



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 relating to the management of the procurement process for goods and services at Headquarters and at the IICA Delegations in the Member States, thus facilitating compliance with policies 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,
- competitiveness,
- sustainability, and
- accountability.

2. Specific objectives

- a. To expedite the procurement of goods and services, by means of an efficient and safe procedure 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.

- b. To achieve greater efficiency in the use 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 contribute to sustainable development by means of institutional provisions and procedures for the procurement of goods and services.

General Provisions

The present Manual will adhere to the following general provisions:

- a. Institutional procurement of goods and services at Headquarters or at the IICA Delegations in the Member States must be conducted in keeping with the provisions of the present Manual. However, in the case of externally-funded projects, for which agreements are reached under specific procurement guidelines that are different from those established by the Institute, the rules and regulations of the present Manual shall prevail, complemented by the agreements detailed in the corresponding Legal Instrument or the specific provisions of the funding source, as stated in the Instrument.
- 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. 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."¹ Sustainable procurement

¹ 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>

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.

- e. The Institute is committed to preventing, detecting, investigating, denouncing, correcting and sanctioning all acts of fraud committed against the institution. Therefore, the Institute has a no-tolerance policy toward fraud; any act of fraud will be denounced and investigated as applicable. The Anti-fraud 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.
- f. All Institute staff must comply with the guidelines detailed in this Manual; otherwise, the Institute will have the legal authority to apply the disciplinary measures established in Institute rules, pursuant to the provisions of the Staff Rules, institutional Code of Ethics, and IICA Anti-fraud Policy.
- g. Management of the procurement of goods and services is the exclusive responsibility of the Services and Administrative Support 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 services to another staff member, or compromise institutional or external resources, unless required to do so as part of their position.
- h. 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 projects they execute, in order to provide their staff with a complementary and more detailed tool. However, they cannot be contrary to the guidelines of the present Manual, which is based on the provisions detailed in the Institute's rules.
- i. 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"> • Purchase from petty cash (<i>this excludes goods or services directly related to the provision of Technical Cooperation services</i>) • Direct procurement (<i>with a written quotation</i>) 	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 form entitled “Petty Cash Report” (see **Annex 1**) must be completed to receive the corresponding cash reimbursement. The form should include:

- 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 and Services or the Procurement Request, as well as the invoice, of any good or service obtained must be attached to the form, with a stamp that reads “Paid by Petty Cash on (date).”

b. Direct procurement:

When procuring goods or services in an amount 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, as long as they do not correspond to an institutional technical cooperation activity (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.

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 and documented in writing.

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 Services and Administrative Support 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. 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.

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 Services and Administrative Support Division at Headquarters and the corresponding Administrative Area at the IICA Delegations in the Member States must document the process of identifying, analyzing, evaluating, and selecting qualified suppliers to address recurring needs. In the first two months of every year, Headquarters and each Delegation must submit a report to the Corporate Purchasing Committee and to the National Purchasing Committee, respectively, describing 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. Contracting of professional consultancy services:

The method utilized for contracting professional consultancy services is regulated by the present Manual and described in Chapter I. However, the conceptual framework, regulatory provisions, and operational procedures for contracting national and international professional consultancy services are established in current Institute rules on this topic.

IICA may contract professional consultancy services from individuals as well as legal entities, such as companies, firms, universities and institutions, among others.

Contracting of professional consultancy services must always be conducted and formalized by means of a Contract that includes an Annex with the corresponding Terms of Reference, which form an integral part of the Contract. The Terms of Reference should explicitly state, among other things, the payment of fees agreed upon. Payment of fees should, in all cases, respond to the completion of a project phase or the delivery of expected products, in accordance with the technical requirements and periods that were agreed upon, all of which must be detailed in the general conditions of the Contract.

Services may not be rendered and no payments may be made unless the responsible staff member at the Institute has provided approval and his or her signature. A contract signed by the contracted individual or legal entity will not generate any responsibility for the Institute unless IICA has authorized and signed the contract, pursuant to institutional rules and procedures.

At Headquarters, the process of identifying, selecting and preparing contracts for individual consultants is the exclusive responsibility of the Human Talent Management Division.

Contracting of consultants may be carried out using the Qualified Supplier resource, described in section 4.a.

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 Services and Administrative Support 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 Deputy Director General, 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 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 Deputy 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.
- 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 Services and Administrative Support 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 using the same resources.

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. For each meeting to be valid, at least half, plus one, of the regular members of the corresponding Committee must be present.
- d. The agreements reached at each meeting shall be approved by a simple majority of the regular members.
- e. 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 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.

- f. Pursuant to the provisions of point 11 of Chapter III of the present Manual, safekeeping of the Meeting Minutes of the Corporate Purchasing Committee and the Meeting Minutes of the National Purchasing Committee will be the responsibility of the Services and Administrative Support Division and the Administrative Area of the corresponding IICA Delegation, respectively. Furthermore, copies of the Minutes should be forwarded in a timely manner to the Institute's Internal Audit Unit.

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 regarding the procurement of goods and services in general, and, in the case of institutional bidding processes financed with IICA funds (quota, miscellaneous, recovery of proportional indirect costs (RePIC) 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 General, or the person to whom he delegates this responsibility, who chairs the Committee,

- Head of the Services and Administrative Support Division, responsible for the Secretariat of the Committee,
- Director of the Financial Management Division,
- Director of Management and Regional Integration,
- Director of Programming, Budgeting and Control, and
- Coordinator of the Legal Unit.

The Internal Audit Unit also participates in the meetings of the Committee and has the right to vote, to ensure compliance with Institute rules and procedures.

- 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.
- 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 state the reasons for which the members were unable to participate.

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:

- 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 and accountability.
- 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 for approval.
 - Declare the process void if no supplier fulfills the requirements listed 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 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 for approval.
- vi. To analyze and approve, where appropriate, a proposed guide on complementary procedures for managing the procurement of goods and services geared toward the execution of external resources, presented by the IICA Delegations in the Member States or by Headquarters. To this end, it must issue an opinion and recommendation, as well as the final approval, in compliance with the guidelines of the present Manual.

- vii. 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.
- viii. 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.
- ix. 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. 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 participation of the two members is not possible due to 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 state the reasons why the members were unable to participate.

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, objectivity, equity 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.
- iv. To prepare the Minutes for each of the Committee meetings, based on the parameters established in section e. of “General considerations.”
- x. 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.
- v. 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 the Committee or by the Director General, if applicable.
- vi. To forward to the Corporate Purchasing Committee, 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.

- vii. Via the IICA Representative in the corresponding Member State, the Secretariat of the National Purchasing Committee must inform the Corporate Purchasing Committee of its members, providing their names and job titles. Additionally, they must promptly notify the Committee of any changes in that regard.
- viii. Via the IICA Representative, the Secretariat of the National Purchasing Committee may request authorization from the Corporate Purchasing Committee to set up an Expanded National Purchasing Committee, if the topics being addressed by the National Purchasing Committee extend beyond the duties assigned to the committee, or if the topics represent institutional commitments of great importance. This Expanded Committee will comprise the members of the National Purchasing Committee described in section 3.b.i under “Membership,” as well as the members of the Corporate Purchasing Committee. If necessary, the President of the Corporate Purchasing Committee may incorporate additional members who are not permanent members of the Committee to participate with the right to speak, but not to vote, so that they may contribute knowledge or experiences to discussions regarding a specific topic.
- ix. 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 3, 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 Services and Administrative Support 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 job description. The responsibilities of requesting, approving, and procuring goods or services cannot be delegated to a single staff member.

Annex 4 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, 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.

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 5**.

3. Requesting quotations:

Written quotations must include the supplier's logo and basic information, such as the legal name, corporate identification number, telephone number, email 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.).

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 table 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 6, 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 4**. 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 5**. 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 5** 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 its adequate operation.

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.

Annex 7 presents a basic template for Contracts; 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.

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 Services and Administrative Support 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 regulations of the Member States with respect to the required letterhead, approval, etc.

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 8**.

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.
- o 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 is 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, 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 he 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, among others.

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 email address.

Additionally, they may conduct periodic calls to invite suppliers to form part of the databases. These calls may be conducted via email or through printed materials; however, the process conducted must be documented and the Corporate Purchasing Committee at Headquarters and the National Purchasing Committees at the Delegations must be informed.

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 Services and Administrative Support 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 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 be categorized by type of process and include the activities in chronological order. To this end, we recommend including the following:

- 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,
- Award letter, communication with bidders and copy of Contract signed by the selected bidder and IICA.

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 guarantee bidders equality of opportunity. Issuing calls for tenders enables IICA to identify the best supplier and secure reasonable prices and top quality by means of a process that is safe and 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 Services and Administrative Support 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. Qualified suppliers may be considered for recurring needs, without limiting the process to only them. 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 Services and Administrative Support 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 Services and Administrative Support 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 9**.
 - 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 Services and Administrative Support 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.
- f. The technical and financial bids are evaluated.
- g. Based on the results of the evaluation carried out, the Corporate Purchasing Committee makes a recommendation to the Director General, or the National Purchasing Committee makes a recommendation to the IICA Representative in the respective Member State, regarding the bidder to which the contract should be awarded. The aforementioned two 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 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.

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, 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.

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

Annex 10 details the information that should be included in the advertisement or announcement for an institutional bidding process.

Annex 11 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 12**, 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. The contents of bids:

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. 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, 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.

7. Receipt of bids:

Bids prepared in response to calls for tenders shall be submitted to either the Services and Administrative Support Division (in the case of Headquarters) or the Administrative Area (in the case of IICA Delegations in the Member States), only within the period established in the call. All bids should be logged, including details of the date and time they were received, the name of the person who presented and delivered the bid with their respective identification, and the name of the IICA staff member 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. All bids received late (after the specified date and time) shall be rejected by the Services and Administrative Support Division or the respective Administrative Area, and the envelopes returned to the bidders unopened. The bids shall not be considered, and that fact 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.

It is up to the respective Committee to decide whether to open the envelopes 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.

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.

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 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 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 Services and Administrative Support 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.

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:
 - a. At Headquarters, responsibility for procurement processes is delegated to the Services and Administrative Support Division.
 - b. In IICA Delegations in the Member States, responsibility for procurement processes is delegated to the Administrative Area.
 - c. At Headquarters, contracts shall be signed by the Director General or by whomever he delegates in writing.
 - d. 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:
 - a. Emergencies, such as disaster aid, repairs, and other actions that are urgently needed to protect lives or property; or,
 - b. 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 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 by the Director General, through the responsible advisory bodies (the Corporate Purchasing Committee or the respective National Purchasing Committee).

3. Any exception to the present Manual shall be authorized in writing by the Director General.
4. Any amendments to the present Manual shall be channeled through the Corporate Purchasing Committee, which shall be responsible for submitting them to the Director General for validation, approval and publication.
5. Members of staff involved in procurement processes shall observe the Institutional Code of Ethics, the Antifraud Policy, and the principles set out in **Annex 13** 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.

Annexes

Annex 1: Petty cash report



PETTY CASH REPORT

Member of staff responsible: *(full name of person in charge of the petty cash)*

Date: *(of report)*

Operating Unit: *(Delegation or Services Division at Headquarters)*

Date	Receipt No.	Details	Charged to a/c no.	Amount
			Total disbursements	
			Cash in Petty Cash	
			Total – Funds in Petty Cash	

Reimbursed by means of check or bank transfer
N° _____

DISTRIBUTION

ACCOUNT	LOCAL CURRENCY	EQUIVALENT IN USD	ACCOUNT	LOCAL CURRENCY	EQUIVALENT IN USD

_____ Done by
 _____ Revised by
 _____ Approved by

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

The Services and Administrative Support 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 Services and Administrative Support Division at Headquarters 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).

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. 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:

Criterion	Factor weight	Factor evaluation	Total Score
Quality			
Availability of good or service			
Prior experience or commercial references			
Price			
Post-sale service			
Technical advice			
Support and guarantee			
Added values			
Sustainability of prices or increases			
Processing of claims or adjustments			
Other			
Other			
Weighted Evaluation			

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.

- d. **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 Services and Administrative Support 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: 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.
- e. Channel and obtain the approvals required for the good or service to be procured.

The authorized members of staff at Headquarters (the Services and Administrative Support Division for goods and services, and the Division of Human Talent Management for the hiring of freelance consultants), and in the IICA Delegations in the Member States (the Administrative Area) and the staff of the organizational structures of externally funded projects (designated in writing) are the only people who 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 Services and Administrative Support Division shall report any failure to comply with this rule to the Director General or whomever he 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 Division of Human Talent Management.

Annex 4: 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. 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.
- f. 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.
- g. Prepare the Purchase Order as quickly as possible and send a printed copy of the document to the supplier via a verifiable medium.
- h. 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.
- i. 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.
- j. Ensure the safekeeping of supporting documents related to procurement processes, as described in section 11 of Chapter III of the present Manual.

Annex 5: 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, email 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 emails, 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 6: 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: _____
 Name and signature
 Date: _____

Approved _____
 Name and signature of staff member in charge of Procurement Unit
 Date: _____

Annex 7: 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. ANTI-FRAUD AND ANTI-CORRUPTION POLICY

THE INSTITUTE has mechanisms for the prevention, detection, reporting, denunciation, and sanctioning of fraud and corruption as an integral part of its good governance and administrative practices. Consistent with its code of ethics and values, and the laws in force in the countries in which it operates, **THE INSTITUTE** maintains a policy of zero tolerance with regard to fraud and corruption. This policy applies both to the Institute's personnel and to the natural and artificial persons with which it comes into contact in different activities.

TEN: 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.

ELEVEN. 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.

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 official)
(Position) (identity card number)
INTER-AMERICAN INSTITUTE FOR
COOPERATION ON AGRICULTURE

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

We (*full 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 CONSULTANT**” 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 held at Headquarters or in IICA Delegation*), (*identity card number*), who resides in (*place of residence*), hereinafter referred to as “**THE INSTITUTE**,” hereby agree to the following:

CONSIDERING

- (*If the signing of the Contract is a procurement requirement of an externally funded legal instrument, the name of the legal instrument should be quoted exactly*).
- That the present Consultancy Contract is being entered into in order to procure the professional consultancy services described in the attached Terms of Reference that are an integral part of said Contract.
- That this Contract complies with the provisions of Article 13 of the Rules of Procedure of the General Directorate of **THE INSTITUTE**, and Executive Order 17/2005 “Procurement of Professional Consultancy services Involving Natural Persons” (*in the case of external resources, add the name of the Legal Instrument*).
- That **THE INSTITUTE** 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.”
- That, in implementing its direct technical cooperation, the **INSTITUTE** focuses its actions on four strategic objectives: the improvement of the productivity and competitiveness of the agriculture sector; the strengthening of agriculture’s contribution to the development of territories and rural well-being; the improvement of agriculture’s capacity to mitigate and adapt to climate change and make better use of natural resources; and the improvement of agriculture’s contribution to food security.

- That **THE CONSULTANT** is *(describe legal status)*.
- That **THE CONSULTANT** is *(describe area of expertise)*.
- That in the **INSTITUTE'S** Medium-term Plan (MTP) for the period 2014-2018 it is established that *(link it to the thematic area concerned)*.

THE CONSULTANT:

- That he/she has provided the **INSTITUTE** with accurate information regarding the proposal (quotation or financial bid) and his/her legal status *(natural or artificial person)*, qualifications and professional background.
- That he/she is fully cognizant of and accepts the Terms of Reference for the services he/she is to provide under the present Contract, and declares himself/herself to be qualified to perform the consultancy services with the high standards of professionalism, thoroughness and efficiency required.
- That no impediments exist, especially of a legal nature, that would preclude him/her from providing the consultancy services, such as employment or consulting contracts with other public or private institutions or a conflict of interest.
- That, in his/her capacity as a Consultant, he/she recognizes and accepts that he/she is not a member of the staff of the **INSTITUTE**. Therefore, his/her duties and rights, as well as the terms of reference for the Consultancy to be carried out, shall be those stated in the present Consultancy Contract.

THEREFORE, THE PARTIES HEREBY AGREE AS FOLLOWS:

ONE: THE CONSULTANT agrees to provide consultancy services whose products, implementation periods, places to be rendered, remuneration and other specific characteristics are detailed in the Terms of Reference attached hereto.

TWO: THE INSTITUTE shall pay **THE CONSULTANT** the total sum of *(specify amount in letters and numbers)*, payable according to the progress made with the Schedule of Activities established in the Terms of Reference, which are an integral part of this Consultancy Contract.

THREE: THE CONSULTANT agrees to begin providing his/her services on *(insert date)* and to complete them in full on *(insert date)*. For all intents and purposes, the latter shall be considered the concluding date of the Consultancy.

FOUR: The Institute shall not enter into an employer/employee relationship with any personnel that **THE CONSULTANT** may subcontract to perform the consultancy services, should such action be required (there may be exceptional cases in which subcontracting is permitted, which should be specified).

FIVE: THE CONSULTANT states that he/she is in compliance with the social security and tax laws of *(insert name of country where the consultancy will be carried out)*.

SIX: It is the responsibility of **THE CONSULTANT** to have adequate insurance coverage. **THE INSTITUTE** shall not be responsible if, in the case of illness or accident, **THE CONSULTANT** does not have such coverage. *(In certain cases, **THE CONSULTANT** may purchase insurance through the Institute).*

SEVEN: The Contract may be rescinded before its expiration date by giving (30) days written notice. In such a case, **THE CONSULTANT** shall deliver, subject to their acceptance by the **INSTITUTE**, the deliverables completed up to that point and shall receive only the sum to which he/she is entitled corresponding to the stage that has been completed, in accordance with the Terms of Reference of the consultancy.

EIGHT: The general conditions governing this Contract with regard to the coordination of services, the receipt and ownership of the deliverables, products, and rights deriving from the services contracted for, the relationship between **THE INSTITUTE**, and **THE CONSULTANT**, and early rescission and amendment of this Contract, are stipulated below:

8.1 THE INSTITUTE, through *(insert name(s) of personnel who will be responsible for monitoring the technical aspects of the consultancy)*, shall be responsible for coordinating, at all times, the activities, services and/or products covered by the present Contract, and for providing **THE CONSULTANT** with any written instructions regarding their implementation he/she may need to comply with the corresponding Terms of Reference, as well any amendments made thereto.

8.2 THE INSTITUTE, shall regard as received all products or services deriving from this Contract if they have been generated/performed in accordance with the Terms of Reference and other stipulations agreed upon therein.

8.3 THE CONSULTANT agrees that he/she shall not disseminate by means of publications, reports, conferences or in any form, data and results derived from the services covered by this Contract without express written authorization from **THE INSTITUTE**, inasmuch as the data and results are the property of the latter.

8.4 THE CONSULTANT alone shall be responsible for the implementation of the consultancy and the contracted activities if they are not rendered in accordance with this Contract. If the Terms of Reference have not been executed in accordance with this Contract and/or written instructions from **THE INSTITUTE**, **THE CONSULTANT** shall be instructed to correct or redo the work immediately and shall not be entitled to any remuneration for poorly performed work.

8.5 THE CONSULTANT shall not transfer all or part of this Contract to a third party without prior written consent from the **INSTITUTE**.

8.6 If **THE INSTITUTE** denounces the Consultancy Contract for causes not imputable to **THE CONSULTANT**, it shall pay **THE CONSULTANT** for services rendered or deliverables generated the sum owed to him/her for the services provided up to that point and received to **THE INSTITUTE'S** satisfaction.

8.7 Any dispute, controversy or claim arising out of or related to this Contract, or the breach, rescission or invalidity thereof, shall be settled amicably by the Parties within a period of 30 working days. If no agreement is reached, the Parties shall submit themselves unconditionally and irrevocably to the procedure and decision of an Arbitral Tribunal made up of three arbiters *(the number is flexible)*, designated as follows: one appointed

and financed by each of the Parties individually, and a third appointed by mutual agreement and financed by the two Parties equally, along with the Tribunal's operating costs. It is understood that the Arbitral Tribunal shall meet at the Headquarters of **THE INSTITUTE** or in the Delegation of **THE INSTITUTE** in the Member State where the Contract was signed. The 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, without appeal and legally binding on the parties.

NINE: 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.

TEN: 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 the Parties during the life thereof, by means of addenda.

ELEVEN: Anti-fraud and anti-corruption policy. **THE CONSULTANT** declares that he/she knows that **THE INSTITUTE** has mechanisms for the prevention, detection, reporting, denunciation, and sanctioning of fraud and corruption as an integral part of its good governance and administrative practices. Consistent with its code of ethics and values, and the laws in force in the countries in which it operates, **THE INSTITUTE** maintains a policy of zero tolerance with regard to fraud and corruption. This policy applies both to **THE INSTITUTE'S** personnel and to the natural and artificial persons with which it comes into contact in different activities.

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

THE CONSULTANT

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

THE INSTITUTE

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

TERMS OF REFERENCE

Consultant:

Objective of the consultancy:

Expected products:

- 1.
- 2.
- 3.

Schedule of Work:

Activities	Period (Month/week 1)	Period (Month/week 2)	Period (Month/week 3)	Period (Month/week 4x)

Itinerary (optional condition and depends on the consultancy):

The tickets and travel expenses agreed shall be paid for by **THE INSTITUTE** in addition to the consultant’s fees (the payment of a per diem allowance should be specified, where appropriate).

Method of Payment:

First payment: upon delivery to and approval by the **INSTITUTE** of the expected product(s) _____ to IICA’s entire satisfaction and against the presentation of the respective invoice, _____% of the total fees, equivalent (numbers and letters), payable in (currency or exchange rate in effect at the time of the payment).

Intermediate payment(s): upon delivery to and approval by the **INSTITUTE** of the expected product(s) _____ to IICA’s entire satisfaction and against the presentation of the respective invoice, _____% of the total fees, equivalent (numbers and letters), payable in (currency or exchange rate in effect at the time of the payment).

Final Payment: upon delivery to and approval by the **INSTITUTE** of the expected product(s) _____ to IICA’s entire satisfaction and against the presentation of the respective invoice, _____% of the total fees, equivalent (numbers and letters), payable in (currency or exchange rate in effect at the time of the payment).

THE CONSULTANT

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

THE INSTITUTE

(name of authorized official)
(Position), (identity card number)
INTER-AMERICAN INSTITUTE FOR
COOPERATION ON AGRICULTURE

Annex 8: 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:
-----------------------------	------------

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 9: Schedule of activities for institutional bidding process:

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

Annex 10: Announcement and requirements of the Call for Tenders:

In some cases, a general notice or announcement is published in the printed or electronic media inviting suppliers to obtain a printed copy of the Call for Tenders from the IICA Delegation in the respective country, or to download a digital copy from 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., 01/2016).
- 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 address to which printed bids should be sent and the email address to which an electronic copy should be forwarded.
- viii. Deadline (date and time) for submitting a printed bid and electronic copy in the country concerned.
- ix. 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.
- x. Each envelope should also contain the bidder's details: name (individual or company), business name, full address, and contact information (phone and fax numbers, email address, etc.).
- xi. Specify the number of copies of the printed and electronic bids required, the language and currency in which they should be presented.

- xii. The legal, technical and financial requirements that the bidder must meet. State explicitly the information and documentation that bidders must provide (copies, originals, certifications).
- xiii. Details of when the bids will be opened (date and time).
- xiv. Date on which bidders will be informed of IICA's decision regarding the awarding of the contract.
- xv. Stipulate who is prohibited from participating in the bidding process.

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 11: 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 electronic (PDF) format, 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 email to ____@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 email.

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.

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

2. Bidders should provide and attach to their bids in a separate, sealed envelope:
- 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 offer, bidders must submit a notarized sworn statement 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 is 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 (*Corporate Purchasing Committee or National Purchasing Committee*) will open the bids on the ___ day of the month _____ of the year _____. The bids will be opened at IICA's offices in _____ in the presence of a group (*including/not including*) the bidders. IICA will inform bidders of its decision regarding the awarding of the contract by the ___ day of the month _____ of the year_____.
7. The (*Corporate Purchasing Committee or National Purchasing Committee*) will 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.
8. In its decision, IICA will call for a Contract of _____ and will also specify that a thorough review be carried out (*period*) after the Contract has been signed and implemented.
9. 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*):
 6. The financial bid should be presented in the following format (*if applicable*):
-

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

-----Last line-----

Annex 12: 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 is let.

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. 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.

Annex 13: 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 relative² 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, Anti-fraud Policy and Institute rules and regulations.
- 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 supplies, goods and services through procurement contracts, shall participate

² "First-degree relative" refers to the staff member's parents, children and brothers/sisters, as well as his/her spouse.

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, recovery of proportional indirect costs (RePIC) 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.