



ISO Procurement Policy and Procedures

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1. Purpose and Scope

The purpose of the ISO Procurement Policy and Procedures (Procurement Policy) is to structure ISO's purchasing processes and sourcing strategies to ensure that the services and goods we acquire are the result of transparent, objective, time and cost-effective decision making and risk management. This Policy is rooted in ISO's and ISO Members' commitment to continuous and performance-driven improvement and bench-marking.

This Procurement Policy applies to all ISO staff, managers, directors, and officers as well as any agent(s) for ISO seeking to acquire, acquiring and/or managing ongoing contractual relationships for the provision of services and/or goods to or on behalf of ISO. It is not a box-ticking exercise, but rather implies careful consideration at all stages of the procurement process, including before and after. Adhering to this Policy is mandatory; violations may result in disciplinary action.

This Policy may be shared with potential suppliers, donors, and external partners, and incorporated into any resulting contractual relationship.

2. Definitions

The below are definitions of terms used throughout this Policy. When in doubt, speak to your manager, the Procurement Manager, Financial Services or Legal Services.

2.1 Bid, proposal or tender: is the offer from a possible vendor or consultant responding to an invitation from ISO for that offer.

2.2 Procurement Manager: is the ISO staff person(s) dedicated to handling ISO procurement issues, developing templates, and answering any questions relative to this Policy.

2.3 Procurement Process: is the acquisition process (purchasing) of goods and/or services. ISO's procurement process is meant to ensure that ISO's needs are met for the best possible cost in terms of quality, time, and other relevant factors to support ISO's business operations.

2.4 Request for Proposal (RFP) or Request for Interest (RFI): is an invitation from ISO defining a need, outlining certain project perimeters and criteria by which ISO will select a winning bid (in this case, a proposal that discretely sets out what service and good will provided, for how much, when and how, etc.)

3. Overview of Procurement Process and Confidentiality

This Procurement Policy applies to all acquisitions of goods/services at ISO. All purchases (and perhaps even most) will not need to go through a formal tender process, but will remain subject to this Procurement Policy. To see when a tender process is needed and how it should look like, see the below tender limits at Section 6. Procurement Process (Expenditure Limits).

Adhering to this Policy will be the responsibility of the relevant business unit seeking to acquire the goods/services, and as required or requested, in consultation with the Procurement Manager or Financial Services.

While this Policy may be shared with potential bidders and donors, several aspects of the procurement process are confidential. Offers or tenders received from applicants are strictly confidential to ISO and should not be shared with potential or actual applicants in order to ensure fair and unbiased competition. The results of any offer or tender may be shared directly with the applicant only, including a summary as to why it was not selected.

Record-keeping will be of utmost importance for accounting and auditing reasons.

4. Delegation of Authority

Annex B to Clause 23 of the ISO Rules of Procedure (“Delegation of Authority”) and any further “ISO/CS internal procedures” as referred to in the Delegation of Authority set out how authority to engage ISO financially is delegated from ISO’s Secretary General to staff. All ISO staff should be familiar with the Delegation of Authority and ISO/CS internal procedures, including on avoidance of oral agreements or commitments.

This Procurement Policy must be read in conjunction with the Delegation of Authority and ISO/CS internal procedures, which take precedence. Importantly, **all engagements** (except as explained in Delegation of Authority and ISO/CS internal procedures, e.g., for “click-through” agreements) **must be approved by two signatories**. When in doubt, speak to your manager or a member of Legal Services.

As such, all normal budget constraints and approval processes shall also apply to any procurement process.

5. Ethics and Sustainability

All purchasing of goods or engagement of services at ISO must comply not only with Swiss law, as ISO is headquartered in and subject to the laws of Switzerland, but also meet or exceed the guidelines from [UN](#), [WTO](#) and [OECD](#) as well as those related to the transparency of project management and administration of projects and contracts with development agencies. Foundational and implementation references include:

- NF X50-135 – 1:2012: Purchasing function – Sustainable purchasing - Guide for the use of ISO 26000 - Part 1: Policy-Strategy
- NF X50-135 – 2:2012: Purchasing function – Sustainable purchasing - Guide for the use of ISO 26000 - Part 2: Operational deployment

- BS 8903:2010 Principles and framework for procuring sustainably – Guide, as well as,
- ISO 20400:2017 Sustainable procurement — Guidance and ISO 26000:2010 Social responsibility.

Such laws and guidelines include human rights, environmental, employment, health and safety, anti-avoidance and anti-corruption regulations. It should be noted that ISO is not subject to VAT taxes, as prescribed in its Fiscal Accord with Switzerland.

Further to the applicable ISO staff rules and the Code of Conduct and Ethics, this Procurement Policy also commits all staff to upholding ethical conduct, social responsibility, transparency, auditability and accountability, and sound risk-management in the context of procurement. Deviations from this should be reported to the relevant line manager, Procurement Manager, Legal Services, and/or Financial Services.

When selecting possible vendors or consultants, ISO shall strive to seek partners of the same or similar mindset and corresponding business operations.

As said above, this Procurement Policy is meant to encourage open and wide competition for the best quality/priced goods and services. As such, ISO procurement processes must always comply with the following;

- ✓ Procurement processes should be fair, unbiased, consistent, and aim to attract the widest and diverse pool of applicants as possible and appropriate.
- ✓ Compliance with applicable laws and regulations is strictly required.
- ✓ ISO procurement should be consistent with socially responsible, diversity and ethical business operations and practices.
- ✓ Engagements made on ISO's behalf must follow the delegation of authority as described in Delegation of Authority and ISO/CS internal procedures.
- ✓ The procurement process shall be the responsibility of the relevant business unit, with systematic assistance from the Procurement Manager as required or requested, in order to ensure that another person can review and ensure the process is being followed.
- ✓ Selection should be based on transparent and objective criteria, free from personal interests, biases, or other untoward or political influences.
- ✓ All records should be as complete and accurate as possible, and timely kept.
- ✓ Any contract review shall be in accordance with the Legal Services' normal quality management practices.

6. Procurement Process (Expenditure Limits)

All acquisition of goods/services for ISO shall comply with the following processes, according to the below-described expenditure limits. The Procurement Manager may nevertheless assist if there are any concerns regardless of the exact monetary limit, especially if there may be a significant impact on ISO.

- 6.1 Up to CHF 10 000. Any expenditure by ISO for goods/services up to CHF 10 000 shall comply with all the principles set forth in this Procurement Policy. No formal call for tenders is required, unless other factors¹ imply a significant impact on ISO.

¹ Such factors include where an engagement would affect ISO's reputation and integrity, and/or have a political or strategic impact, and/or imply an endorsement by ISO. Business units are expected to use best

- 6.2 Between CHF 10 000 and CHF 50 000. Any expenditure by ISO for goods/services between CHF 10 000 and CHF 50 000 shall require that the relevant business unit request and obtain at least 3 (three) offers from possible vendors or consultants. Although this does not require an RFP/RFI or other formal tender process (except as described in Section 6.1 above, e.g., where an engagement would affect ISO's reputation and integrity, and/or have a political or strategic impact, and/or imply an endorsement by ISO), proper documentation and adherence to all the principles of procurement herein apply.
- 6.3 Over CHF 50 000. Any expenditure by ISO for goods/services for over CHF 50 000 should be accompanied by a formal call for tenders (e.g., RFP) and done in consultation with the Procurement Manager. It is up to the business unit to determine whether the project management of the procurement process will be done by the Procurement Manager or the business unit. Nevertheless, the Procurement Manager should be consulted on the RFP document itself, the selection process or weighting of criteria and at the close of any contractual undertaking. Regular feedback to relevant LT member and/or Procurement Manager/Financial Services, as appropriate, would be expected in cases with a significant impact on ISO.

Risk Management. Regardless of the exact expenditure, all purchasing shall include an appropriate and proportionate risk management analysis. Any purchase or engagement for services with external parties inherently exposes ISO (and possibly its Members) to a variety of risks. It shall be the responsibility of the relevant business unit seeking to acquire the goods and/or services to undergo and document its risk management analysis, including the identification and mitigation.

Artificial Limit Compliance. These above expenditure limits are meant to ensure the proper use of procurement processes to obtain the best and most cost-effective service/good to meet ISO's need. **Artificial splitting of contracts or projects in order to avoid the implications of another procurement process category is strictly prohibited.** When in doubt, business units must consult their relevant LT member, and/or Procurement Manager/ Financial Services.

Auditability and Accountability. For any ISO purchase, good record-keeping is important, including as may be required by law and by internal ISO Procedures This includes keeping an original copy of all invoices for goods and services for 10 years (in paper or electronic form, if supported), from the end of the year in which the expense was incurred.

Business units should at a minimum also maintain a copy of (1) how and from whom the need for the acquisition originated, (2) the approval or project management process by which the purchase was authorized, (3) all records pertaining to the source of the service or good, (4) the performance of the vendor or consultant, and (5) any remedial measures taken where performance or compliance so required it.

Continuous Improvement. ISO staff or agents engaged in procurement for ISO shall strive to continually seek relevant training and perform self or team assessments to support ethical and sustainable procurement processes at ISO, and in accordance with normal ISO business operations. As ISO and its Members are committed to ISO's continuous improvement, all vendors and consultants with whom ISO does business are expected to be likewise demonstrably committed to

judgment and in case of doubt consult with an LT (Leadership Team) member, the Procurement Manager and/or Financial Services.

the continuous improvement of its goods/services, including identifying and setting performance targets within the context of their relationship with ISO.

7 Suppliers, Vendors or Consultants

ISO only partners with suppliers, vendors or consultant that attest they respect and comply with all applicable health, safety, environmental, employment and fiscal regulations. Any known violations or inability to provide the appropriate evidence shall disqualify any supplier, vendor or consultant from the procurement process.

The relevant business unit seeking or managing the acquisition will also manage the vendor or consultant relationship. For contracts of particular impact on ISO, feedback should be given to the relevant LT member and Procurement Manager/Financial Services.

Any conflicts of interests that may arise in the context of a possible or ongoing vendor/consultant relationship should be immediately raised with the relevant manager of the business unit, who may escalate its resolution, in accordance with internal ISO Staff Rules Edition 2016.

8 Call for Tenders (RFP, Criteria)

A call for tenders is an essential part of any formal procurement plan. Due consideration must be given to the manner in which the call is released, how to effectively describe the service/good ISO is requesting (with a clearly defined aim), and by which criteria ISO will judge timely, eligible bids.

Open/Restricted. Calls for tenders should preferably be open (widely advertised). In some cases a more targeted approach (whereby a few possible applicants are directly contacted) may be more effective, especially in cases of genuine time or source constraints. Derogations must be authorized by the Procurement manager, who must keep a list of such derogations so the reason for the derogation is documented. However, casting a wider (but cost-efficient) net may help to attract a wider and more diverse pool of applicants. Where appropriate, social media can be helpful in getting the word out, as well as using a dedicated page at www.iso.org. Business units must consult the Procurement Manager on both the content and the manner of invitation for a call for tender to help strike the right balance.

Templates. When issuing a call for tender where the business unit is seeking a more detailed proposal of the service/good offered to meet ISO's need, business units may use the RFP template maintained by the Procurement Manager.

A critical part of any RFP will be the careful selection and weighting of criteria. This is essential in the later selection process. Such criteria may include:

- ✓ Cost competitiveness of the offer
- ✓ Service and service level coverage
- ✓ Ability to meet timeframes
- ✓ Company profile and stability
- ✓ Geographical coverage
- ✓ Compliance with relevant regulatory bodies
- ✓ Relevant experience and references
- ✓ Ease of implementation
- ✓ Communication and technology
- ✓ Innovation and continuous process improvement
- ✓ Methodology and project management

- ✓ Environmental contribution and compliance
- ✓ Ability to respond to ISO financial requirements such as prices
- ✓ Future developments

The Procurement Manager can provide assistance in defining and weighting criteria for an RFP or other call for tender.

9 Selection Process

Selection shall be made in a neutral and transparent manner and in accordance with the criteria pre-determined in the initiation phase or as per the call for tenders. Cost-effectiveness and quality shall figure heavily in any weighted selection process.

The purchasing of goods or engagement for services from external sources bears inherent risks. Any selection process shall also take due consideration to manage any pre-identified risks of the acquisition and any potential risks of the engagement itself, including vis-à-vis the selected vendor or consultant.

The selection process should correspond to the delegation of authority in the Delegation of Authority and internal ISO/CS procedures.

Unsuccessful bids or offers should be notified to the applicant as soon as possible, while taking care to maintain confidentiality vis-à-vis other applicants, including the successful applicant.

10 Contract Principles, Review and Management

Per Section 4. Delegation of Authority above, all ISO contracts (including related to a procurement process) are subject to execution in accordance with Delegation of Authority and internal ISO/CS procedures. This also includes contract review by Legal Services, in accordance with its quality management practices.

Relevant business units must involve Legal Services as soon as possible in the procurement process so as to help identify and mitigate any risks, as well as increase efficiency for contract review and negotiation. Where possible, ISO's terms and conditions should be used, particularly for Framework Agreements and subsequent Project Agreements. Variation from ISO terms and conditions should be kept to a minimum.

This Policy may be referred to in contract review and negotiation, including for ISO Academy Donor Contracts.

All contracts, including amendments, purchase orders, and other contractual documentation should be properly kept by the relevant business unit, in accordance with internal ISO practices on archiving and record-keeping.

Any relevant feedback regarding performance, including possible breaches or failures to perform, should be timely notified to the relevant line manager and/or Legal Services, as appropriate.

Any questions regarding the ISO Procurement Policy and Procedures can be sent to tenders@iso.org.

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