

SIM Procurement Policy

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I. INTRODUCTION

This Procurement Policy establishes the framework for the acquisition of goods, works, and services by Sustainable Investment Management (SIM) and for controlling procurement by third parties. It ensures compliance international best practices, and applicable national laws.

II. OBJECTIVES

The objectives of this policy are to:

- Ensure procurement activities are conducted in a transparent, efficient, and fair manner.
- Achieve value for money while promoting sustainability.
- Strengthen accountability and prevent fraud, corruption, and conflicts of interest.
- Integrate environmental and social safeguards into procurement practices.

III. GUIDING PRINCIPLES

Procurement shall adhere to the following principles:

1. **Value for Money (VfM)** – optimal balance between cost, quality, and sustainability.
2. **Economy & Efficiency** – timely and cost-effective use of resources.
3. **Transparency & Accountability** – open, documented, and auditable processes.
4. **Fairness & Equal Opportunity** – non-discrimination of eligible bidders.
5. **Integrity** – zero tolerance for fraud, corruption, collusion, or coercion.
6. **Environmental & Social Responsibility** – preference for climate-resilient and inclusive solutions.

IV. PROCUREMENT METHODS

Procurement methods shall be selected based on contract value, complexity, and risk:

- **Request for Proposals (RFP)**: Default method for high-value procurements.

- **Request for Quotations (RFQ):** Suitable for low-value, routine purchases.
- **Restricted Tendering (RT):** Permissible under market or project-specific constraints. A prequalification process will be used to screen potential bidders before inviting them to submit full proposals. This is to ensure that only firms or individuals with the necessary technical, financial, and managerial capacity are allowed to participate in the bidding process.
- **Non-competitive (e.g. single sourcing, direct contracting):** Allowed only under exceptional circumstances (e.g., proprietary goods, emergencies).

V. SELECTION METHODS

SIM uses the main selection methods recognised under international procurement standards (World Bank, ADB. etc.) to select the works, goods or services to be provided. These explained below:

1. Quality and Cost-Based Selection (QCBS)

- Balances technical quality and cost (e.g., 80% quality, 20% cost).
- Used when both quality and cost are important.

2. Quality-Based Selection (QBS)

- Selection based only on technical quality.
- Financial proposal of the top-ranked firm is negotiated.
- Used for highly complex or specialized assignments where quality is paramount.

3. Fixed-Budget Selection (FBS)

- A fixed budget is disclosed. Among proposals meeting the quality threshold, the best quality within budget is selected.
- Used when scope is well-defined and budget is capped.

4. Least-Cost Selection (LCS)

- The lowest-cost proposal among those meeting minimum technical requirements is selected.
- Used for routine assignments with standard methodology.

5. Consultants' Qualifications Selection (CQS)

- Selection based on the most qualified consultant's experience and capacity.
- Used for small assignments where full proposals are not justified.

6. Single-Source Selection (SSS)

- Direct contracting without competition.
- Used only in exceptional cases (e.g., proprietary expertise, emergency, or continuation of earlier work).

VI. ENVIRONMENTAL AND SOCIAL CONSIDERATIONS

SIM recognizes that environmental and social considerations are important when selecting goods, works or services. Procurement shall favour suppliers with climate-friendly and socially inclusive practices.

VII. GOVERNANCE AND OVERSIGHT

- A **Procurement Committee** consisting of the CEO and COO shall oversee significant procurements.
- Procurement records shall be maintained for at least seven (7) years and be available for external audit.

VIII. ETHICS AND CONFLICT OF INTEREST

- All staff and bidders must disclose potential conflicts of interest.
- Gifts, hospitality, or undue influence are strictly prohibited.

IX. CONTRACT MANAGEMENT

- Contracts shall include clear provisions for performance, monitoring, and compliance.
- Any variations, extensions, or amendments must be justified and approved by the Procurement Committee.

X. RESOLUTION OF DISPUTES PERTAINING TO THE PROCUREMENT PROCESS

Any Bidder or contractor may file a complaint in connection with the sourcing process or the award of a contract by SIM. The complaint must be submitted to the CEO within five (5) working days from the receipt of the regret letter informing the Bidder they were not successful. SIM shall respond to the complaint confirming receipt and, after completing the internal assessment, shall respond to the bidder with a response to the complaint. Any such SIM response shall be considered final and not subject to an appeal.

Annex A: Procurement Thresholds and Methods

Contract Type	Estimated Value (USD)	Procurement Method
Goods & Non-Consulting Services	< 10,000	Request for Quotations (RFQ) – at least 3 quotations
Goods & Non-Consulting Services	20,000 – 100,000	Request for Proposals (RFP), Restricted Tendering (RT)
Goods & Non-Consulting Services	> 100,000	Request for Proposals (RFP), Restricted Tendering (RT)
Works	< 50,000	Request for Quotations (RFQ) – at least 3 quotations
Works	50,000 – 100,000	Request for Proposals (RFP)
Consulting Services (Firms)	< 20,000	Consultants' Qualifications Selection (CQS) / Least-Cost Selection (LCS)
Consulting Services (Firms)	≥ 20,000	Request for Proposals (RFP), Restricted Tendering (RT) Quality and Cost-Based Selection (QCBS) / Quality- Based Selection (QBS)

Note: Thresholds may be adjusted based on national regulations, project risk, and specific donor guidelines.

Annex B: Procedures for Controlling Procurement by Third Parties

Where third parties (such as implementing partners, contractors, or sub-recipients) undertake procurement financed by the company and/or external sources (e.g. donors), the following procedures shall apply:

1. Eligibility and Approval

- Third parties must be pre-approved by the company before engaging in procurement.
- All third parties shall demonstrate adequate financial, technical, and procurement capacity.

2. Adherence to Policy

- Third parties must follow this Procurement Policy and its annexes.
- Any deviations must be pre-approved in writing by the company's Procurement Committee.

3. Thresholds and Methods

- Procurement thresholds and methods outlined in Annex A shall also apply to third parties, unless otherwise approved.

4. Supervision and Oversight

- SIM reserves the right to review all procurement documents, including RFQs, bid evaluations, and contracts before award.
- Spot checks, audits, and monitoring missions may be conducted.

5. Reporting

- Third parties shall submit quarterly procurement reports, including contract awards, implementation status, and any issues encountered.

6. Record Keeping

- Third parties must maintain complete procurement records for a minimum of seven (7) years.
- Records must be made available to SIM or external auditors upon request.

7. Compliance and Sanctions

- Non-compliance with procurement rules may result in suspension of funding, termination of contracts, or debarment.
- Fraud, corruption, or collusion will be reported to relevant authorities as per SIM's Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT) Policy.