

Emergent Procurement Policy

Emergent's procurement policy serves as a critical control to ensure effective stewardship of donor and organizational resources. It is also designed to reduce opportunities for unauthorized spending, waste, fraud, and conflicts of interest. While evaluation of cost will be a significant factor in all procurement decisions, other factors may be considered. The primary objective of Emergent's procurement policy is to ensure effective value for Emergent resources.

This procurement policy relates to the procurement of goods and services. The procurement of carbon credits is covered under a separate policy.

General Principles

The procurement process for goods and services should reflect expected risk and overall cost of the goods or services. The board, management, and employees have the responsibility to administer the affairs of Emergent honestly and prudently for the sole benefit of the organization. Those persons shall exercise the utmost good faith in all transactions involved in their duties, and they shall not in any way use their positions with Emergent, or knowledge gained there, for their personal benefit. Disciplinary actions, including termination, may be applied against any member of the board, management, and employee who is found to have violated this trust.

All procurements, regardless of dollar amount, should reflect the following overarching values:

- Full, open, and transparent competition;
- Equal treatment and non-discrimination of actual and potential suppliers;
- Avoiding conflict of interests;
- Procurement should be limited to necessary goods and services;
- Emergent should only conduct business with responsible providers; and
- Procurements should not be split artificially to circumvent procurement thresholds.

Eligible Suppliers

For the purpose of this document, "Suppliers" refer to the provider, or potential provider, of any goods or services. Each potential supplier must meet the following eligibility criteria to be considered for a subcontract.

- Suppliers must state their nationality in their tenders and include information on their legal form and ownership structure;

- Suppliers shall not make use of child labor or forced labor and/or practice discrimination;
- Suppliers shall respect the right to organize and engage in collective bargaining in accordance with the International Labour Organization and applicable national laws;
- Suppliers shall be excluded from participation if:
 - there are concerns regarding the financial solvency of the supplier, including but not limited to bankruptcy or court receivership;
 - key personnel have been convicted or there is strong evidence of an offence concerning their professional conduct including but not limited to fraud, corruption, money laundering, illegal activity, or criminal organization;
 - the supplier is operating in violation of local law, including failure to pay taxes;
 - engaging the supplier will create a conflict of interest;
 - the supplier provides mis-leading or inaccurate information during the procurement process; or
 - suppliers appear on any 'specially designated nationals' (or equivalent) list (for examples, those issued by the U.S. Office of Foreign Assets Control (OFAC), the United Nations, or other nations or organizations relevant to Emergent's operations. As a part of the procurement process, each supplier must confirm in writing that they conform to the criteria above. Emergent will screen potential suppliers against sanctions lists to confirm eligibility to receive funds prior to entering into agreements. Emergent will retain records of the search with other required procurement documentation.

Suppliers for procurements of \$1,000 or less will not be screened for compliance with the above requirements and will not be required to confirm in writing that they conform to the above criteria. However, should Emergent become aware that any supplier is not in compliance with any of the above requirements during the procurement process, Emergent will exclude such suppliers from consideration.

General Procurement Rules

Procurement processes will use Emergent's standard tools and templates which may be amended from time to time. At a minimum any Request For Proposal (RFP) must include the following elements:

- Request for pricing, including a detailed budget that clearly breaks down proposed costs (Personnel, Travel, Equipment, etc.);
- Request for references and/or sample materials;
- Request for qualification of the supplier (including past performance and/or CVs from key personnel);

- A description of the proposed solution(s) and methodology that the offeror will use in the achievement of the listed objective
- A clause stating the offers will be rejected if any illegal or corrupt practices have taken place in connection with the award; and
- Deadline for submission.

Suppliers will be selected based on expected value for money. While price will be a primary criterion, there may be circumstances where the least expensive supplier is not selected during a procurement process when the least expensive supplier is deemed to provide inadequate value for money.

Selection criteria should include a range of relevant factors, including those listed below, where appropriate:

- Technical and professional qualifications, including related experience;
- References and/or sample materials;
- Background of key personnel;
- Responsiveness to the RFP;
- Environmental impact;
- Service or quality guarantees;
- Delivery timeline;
- Business ethics;
- Financial standing as a going concern; and
- Any other non-arbitrary/discriminatory factor influencing likely value for money.

Procurement managers must provide written documentation regarding the evaluation of offerors and the selection of contractors. When not launching an open competition/tender process, staff must justify and document in writing the choice of offerors invited to submit a proposal.

Procurements up to \$10,000 (Micropurchases)

Procurements up to \$10,000 do not require a formal procurement process if the price would be considered reasonable by a prudent person. At least one price point or quotation from a responsible vendor (e.g. written price quote, published price list, catalog, or website listing) is required. Screening results against SDN and other sanctions lists are required for procurements above \$1,000.00. Staff are encouraged, but not required, to consider price and offerings from multiple potential providers.

To the extent practicable, Emergent must distribute micropurchases equitably among qualified suppliers.

All procurements above \$100 must be approved by the procurement manager's supervisor and, if funded by donors, have been included in the approved budget. Completed procurement documentation will be stored in a centralized file system.

Procurements from \$10,001 to \$250,000

Procurements from \$10,001 to \$250,000 require a minimum of three unique respondents and may be sourced through either limited competition or full and open competition. In the event of limited competition, staff must justify and document in writing the choice of offerors invited to submit a proposal

Proposals will be reviewed and evaluated by the procurement committee, which will make a recommendation for the selection of a supplier. The procurement committee shall consist of at least two individuals for procurements from \$10,000 to \$50,000 and at least three individuals for procurements above \$50,000 with adequate technical and administrative knowledge to effectively assess proposals in accordance with Emergent's procurement policy. Procurement committee members do not need to be employees of Emergent, but must be excluded if there is an actual or perceived conflict of interest. The procurement committee is not a standing committee for all procurements, but rather a committee assigned for a specific procurement based on the nature of the goods or services being requested.

At a minimum written documentation for this process should include:

- Statement of need describing the purpose of the good or service;
- Copy of the RFP;
- List of respondents, including lists of contacted suppliers where applicable;
- Proposals submitted by all offerors
- List of members of the procurement committee;
- Selection criteria;
- Details regarding negotiations;
- Successful supplier and rationale for selection;
- Screening results against SDN and other sanctions lists;
- Procurement approval; and
- Final signed contract.

Completed procurement documentation will be stored in a centralized file system.

Procurements above \$250,000

Procurements above \$250,000 require a procurement plan, to be reviewed and approved by the Procurement Committee, prior to beginning the procurement process. The procurement plan must include:

- Statement of need describing the purpose of the good or service;
- Proposed RFP;
- Dissemination plan, which must at a minimum include Emergent’s website, but should also include international and national press of the country in which the project is being carried out, and any other relevant specialized periodicals; and
- Expected selection criteria.

Procurements above \$250,000 require a minimum of three unique respondents and must be sourced through full and open competition. At a minimum written documentation for this process should include:

- Approved procurement plan;
- Copy of the final RFP;
- List of respondents, including lists of contacted suppliers where applicable;
- Proposals submitted by all offerors;
- Membership of the procurement committee;
- Selection criteria;
- Details regarding negotiations;
- Successful candidate and rationale for selection;
- Screening results against SDN and other sanctions lists;
- Procurement approval; and
- Final signed contract.

All proposals must be reviewed and evaluated by the procurement committee, which will make a recommendation for the selection of a supplier.

Completed procurement documentation will be stored in a centralized file system.

Sole Source Procurement

In limited circumstances, a sole source procurement process may be appropriate. Sole source procurement requires approval of the Executive Director and must meet one of the criteria listed below.

- When materials or equipment or service of a specialized nature is only available from one qualified vendor/service provider in the reasonable geographic area for procurement.
- Technical characteristics of the good or service require on-going support or replacement parts from the initial supplier;
- The item is available only from a single source, such as when a vendor is the

sole owner of intellectual property through patent, trademark, etc.

- There is a compelling urgency for the good/service that cannot wait for a delay resulting from competitive solicitation (*Note that delays resulting from Emergent's actions (or inaction) do not constitute a compelling urgency)
- The donor has authorized noncompetitive proposals in response to a written request from Emergent (*Note that the authorization must come from the agreement officer or someone of comparable authority at the donor's organization/agency).
- The contractor/subcontractor was named in the proposal in line with Emergent's procurement process and approved through a resulting award, or
- After solicitation of several sources, competition is determined inadequate. If there is only one responsive bidder on a scope of work (assuming RFP was broadly distributed and not written in a way that overly restricted competition), an award to that bidder is considered non-competitive.

Sole source procurement is not allowed for procurements above \$250,000.

Requesting Contracts

The procurement manager should begin the procurement by requesting approval from his/her supervisor. This request should be in writing and include the following:

- Objective/Purpose of the procurement
- Estimated budget (typically based on an approved donor or organizational budget)
- Funding source
- Procurement plan (for purchases over \$250,000)
- Staff members who will evaluate
- RFP/RFQ (if applicable)
- Sole Source Justification (if applicable)

Once approval is granted, the procurement manager may begin the solicitation/selection process using the requirements that correspond to the applicable procurement threshold. For purchases over \$250,000, the supervisor, in conjunction with the procurement manager and Executive Team may select/approve the procurement committee.

Signature Authority

The Executive Director or Board Chair has sole signature authority to sign contract agreements on behalf of Emergent.

Advance Payment

Emergent does not pay the full purchase price of goods and services in advance of their satisfactory delivery. Under certain circumstances, deposits, down payments or other partial payments may be made with the approval of the CEO or CFOO.