

### 1. PURPOSE

Prior to undertaking any purchases of goods or services with Grant funds, grant recipients are required to have procurement policies in effect that are substantially at least as stringent as those listed below.

The specific procurement procedures listed in section 3 are **applicable to all goods/services procured** with BESTbelt funds, and **must be followed in all cases**. Any procurement decision must be documented.

If the grant recipient is subject to national and/or public sector procurement rules and regulations, these must also be followed. The process followed must apply the more stringent requirements in all instances.

### 2. POLICY

If the implementation of a project requires procurement by the beneficiary(ies), the contract must be awarded to the tender offering best value for money (i.e. the tender offering the best price-quality ratio), or, in case of work or supply contracts not involving after-sales service, to the tender offering the lowest price.

Contracts must be awarded in accordance with procurement rules and procedures:

- (a) ensuring sufficient transparency, fair competition and adequate ex-ante publicity;
- (b) ensuring equal treatment, proportionality and non-discrimination;
- (c) avoiding conflicts of interests throughout the entire procurement procedure.

Contracts must not be split artificially to circumvent procurement thresholds.

To this end, the rules set out in section 3 below must be followed. These lay down the minimum procedures to be followed and it is not precluded that other procedures offering more competition are used.

All purchases of services from individuals, companies or organizations, must be made on the basis of a written contract which must set forth in detail the relevant terms of the contract including, without limitation, the proposed scope of work, deliverables, amounts and terms of payment, timelines and the parties' relative responsibilities and liabilities for non-performance.

Grant recipients must ensure that adequate insurance is obtained for the replacement value of any equipment purchased.

## 3. PROCUREMENT PROCEDURES

### a. Purchase contracts for goods and services with a value less than EUR 5,000 (excluding VAT)

Purchases of goods and services with a total contractual value of less than EUR 5,000 (excluding VAT) may be made through “single sourcing”.

- Competitive bids are not required.
- Research should be made of available suppliers and the procurement decision should ensure best value for money.
- The procurement decision must be documented (research deliverables, short explanation on final decision)
- Competitive bidding should be considered where the benefits of competitive tendering in terms of price and quality are likely to outweigh the costs of the tendering exercise.
- A record of activities carried out to ensure value for money must be kept on file.

### b. Purchase contracts for goods and services with a value higher than EUR 5,000 (excluding VAT)

Purchases of goods and services with a total contractual value equal to or more than EUR 5,000 (excluding VAT) must be based on written quotations received from at least three potential suppliers. Quotations must include the price, the description and quantity of the goods, as well as the delivery time and place<sup>1</sup>.

Grant recipients are advised to initially request more than three quotations and document the evaluation and selection process.

The evaluation and comparison of the quotes and the selection of the “best value for money” contract must be documented.

### c. Exceptions from the above procedures

Exceptions from the above procedures require explicit written approval and may be made only if at least one of the following applies:

- Extreme urgency not attributable to the grant recipient;
- Additional supplies or extension of a service or work contract with the repetition of similar activities as in the original contract, provided the original contract was awarded through a competitive process.

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<sup>1</sup> EU Public procurement rules and documents are available at: [https://ec.europa.eu/growth/single-market/public-procurement\\_de](https://ec.europa.eu/growth/single-market/public-procurement_de)

## MIS-PROCUREMENT

BESTbelt does not finance procurement undertaken by grant recipients when it is concluded by BESTbelt auditors that mis-procurement has occurred.

Mis-procurement is deemed to have occurred if:

- (a) The procurement contract was not awarded in accordance with the provisions of the Grant Agreement;
- (b) The procurement contract was not awarded to the bidder, who otherwise would have won the tender, due to dilatory or other unjustifiable conduct by the grant recipient, resulting in the successful bid no longer being valid or available;
- (c) The most competitive bid was rejected on unjustifiable grounds; or
- (d) The award of the procurement contract was a result of fraud, corruption or other unlawful or unethical conduct.

In such cases, whether under prior or post review the portion of the grant allocated for the goods, works, or services that have been mis-procured can be cancelled.

EuroNatur may, in addition, exercise all other remedies available to it under the Grant Agreement and/or under applicable law.