

Act Church of Sweden's Procurement regulation for partners

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This document relates to Act Church of Sweden's cooperation with partners who is using funds from Act Church of Sweden when procuring goods and services.

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1. Introduction

- 1.1. Act Church of Sweden and its partner organisations manage entrusted funds for which they are accountable to both beneficiaries as well as public and private donors. All activities using the funds shall be characterized by the efficient use of resources, the promotion of good administrative practices and transparency in the management of funds, and the prevention of corruption.
- 1.2. The partner organisation is expected to have its own procurement policy and regulation. Procurement of goods or services using Act Church of Sweden's funds shall be carried out by the organisation in accordance with the organisation's procurement policy and regulation and this Act Church of Sweden's Procurement regulation for partners¹ applies as a minimum requirement.
- 1.3. The scope of procurement in this regulation is limited to commercial activities, such as those between the organisation and a contractor (usually a supplier of goods or services). The procurement regulation takes into consideration the requirements for procurement from Act Church of Sweden and its back donors, while promoting harmonisation to the extent possible. The rights and obligations of the organisation and the contractors which arise from the conclusion of a particular contract are governed by the terms of that contract and by the bidding documents, and not by this regulation. Further guidance on the definitions below and how to carry out procurements can be found in e.g. ECHO's Procurement Guidelines² with special regard to Open tender procedures.

¹ The procurement policy for the Church of Sweden, national level adopted by the Church (of Sweden) Board on 21 November 2021 constitutes the underlying steering document for this regulation.

² http://ec.europa.eu/echo/files/partners/humanitarian_aid/Procurement_Guidelines_en.pdf

2. Procurement principles

- 2.1. Procurement activities shall be characterised by good business practice, social responsibility and environmental considerations. The procurement shall be as economical and appropriate as possible for the organisation and for whomever that will benefit from the product or service. The organisation (hereinafter referred to as the Contracting Party) shall act professionally and implement appropriate procedures. Competitive opportunities that exist shall be utilised.
- 2.2. Regardless of procedure used, the basic procurement principles of transparency including eligibility/exclusion, selection and award criteria, proportionality, equal treatment and non-discrimination, fair competition and ethical procurement which also includes avoidance of conflict of interests must be respected.
- 2.3. The award criteria shall be best quality and value for money, taking into account environmental impact and what is ethically justifiable. With due regard to given criteria, the Contracting Party shall award the contract to the tenderer that has been evaluated to have the economically most advantageous tender combining price and quality, and for contract for goods not containing after-sales services the lowest price. Definitions and explanations on the procurement principles are found in section 9 below.
- 2.4. The Contracting Party shall always respect the following:
 - Where the Contracting Party does not launch an open tender procedure, it shall justify the choice of tenderers that are invited to submit an offer.
 - Contracts must not be split artificially to circumvent procurement thresholds.
 - The Contracting Party shall ensure that awarded tenderer possess the necessary economic and financial as well as technical and professional capacity to perform for the entire contract.
 - The Contracting Party shall ensure that the tender meets the mandatory requirements/selection criteria laid out in the tender documents.
 - The Contracting Party shall evaluate the offers received against objective criteria laid out in the tender documents which enable measuring the quality of the tenders (if applicable) and which take into account the price (the tender with the lowest price shall be awarded the highest score for the price criterion).
 - The Contracting Party shall keep sufficient and appropriate documentation with regard to the procedures applied and which justify the decision on the pre-selection of tenderers (where an open procedure is not used) and the award decision.
- 2.5. To this end, the Contracting Party must comply with the rules set out in sections 3 to 8 below. These lay down the minimum procedures to be followed and it is not precluded that other procedures offering more competition are utilised. If these rules are correctly followed the principles above will be deemed complied with.
- 2.6. Act Church of Sweden has reserved the right to carry out ex post checks on the Contracting Party's compliance with these rules. Failure to comply with these rules would render the related expenditure ineligible for Act Church of Sweden funding.

- 2.7. The provisions of this Appendix apply mutatis mutandis to contracts concluded by the Partner's Third parties for the implementation of the Project Activities.

3. The Procurement process

- 3.1. The procurement process under open and selective procedures normally involves the following steps:
- 1) Preparation of Terms of Reference (ToR) by defining the scope, objectives and deliverables, as well as determining the selection method and evaluation basis to be followed;
 - 2) Preparation of cost estimate and the budget;
 - 3) Preparation of the complete tender documents normally comprising:
 - a. Invitation to tender/tender documents,
 - b. Instructions to tenderers/contract notice,
 - c. Terms of Reference (ToR),
 - d. Draft contract;
 - 4) Advertising and/or the preparation of a shortlist of qualified firms (which varies with the selection method chosen);
 - 5) Receipt and the formal opening of tenders according to section 6;
 - 6) Ensuring that the tenderer and their tenders fulfil the mandatory requirements/selection criteria;
 - 7) Evaluation of the technical elements (quality);
 - 8) Evaluation of the financial elements (price);
 - 9) Preparation of complete tender evaluation report;
 - 10) Award of contract to the selected supplier and information in writing to unsuccessful tenderers.
- 3.2. When simplified procedure is used, some of the steps listed above process are not needed.

4. Thresholds and associated procurement procedures

- 4.1. The contract category and value of a contract defines the applicable procurement procedure. The below table provides a summary of thresholds and an overview of requirements in the respective procedures. Further details on on general rules for procurement and the procedures are found in section 6.

Estimated contract value, incl. VAT	Procurement procedure	Procedure and contracting
<i>SIMPLE PROCEDURES</i>		
<EUR 10 000	Quotation Single source procurement/ selection ³	Technical specification or Terms of reference Quotation (price enquiry) normally from 3 suppliers Contract or purchase order including supplier's acceptance of the Contracting Party's Code of Conduct (invoice if below EUR 2 000, receipt if below EUR 300)
EUR 10 000 – EUR 40 000	Simplified procedure	Technical specification or Terms of reference Invitation sent simultaneously to at least 3 suppliers At least 15 calendar days for submission of tender Negotiate contract terms with one or several suppliers Decision protocol/negotiation report Contract including supplier's acceptance of the Contracting Party's Code of Conduct
<i>FORMAL PROCEDURES</i>		
EUR 40 001 – EUR 100 000	Selective procedure	Invitation to Tender including technical specification or terms of reference and selection & award criteria. Invitation sent simultaneously to at least 3 suppliers. At least 30 calendar days for submission of tender Procurement committee with at least 3 members Evaluation report including award decision Contract including supplier's acceptance of the Contracting Party's Code of Conduct Letter to unsuccessful tenderers and Award Notice
>EUR 100 000	Open Tendering	Invitation to Tender including technical specification or terms of reference, selection & award criteria and model contract. Tender notice re: the Invitation advertised in local press, and in international press (compulsory above EUR 300 000) Invitation to Tender including all tender documents sent on demand At least 30 calendar days for submission of tender Procurement committee with at least 3 members Evaluation report including award decision Contract including supplier's acceptance of the Contracting Party's Code of Conduct Letter to unsuccessful tenderers and Award Notice

³ Single source procurement, when the above thresholds are exceeded, may be justified according to section 7.

Estimated contract value, incl. VAT	Procurement procedure	Procedure and contracting
>EUR 100 000	Open Tendering with prequalification	<p>Invitation to Tender including technical specification or terms of reference, selection & award criteria and model contract, number of of candidates which will be invited to submit tenders within a range of three to six candidates.</p> <p>Tender notice re: the Invitation advertised in local press, and in international press (compulsory above EUR 300 000)</p> <p>Invitation to Tender including all tender documents sent on demand</p> <p>At least 30 calendar days for prequalification</p> <p>At least 30 calendar days for submission of tender</p> <p>Procurement committee with at least 3 members</p> <p>Evaluation report including award decision</p> <p>Contract including supplier's acceptance of the Contracting Party's Code of Conduct</p> <p>Letter to unsuccessful tenderers and Award Notice</p>

5. Conditions for participation

Nationality

- 5.1. Participation in procurement implemented by the Contracting Party shall be open on equal terms for any natural and legal persons, regardless of nationality.

Exclusion from participation in procurement

- 5.2. The situations of Exclusion as well as the procedure for the verification shall be explained in the tender documentation.
- 5.3. The Contracting Party shall exclude candidates or tenderers from participation in procurement if:
- (a) they are bankrupt or are subject to liquidation, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are the subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
 - (b) they have been convicted of an offence concerning their professional conduct by a judgment which has the force of res judicata;
 - (c) they have been guilty of grave professional misconduct proven by any means which the contracting authority can justify;
 - (d) they have not fulfilled obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which they are established or with those of the country of the contracting authority or those of the country where the contract is to be performed;

- (e) they⁴ have been the subject of a judgment which has the force of res judicata for fraud, corruption, involvement in a criminal organisation or any other illegal activity detrimental to the objectives CoS has a mandate to support;

5.4. Tenderers must certify that the above exclusion criteria in paragraphs 5.3 (a) to (e) do not exist.

5.5. Paragraphs 5.3 (a) to (d) shall not apply in the case of purchase of goods on particularly advantageous terms from a supplier which is definitively winding up its business activities, or from the receivers or liquidators of a bankruptcy, through an arrangement with creditors, or through a similar procedure under national law.

Exclusion from contract award

5.6. Contracts may not be awarded to candidates or tenderers who, during the procurement procedure:

- (a) are subject to a Conflict of interest;
- (b) are guilty of misrepresentation in supplying the information required by the contracting authority as a condition of participation in the contract procedure or fail to supply this information;
- (c) find themselves in one of the situations of Exclusion from participation in procurement as per above.

6. Rules for Procurement and its procedures

GENERAL RULES FOR PROCUREMENT

- 6.1. It may be considered reasonable to adapt requirements to local circumstances and legislation in respect of procurements. However, procurements shall always be conducted in accordance with good business practice with due regard to the procurement principles. The Contracting Party shall also ensure that procurements take due consideration for sustainable use of natural resources and the protection of the environment and shall when procuring and wherever it is motivated take into account environmentally-sound products and/or services when devising criteria and requirements. The Contracting Party shall respect and safeguard human rights as defined in in the ILO (International Labour Organisation)'s Core Conventions⁵.
- 6.2. The organisation considering launching a procurement procedure (the Contracting Party) has first to determine the object of the contract, i.e. its subject, duration and value. These characteristics will determine the type of contract and procurement procedure to be chosen. The technical content must be carefully set out in technical specifications or terms of reference, also indicating the estimated volume and type of contract (goods, services or works) to be procured and which will constitute the basis for the evaluation of offers. The contract value is determined by the estimated costs of a lot including any additional services or options covered by the

⁴ This includes persons authorized to represent the tenderer, or having leading positions at the tenderer.

⁵ Conventions on Freedom of Association and Protection of the Right to Organise (nos. 87 and 98)
Conventions on Abolition of Forced and Compulsory Labour (nos. 29 and 105)
Minimum Age and Worst Forms of Child Labour Conventions (nos. 138 and 182)
Equal Remuneration and Discrimination Conventions (nos. 100 and 111)

contract, and the estimated duration of the contract. Contracts must not be divided to evade a threshold.

- 6.3. The tender documents shall be drafted so as to permit and encourage the widest possible competition. They shall clearly define the scope of goods and services to be supplied, the rights and obligations of the purchaser and of suppliers, and the conditions to be met in order for a tender to be declared substantially suitable, and they shall set out fair and non-discriminatory criteria for selecting the winning tender.
- 6.4. Use of standards and technical specifications in tender documents shall promote and allow the broadest possible competition, while ensuring the performance or other requirements for the goods and/or services in the procurement.
- 6.5. Procurement documentation, including all published procurement notices, shall be prepared in English (preferred language) or Spanish and, if deemed necessary and agreed in advance with Act Church of Sweden, another language. The chosen and governing language shall be stated in the Agreement and in the official tender documentation. In addition, the Contracting Partner may prepare a further set of the tender documentation in other languages in order to assist local firms in tendering. However, the English or Spanish text and the interpretation thereof govern the tender documentation. A text in another language than the governing language is to be regarded only as a translation and as a guide to local firms.
- 6.6. The period of validity of the tender shall be specified in the tender documents and be sufficient to enable the Contracting Party to complete the evaluation of tenders and conclude a contract with the successful tenderer.
- 6.7. The tender documents shall be made available (preferably accessible electronically or via email) and no fee may be charged to obtain them.
- 6.8. The time-limits for tenders must be long enough to give interested parties a reasonable and appropriate period to prepare and submit their tenders. The following minimum time limits apply from the date of publication for formal procedures:
 - a. Simplified procedure 15 days
 - b. Selective procedure 30 days
 - c. Open tender 30 days
 - d. Open tender with prequalification
 - Prequalification/Expression of interest 30 days
 - Submission of tender 30 days
- 6.9. For large and complex contracts, the time limits should be extended considerably, normally to not less than 90 days.
- 6.10. All communication with individual tenderers during a procurement procedure is prohibited where it may risk giving an unfair advantage.
- 6.11. Tenderers shall have the right to seek clarifications in writing on any aspect of the tender documents and receive responses from the Contracting Party in good time before the deadline for submission of tenderers, normally not less than six (6) days prior to the deadline. The

responses prepared by the Contracting Party shall be sent to all economic operators that have received the tender documents at the same time and without disclosing the names of the prospective tenderers. If the tender documents have been published on an electronic tender portal or similar, all requests for clarification and responses shall be published there to ensure that all tenderers get access to the same information at the same time.

- 6.12. Tenders shall always be submitted in writing. For procurements using open tendering or selective tendering, tenders shall be submitted via mail, direct delivery, or through an electronic tender portal or similar. For procurements using simplified tendering or single source procurement, tender submission via electronic mail may also be allowed.
- 6.13. Any tenders received after the closing time for submission shall be returned unopened.
- 6.14. The procurement process is confidential from the time of receipt and opening of tenders to the notification of the award.
- 6.15. Tenders shall be opened as soon as possible after the tender submission deadline. The tender opening shall be attended by a committee of at least two (2) officials. The received tenders and the total price for each tender shall be recorded in a tender opening form. The tender opening form shall be signed by both officials.
- 6.16. An evaluation committee must be set up to evaluate tenders on the basis of the exclusion, selection and award criteria published by the Contracting Party in advance in the tender documents. This committee must have an odd number of members, at least three (3), with all the technical and administrative capacities necessary to give an informed opinion on the tenders. The Contracting Party shall have a clear chain of authority which ensures that decisions in the procurement are taken at the appropriate levels of the Contracting Party's organisation.
- 6.17. The Contracting Party shall award the contract to the tenderer whose tender has been assessed to be substantially responsive and the most economically advantageous offer for the Contracting Party.
- 6.18. The signed Contract shall include the supplier's acceptance of the Contracting Party's Code of Conduct
- 6.19. For all procurements above EUR 10 000, a report/protocol on the award decision must be produced, explaining how participant(s) /tenderers in the procurement were chosen, how they met the selection criteria, how the price was determined, and the grounds for the award decision.
- 6.20. The Contracting Party shall send a notice on the contract award decision to all tenderers at the same time. The Contracting Party shall justify without undue delay the contract award in writing to tenderers that request more detailed information (such as the tender evaluation report).
- 6.21. Withdrawal or cancelling of the contract notice/rejection of all tenders shall only be done in exceptional circumstances. It may be justified when there is a lack of effective competition, where the budget is extensively exceeded, or where there is a lack of suitable tenders. The

Contracting Party shall send notice of withdrawal or cancelling of the contract/rejection of all tenders to all participating tenderers at the same time.

SIMPLE PROCUREMENT PROCEDURE

- 6.22. For simple procurement procedures the requirements on tender documents are less comprehensive, while observing the basic procurement principles. The aim is to retain some competition in order to obtain the best value for money while, based on the principle of proportionality, the documentation used may be simplified and there is no need for a formal procurement committee.

Quotation

- 6.23. When the estimated contract value is below EUR 10 000 it can be based on quotation (normally from 3 suppliers). For purchases below EUR 2 000 contracts can be replaced by purchasing order and invoice if below EUR 2 000 or receipt if below EUR 300.

Single source procurement/selection

- 6.24. The Contracting Party may decide to use a negotiated procedure on the basis of a single tender for contract values below EUR 10 000 while respecting the general principles and rules for procurement as set out in this document. For purchases below EUR 2 000 contracts can be replaced by purchasing order and invoice if below EUR 2 000 or receipt if below EUR 300). In the exceptional cases listed below in section 7 it is possible to award contracts based upon negotiation with a single candidate for contract values above the threshold for formal procurements procedures. However the price shall not exceed market prices. Single source procurement/selection procedure shall be well justified and reasons documented, especially when used in exceptional cases.

Simplified procedure

- 6.25. For estimated contract values above EUR 10 000 and below EUR 40 000 the Simplified procedure is used. The Contracting Party is inviting at least three optional candidates to submit tenders in which negotiation of contract terms may take place with one or more tenderers. The Contracting Party must make sure that it negotiates the best technical and financial terms on the basis of the specifications and additional documents. On the basis of the offers received the Contracting Party shall negotiate the terms of the contract with the candidates that satisfied the eligibility and selection criteria. The aim of this is to obtain the best terms and price possible however the main selection criteria announced should not be substantially altered. The award of contract shall be documented in a decision protocol/ negotiation report, explaining how participant(s)/tenderers in the procurement were chosen, how they met the selection criteria, how the price was determined, and the grounds for the award decision.

FORMAL PROCUREMENT PROCEDURES

- 6.26. For estimated contract values from EUR 40 000 and above formal procurement procedures apply.
- 6.27. Tender documents shall be established in accordance with international best practice. Tender documents refer to the Invitation to Tender, full specifications (technical specifications/terms of reference) and terms of the future contract. When a brand name is cited for the purpose of defining standards, the specifications should clearly indicate that no particular preference will

be given to the specified brand names when evaluating the offers, and it should be followed by "or equivalent" to ensure that other brands are not discriminated against.

- 6.28. The Invitation to Tender (invitation to negotiate/call for proposal/request for proposal) shall be the same for all candidates. Information to include in the Invitation to Tender is: Background and subject of the procurement (Technical specifications or Terms of Reference) including estimated scope of work/volume and tender requirements and requests; Organisation of the procedure (rules governing the submission and presentation of offers including validity of tenders); Method of assessing offers (eligibility/exclusion, selection and award criteria); Deadline for submitting tenders; Date envisaged for adopting the award decision; Contract terms including the Contracting Party's Code of Conduct for suppliers; Request for company presentation of tenderer including its work on sustainable development.
- 6.29. The composition of the circle of organisations invited to tender should not constantly remain the same but should be varied from one time to another.
- 6.30. The Invitation to Tender shall be forwarded simultaneously (same day) to all the selected candidates to ensure that all candidates are given an equal amount of time to prepare and submit their proposal.
- 6.31. The deadline for the submission of tenders must be long enough to allow interested parties a reasonable and appropriate time, taking particular account of the complexity of the contract (see also table on time-limits above in section 6 regarding General rules for procurement).
- 6.32. All communication with individual tenderers during a procurement procedure is prohibited where it may risk giving an unfair advantage.
- 6.33. Tenderers shall in compliance with the principles of transparency and equal treatment have the right to seek clarifications in writing on any aspect of the tender documents and receive responses from the Contracting Party in good time before the deadline for submission of tenderers, normally not less than six (6) days prior to the deadline. The responses prepared by the Contracting Party shall be sent to all economic operators that have received the tender documents at the same time and without disclosing the names of the prospective tenderers. Information requests received less than six (6) days before the deadline may be legitimately rejected if they risk needlessly prolonging the procedure. If the tender documents have been published on an electronic tender portal or similar, all requests for clarification and responses shall be published there to ensure that all tenderers get access to the same information at the same time.
- 6.34. For formal procurement procedures tenders shall be submitted in sealed envelopes on a certain date and time as specified in the Invitation to Tender. The mechanism for registering the exact date and time of receipt of tenders should be established. Tenders must be kept confidential until the opening.
- 6.35. In formal procurement procedures all tenders must be opened at the same time by the procurement committee. Tenders received after the deadline for submission shall not be considered. At the opening of tenders, at least two persons shall be present and minutes of the

tender opening procedure indicating who the tenderers are shall be recorded and signed by at least two of those present.

- 6.36. The tenders shall be evaluated by a procurement committee which possesses the necessary technical and administrative expertise to perform tender evaluations. The members of the committee shall ensure they have no conflict of interest. For formal procurement procedures a procurement committee shall be established and be made up of an odd number (minimum 3 members). The opening of the tenders may be made by the same committee.
- 6.37. In the evaluation of tenders, consideration may only be given to criteria specified in the Invitation to Tender. The tenders shall be assessed by the procurement committee applying the eligibility/exclusion, selection and award criteria separately. In justified circumstances tenderers can be asked for clarification or to correct clerical errors. In no circumstances may the offers be altered.
- 6.38. The tender to be awarded the contract shall be the one that is considered to be the most economically advantageous when all these criteria have been taken into account, not only the price (best quality and value for money).
- 6.39. The procurement committee prepares a final report on the selection process including its recommendations for the award of contract. The award of contract and the reasons for the award shall be specified in a special procurement decision to be signed by the person responsible for the procurement. Any exceptions and its justifications from the applicable procurement procedure shall be included.
- 6.40. The tenderer who has been awarded the contract shall be informed of this in writing as soon as possible, but not later than the expiry date of the tender validity period, for concluding the contract.
- 6.41. The tenderers whose tenders have not been accepted shall be informed of this as soon as possible in writing by an award notice. Copies of regret letters to unsuccessful tenders must be kept in file.

Selective tendering procedure

- 6.42. For contract values from EUR 40 000 to EUR 100 000 Selective tendering procedure can be used. The Selective tendering procedures are similar to those for Open tendering procedure (see below), except that qualified firms are preselected for each tender and invited in writing by a direct invitation. In order to ensure sufficient competition, the number of invited tenderers, normally, should not be less than three (3) firms. A tender from a firm, which is not preselected, shall be treated in the same way as a tender from an invited firm. Selective Tendering includes the preparation of a complete set of tender documents and the use of formal opening procedures.

Open tender procedure

- 6.43. Contracts above EUR 100 000 may only be awarded after advertised procurement. The invitation to tender, which may be combined, with a direct invitation of preidentified firms, shall be made by the publication of a tender/contract notice. Since no formal shortlist is prepared, all eligible firms are invited to submit a tender. However, the invitation to tender and the tender dossier shall state the minimum qualification requirements needed in order to

determine which firms are qualified to perform the contract satisfactorily. Those firms not meeting the minimum qualification requirements will be rejected as non-responsive and excluded from further participation.

- 6.44. The tender notice (or contract notice) for the Invitation to Tender shall be published in all relevant media especially on the Contracting Party's web page, in international press (compulsory for contracts above EUR 300 000) and/or local/national press where the project shall be implemented, in professional and other relevant publications. The Tender notice shall contain the number of candidates who will be invited to tender. The number of candidates can be 4-8 and must be sufficient to ensure effective competition. Invitation to Tender including tender documents is to be sent out to candidates from publication day of Tender notice to deadline for submissions of tenders. The documents must be sent within five (5) calendar days of receiving the request.
- 6.45. All suppliers who meet the conditions for participation may participate and submit an application to tender, but only those that are considered to best meet the specified selection criteria and have been invited in writing, may submit a tender. Deadline for receipt of tenders: minimum of 30 calendar days from date of Tender notice. Tenders sent by the deadline set shall be opened at the same time by an opening committee in public within a reasonable time after deadline for submitting offers, allowing tenders sent by mail to reach the procuring Contracting Party.

Open Tendering with prequalification

- 6.46. This procedure should normally be used for large and complex contracts where it is necessary to limit the number of tenderers for evaluation purposes. The first step is the publication of an invitation notice where firms are invited to submit "Expressions of Interest" in order to establish a formal shortlist of qualified firms. The next step is to determine which firms are to be included in the shortlist based on the criteria stated in the invitation and thereafter invite those firms short-listed (in the range 3-6 firms) to submit a Tender based on the tender dossier issued by the Contracting Party.

Buying centre/buying agent

- 6.47. If the Contracting Party wishes to use a buying centre/buying agent, the contract is preceded by a formal procurement procedure as per above. The buying centre/buying agent shall use the procurement rules agreed for the Contracting Party.

7. Exceptions in Procurement procedures

- 7.1. In exceptional circumstances there may be cases in which the Contracting Party considers itself obliged to deviate from the rules for Selective procedure or Open tender procedure and instead use a Simplified or a Single source procurement procedure. Such deviations shall be justified and documented. The exceptions may apply in the following circumstances:
- (a) Urgent operations for humanitarian aid and rescue operations. This exemption may only be used if Act Church of Sweden has decided that such circumstances exist. Where appropriate, Act Church of Sweden will inform that such a situation exists and the period during which it applies, e.g. in the agreement for funding of the humanitarian aid and rescue operation;

- (b) Service contracts to be awarded a public/state-owned company, or a non-profit organisation or company, and the services regard the organisation's ordinary activities or the purpose is to operate in the social sectors;
 - (c) Extension of contracts
 - (i) For additional goods, works and services not included in the initial contract but which, due to unforeseen circumstances, have become necessary for the performance of the Action, provided that the additional services cannot without considerable technical or economic disadvantage be carried out by another contractor and the aggregate amount of additional goods, works or services does not exceed 50% of the value of the initial contract;
 - (ii) For extension of the same services included in the originally procured contract, provided that: (a) the advertised Invitation to Tender for the first contract included an option to extend the contract and that the total value including the extension was specified in the first ad, and (b) the extension of the contract value and period does not exceed the contract value and period of the first contract.
 - (d) For additional deliveries by the first supplier where the change of supplier would force the Contracting Party to acquire equipment that would result in either incompatibility or disproportionate technical difficulties in operation and maintenance;
 - (e) Whenever no tenders/offers or no suitable tenders/offers have been submitted in response to an Open or Selective procedure after the initial procedure has been completed, whereby the Contracting Party may terminate the procurement and proceed to negotiate with one or more tenderers who participated in the tender, provided that the original terms of the contract are not substantially altered;
 - (f) Where a contract may only be awarded to one specific supplier for technical reasons or other reasons that can be justified by the possession of exclusive rights;
 - (g) When it is required due to the characteristics of the good in order to make the delivery, such as when it is required that the supplier holds a patent or license to use the patent;
 - (h) When a new contract must be entered into as a result of an early termination of a prior contract. Such a decision must be justified by the Contracting Party showing the previous provider's non-performance or early termination occurred because of other reasons, like those mentioned in section 5. Conditions for participation/Exclusion of participation in procurement;
 - (i) For particularly advantageous contractual terms (e.g. from supplier winding up business or from the receivers or liquidators of a bankruptcy, an arrangement with creditors etc.);
 - (j) For contracts for goods quoted and purchased on a commodity exchange.
- 7.2. The decision to use a negotiated procedure with only one tenderer in these special cases shall be based on strong and convincing justifications. These justifications shall be documented in the procurement decision and filed in the procurement file.

8. Documentation, archiving and follow-up

- 8.1. The Contracting Party shall keep sufficient and appropriate documentation with regard to the procedures applied and which justify the decision on the pre-selection of tenderers (where an

open procedure is not used) and the award decision. Relevant documentation depends on the procurement procedure and includes technical specification/terms of reference, Invitation to Tender, tender notice if any, quotations or tenders, minutes of opening of tenders, minutes of evaluation of tenders, decision and its reasoned justification, regret letters/Award notices to unsuccessful tenders, and the signed contract. It also includes records of the reasoning in the evaluation and the decisions on which deviations are based as provided for in section 7. It is essential that the steps taken and their reasons are well documented and kept on file in case the process is later audited or reviewed or some dispute arises on the procurement procedures followed.

- 8.2. Subject to the Contracting Party's legislation on access to documents, written records of the entire procurement procedure must be kept confidential and kept by the Contracting Party for the following periods:
- Unsuccessful tenders have to be kept for five (5) years from the tender submission deadline.
 - Contractual and procurement documents have to be kept for a minimum of seven (7) years from the expiry date of the contract and the date of the contract award respectively.
- 8.3. Documents to be conserved include all the tender documents, the originals of all tenders, the tender evaluation form and any related correspondence.
- 8.4. Act Church of Sweden's following up of the Contracting Party and its activities, includes scrutinising procurements financed by grants from Act Church of Sweden. Act Church of Sweden is entitled to access all documents concerning any such procurement activity. Consequently, procurements must be systematic and well documented.

9. Procurement principles - definitions and explanations

Best quality and value for money – The award of contracts shall always conform to the principle of best quality and value for money. The principle of best quality and value for money aims at ensuring efficiency, effectiveness and economy in procurement and is an award criterion which ensures that the optimum quotation/proposal is awarded the contract. The optimum quotation/proposal fulfils the defined needs and the objective of the action with requirements to the following four indicators: (i) satisfactory quality of the goods/services/works; (ii) timely delivery or completion; (iii) price corresponding to market prices or lower; and (iv) with considerations to human, social and labour rights and the environment.

Competition – Competitive opportunities that exist shall be utilised. The principle of competition is fulfilled with fair and transparent procurement procedures. The number of candidates invited shall be sufficient to ensure genuine competition in the given circumstances. The number of candidates to invite to negotiate or tender varies with the procurement procedure and normally be at least three (3). If less than three (3) candidates respond with offers by the deadline this has no bearing on the validity of the procurement process as long as the Contracting Party ensures that a sufficient number of candidates were invited to provide genuine competition.

Conflict of interest – The situation of conflict of interest applies to persons in charge of the procurement procedure as well as to persons involved in the opening and evaluation phases. A conflict of interest may arise where, for instance, a member of the evaluation committee or someone in the

Contracting Party or others involved in the procedure grant themselves, or others, unjustified direct or indirect advantages by influencing the outcome.

Equal treatment and non-discrimination – Participation shall be open on equal terms for natural and legal persons. Tenders and tenderers shall be treated objectively and without irrelevant considerations in order to ensure competition on equal terms. Award of contracts shall be transparent and objective.

Ethical procurement – the Contracting Party, tenderers and candidates, and contractors must observe the highest ethical standards during the procurement and execution of contracts (avoidance of conflict of interest, irregularities and corruption), ensure basic social rights and working conditions including protection against exploitative child labour, and take environmental aspects into consideration.

Fair competition – Procurement should be carried out by competition, unless there are justified reasons to the contrary. Increased competition is also in the interest of the Contracting Party itself, which will have thus greater choice as to the tender which is the most advantageous and the most suited to the needs of the Contracting Party.

Good business practice – Purchases are made in accordance with good business practice, i.e. be transparent, predictable and no supplier shall be discriminated against. Good business practice also means that you normally compare the rates of three suppliers with regard to quality, environmental impact and what is ethically acceptable.

Proportionality – Procedures required for procurement increase with the contract value as do the levels of transparency and hence the form of publication required. This means that the complexity of the procedure followed has to be in relation with the size of the contract.

Transparency – Visibility and openness in all transactions, ensuring that all information on procurement procedures, opportunities and processes are clearly defined and made widely known and available. This includes the eligibility and exclusion criteria for tendering, selection criteria and award criteria.