IICA and upon submission of the relevant invoice. [Due date].
- **Final payment:** [20%] of the total consultancy fee, equivalent to [amount in words] [(amount in numbers)], upon receipt and approval of the [XX] products to the entire satisfaction of IICA and upon submission of the relevant invoice. [Due date].

-----*Last line of the Terms of Reference* -----

## Annex 5: Procedure for publishing contract awards on the Institutional Website



## Annex 6: Sample Bid Evaluation Table

Evaluation table																
<b>4- Excellent</b>	Meets all of the requirements to carry out the consultancy.															
<b>3- Very Good</b>	Meets more than half of the requirements to carry out the consultancy															
<b>2- Fair</b>	Meets few of the requirements to carry out the consultancy															
<b>1- Poor</b>	Does not meet the requirements to carry out the consultancy															
	Name of candidate 1					Name of candidate 2					Name of candidate 3					
<b>FINANCIAL BID (20%)</b>																
Bid amount	3.500,00				4.000,00				5.000,00							
( % )	20%				18%				14%							
<b>TECHNICAL BID (80%)</b>																
<b>A. Academic degree</b>	4	3	2	1	4	3	2	1	4	3	2	1				
	X				X				X							
	X				X				X							
	X				X				X							
<b>B. Experience</b>																
	X				X				X							
	X				X				X							
	X				X				X							
<b>C. Other</b>																
	X				X				X							
	X				X				X							
<b>Sum</b>	32	0	0	0	32	0	0	0	32	0	0	0				
<b>TOTAL SCORE</b>	32				32				32							
( % )	80%				80%				80%							
( % ) TOTAL SCORE OBTAINED	100%				98%				94%							
<b>General comment on each candidate</b>																
Consultant selected:																
Date:																

Prepared by:

Revised by:

Approved by:

## Annex 7: Guidelines for calculating fees for contracts for professional consultancy services

An acceptable consultancy fee will be calculated based on the salary scales for Local Professional Personnel in the corresponding Delegation (depending on the country in which the services are provided).

- a. Reference levels based on local salary scales
  - **Junior consultant:** amount for a period equivalent to one month, which cannot exceed step 10 of the PL2 classification level in the local scale.
  - **Senior consultant:** amount for a period equivalent to one month, which cannot exceed step 10 of the PL4 classification level in the local scale.
  - **Expert consultant:** amount for a period equivalent to one month, which cannot exceed the highest step of the PL5 classification level in the local scale.
  - **Highly knowledgeable consultant:** amount for a period equivalent to one month, which cannot exceed highest step of the PL5 classification level in the local scale.
- b. A percentage will be added to the amount established in point a), to enable the consultant to cover his/her social security contributions or taxes, as required by the local legislation, up to a maximum of 35%.
- c. A maximum of 15% may be added as a market adjustment (opportunity cost) with due justification. This percentage will be obtained based on the calculation made in point a).
- d. In the event that the fees exceed the above limit, the Representative in the corresponding member country and the Director of Corporate Services at Headquarters must provide their approval.

## CALCULATION

The sum of the amounts indicated in points a), b) and c) must be multiplied by the total number of months required to generate the agreed-upon products. The schedule of payment should be determined in keeping with the progress achieved in the consultancy. **Payments will be contingent on the satisfactory delivery of the products or services, in keeping with the work schedule, and will not be based on the amount of time that has passed. The time factor will only be considered in calculating the overall fees to be paid.**

## SAMPLE CALCULATION

Senior national consultant who will provide his services in Costa Rica for a period of four months. Amount to be paid in the local currency.

- a. **Maximum amount: USD 3401** (reference level: PL4-10)
- b. Social security contributions (35 %): **USD 1190**
- c. Opportunity cost (5%): **USD 170**
- d. Total: **USD 4761 \* 4 months = USD 19 044** (total cost of the consultancy, including taxes)

**Annex 8: Model of addendum to contract for professional consultancy services for IICA Delegations in the Member States**

**ADDENDUM TO CONTRACT FOR PROFESSIONAL CONSULTANCY SERVICES – DELEGATIONS**

**We:** The **Inter-American Institute for Cooperation on Agriculture (IICA)**, hereinafter referred to as “**The Institute**”, represented for the purposes of this contract by Mr. **[name of representative]**, IICA Representative in **[name of country]**, Diplomatic Identification Card (DIDI) **[number]**, with offices in **[address]**, and Mr./Ms. \_\_\_\_\_, of \_\_\_\_\_ nationality, with identification number \_\_\_\_\_, with offices in \_\_\_\_\_, acting on his/her own behalf, in the capacity of a Consultant, by mutual agreement agree to modify clause **[indicate clause or clauses to be modified]** of the Contract for Professional Consultancy Services, signed on **[indicate the date on which the contract was signed]**, as follows:

“ \_\_\_\_\_ ” [number of the clause to be modified in capitals]:

.....  
.....

[new text with the modification]

*Note: If applicable, the form of payment for the Contract should be modified.*

The Parties indicate their agreement with the above and that, except as expressly amended hereby, all other terms of the original Contract shall remain in full force and effect, and in witness whereof, sign on [mm/dd/yyyy].

\_\_\_\_\_  
For the Institute

**[Name of representative]**

IICA Representative in [country]

DIDI No.[number]

\_\_\_\_\_  
The Consultant

**[NAME]**

Identification document

No. [number]



**Annex 9: Model of addendum to contract for professional consultancy services at Headquarters**

**ADDENDUM TO CONTRACT FOR PROFESSIONAL CONSULTANCY SERVICES – HEADQUARTERS**

**We:** The **Inter-American Institute for Cooperation on Agriculture (IICA)**, hereinafter referred to as **“The Institute”**, represented for the purposes of this contract by Mr./Ms. \_\_\_\_\_, Diplomatic Identification Card (DIDI) \_\_\_\_\_, in his capacity as **Director of Corporate Services of the Institute with Full Power of Attorney**, with offices in San Isidro de Coronado, and Mr./Ms. \_\_\_\_\_, of \_\_\_\_\_ nationality, with identification number \_\_\_\_\_, with offices in \_\_\_\_\_, acting on his/her own behalf, in the capacity of a Consultant, by mutual agreement agree to modify clause [**indicate clause or clauses to be modified**] of the Contract for Professional Consultancy Services, signed on [**indicate the date on which the contract was signed**], as follows:

“ \_\_\_\_\_ ” [number of the clause to be modified in capitals]:

.....  
.....

[new text with the modification]

*Note: If applicable, the form of payment for the Contract should be modified.*

The Parties indicate their agreement with the above and that, except as expressly amended hereby, all other terms of the original Contract shall remain in full force and effect, and in witness whereof, sign on [mm/dd/yyyy].

\_\_\_\_\_  
For the Institute  
  
[name]  
  
Director of Corporate Services  
  
with Full Power of Attorney  
  
DIDI No. [DIDI number]

\_\_\_\_\_  
The Consultant  
  
[name]  
  
Identification document  
  
No. [number]

## Annex 10: Duties and responsibilities of staff in charge of requesting the procurement of goods and services

The responsibilities of the Operating Unit and the person designated to perform the task in each unit are as follows:

- a. Ensure that requests for the procurement of goods and services are consistent with the approved Annual Action Plan and contribute to the achievement of the expected results.
- b. In the case of goods and services financed with IICA's own resources, ensure that the approved budgetary resources required are available in the Institutional Financial System (cost center or WBS element and under the object of expenditure) before beginning the process.
- c. In the case of goods and services financed with external resources, the request should also meet the terms governing eligibility of expenditure established in the corresponding legal instrument, and any other requirement agreed on by IICA and the counterpart contributing the resources. This includes ensuring that the request is processed and paid for during the life of the Legal Instrument. Before the procurement request is made, staff should confirm that the external resource has the funding or cash available to cover the expenditure to be made.
- d. Specify in the Procurement Request or Request for Goods and Services the detailed characteristics of the good or service required and the terms and conditions for delivery.
- f. Channel and obtain the approvals required for the good or service to be procured.

With the exception of authorized members of staff at Headquarters (Administrative Services Division) and in the IICA Delegations in the Member States (the Administrative Area), as well as the staff of the organizational structures of externally funded projects (designated in writing), no other staff member may request quotations, procure goods or services, or commit the resources of IICA and its projects verbally or in writing. In the case of Headquarters, the Head of the Administrative Services Division shall report any failure to comply with this rule to the Director General or whomever the Director General delegates; in the case of Delegations, the respective Administrator shall report it to the Representative of the IICA office in the corresponding Member State. The corresponding disciplinary measures shall be applied in coordination with the Human Talent Division.

## Annex 11: Duties and responsibilities of staff in charge of conducting procurement processes

The members of staff in charge of this activity should:

- a. Be familiar with and apply the Institute's rules and regulations governing the procurement of goods and services, which include this Manual.
- b. Be familiar with all policy documents that complement this Manual, such as Executive Orders and procurement guides whose use has been approved for projects; and terms and conditions agreed on with the counterparts of specific projects for the procurement of goods and services.
- c. Obtain quotations in a timely manner for different units that request the procurement of goods and services, seeking the best prices, quality and benefits for the Institute and its projects.
- d. Ensure transparency in procurement processes, promoting equity and a level playing field for suppliers; and avoid and report any conflict of interests that could affect the Institute and its projects.
- e. Notify the identification of prohibited or fraudulent practices by suppliers.
- f. Maintain an up-to-date database of suppliers. The services offered by each supplier should be evaluated and rated annually; new suppliers of goods and services should be sought continually.
- g. Prepare comparative tables of quotations, using the methods described in Chapter I of this Manual, based on at least the following aspects: price, guarantee, delivery time, transportation, manufacture, during-and-after sales service, technical advice, quality, associated costs (customs clearance, maintenance, spare parts, etc.), and rating of the supplier based on previous performance, in order to award the contract for the purchase of the good or service to the best supplier. If necessary, make a recommendation to the requesting operating unit, particularly when the procurement of very specialized goods or services is involved.
- h. Prepare the Purchase Order as quickly as possible and send a printed copy of the document to the supplier via a verifiable medium.
- i. Monitor the entire procurement process, from the preparation of the request by the requesting operating unit, through to the delivery of and payment for the good or service. This includes ensuring that the supplier complied with the delivery time, the quality of the good or service, post-sale service, the delivery of documents, guarantees, reports, billing, etc.
- j. Physically document the procurement process, from the request from the unit through to the payment. In the case of Headquarters or Delegations with sizeable organizational structures, the process may be broken down into stages; each step must be duly documented by the Administrative Area, however.
- k. Ensure the safekeeping of supporting documents related to procurement processes, as described in section 11 of Chapter III of the present Manual.

## Annex 12: Procurement requests and purchase orders

The **Procurement Request or Request for Goods and Services** should contain at least the following information:

- a. IICA logo of the Delegation concerned or Headquarters.
- b. Consecutive number of the Procurement Request or Request for Goods and Services.
- c. Date of preparation of the request.
- d. Name of staff member who prepared the request.
- e. Budgetary account to which the cost of the good or service will be charged: cost center, fund, ledger account, WBS element (in the case of projects).
- f. Provide a detailed description of the good or service required; this may require samples, technical specifications, terms of reference, and a recommendation regarding suppliers, among others.
- g. Estimated cost of the good or service to be procured (if no information is available, that fact should be mentioned).
- h. Approval and signatures of the requesting Operating Unit and the immediate superior.

The **Purchase Order** should contain at least the following information:

- a. IICA logo of the Delegation concerned or Headquarters.
- b. Number of purchase order.
- c. Date of purchase order.
- d. Full name of the supplier, which should be the same as that registered as a natural or artificial person and filed with the Institute.
- e. Registered office and electronic addresses of the supplier.
- f. Full name of IICA, corporate ID, registered office and electronic addresses, phone, fax and P.O. box numbers, as appropriate.
- g. In the case of goods: provide details on separate lines of each type of good to be purchased, the amount and unit of measurement (e.g., units, boxes, pieces, liters, kilograms, etc.), the unit price and total price of each item, also stating the currency and whether the prices include taxes.
- h. In the case of services: describe in detail the service to be procured, the length of the contract, the deliverables, and the payments to be made with the respective dates.
- i. Add any other relevant information concerning what it is going to be procured, such as the delivery time, place of delivery, form of delivery, guarantee, installation, insurance, and technical specifications, among others.
- j. Total cost of the good or service to be procured and the respective currency.

- k. Name, e-mail address and work phone number of the staff member who prepared the purchase order.
- l. Name and signature of the staff member who approved the Purchase Order.

The **Purchase Order** should be accompanied by at least the following documents:

- a. Procurement Request or Request for Goods and Services.
- b. Quotations received.
- c. Comparative table.
- d. Copy of signed contract, when applicable.
- e. Signed purchase order.
- f. Proof that the purchase order was sent and received by the supplier.
- g. All the documents generated in the procurement process, such as e-mails, letters, terms of reference, etc.
- h. A copy of the minute signed by the advisory body/bodies that studied the respective process (National Purchasing Committee and/or Corporate Purchasing Committee). Delegations that have to secure approval for the procurement of the good or service from the Corporate Purchasing Committee should attach a copy of the respective document authorizing them to proceed.
- i. If the terms agreed for the procurement of the good or service are changed, the 'Modification of Purchase Order' document described in section 6 of Chapter III of the present Manual. Any addendum to the contract between the parties should also be included with the supporting documents.

## Annex 13: Procurement of goods and services by means of a comparative process of written quotations



### Procurement of goods and services by means of a comparative process of written quotations

Comparative table of bids for the procurement of \_\_\_\_\_

IICA Delegation in \_\_\_\_\_  
 Name of Unit or Project: \_\_\_\_\_  
 Budget code: \_\_\_\_\_  
 Ledger account: \_\_\_\_\_

QUANTITY	DESCRIPTION OF GOOD OR SERVICE REQUIRED	SUPPLIER # 1			SUPPLIER # 2			SUPPLIER # 3		
		Name of Supplier			Name of Supplier			Name of Supplier		
		Name of contact person:			Name of contact person:			Name of contact person:		
		Phone no.:			Phone no.:			Phone no.:		
		Email:			Email:			Email:		
		Characteristics of the good or service	Unit price	Total price	Characteristics of the good or service	Unit price	Total price	Characteristics of the good or service	Unit price	Total price
(#) Indicate amount/quantity required	Give a brief description of the good or service requested	Example:			Example:			Example:		
		Brand			Brand			Brand		
		Guarantee			Guarantee			Guarantee		
		Time required to deliver the good or provide the service			Time required to deliver the good or provide the service			Time required to deliver the good or provide the service		
		Manufacture			Manufacture			Manufacture		
		Type of material to be used			Type of material to be used			Type of material to be used		
		Other			Other			Other		

*Recommendation regarding good or service (explain the reasons for recommending the supplier in question)*

Prepared by: \_\_\_\_\_  
 Date: \_\_\_\_\_

Approved \_\_\_\_\_  
 Date: \_\_\_\_\_

## Annex 14: Model Contract

This document is a draft that can be used as a model when drawing up contracts; however, it should be revised and adapted to the current legislation of the country concerned and the specific needs of the IICA Delegation that uses it. The provisions of the Manual for the Procurement of Goods and Services should be observed at all times.

### CONTRACT FOR THE PROVISION OF SERVICES

We (*name of the person, company, or registered name*), with corporate ID (*number*), represented for the purposes of this Contract by Mr./Mrs./Ms. (*name of person who appears as the authorized legal representative on the date on which the contract is signed*), in his/her capacity as (*Position with the company*), (*identity card number, profession, marital status and exact place of residence*), hereinafter referred to as “**THE CONTRACTOR**,” and the **Inter-American Institute for Cooperation on Agriculture**, with corporate ID (*number*), represented for the purposes of this contract by Mr./Mrs./Ms. (*name of authorized official*) in his/her capacity as (*Position at Headquarters or in IICA Delegation*), (*identity card number*), who resides in (*place of residence*), hereinafter referred to as “**THE INSTITUTE**” or “**THE CONTRACTING PARTY**,” hereby agree to the following:

#### DECLARATIONS

- I. The “**CONTRACTOR**,” through its representative, declares that:
- a) It is a (*commercial company*) incorporated by public deed number (...) dated (...) of (...) of (...), duly deposited with the Public Registry.
  - b) It is legally authorized and possesses the financial resources necessary to enter into the present Contract and provide the **CONTRACTING PARTY** with the services specified herein, services that in the text of this Contract shall be identified simply as the “**SERVICES**” or the “**SERVICES CONTRACTED FOR**” (*services to be provided*).

- II. The “**CONTRACTING PARTY**” declares:

That IICA is the international agency of the Inter-American System specializing in agriculture. Founded more than 70 years ago, its mission is “to encourage, promote, and support the efforts of [its] Member States to achieve their agricultural development and rural well-being by means of international technical cooperation of excellence.”

- a) The declarant has the authority to sign contracts on behalf of the Institute that he/she represents, and said authority has not been revoked or limited in any way.
- b) *(If the contract is financed with external funds, state that fact and include the name of the project).*

## AGREE

Based on the above declarations, the parties agree to be bound by the following clauses:

### ONE: THE SERVICES TO BE PROVIDED

The **SERVICES CONTRACTED FOR** consist of (...), as detailed in **Annex A** of this Contract and in the Tender presented by **THE CONTRACTOR**, which are an integral part of this Contract and the property of the Institute. (\*\* Annex A should contain full details of the services required by IICA, such as “Terms of reference” \*\*)

### TWO: COST AND METHOD OF PAYMENT FOR THE SERVICES CONTRACTED

**THE CONTRACTING PARTY** shall pay **THE CONTRACTOR** for the services agreed in this Contract the total sum of (numbers and letters), in .... (currency or exchange rate in effect at the time of the payment).

#### 2.1 Method of payment

- a. *A first payment of ... (in letters), upon receipt by IICA, to its entire satisfaction of (product, deliverable or stage completed).*
- b. *A second payment of ... (in letters), upon receipt by IICA, to its entire satisfaction of (product, deliverable or stage completed).*
- c. *(specify the number of payments, the amount of each payment, and the product or service to be delivered in return for each one)*

#### 2.2 Billing

**THE INSTITUTE** shall settle the invoices received for the services provided by **THE CONTRACTOR** no more than (*days*) after they are received and pursuant to the payment schedule agreed in Clause (2.1) of this Contract. All invoices submitted by **THE CONTRACTOR** shall comply with the country’s applicable fiscal laws (*and not include taxes, if the Delegation is authorized to apply the exemption immediately*).

### THREE. RESCISSION OF THE CONTRACT

The contract may be rescinded before its expiration date by either party by giving (*days*) written notice. In such a case, **THE CONTRACTOR** shall receive, with the prior agreement of **THE CONTRACTING PARTY**, payment for the service provided up to that point, and shall receive only the sum corresponding to the stage that has been completed.



#### **FOUR. RELATIONSHIP BETWEEN THE PARTIES**

At no time shall the present contract be construed or interpreted as constituting a partnership, co-investment, joint venture, representation, or an agency or commission relationship between the parties. The parties agree that at no time does the present contract grant **THE CONTRACTOR** any right or authority to assume or create an obligation or liability, either express or tacit, on behalf of, or at the expense of, **THE CONTRACTING PARTY**, since the legal relationship that exists between **THE CONTRACTOR** and **THE CONTRACTING PARTY** is that established under the present Contract for the delivery of .... services.

#### **FIVE. CONFIDENTIALITY**

**THE CONTRACTOR** is strictly prohibited from disclosing or disseminating among third parties, by any means, the confidential information to which it may have access or learn about from the personnel at its service or through any other means, resulting from the delivery of the services that are the object of this contract, including information that might come to the attention of **THE CONTRACTOR** through its access to the computer systems of the **CONTRACTING PARTY**, or its technical manuals.

In any event, upon termination of the present contract **THE CONTRACTOR** is obliged to hand over immediately to the **CONTRACTING PARTY** all confidential documentation with which it may have been supplied or to which it may have had access in delivering the **SERVICES CONTRACTED FOR**.

This confidentiality obligation shall take effect from the signing of this Contract and remain binding for (*years*) following its termination.

#### **SIX. ACTS OF GOD AND FORCE MAJEURE**

Neither party shall be responsible to the other for delays in the fulfillment or non-fulfillment of their obligations due to force majeure, including, without limitation, a state of war, revolts, civil unrest, fires, illegal strikes, accidents, electrical failures, acts of governments or civil authorities and acts of God or other causes beyond the control of the **CONTRACTING PARTY** or **THE CONTRACTOR**. Notwithstanding the above, the parties shall make every effort to mitigate the effects of the act of God or force majeure in question.

#### **SEVEN. AMENDMENTS AND ADDENDA TO THE CONTRACT**

For all legal purposes, it is agreed that the text of the present Contract and its annexes, duly signed by both parties, constitutes the entire agreement between the parties, and supersedes any earlier agreements or declarations, written or oral, unless they are incorporated into this Contract by mutual agreement between them during the life thereof, by means of addenda.

#### **EIGHT. EFFECT**

The present contract shall take effect on the day on which it is signed and shall expire on (...), upon delivery of all the **SERVICES** described in **Annex A** (*and in the tender submitted by **THE CONTRACTOR***), to the Institute's entire satisfaction and upon payment in full of all the invoices issued, with neither party having any claim against the other.

#### **NINE. POLICY ON PROHIBITED PRACTICES/ANTI-FRAUD AND ANTI-CORRUPTION**

IICA has instituted mechanisms to prevent, detect, report, and punish fraud and corruption, this being a critical component of its good governance and administration practices. In keeping with its Code of Ethics and values and the applicable law in the countries in which it operates, the Institute has a zero tolerance policy towards prohibited practices, fraud and corruption, which applies to its personnel, as well as to individuals and legal entities with which it has established relationships as part of different activities.

#### **TEN. POLICY FOR THE PREVENTION OF MONEY LAUNDERING AND FINANCING OF TERRORISM.**

IICA has a Policy for the Prevention of Money Laundering and Financing of Terrorism that must be enforced for all individuals or companies conducting activities for or on behalf of the Institute.

#### **ELEVEN. PRIVILEGES AND IMMUNITIES**

Nothing contained in or related to the present Contract shall be deemed a waiver, express or implied, of any of the privileges, immunities, exemptions and facilities that **THE INSTITUTE** and its personnel enjoy under international law, treaties or international agreements, or the national legislation of its Member States.

#### **TWELVE. SETTLEMENT OF DISPUTES**

Any query arising from the application of the present Contract shall be settled through conciliation within (*days*), in which case the agreement drawn up by the parties shall become an addendum to this Contract, should any clause agreed in the Contract be amended.

If the Parties fail to reach agreement, they shall submit themselves unconditionally and irrevocably to the procedure and decision of an Arbitral Tribunal or Conciliation Committee made up of three arbiters, designated as follows: one arbiter appointed and financed by each of the Parties individually, and a third appointed by mutual agreement and financed by the Parties. It is understood that the Arbitral Tribunal may decide all questions of procedure in those cases in which the Parties do not agree on the matter in dispute. The decision of the Arbitral Tribunal shall be final.

All arbitral decisions reached in accordance with the previous paragraph shall be final, without appeal and legally binding on the Parties. The provisions stipulated in this Clause shall replace any other procedure for settling disputes between the parties.

**THIRTEEN. POLICY FOR THE MANAGEMENT OF CONFLICTS OF INTEREST WITHIN THE INSTITUTE**

IICA has a “Policy for the management of conflicts of interest at IICA”, which governs all individuals and companies conducting activities for or on behalf of the Institute, and which is consistent with its Code of Ethics, its values and the applicable law in each of the Member States of the Institute.

**FOURTEEN. PERSONAL DATA PROTECTION POLICY**

IICA has a “Personal Data Protection Policy” that must be enforced for all individuals and companies conducting activities for or on behalf of the Institute, which is consistent with international standards in this regard, with its Code of Ethics, its values and the applicable law in the Member States of the Institute.

Having duly read and understood the content and scope of the present Contract, the two parties ratify and sign duplicate copies in (*city*), on the (*day*) of (*month*) of the year (*year*).

**THE CONTRACTOR**

*(name of person, company or business name)*  
*(Position held with the company)*  
*(identity card number)*

**THE CONTRACTING PARTY**

*(name of authorized staff member)*  
*(Position) (identity card number)*  
INTER-AMERICAN INSTITUTE FOR  
COOPERATION ON AGRICULTURE

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This document is a draft that can be used as a model when drawing up contracts; however, it should be revised and adapted to the current legislation of the country concerned and the specific needs of the IICA Delegation that uses it. The provisions of the Manual for the Procurement of Goods and Services should be observed at all times.

### CONTRACT FOR SPECIFIC WORK

We, (*name of the person, company or business name*), with legal identification number (*number*), represented herein by Mr. (*name of the person appearing as legal representative with legal powers in force on the date of signature of the contract*), in his capacity as (*Position in the company*), (*identification number, profession, marital status and exact residential address*), hereinafter referred to as “**THE CONTRACTOR**”, and the **Inter-American Institute for Cooperation on Agriculture (IICA)**, with legal identification number (*number*), represented herein by Mr. (*name of authorized official*) in its capacity as (*Position/Headquarters or Representative in IICA Office*), (*identification number*), with (*address at*), hereinafter called “**THE INSTITUTE or THE CONTRACTING PARTY**”, hereby agree to enter into this Contract for a Specified Work, in accordance with the following Clauses:

### CLAUSES

**ONE: Nature of the work contracted:** **THE CONTRACTOR** will execute the work \_\_\_\_\_ in accordance with the attached Terms of Reference which are an integral part of the present Contract.

**TWO: Duration:** **THE CONTRACTOR** undertakes to commence his/her services beginning the \_\_\_\_ of \_\_\_\_\_ of 20\_\_\_\_, and to conclude them on the \_\_\_\_ of \_\_\_\_ of 20\_\_\_\_, to the complete satisfaction of **THE INSTITUTE**.

**THREE: Fees and form of payment:** **THE INSTITUTE** undertakes to pay to **THE CONTRACTOR** for the services undertaken herein, the sum of \_\_\_\_\_ (AMOUNT IN WORDS), which will be paid as set out below:

a. **First payment:** \_\_\_\_\_.

b. **Second payment:** \_\_\_\_\_.

**FOUR: Confidentiality:** The parties hereby declare that they will not divulge, unless otherwise required by law, judicial order, or by agreement between the parties: a) any deeds or content of discussions or negotiations between the parties, whether directly or indirectly, orally or in writing regarding the present and/or future deeds and obligations relating to the present Contract; and (b) any secret or confidential information concerning the policies of **THE INSTITUTE** and, generally speaking, any information regarding **THE INSTITUTE** acquired before or after this Contract. Non compliance with the provisions of this Clause shall result in the early termination of this contract, as well as an obligation for payment of damages by the party in breach of the contract.

**FIVE: THE CONTRACTOR** hereby expressly declares that he/she has read in detail and is fully aware of the contents of this Contract, and that he/she is qualified to perform the service contracted. Likewise, he/she also states that due to its nature, this contract in no way, whether directly or indirectly, constitutes a labor relationship and, therefore, expressly releases and exonerates **THE INSTITUTE** from any present or future liability for the execution of the Work and the payment of the social charges and the occupational risk payroll of **THE CONTRACTOR's** personnel, which shall be assumed by **THE CONTRACTOR** on his/her own account and responsibility.

**SIX: Relationship between the parties:** At no time shall this Contract be considered or interpreted as constituting an association, joint venture, partnership, representation or agency or commission relationship between the parties. Both **THE INSTITUTE** and **THE CONTRACTOR** agree that at no time does this Contract grant **THE CONTRACTOR** the right or authority to assume or create any obligation or liability, whether expressly or implied, in the name or on behalf of **THE INSTITUTE**, since the legal relationship existing between them is that of two independent legal entities bound by a Contract, as set forth in this instrument.

**SEVEN: General conditions.** The following conditions apply with respect to coordination of the services contracted between **THE INSTITUTE** and **THE CONTRACTOR**:

- 7.1. **THE INSTITUTE**, through \_\_\_\_\_ (INDICATE NAME OF STAFF MEMBER RESPONSIBLE FOR THE CONTRACT ON BEHALF OF IICA), shall be responsible for coordinating the objectives of this Contract at all times, and shall provide **THE CONTRACTOR** with any written comments it deems pertinent, up to one week prior to the first preliminary draft, so that it conforms to the corresponding program and terms of reference, as well as to any modifications, if any, that may be required.
- 7.2. **THE INSTITUTE** shall consider the work as received, if it has been carried out in accordance with the Terms of Reference and other agreed stipulations.

- 7.3. THE CONTRACTOR** shall be solely responsible for any improper execution of the work and/or activities that are not in accordance with this Contract. Should the Terms of Reference not be executed pursuant to this Contract and/or with the written observations of **THE INSTITUTE**, the latter shall demand their immediate correction or replacement by **THE CONTRACTOR**, who shall not be entitled to any remuneration for improperly executed work.
- 7.4. THE CONTRACTOR** acknowledges and accepts that **THE INSTITUTE** may request, within a term not exceeding fifteen days after delivery of the work, the incorporation of observations and adjustments that it considers necessary, and that **THE CONTRACTOR** shall be obliged to proceed as requested, and within the same time frame, deliver the work adjusted as requested.
- 7.5** Should **THE INSTITUTE** terminate the Contract for causes not attributable to **THE CONTRACTOR**, it shall pay **THE CONTRACTOR** for services rendered or deliverables generated, the corresponding amount up to that date, provided that the services have been performed to **THE INSTITUTE'S** full satisfaction. The following are causes that entitle **THE INSTITUTE** to terminate this contract in advance without incurring any liability on its part:
- When **THE CONTRACTOR** fails to commence the services under the Contract on the date set forth in the present Contract.
  - When **THE CONTRACTOR** fails to comply with the provisions of the present CONTRACT and with its TERMS OF REFERENCE.
  - When **THE CONTRACTOR**, without just cause, fails to comply with the recommendations made in writing by **THE INSTITUTE**.
  - Due to an act of God or force majeure.
  - When **THE CONTRACTOR** fails to submit a legally valid invoice in keeping with the applicable national legislation.
  - If **THE INSTITUTE** deems the execution of the present contract to be contrary to its financial, political or general interests.

**EIGHT: Amendments to the Contract:** For all legal purposes, it is agreed that this instrument and its annexes shall prevail over any other agreement or instruments in the matter. Notwithstanding the foregoing, the Parties agree that any modification to the main instrument may be incorporated herein by means of an addendum.

**NINE: Settlement of Disputes:** Any doubt arising from the application of this Agreement shall be settled by conciliation within 15 days, in which case the written agreement between the Parties shall become an Addendum to this Agreement.

In the absence of any agreement between the Parties, they agree to submit unconditionally and irrevocably to the procedures and decision of a Conciliation Committee comprised of three members. Said Committee shall comprise two arbitrators, one appointed by each of the Parties and a third to be appointed by mutual agreement between the Parties. It is understood that the Conciliation Committee shall decide all questions of procedure in those cases in which the Parties do not agree on the matter in dispute.

Any arbitral award made pursuant to the preceding paragraph shall be final, non-appealable and legally binding on the parties. The provisions set forth in this Clause shall supersede any other procedure for the settlement of disputes between the Parties.

**TEN: Privileges and Immunities:** Nothing in or relating to this Agreement shall be deemed an express or implied waiver of the immunities and privileges, exonerations and facilities enjoyed by the Institute and its international personnel under international law, international treaties or conventions or the national legislation of Member States.

**ELEVEN: Policy for the Prevention of Money Laundering and Financing of Terrorism.** IICA has a Policy for the Prevention of Money Laundering and Financing of Terrorism that must be enforced for all individuals or companies conducting activities for or on behalf of the Institute.

**TWELVE: Policy on Prohibited Practices/Anti-fraud and Anti-corruption.** IICA has instituted mechanisms to prevent, detect, report, and punish fraud and corruption, this being a critical component of its good governance and administration practices. In keeping with its Code of Ethics and values and the applicable law in the countries in which it operates, the Institute has a zero tolerance policy towards prohibited practices, fraud and corruption, which applies to its personnel, as well as to individuals and legal entities with which it has established relationships as part of different activities.

**THIRTEEN. Policy for the Management of Conflicts of Interest at IICA.** The Institute has a Policy for the Management of Conflicts of Interest, which is mandatory for all individuals and companies that carry out activities for or on behalf of the Institute, consistent with its Code of Ethics, its values and the applicable law in the Member States of the Institute.

**FOURTEEN. Personal Data Protection Policy**

IICA has a Personal Data Protection Policy that must be enforced for all individuals and companies who conduct activities for or on behalf of the Institute, consistent with international standards in this regard, with its Code of Ethics, its values and the applicable law in the Member States of the Institute.

The above having been read by both parties and its contents and scope duly understood, they ratify and sign in duplicate in (city), on the (day) of (year).



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**THE CONTRACTOR**

*(name of the person, company or business  
name),  
(Position within company), (identification  
number)*

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**THE INSTITUTE**

*(name of authorized official) (Position  
within Institute), (identification number),*  
INTER-AMERICAN INSTITUTE FOR  
COOPERATION ON AGRICULTURE

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**Annex 15: Payment authorization**



**PAYMENT AUTHORIZATION**

No.

Headquarters or Delegation \_\_\_\_\_

Date: \_\_\_\_\_

Operating Unit: \_\_\_\_\_

Purchase Order #: \_\_\_\_\_

I authorize payment to the supplier : \_\_\_\_\_

in the amount of: \_\_\_\_\_ which corresponds to: \_\_\_\_\_ % of the total amount agreed to or detailed in the contract. This is the:

1st » \_\_\_\_\_ 2nd » \_\_\_\_\_ Payment No. \_\_\_\_\_ » Final payment \_\_\_\_\_

Observations: \_\_\_\_\_

Name of person responsible: _____	Signature: _____
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**Payment Method**

Check or bank transfer:

Local bank: <input type="checkbox"/> Currency <input type="checkbox"/>	Foreign bank: <input type="checkbox"/>
<input type="checkbox"/> USD <input type="checkbox"/>	Currency _____

Authorization extended to IICA Delegation/Country: \_\_\_\_\_

Wire transfer:

Local bank: <input type="checkbox"/> Currency <input type="checkbox"/>	Foreign bank: <input type="checkbox"/>
USD <input type="checkbox"/>	Currency _____

*If the payment method is a wire transfer, please provide the following information so that we may send a note of confirmation:*

Email address: \_\_\_\_\_ Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Contact person: \_\_\_\_\_

**\*If you have not previously provided bank account information, or if the information has been updated or modified, please attach the corresponding information\*.**

Invoice received: \_\_\_\_\_ Invoice #: \_\_\_\_\_

Payment received: \_\_\_\_\_

**Annex 16: Schedule of activities for institutional bidding process**

<b>Institutional bidding process No.: xx/201x (Estimated completion time)</b>						
<b>Name of institutional bidding process:</b> _____						
<b>Relevant field:</b> _____						
<b>Communication/dissemination method:</b> _____						
<b>Schedule of activities for institutional bidding process</b>						
<b>Activity</b>	<b>Description</b>	<b>Start date</b>	<b>End date</b>	<b>Total business days</b>	<b>Person/Unit responsible</b>	<b>Status</b>
<b>1</b>	Drafting of schedule of activities					
<b>2</b>	Drafting of Terms of Reference					
<b>3</b>	Drafting of announcement to be disseminated					
<b>4</b>	Drafting of Call for Tenders					
<b>5</b>	Drafting of evaluation proposal					
<b>6</b>	Approval of documents 1, 2, 3, 4 and 5				Corporate Purchasing Committee or National Purchasing Committee	
<b>7</b>	Publication and dissemination					
<b>8</b>	Effective time for bidders to prepare their proposals					
<b>9</b>	Effective time to respond to queries from bidders					
<b>10</b>	Deadline for submitting bids					
<b>11</b>	Opening of envelopes with bids				Corporate Purchasing Committee or National Purchasing Committee	
<b>12</b>	Effective time to analyze and evaluate bids					
<b>13</b>	Deadline for submitting evaluation results to the members of the Committee					
<b>14</b>	Deadline for awarding the contract					
<b>15</b>	Deadline for communicating results to bidders					

## Annex 17: Announcement and requirements of the Call for Tenders

A general notice or announcement is published in the printed or electronic media inviting bidders to obtain a copy of the Call for Tenders in person from the IICA Delegations, or virtually the Web page of Headquarters or the Delegation concerned. Such announcements should include at least the following information:

- The purpose of the announcement and the serial number and geographic scope of the institutional bidding process.
- IICA's logo and full name.
- The source of the funding to be used to pay for the good or service and the name of the project (in the case of externally funded projects).
- Brief description of the goods or services to be procured.
- Contact information and the physical and electronic addresses from which copies of the Call for Tenders can be obtained.
- Deadline for obtaining a copy of the Call for Tenders (date and time in the respective country).

The Call for Tenders should contain at least the following information:

### a. General conditions:

- i. Serial number of the bidding process, and the month and year (e.g., 01/20XX).
- ii. Objective of the institutional bidding process.
- iii. Statement to the effect that the contracting party is IICA.
- iv. Reference to IICA's international legal status.
- v. Source of the funding to be used for the bidding process and name of project (external resources).
- vi. Geographic scope of the bidding process (national, regional, inter-American, or international).
- vii. Physical or e-mail address to which bids should be sent. Deadline (date and time) for submitting the bids.
- viii. Format for the submission of bids:
  - a. Printed bids should be submitted in three sealed envelopes - one containing the technical bid, another with the financial bid, and a third with the legal documents. All the envelopes should be sealed. The bidder's name (individual or company), the name and number of the bidding process, and the contents of each envelope (technical bid, financial bid, and legal documents) should be written on the outside. In the case of printed bids, the bidder must identify the name of the natural person or legal entity

participating in the bid, full address, available contact information (telephone, e-mail, fax, etc.).

b. Bids in electronic format must be sent from the official e-mail account of the bidding individual or company, attaching documents that clearly identify the technical bid, the financial bid and the legal documents. The Institute shall define one single e-mail address where bids will be received, and must ensure the transparency and confidentiality of the information received.

- ix. Specify the language and currency in which the financial bid should be presented.
- x. The legal, technical and financial requirements that the bidder must meet. State explicitly the information and documentation that bidders must provide (copies, originals, certifications).
- xi. Details of when the bids will be opened (date and time).
- xii. Date on which bidders will be informed of IICA's decision regarding the awarding of the contract.
- xiii. Exclusion of the bidder from the process due to risks related to prohibited practices or for being banned from participating.

**b. Specific conditions:**

- i. Detailed description of the services required, such as specific objectives, methodology, deliverables, delivery times, terms of payment, proposed schedule of activities, and validation criteria. In the case of goods, detailed technical specifications and delivery time, among others. The document should include the Terms of Reference drawn up by the requesting Operating Unit.
- ii. References required from clients who have used or purchased what IICA is seeking, and the number of clients (which the bidder must demonstrate).
- iii. Specify the type of guarantees required by the Institute for the services or goods to be procured.

## Annex 18: Model Call for Tenders

This document is a draft for internal IICA use. It may be used as a model for institutional bidding processes but should be revised and adapted to the legislation of the country concerned, the respective legal instrument if used to procure goods or services paid for with external resources, and the specific characteristics of the IICA Delegation using it. The provisions of the Manual for the Procurement of Goods and Services must always be observed.



### INTER-AMERICAN INSTITUTE FOR COOPERATION ON AGRICULTURE (IICA)

#### INSTITUTIONAL BIDDING PROCESS No. *xx/(year)*

#### “Name of the Institutional Bidding Process”

The Inter-American Institute for Cooperation on Agriculture (IICA), located in \_\_\_\_\_, will receive financial and technical bids, printed and in PDF format [define channel for the receipt of bids], for services or \_\_\_\_\_ in \_\_\_\_\_ (*insert language*), in sealed envelopes, until 16:30 hours on the \_\_\_ day of the month of \_\_\_\_\_ of the year \_\_\_, from companies/individuals interested in participating in \_\_\_\_\_ (*national, regional, etc.*) Institutional Bidding Process No. *xx(year)*- “*Name of the Institutional Bidding Process*,” whose general and specific conditions are set out below.

All queries should be sent by e-mail to [\\_\\_\\_\\_@iica.int](mailto:____@iica.int).

IICA will provide any complementary information, clarifications related to the Call for Tenders, and replies to queries from potential bidders to all interested parties by e-mail.

#### OBJECTIVE OF THE INSTITUTIONAL BIDDING PROCESS

To procure \_\_\_\_\_ from (*national, regional, etc.*) bidders that offer IICA the specialized services and competitive rates it requires (under the \_\_\_\_\_ project, financed with external resources from \_\_\_\_\_).

## I. GENERAL CONDITIONS

1. Interested companies/individuals should send their bids before the aforementioned date and time to IICA's offices in \_\_\_\_\_, addressed as follows:

*Inter-American Institute for Cooperation on Agriculture (IICA)*  
*(Corporate Purchasing Committee or National Purchasing Committee)*  
*Institutional Bidding Process No. xx/(year)*  
*"Name of Institutional Bidding Process"*

Printed copies of the financial and technical bids should be presented in separate, sealed envelopes in \_\_\_\_\_ (*insert language*); and electronic copies in PDF format [define channel for the receipt of bids].

IICA will confirm receipt of the bids as soon as they arrive.

2. Bidders should provide and attach to their bids:

- A certification of their legal status
- A copy of their corporate ID as an artificial person, or identity document (if the bidder is participating as a natural person)
- The number of clients to which they are currently providing their services and at least three written references from clients using a service similar to the one offered to IICA
- Description of types of operation and service
- Recent financial statements (20xx–20xx)
- Certification stating that they are up to date with their social security and other related payments
- In addition to their bid, bidders must submit a sworn statement authenticated by a notary public that indicates that no lawsuits have been filed against the company; otherwise, it should indicate and describe the nature of those legal proceedings.

3. Based on its regulations and procedures, IICA establishes that it has up to \_\_ days to settle the invoices presented under the terms of the contract, which means that bidders should include in their bid a minimum period of \_\_ days for the settlement of invoices, which should not include taxes (*if the Delegation is authorized to apply the tax exemption*). The contractor should submit bills in (*currency*) and the Institute will settle

them in the same currency. Payment will be made via bank transfer, following the presentation of the invoices.

4. The Institute reserves the right to accept any or all of the bids received, or to reject them if they do not meet the requirements described in the Call for Tenders.

5. The presentation and signing of the bids are expressly understood to mean that the bidder has carefully read the requirements, which it expressly accepts without reservations, and that, if the bidder is awarded the Contract, its bid will be an integral part thereof.

6. The opening of the bids submitted will be conducted by the (Corporate Purchasing Committee or National Purchasing Committee), on \_\_, of the month \_\_\_\_ of the year \_\_\_\_\_. The reading will take place at IICA facilities at \_\_\_\_\_ and will be conducted in a forum (with or without) the presence of the bidders. Communication by IICA of the awarding ceremony, will be done no later than the (day) \_\_, of the (month) \_\_\_\_ of (year) \_\_\_\_\_. The successful bidder, as well as the other participants in the institutional bidding, will be informed of the results of the award.

7. Following IICA's communication of the result of this process, the participating bidder will have a maximum period of 7 working days to submit any clarifying consultation or complaint, if he/she considers that the process did not comply with any of the provisions contained in the Terms of Reference or Call for Tenders or for any other reason related to the process itself. The consultation or complaint, duly validated and documented, must be formally sent by means of an e-mail to the same address indicated in the Call for Tenders for the presentation of the bid and by submitting a copy to the following e-mail address: [ec.ce@iica.int](mailto:ec.ce@iica.int), belonging to the Ethics Committee of IICA. The response will be sent to the e-mail address indicated by the interested party within a period not exceeding 7 working days.

8. The Institute, in keeping with its Code of Ethics and its Institutional Policies, has a channel for receiving complaints, which can be accessed via the website [www.iica.int](http://www.iica.int) or at [ec.ce@iica.int](mailto:ec.ce@iica.int). Any complaint related to a violation of the institutional regulatory framework or relating to prohibited practices must be made in writing and through the aforementioned channel. The Institute undertakes to address the report or complaint in accordance with the procedures established in the Policy for the Processing of Reports and the Protection of Whistleblowers and Witnesses, as well as the entire compendium of institutional policies, which are contained in the website [www.iica.int](http://www.iica.int). The whistleblower will be notified in due course of the status of his/her report and the result of the investigation.

9. The (*Corporate Purchasing Committee or National Purchasing Committee*) shall follow the guidelines established in IICA's regulations and procedures to ensure impartiality in its analysis of the bids and decision regarding the awarding of the contract.

10. In its decision, IICA shall call for a Contract of \_\_\_\_ and shall also specify that a thorough review be carried out (*period*) after the Contract has been signed and implemented.

11. Once awarded, IICA may rescind the Contract signed before its expiration date if it is not satisfied with the services received. IICA shall inform the corresponding legal representative \_\_\_\_ days or months in advance.

## II. SPECIFIC CONDITIONS

1. The bid for the provision of services and the financial bid should fulfill all the requirements and characteristics described herein, as they meet the Institute's needs.

2. Detailed description of the good or service required \_\_\_\_\_

3. Expected products and delivery times \_\_\_\_\_

4. The bid should contain a detailed description of the services offered, the resolution of problems, costs, delivery times, and other aspects of interest that reliably demonstrate the competitive advantage of the bidder. IICA may seek confirmation of the information presented in the bid if deemed pertinent.

5. The bid presented should take into account the information described in this Call for Tenders, and contain at least the information listed below (*if very specific conditions, dimensions, brands, etc., are required and if the information duplicates that provided under section 2, this section may be omitted*):

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6. The financial bid should be presented in the following format (*if applicable*):

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7. IICA will evaluate the following aspects of the bids submitted: (*in accordance with the evaluation criteria approved by the National Purchasing Committee or Corporate Purchasing Committee; see subsection 2 (c) of Chapter IV of the present Manual*):

a. Services related to \_\_\_\_\_





- b. Customer and other services\_\_\_\_\_
- c. References of national, regional, multinational, or transnational clients

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## Annex 19: Guarantees

This section describes the basic types of guarantees that may be requested from bidders in institutional bidding processes, based on the characteristics of the procurement process. Headquarters and the Delegations are not limited to the guarantees described below; based on the process that is conducted, they may choose to apply other legal guarantees from the corresponding country, on an as-needed basis.

### **a. Guarantee of participation:**

With this mechanism, the Institute is assured of the participation of the bidder in the bidding process. This guarantee is enforced when the bidder withdraws during any stage of the bidding process.

This guarantee must be returned to participating bidders no later than eight working days after the contract award is notified or the process is declared void.

### **b. Performance bond:**

With this mechanism, the Institute is assured that the bidder will comply with all works, services or goods called for in the contract, until they have been fully complied with and delivered. This guarantee is recommended primarily in cases in which advances of funds have been agreed upon.

If the Institute grants extensions to contractors, via addenda to the contract, to complete the work, service or delivery, these additional periods should also be covered by the performance bond. Once the work or service is completed or the good has been delivered and accepted by the Institute and the period covered by the performance bond has expired, the guarantee shall be returned.

### **c. Guarantees of Proper Use of Advance Payment**

By means of this guarantee, the Institute ensures that the bidder, who has received an advance payment before the signing of the contract, complies with the delivery of the products agreed in the Terms of Reference and accrues this advance payment with the completion of the works, services contracted, or goods to be procured to the full extent of the advance payment. This guarantee is mainly used when advance payments are given upon the signature of a contract.

Once the advance payment for the partial delivery of the work, the service contracted or goods procured by the Institute to its complete satisfaction has been fully accrued, then the guarantee shall be returned.

The way in which the advance payment is to be accrued shall be established in the respective contract and may be in proportion to all the payments agreed upon or to the first payments to be made.

**d. Guarantee against hidden defects:**

This type of guarantee applies to contracts for the construction or remodeling of buildings, and is intended to protect against hidden structural damage that is detected after the work has been completed.

These guarantees include retention of a percentage of the total value of the Contract. Once the work or service is completed and accepted by the Institute, and the period covered by the guarantee has expired, the guarantee shall be returned.

Supporting documentation for a guarantee must be stored in a safe place, under lock and key, and should clearly indicate the staff member responsible for safekeeping of the documents. Ideally, the documents should be stored in a safe.

In the event of non-compliance by the bidder or supplier, the Institute must execute the guarantee during the agreed-upon validity period. Additionally, legal measures must be taken to ensure that the guarantee is executed to the fullest extent to protect the Institute's interests and resources.

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## Annex 20: General prohibitions

### 1. Prohibitions applicable to suppliers:

The following are prohibited from being institutional suppliers:

- a. a current staff member of the Institute;
- b. any person who has held the post of Director General or Deputy Director General and does not have the express authorization of the current Director General;
- c. any current delegate, diplomatic representative or other employee of the government of a Member State;
- d. any first-degree relative<sup>10</sup> of a current staff member of the Institute;
- e. any person or firm that has served as a supplier for the Institute and has failed to comply with a contract for the procurement of goods or services, or has done so unsatisfactorily;
- f. any person, corporation, partnership, association or other business entity which, under the laws of the Member State where the contract is to be performed, is not authorized to provide the goods and/or the services referred to in the Contract; and
- g. a former staff member of the Institute who has signed an agreement with the Institute that is currently in force and stipulates that the former staff member is ineligible to enter into any form of contract for remuneration with the Institute.

### 2. Prohibitions for staff members involved in the procurement of goods and services:

- a. Staff members involved in the procurement of goods and services must adhere to and respect the Institute's Code of Ethics, Institute rules and regulations and binding institutional Policies, available on the intranet of IICA.
- b. Under no circumstances shall staff members involved in procurement processes accept from suppliers of the Institute, directly or indirectly, commissions, privileges, gifts, gratuities, loans or favors that may be associated with decisions to purchase goods or contract for services.
- c. The preceding paragraph notwithstanding, no staff member who owns or has any title, right, stock, share, interest, or other proprietary right in a firm, enterprise, or any other business entity that furnishes the Institute with

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<sup>10</sup>“First-degree relative” refers to the staff member’s parents, children and brothers/sisters, as well as his/her spouse.

supplies, goods and services through procurement contracts, shall participate in any capacity in requisitioning, negotiating, awarding the Institute's procurement Contract(s) for goods or services involving said firm, enterprise, or business entity.

- d. However, any staff member who would normally be involved in the procurement process and who owns an equity interest (e.g., stock) or other proprietary right in a company which is under consideration for a contract with the Institute, or which supplies goods or services to the Institute, shall declare that interest at the beginning of the procurement process. After appropriate legal consultation, the decision will be made as to whether the staff member should be excluded from any involvement in the matter.

## Glossary

**Addendum:** any text added to a written document, which includes annotations that will be added to the document once it is completed, and which seeks to provide clarifications, complete the document, or, otherwise, rectify any matter addressed in the document.

**Administrative Area:** organizational structure at the IICA Delegations in the Member States, which carries out duties related to administrative management. Duties carried out by the Administrative Area and described in the present Manual are those conducted by on-site personnel who are not interns, consultants or trainees, and who are financed with internal resources.

**Bidder:** company or person that offers goods or services for contracting.

**Budgetary resource:** resource allocated as a precaution or as a result of future planning of financial activities that an organization will carry out to obtain its programmed results.

**Call for Tenders:** document detailing the specifications, conditions and requirements for participating in a bidding process. It is also defined as the specific regulatory document for each negotiation, and, as such, it must be clear and objective, and offer ample opportunities for participation in the bidding process. The Call for Tenders should be drafted using clear language and should detail the technical or quality-related characteristics or specifications of the goods or services required, in order to fulfill its objective and enable the contracting administrative unit to reach the greatest number of bidders. The document should also state the rules that regulate the bidding process.

**Competitive method:** a procedure by means of which different alternatives for the procurement of goods or services are compared, to identify the option that is most favorable to the organization.

**Consultancy:** service provided by an individual or legal entity that conducts specialized or technical activities or studies and generates specific products within a set timeframe, based on the agreed-upon Terms of Reference; consultants do not have an employment relationship with the Institute.

**Contract:** a written agreement signed between two or more capable persons or companies (Contract parties) establishing obligations to be fulfilled with respect to a specific purpose or thing, and for which compliance is reciprocal.

**Contracting party:** the party that contracts and enters into an agreement with a contractor, and who drafts, stipulates and adjusts the corresponding Contract.

**Contractor:** person or company that is contracted by another organization.

**Cost center:** the organizational unit at the Institution that represents a clearly demarcated location where costs financed with internal resources are produced.

**Counterpart:** the other party that participates in a Contract, agreement, project or legal instrument.

**External resource:** resources allocated for specific purposes and received by means of a Contract, agreement or project negotiated with a counterpart.

**Financial resource:** cash and series of financial assets that have a certain degree of liquidity in an organization.

**Fixed asset:** movable and immovable property whose useful life exceeds one year, is not intended for sale as part of the normal activities of the Institute, and is acquired with the intention of using it on a permanent basis in carrying out the activities of the Institute.

**Fund:** classification of funding sources and their purpose.

**Good:** any physical or tangible object such as equipment, tools, furniture, computers, calculators, office supplies, vehicles, etc.

**Guarantee:** a financial and legal operation that seeks to provide greater assurance that an obligation or payment of a debt will be fulfilled.

**Institutional bidding process:** administrative procedure utilized by the Institute to request work, services or goods, in accordance with internal rules and procedures. The bidding process is the usual procedure used to contract companies or persons, and must therefore be as transparent as possible.

**Institutional or internal resource:** source of funding from Member State quotas, miscellaneous income, indirect cost recovery (ICR) and self-financing resources.

**Intern / Trainee:** person who carries out a professional internship in an organization for little or no pay.

**Legal instrument:** document serving as an agreement, contract, letter of understanding or letter of intent, used by IICA to formalize external obligations that imply relations with governments, or national or international organizations, or institutions that contribute economic resources, staff time or infrastructure.

**Member State:** member country of the Organization of American States that forms part of the Inter-American Board of Agriculture.

**Minutes:** written document that states what happened, the topics that were addressed, and the agreements that were reached at a meeting.

**Object of expenditure:** budgetary structure that allows for recording budgetary execution based on its purpose or objective.

**Operating Unit:** a unit that forms part of the Institute's formal organizational structure, whether at Headquarters or at the IICA Delegations in the Member States, which is responsible for presenting requests to purchase goods and contract for services and for approving them, based on the availability of funds and the needs identified in their Annual Action Plans approved by the Director General.

**Organizational structure:** the framework within which the organization conducts its work, used as a basis to divide, group, coordinate and manage tasks, with the aim of achieving set objectives.

**Petty Cash:** a fund established in the Operating Units responsible for procurement processes, to facilitate and speed up the payment of local purchases for small amounts, that do not correspond to the Institute's normal activities.

**Procurement request/Request for Goods and Services:** institutional document that details an Operating Unit's procurement needs.

**Project executing unit:** operating unit created temporarily to support the technical and administrative management of a project.

**Purchase Order:** institutional document in which the Institute expresses its commitment to contract a company or person for the procurement of goods or services. The document must be clear and must incorporate the information corresponding to the procurement process

**Quotation:** document that states the cost of products or services.

**Services:** a series of activities that seek to address the needs of IICA or its projects. Services include a wide range of activities carried out by State employees (public services) or for companies/individuals (private services). The most common types are specialized services (technical cooperation, consultancies, auditing, legal advisory services or work-related counseling, and general services in specialized areas); technical services (maintenance, technical support, translation); general services (cleaning and safety) and other services which, based on the Institute's strategic objectives and challenges, are necessary to enable the Institute to adequately perform its activities.

**Source of funding:** institutional or external resources with which the Institute works.

**Supplier:** individual or legal entity that provides goods or services to others.

**Project:** a plan that involves a series of interrelated and coordinated activities. A project must accomplish specific objectives within the limits established by the corresponding budget, previously-established characteristics, and a set time frame.



**Terms of Reference:** document that includes the technical specifications, objectives and structure for carrying out a specific study, activity, project, etc. It describes the location where the study or work will be conducted, the general and specific objectives, and the timeframe for executing the tasks, expected results and reports, among other things.

**WBS element:** the organizational unit at the Institution that represents a clearly demarcated location where costs financed with external resources are produced, for cases in which a cost center is not used, as determined by the organization.