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Chairperson of the Board of NGO «KhPG» I.Yu. Rapp

PROVISION

**ON THE PROCUREMENT POLICY OF GOODS, WORKS AND SERVICES
OF THE NON-GOVERNMENTAL ORGANIZATION «KHARKIV HUMAN
RIGHTS PROTECTION GROUP»**

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1. Introduction.

The provision on the policy of procurement of goods, works and services (hereafter – Provision) of the **Non-Governmental Organization «Kharkiv Human Rights Protection Group»** (hereafter - KhPG) is an internal document that describes the policy of the organization and the basic procedures of procurement of goods, property and services.

This Provision is used by KhPG employees engaged in planning and procurement, administration of contracts, checking the inventory, accounting and writing-off of the property, for implementing the requirements of the legislation of Ukraine and the donor organizations that arise during the implementations of KhPG projects.

These rules are binding for all employees and failure to comply with them entails the administrative and other liability.

KhPG reserves the right to change the rules and procedures without disrupting the active regulating legal provisions.

The Provision is approved by the Director of KhPG and may be amended or repealed only by him.

The purpose of this document is to provide the rational and efficient use of the financial resources of the organization, and the prevention of corruption and fraud in the procurement of goods, works and services by the organization.

2. The terms used in this Provision.

1) **procurement** – KhPG's purchase of goods and services at the expense of KhPG in the order established by this Provision;

2) **tender documents** – The documentation which is approved by the Director of KhPG, published for free access and is freely submitted by KhPG to individuals/entities during the tender selection. The documentation of the tender selection is not subject to copyright and/or related rights;

3) **procurement contract** – a contract which is concluded between KhPG and a participant based on the results of the procurement procedure. It envisages the provision of services or acquiring ownership of the goods at the expense of KhPG;

4) **tender commission** – KhPG employees and/or KhPG members, involved experts, the representatives of donor agencies appointed responsible for the organization and conducting of the procurement procedures under this Provision;

5) **consulting services** – the intellectual, immaterial activities the results of which are not physically limited, including audit, legal, consulting services, the services related to counseling, examination, evaluation, preparation of conclusions and recommendations, training and educational services, training the experts and other individuals;

6) **KhPG funds** – the funds received by KhPG in grants, donations, non-repayable financial aid from individuals and legal entities and other sources identified by the Charter of KhPG;

7) **The winner of the procurement procedure** – a participant whose tender selection offer (tender) was found the most cost-effective and was chosen in case of selection (tender), or a participant whose offer was chosen based on the outcome of the procurement procedure from a single supplier;

8) **Related person** - a person who meets any of the following criteria:

- a legal entity that controls a procurement procedure participant or is under joint control with such participant in the procurement procedure;
- an individual or his/her family members that control a participant in the procurement procedure;
- an official of a participant in the procurement procedure that is competent for conducting the legal actions on behalf of the participant in the procedure, aimed at the establishment, modification or termination of civil and legal relations, and the family members of such official.

The term “control” in this Provision should be understood as the straight ownership, or ownership through associated individuals or legal entities, of the largest share (resources, stake) of the capital of a participant in the procurement procedure, or the control over the most votes in the governing body of such participant in the procurement procedure, or ownership of the share (resources, stake) which is at least 25% of the participant’s capital.

For an individual the total sum of the ownership of share of the participant in the procurement procedure (votes in the governing body) is defined as the total amount of the corporate rights owned by such individuals, his/her family members and the legal entities controlled by such individual or his/her family members.

For the purposes of this Provision the family members are the spouses, children, parents, siblings, grandparents, grandchildren, adoptive parents, adopted children and other persons provided they live with the related person and manage the common economy;

9) **Services** – any subject of procurement (except the goods), including transport services, the development of technology, scientific research, research or constructive development, health and public services, liaising, rent (lease), as well as financing and consulting services, maintenance;

10) **Subject of procurement** – goods or services purchased by KhPG in a single procurement procedure and for which the participants are allowed to submit offers for the tender selection (tender offers) (qualification, bids) or the offers for negotiations in case of a procurement procedure from a single supplier. For conducting the procurement procedure at least three offers must be available, except in cases of KhPG using the procurement procedure from a single supplier;

11) **an offer for the tender selection** – an offer concerning the subject of procurement or its part (lot), which is submitted to KhPG by a participant in accordance with the requirements of the tender selection (tender);

12) **the term of validity of an offer for the tender selection** – the term established by KhPG in the tender selection documents, during which a participant is not entitled to alter its offer for participation in the tender selection;

13) **goods** – products, objects of any kind and destination, including raw materials, products, equipment, technology, objects in solid, liquid and gaseous state, as well as the services related to the supply of goods if the value of such services does not exceed the value of the goods;

14) **tender selection** – the selection of the participants with the aim to determine the winner of the tender (selection) in accordance with the procedures established by this Provision (except for the procurement procedure from a single participant);

15) **a participant in the procurement procedure** – an individual, including an individual entrepreneur (resident or non-resident) who has confirmed in writing the intent to take part in the procurement procedure and/or submitted a tender offer;

16) **price offer** – an offer for the object of procurement or its part (lot) which is submitted to KhPG by a participant according to the offer request;

17) **a part of an object of procurement (lot)** – a part of goods or services, set by KhPG, for which the participants in a single procurement procedure are allowed to submit the offers or the offers in case of the procurement procedure from a single participant. For conducting the procurement procedure at least three offers must be submitted for each single part of an object of procurement (lot), except for the cases of KhPG using the procurement procedure from one participant.

18) **the rule on nationality** – the tender participants in their applications must state their nationality and provide the regular proof of it. The rule on nationality is determined and valid on the condition of the establishment of these requirements by the agreements for providing the targeted funding from the donor organizations. In the absence of these

requirements the procurement goes on without the confirmation of the nationality of the tenderers.

19) **the rule on origin** – All procurements, including products and materials that will be used as a part of the work in case of the work contract, must provide proof of origin of goods, materials and equipment. The certificate of origin of goods and equipment must be issued by the competent authorities of the country of origin. This term defines the main criteria:

- the name of the place of origin;
- the geographical designation of origin.

Herewith:

- *the name of the place of origin* – is the name of a geographical place which is used as a designation in the name of goods that come from a specified geographical place and have special properties solely or mainly due to the natural conditions typical for that geographical location, or a combination of natural conditions with a human factor typical for that geographical location;
- *the geographical designation of origin* - is the name of a geographical place which is used as a designation in the name of goods that come from a specified geographical place and have special qualities, reputation or other properties, mainly due to the natural conditions typical for that geographical location, or a combination of natural conditions with a human factor typical for that geographical location.

The rule on origin is determined and valid on the condition of the establishment of these requirements by the agreements for providing the targeted funding from the donor organizations. In the absence of these requirements the procurement goes on without the confirmation of the origin of goods.

3. The general requirements for the procurement.

In carrying out the procurements KhPG relies on the current legislation of Ukraine. In case of procurement on a grant KhPG adheres to standards set by the donor, if they do not contradict the Ukrainian legislation.

The main principles that KhPG requires the employees to follow in the procurement are:

- timely (long-term and short-term) planning of the procurement activities, ensuring the prompt decision-making;
- equality, justice, non-discrimination and the absence of the unjustified restrictions of competition in relation to the participants in the procurement;
- targeted and cost-effective spending of funds for procuring the goods, works and services as well as the implementation of the measures aimed at reducing the additional expenses;

- Avoiding the procurement of unnecessary things, the unneeded goods and services. The responsible persons should analyze the alternatives to identify the offer for goods or services which is the most economical and practical in terms of cost, quality, delivery method and support;
- feasibility and justification of the procurement of goods or services should be determined by the approved plans of KhPG activities, work plans in the frameworks of projects and industrial necessity that arises at a particular time of the operational activity;
- taking into account the characteristics of the procured products, the markets and the situations in which the procurement is made in order to determine the parameters of the procurement;
- competitive selection of the suppliers, contractors, and, if necessary, the collective decision-making in situations where competitive selection is not possible or inadvisable;
- KhPG supports open and free competition, avoids the competition policy which can hinder or destroy the competition, or otherwise restrain trade. In the event of unfair competition cases arising, the decision about the impact on the liable persons is determined by the Director, in accordance with the level of violation or the scope of the damage inflicted;
- the use of the modern information technologies, the electronic document management methods and automation in the context of procurement processes;
- documenting the transactions related to procurement, including those in the frameworks of the projects, is executed with the display of price and value only in local currency (hryvnya). If the bids are submitted for tender in the foreign currency by the participants in the contest selection, then the foreign currency translation to the national currency is carried out at the NBU rate on the date of meeting of the tender commission;
- the collective decision-making on the most important issues of organizing the procurement activities in general and on certain procurements in particular;
- Professionalism and competence of KhPG employees in preparing and making decisions on procurement, in terms of ethics.

The general policy of KhPG is directed at attracting the small businesses, the companies whose owners belong to national minorities, and enterprises run by women, by race, religion etc. In their applications the tenderers should also indicate their nationality and provide the regular proof according to the law (the document indicating the country of registration of the individual), provided these rules were established by the agreement on the targeted financing by donors.

KhPG employees promote the participation and providing the equal possibilities to people with special needs (disabilities). With the equivalent conditions of potential suppliers and their professional experience KhPG prefers such contestants.

KhPG works only with the most responsible suppliers who have every opportunity to comply with the conditions of procurement. When signing the agreement KhPG pays attention to qualities such as the honesty of the supplier, the history of his organization, financial and technical resources or access to the necessary resources. The agreements for

the supply of goods or services must be concluded with such suppliers of works and services that are the most beneficial to KhPG with regard to price, quality and the history of business relations.

All purchases, including the products and materials that will be used in other works and services in case of a work contract, must meet the requirements relating to the rule of origin. The suppliers must provide proof regarding the origin of the goods before the time of the payment against invoice. The proof of origin (certificate) should be issued by the competent authorities of the country of origin. The rule on origin does not apply to the contractor's equipment which was used for construction. The rule on origin does not apply to the conditions of procurement if it is not established by the agreements on the targeted financing which KhPG concluded with the donors.

3.1. Capacity requirements for the procurement participants:

While carrying out the tender or the simplified procurement procedure KhPG always inspects the capacity of the suppliers of works and services to supply goods and perform certain services, namely:

- The absence of the process of liquidation of a participant in the procurement – a legal entity or a private entrepreneur, and the absence of arbitral court's decision about the recognition of the participant as bankrupt;
- The continuous activity of the participant in the procurement on the date of submission of the application for the participation;
- The official registration of business;
- The compliance of the supplier's activities for supplying the goods and performing the services.

3.2. Qualification requirements for the procurement participants:

KhPG sets the following qualification requirements for the procurement participants:

- the availability of the qualified staff. The procurement documentation must state the minimum number of qualified employees and the specific requirements for their qualifications;
- the availability of production capacity and technologies. The procurement documentation must state which specific capacities and technologies must be owned by the participant and the specific requirements that they must meet;
- the presence of the experience in performing at least two similar supplies of the goods, works and services, established in the procurement documentation, in the last two years prior to publishing the information about the procurement on KhPG site. The procurement documentation must state which goods, works and services would be considered similar to those procured by KhPG.

Other qualification requirements for the participants in the procurement may be established, if necessary, which are announced by KhPG in the announcement of procurement during the tender or set by the Director in a simplified procurement procedure.

3.3. Reputation requirements for the procurement participants:

KhPG thoroughly inspects its suppliers of works and services in accordance with the internally generated reputational criteria, namely:

- The absence of the judgments on the dissolution of contracts or agreements with the procurement participant in two years prior to publishing the information about the procurement on the official site of KhPG;
- judgments or open trials concerning the recovery of the participant's debts;
- The procurement participant's possession of the recommendations from other international donors, the partners of KhPG and other organizations. The recommendations may be provided by the procurement participant or collected by KhPG independently.

3.4. Additional requirements for the procurement participants:

- The procurement participants' possession of the rights to dispose of the objects of intellectual property in the amount sufficient to meet the conditions of the contract, if in connection with a contract KhPG acquires the rights to intellectual property, except the procurement for creating a work of literature or art.
- It is not allowed to present to the procurement participants the requirements that are not indicated in the procurement documentation or in this Provision.
 - The requirements for the procurement participants apply equally to all participants in the procurement.

3.5. Reasons for exclusion from participation in the procurement:

Applicants or tenderers shall be excluded from the participation in the procurement procedure if:

- they are bankrupts or are in the process of liquidation, or their affairs are managed by the courts, or they have entered in the arrangement with the creditors, they suspended their business activity, they are the subjects of court hearings or are in any similar situation arising as a result of a similar procedure provided for in the national legislation or regulations;
- they were accused of an offense concerning their professional conduct by an enforceable court decision;
- They were accused of serious professional offenses proven in any way;

- they have been a subject of an enforceable judgment for fraud, corruption, involvement in a criminal organization or any other illegal activity;
- At the detection of conflict of interests by the tender commission or in any other way.

The applicants or tenderers must confirm that they are not in any of the above-mentioned situations, in the form of the letter with the signature of the person who should represent the procurement participant according to its Charter. This letter must be requested from the tenderers through the technical task which KhPG forms for carrying out the competitive selection in the form of tender. Additionally, if necessary, this letter can be requested from the supplier in the simplified procurement procedure.

3.6. The requirements for goods, works and services procured:

KhPG defines the requirements for goods, works and services procured through the terms of reference in order to deliver the most accurate information to the competitive selection participants. In forming the requirements for goods, works and services KhPG adheres to the following requirements:

- The established requirements for the goods, works and services must be clear and complete in order to ensure the clear and unambiguous understanding of quality requirements and other indicators of goods and services;
- The requirements active at the time of procurement, that were formed by the legislation based on the kinds of goods subject to mandatory certification, and the mandatory presence of the sanitary-epidemiological conclusion etc must be taken into account;
- The established requirements should not artificially limit the range of goods, works and services, except for the need to ensure the interaction of such goods with the goods that are already used in KhPG activity, or limit the potential participants in the procurement;
- The requirements for procured goods, works and services should be focused on the acquisition of quality goods and services that have the properties and the technical characteristics needed by KhPG, and environmental and safety characteristics;
- The established requirements for the subject of procurement should, if possible, ensure the submission of offers for supplying the innovative goods and energy saving technologies by the participants in the procurement.

In cases when KhPG is unable to independently formulate the requirements for procured goods, works and services, KhPG has the right to place on the official web site the announcement about the interest in procurement, specifying the period and the form for the interested suppliers (performers, contractors) to submit the offers about the functional, operational, technical, quality and other characteristics of the goods, works and services. After that it should formulate the necessary requirements based on the information contained in the offers submitted by the interested suppliers (performers, contractors).

In order to formulate the requirements for goods, works and services KhPG has the right to engage the experts and other consultants, both paid and free.

3.7. The requirements that cannot be used in the organization of procurement:

- The requirements that are disproportionate according to the procurement sums of the annual turnover, number of employees, number of previous projects, etc., compared to the scope of the contract;
- The use of the imprecise terms, such as “adequate”, “significant”, “appropriate”, because it is unclear what these words mean in a particular context and it is unclear whether the offered experience meets such criterion;
- Requesting the information for the period longer than the last two years;
- Requirements for the percentage of employees working in the specific areas, as this could discriminate against larger companies;
- The requirement of prior experience, if a specific justification is not provided;
- The overly detailed requirements for the technical experience which actively limit the number of suitable candidates in favor of one or several companies.

During the selection KhPG must take into account the possibility of the conformity verification, to indicate in particular about what documents the tenderer can provide as confirmation.

The selection criteria must be stated in the announcement of the procurement and the instructions to tenderers, and used by KhPG without change.

The tenderer must explain in its bid its economic, financial, professional and technical competence according to the selection criteria set out in the tender documentation. Only the successfully executed contracts can be presented as proof of the tenderer’s competence. The documents confirming this information are submitted (in copy) along with the tender offer. The documents confirming this information are submitted (in original or copy) together with the tender offer. In case of procurement of the goods, works or services the confirming documents can be provided by the tender winner before the final selection by the tender commission of KhPG and awarding the contract with the supplier.

If KhPG has doubts about authenticity of the documents submitted it must carry out the additional inspections and request the additional documents.

The person in charge of procurement in KhPG is prohibited to divide the sum of procurement to lead it out of the scope of the selection (tender).

3.8. Verification of the financial and economic competence of the tenderers.

The economic and financial competence can be demonstrated by one or several of the following documents (as an example):

- bank statements, with the consent of the supplier;

- the financial statements to be presented in the form of balance sheet and income statement for the last two calendar years preceding the date of the competitive selection;
- A statement of total turnover on works, goods or services, which similar procurements are made by KhPG, for a period not exceeding the last two financial years.

3.9. Verification of the technical and professional competence of the participants.

Technical and professional competence can be confirmed by one or several of the following documents:

- Documents on educational and professional qualifications of the service provider or contractor;
- The list of the main services provided and the materials supplied for the past two years, indicating the period of supplying or performing and the recipients – public or private;
- a description of the machinery, technical equipment and tools that will be used by the company to provide services or works by the contract;
- a description of the technical equipment and the measures taken to ensure the quality of goods and services, and a description of educational and research software of the company;
- reference to the involvement of technical specialists or technical institutions which belong or do not belong to the company, especially those responsible for the quality control;
- for the supplies: the samples, the descriptions, the authentic photos, the certificates drawn up by the recognized official institutions or authorized QC agencies which certify the conformity of products to the current technical specifications or standards;
- the indication of the part of the contract which the procurement participant intends to give to subcontract. KhPG may also require from the tenderer to provide the information on the financial, economic, technical and professional capacity of the intended subcontractor, in particular when subcontracting represents a significant part of the contract.

If a procurement participant is unable to provide the requested confirming documents due to some exceptional circumstances which KhPG considers justified, it can prove its capacity in any other manner that KhPG will assume appropriate. If the tenderer presents the documentary evidence in the form of its own declaration/statement, KhPG reserves the right to request the additional documentary evidence.

4. The persons in charge of procurement.

On the order of the Director the persons (person) responsible for the acquisition of such types of goods and services are appointed for 2 years:

- stationery, office supplies, postage stamps, envelopes etc.;
- computers, their components and other office equipment;
- equipment and consumables for the printing department;
- repair and maintenance of printing equipment;
- cars, automotive products and gas;
- repair and other services for KhPG cars;
- Other goods, works and services required for fulfillment of the statutory activity of KhPG.

Those in charge of procurement should carefully follow the requirements of this Provision. It is also important to adhere to timely planning of the procurement with the clear definition of:

- the list of necessary goods and services;
- qualitative and quantitative parameters of goods, works and services;
- time period of the procurement;
- the methods of procurement and contract form corresponding to the selected method.

The responsible persons are charged with the following responsibilities:

1. The continuous monitoring of the market and search for the suppliers. In choosing the supplier of goods or services the person responsible is guided by the principle of selection of the best supplier in terms of quality, availability and price of the product or service.
2. The collection and analysis of data from KhPG employees about the need for obtaining goods and services;
3. To propose for approval and give reasons for the necessary purchases at a meeting of the tender commission.

Responsibility:

The person in charge of procurement is responsible for:

- compliance with the current legislation and any other regulations;
- quality and timely fulfillment of their duties;
- ensuring the completeness and accuracy of information published and made public at KhPG web site;
- providing the accurate information to the participants in the procurement procedures and KhPG personnel;
- compliance with the internal procedures and rules of KhPG;

- compliance with the norms and principles that do not lead to a conflict of interests in coordinating and conducting the procurement.

5. Tender commission.

For the organization and performing of the procurement procedures KhPG creates the Tender Commission (hereafter – “the Commission”).

The Commission operates on the principles of collegiality and impartiality of the members. The membership in the Commission must not create a contradiction between the interests of KhPG and those of a participant, or between the interests of the participants in the procurement procedure, the presence of which could affect the objectivity and impartiality of decisions on the selection of the winner of the procurement procedure.

The structure of the Commission, the secretary of the meetings and the Provision governing the Commission is approved by an order of the Director of KhPG at the beginning of each calendar year before the 05 of January. The Commission may not include the officials and representatives of the participants in the procurement, their family members and senior officials of KhPG. The Commission also may not include the persons responsible for payments in KhPG. The members of the tender commission (i.e. the Chairman, the secretary and the evaluators) are appointed on the individual basis in KhPG, if necessary, they are approved by the independent observers.

The Tender Commission is appointed by KhPG, it consists of:

- The Chairman of the commission, without the right to vote;
- The secretary, without the right to vote;
- The voting members (evaluators) at least three persons.

The work of the Commission is controlled by the Chairman, who organizes it and is personally responsible for performing the functions entrusted to the Commission:

- planning the procurement;
- making the choice of a procurement procedure;
- conducting the procurement procedure, pre-qualification of the participants;
- coordination of the evaluation of the procurement participants;
- ensuring the equal conditions for all participants, fair and objective choice of the winner;
- Ensuring the drafting, approval and storage of the relevant documents on the procurement, indicated by this Provision;
- performing other actions provided for by this Provision.

The secretary of the Evaluation Committee is responsible for execution of all administrative tasks connected to the evaluation procedure. They include the distribution and collection of signed declarations of impartiality and confidentiality, taking minutes of all meetings of the Commission, accounting of those present at the meetings and drawing up the assessment reports and the supporting annexes, storing the technical documentation of the competitive selection conducted by KPG.

The voting members of the Commission are collectively responsible for the decisions taken by the Commission.

KhPG must ensure that the members of the commission (the evaluators) will be available for the duration of the planned evaluation period. The members of the tender commission should attend all meetings. Any absence must be established and explained in the evaluation report. To avoid the delays, in case of absence of an evaluator KhPG must appoint the replacement if he or she meets the requirements of this Provision.

The commission members (the evaluators) must have the technical and administrative capacity necessary for providing the informed opinions on the offers of the competitive negotiations. All evaluators must have the equal rights.

All members of the tender commission and any observers must sign the declaration of impartiality and confidentiality (Annex 9) and the Declaration of Objectivity (Annex 10). Any committee member or observer who has or may have an existing or potential conflict of interests with any participant of the competitive negotiations or an applicant must declare such conflict of interests and immediately withdraw from the commission.

The Commission's decision is issued as a protocol signed by all members. In case of a Commission member's refusal to sign the protocol it is stated in the protocol indicating the reasons for refusal. Protocol of the Commission is approved by the Director of KhPG. Commission members are personally responsible for their decisions in accordance with the laws of Ukraine.

6. Conflict of interests in the procurement procedures.

In the implementation of the procurement the Board members and executives of KhPG must avoid any possible conflict of interests. The staff of the projects that are implemented in the framework of the operational activities of KhPG adheres to the standards of professional conduct that govern the performance of the official duties at the conclusion of contracts and their administration.

Any employees, responsible persons or representatives, if they work, have investments or profit in a company which has or will have in the future a contract with KhPG for the supplying of materials, equipment or other goods and services, is not entitled to make decisions on concluding the agreements with that company and will not participate in the selection of parties to the agreement, will not administer them, if there is a real or apparent conflict of interests.

In the event of the conflict of interests the person that discovered it submits a written application in any form addressed to the Director for which he sets a mechanism for conflict prevention.

These rules prohibit the employees of KhPG to demand or accept gifts, rewards and cash values from contractors or representatives of the parties of subcontractors. In order to prevent unfair competition in the procurement of goods or services the procurement procedure performers are aware of their responsibility concerning the disciplinary measures to be taken in case of violation of agreements of non-extortion and non-acceptance of gifts, rewards and cash values.

Conflict of interests in the tender selection of a supplier is a situation when any person of the tender commission has a “common interest” with one or several tenderers, partners or subcontractors. If such conditions appear it may compromise the impartial and objective performance of the functions of a commission member. The common interest can be linked, in particular, with family or emotional ties, political or national origin, economic interests, such as labor contract.

If a person declares a conflict of interest to the Chairman of the Commission, the Chairman asks him or her not to participate in the evaluation procedure.

All evaluation participants in this tender procedure must ensure the confidentiality and impartiality to avoid a conflict of interests that can distort the conditions of appropriate and fair selection procedure.

7. The procedure of procurement of goods, works and services.

7.1. Planning and coordinating the procurement.

The procedure of planning of the procurement is defined by this part of the Provision as well as by the approved work plans of KhPG for the current year, the program budgets through which the procurement is performed and the total budget of KhPG.

One calendar year is set as a period of planning for procurement, with the quarterly breakdown for a possibility of making adjustments. The adjustments to the plan of procurement are made simultaneously with adjusting the annual budget of KhPG according to the order of the Director.

When planning the procurement it is necessary to take into account the volume of transition agreements and the existing stocks to avoid the duplicate purchases.

In performing the procurement activities it is necessary to ensure the consolidation and centralization of procurement of the similar goods, works and services for KhPG in order to optimize their value.

The procurement of goods, materials and services starts with the registration of the **Purchase Order**. The **Purchase order** is prepared by the **Initiator** of the procurement based on the form given in Annex 1.

The Purchase Order must contain the information about:

- a clear and accurate description of the subject of procurement;
- the volume of procurement (the quantity of goods, the description of services);
- approximate cost of procurement in hryvnyas (the budget of the services);
- if necessary, the basic requirements to the brands of the procured products and their producing countries;
- the basic requirements for the supplier's organization or person, if applicable.

The estimated cost of the goods (services) is defined by the plan of procurement of KhPG (within a program or through forming the budget and analysis of the market prices).

The analysis of the market price for the goods for its inclusion in the order is performed by a person responsible for the procurement in KhPG which is approved by the Director for one calendar year, no later than the 5 of January of that year.

The permissibility and the justification of the procurement are confirmed by the signatures of the program manager, the person responsible for procurement, the financial manager and the Director of KhPG.

In performing the procurement within a program the justification is also confirmed by the Program Manager and the Financial Manager by coordinating the procurement which is a part of the annual work plan and the program activities.

7.2. Types of procurement.

KhPG defines the following procurement procedures:

- payment against invoice;
- the simplified procurement procedure;
- procurement from a supplier which is included in the Register of the regular suppliers;
- request for quotation;
- competitive selection (tender);
- national open tender;

7.2.1. Payment against invoice

The person in charge of procurement submits an invoice approved in accordance with the financial procedures of KhPG, to the chief accountant on the basis of the requests from the initiator of the procurement with the justification of their choice, or based on the approved procurement plan.

The payment against invoice is performed if the invoice does not exceed 15000,00 hryvnias.

7.2.2. Simplified procurement procedure

The simplified procurement procedure is an irregular procurement which is performed without tender on the amount from 15 000,00 hryvnias to 60 000,00 hryvnias based on the analysis of three commercial offers from the suppliers that are independently invited by the person in charge of procurement in KhPG.

When initiating the procurement of goods or services in the indicated value limits it is performed by the procurement initiator in the following order. The initiator submits a purchase order to the person in charge of procurement who in turn receives all the necessary documents from the potential suppliers and gives them to the Director for approval.

With this method of procurement the person in charge of procurement performs the analysis of the market prices for goods and services and chooses the commercial offers as well as technical and economical justification in the following sequence:

- formulating and sending the invitation letter to the chosen suppliers;
- formulating the basic conditions, requirements and request procedures – based on the order from the Initiator – the terms of reference (specification);
- if necessary, providing the suppliers with the template of reply to the request for the procurement;
- selection of the supplier, on the results of the analysis, but on the basis of at least 3 (three) commercial offers (invoices from the suppliers or the price lists for the goods or services indicated in the order);

The offers from the suppliers must come to the address of KhPG no later than the date and time specified in the invitation to participate in the procurement procedure.

The potential suppliers must be provided a reasonable time to prepare an offer.

The whole process of the simplified procurement procedure must be clearly indicated by the person in charge of procurement of KhPG in the Analytical table under the procedure (Annex 2) which shows the way to choose the supplier and set the value, as

well as the reasons for the decision. KhPG ensures the proper application of the general requirements for the procurement procedures.

Under this procedure the rule on origin (the country where the goods are made) does not apply, but the rule on nationality (the country of the registration) of the supplier remains applicable, provided this rule is established by the agreement to provide the targeted funding from the donor organizations.

After the successful performing of the coordination procedure in terms of permissibility and justification the purchase order with the price offers is submitted to the Director of KhPG for signing, who makes the final decision and/or signs the invoice, but only after the approval of this request by all responsible persons, according to this procedure and the financial policy of KhPG.

To simplify the procedure of the regular procurements on the sum not exceeding 60 000 hryvnias it is allowed to use the services of the suppliers included in the Register of the regular suppliers without providing the additional price offers.

The calculation can only be made by bank-transfer and it is performed according to the requirements of the current legislation, and then recorded in the accounting registers of KhPG according to the rules of accounting.

Після проведення оплати та одержання товарів/послуг, закупівля вноситься до Реєстру закупівель ХПГ (Додаток 3).

7.2.3. Procurement from a single supplier.

Procurement from a single supplier is a method of procurement in which the contract with the selected supplier (performer, contractor) is concluded without the permanent tender procedures of procurement if the market offers no optimal alternative offers.

Based on the earlier tender of the simplified procurement procedure the person in charge of procurement forms the Analytical table. The data in the analytical table give reason to form the Protocol which approves a purchase from a single supplier with a clear reflection of the possible or impossible alternative supplier.

It is not allowed to work with a single supplier without conducting the selection for more than two years.

The reason for the exclusion of a supplier as a single one can be a negative experience of performing duties or the substantial changes in price policy as well as the ability to obtain services from alternate suppliers.

If the supplier still changes pricing in the period of the cooperation by agreement with KhPG, the person in charge of procurement must conduct a new selection of the suppliers for the argumentation of the further cooperation or a change of the supplier of goods, works and services.

KhPG performs procurement from a single supplier (performer, contractor) in the following cases:

- 1) The supply of goods, works and services fall within the scope of activity of the subjects **that are monopolists** in accordance with the list of entities that have a monopoly on the national market;
- 2) a contract of **power supply** or a purchase or sale of the electrical energy is concluded with the guaranteed power supplier;
- 3) the provision of **water supply**, sewage, drainage, heating, gas, public telecommunication and postal services, **housing and communal services**, connecting (joining) to the networks of engineering and technical support as well as other works and services is performed according to the prices of such organizations regulated by the legislation;
- 4) there is a need in works or services which could be performed or provided only by the **executive authorities** in accordance with their competence or by their subordinate state institutions;
- 5) there is a need in certain goods, works, services due to **an accident**, force majeure, a need for the **urgent medical attention**, natural or man-made disasters, to prevent the threat of their occurrence as well as to prevent the **disruption of the work of KhPG**, in connection with which the use of other methods of procurement that are time-consuming is considered inappropriate;
- 6) there is a need in certain goods, works and services that can be provided only by a single supplier which is an **exclusive supplier** of the given goods, works or services. In case of need for the cooperation with such supplier the person in charge of procurement must receive from 3 (three) other suppliers, working in the adjacent, similar, analogous field, a letter of notification of inability to provide KhPG with the services, works or goods specifically mentioned in the order;
- 7) the acquisition of **the exclusive rights** to the results of intellectual activity or the **means of individualization**, as well as the acquisition of rights to use the results of the intellectual activity or means of individualization;
- 8) **the procurement of the works of literature** and/or art, other results of the intellectual activity of the specific authors, including those by the contracts of the copyright order, on informational messages or materials and other media, including photos, videos and info graphics as well as the archive materials;
- 9) a contract is concluded to provide the services for the **creation of exclusive information and other stories** the creation of which may be performed only by the specific organizations and individuals;
- 10) procurement of **mobile services** due to the presence of the particular operator in the number capacity;
- 11) If KhPG that procured goods, works or services from any supplier, contractor or performer in the same financial year has the need for additional procurement of goods, works or services, KhPG has the right to purchase from the same supplier, contractor or performer. The price of the additional goods, works or services shall be determined as a quotient from a division of the price of the earlier contract by the quantity of the goods, scope of the works or services provided for in the contract, which can also be a supplementary contract to the main contract.

When the procurement is made under a grant agreement on the cooperation, KhPG, after identifying the supplier as the single, after complying and going through all procedures defined in this Provision, approves their choice on each of the suppliers, separately with the donor, if necessary. With a proper and clear approval the grant manager has the right not to conduct the initiation of the procurement procedure each time when there is a need to procure goods, works and services.

The person in charge of procurement is obliged to properly organize the storage of all documentation that gives rise to define a single supplier.

7.2.4. Procurement from a supplier that is included in the Register of the regular suppliers.

Procurement from a supplier which is included in the Register of the regular suppliers is a method of procurement in which the contract with the selected supplier (performer, contractor) is concluded on the basis of the simplified tender procedure for the previous year. KhPG forms the Register of the regular suppliers of goods, works and services for the following year, which is an annex to this Provision (Annex 4). The person in charge of procurement is responsible for keeping the Register and constantly evaluates the market and monitors the changes in pricing. It is not allowed to work with a regular supplier without a competitive selection for more than two years.

The basis for inclusion the supplier to the Register is the victory in a tender, the regularity of such procurements is taken into account (at least 6 times in a calendar year), and the selection must be conducted in any way regardless of the total sum of the procurement.

The reason for the exclusion can be a negative experience of performing duties or the substantial changes in price policy.

If the supplier still changes pricing in the period of the cooperation by agreement with KhPG, the person in charge of procurement must conduct a new selection of the suppliers for the argumentation of the further cooperation or a change of the supplier of goods, works and services.

KhPG performs the procurement from the suppliers (contractors, performers) and includes them in the Register of the permanent suppliers only in the following cases:

- 1) **a contract for the rent of non-residential premises** is concluded, as well as the provision of technical maintenance of one or several non-residential premises (buildings) transferred into the possession and use (by the rent contract or a contract of the free use) to KhPG if these services are already provided to the landlord for other premises located in such buildings, or if such duty was already specified in the relevant rent agreements or the agreements for the free use;
- 2) there is a contract for provision of individual supervision over **construction and installation works** on the objects;

- 3) procurement of **software** from a representative who is a **sole owner**, and the procurement of service from that supplier.
- 4) a contract for the provision of **engineering services on the organization, creation and processing of videos** as well as communication services using fixed and mobile tools in order to highlight the events;
- 5) a contract for the **creation, acquisition and distribution of the media products**, including the performance of the functions of the media editors;
- 6) a contract for the **procurement of goods**, works and services to provide KhPG activity abroad in the approved partnership;
- 7) the procurement of the services related to the assignment of KhPG employees in the business trips, including the travel to the places of business trips and back, hotel services or hiring the premises, transportation, nutrition, communication services and other related expenses, as well as the participation of KhPG in conducting or covering of the forums, summits, seminars and other business events of regional, national or international scale and other measures;
- 8) a contract for the provision of services on **organizing the participation in the exhibitions, conferences, seminars**, provision of qualification-rising training for KhPG employees and implementation of their professional retraining, internships or participation in other events with the performer who is the organizer of the event or the authorized person of the organizer;
- 9) procurement of the **goods, works and services from the legal entities or individuals**, including the private entrepreneurs that are not challenged by KhPG to fulfill their contractual obligations within the past 2 (two) years and/or which are allowed by KhPG to have access to the confidential information and/or with which there are active prior agreements about the cooperation and other confidential agreements;
- 10) **a contract for the provision of the advertising and information materials** of the customer on the resources of the supplier (contractor, performer), on the internet sites, in the newspapers, magazines, on the notice boards and other information resources;
- 11) the need for the procurement, including an event of objectively unforeseen work, in which the change of a supplier/performer is impractical for reasons of standardization or the need to ensure the compatibility with the existing equipment and processes;
- 12) KhPG as a performer of the state, donor (project) contract or any other type of contract, attracts others to the supply of goods or services required for the implementation of these contracts or agreements.

When the procurement is made under a grant agreement on the cooperation, KhPG, after identifying the supplier, includes it into the Register, after complying and going through all procedures defined in this Provision, approves their choice on each of the suppliers, separately with the donor, if necessary. With a proper and clear approval the grant manager has the right not to conduct the initiation of the procurement procedure each time when there is a need to procure goods, works and services.

The person in charge of procurement is obliged to properly organize the storage of all documentation that gives rise to including the supplier in the Register of the regular suppliers.

7.2.5. The full procurement procedure (tender).

The full procurement procedure is the tender procurement which is made on the basis of open competitive policy of KhPG.

The tender procurement mechanism is used to purchase the goods and services in an amount that exceeds 60 000 hryvnyas.

In performing the procurement on an amount which exceeds 60 000 hryvnyas, the Tender Commission on procurement of KhPG is created to select the service provider. **The Initiator of the procurement may be invited to participate in the Tender Commission.**

This procedure provides that KhPG complies with the relevant requirements without any violations:

- The announcement of full information about the tender conditions and specifying all requirements for the tender offers, a clear reflection of the criteria for the selection of the winner;
- Documenting the tender procedure;
- The number of the participants must be at least 3 (three) persons ;
- The openness and publicity of the full procurement procedure.

When purchasing goods or services in the full tender procurement procedure KhPG adheres to the following mandatory steps:

- 1) the decision about conducting the tender – responsible – the person in charge of procurement in KhPG. The Director approves the decision by issuing the internal order about the tender;
- 2) the approval of tender documentation, the determination of the selection criteria for tenders – formulated by the members of the Tender Commission;
- 3) providing the information about the tender – a Tender Announcement (Annex 8) – performed by the person in charge of procurement in KhPG independently or with the assistance of employees with access to the sources of information from KhPG;
- 4) the collection and evaluation of the tender offers from the bidders – performed by the person in charge of procurement in KhPG;
- 5) defining the winner of the tender – the Tender Commission;
- 6) the conclusion of the contract documents and performing the procurement - the person in charge of procurement in KhPG.

Before the start of each procurement the decision on this procedure must be made and formalized accordingly. Such a decision about the possibility of performing a tender (each one separately or a series of the similar procurements conducted under any program, project or within a specific period) may be made by the Director of KhPG or the authorized person. This decision must be approved by the Order on conducting the tender (Annex 6) according to the requirements of this Provision.

7.3. Tender documentation.

The tender documentation is a set of documents containing the background information on the technical, commercial, organizational and other characteristics of the tender subject as well as the tender conditions and procedure.

The tender documents must contain all the provisions and the information that the tenderers need to present their bids: the procedures to be followed, the documents that have to be provided, the cases of inadmissibility, the award criteria etc.

Due to the technical complexity of many contracts, the preparation of the tender documents, the technical characteristics in particular, may require a support from one or several external technical experts. Each of such experts involved must sign the Declaration of Objectivity and confidentiality.

The technical characteristics should reflect the information required from the goods, services, materials or works in order to achieve their purpose, as well as the basic characteristics and the minimal quality standards that allow to determine which tenders are technically acceptable.

The technical characteristics must allow the equal access for the participants and must not have the effect of creating the unjustified obstacles for the competitive selection.

It is prohibited to use the technical characteristics that describe or refer to a product of the specific brand or origin and thereby give them an advantage or exclude the other products from the participation, except due to the nature of the contract. Якщо продукцію неможливо описати досить чітко або зрозуміло без використання назви марки, вона може бути названа за умови, що за назвою слідує слова "або еквівалент".

The technical requirements, depending on the type of the relevant goods, orks or services, may indicate the items reflecting the following information:

- ❖ name and quantity of the supplied goods, the amount of the works or services provided as defined by KhPG according to:
 - the existing requirements for the goods, works and services procured;
 - quality requirements;
 - the technical characteristics of the goods, works or services;
 - their safety;
 - the functional characteristics of the goods;
 - shipment procedures;

- work results;
- and other requirements related to determining the compliance of the goods, works and services to the needs of KhPG, as reflected in the purchase order;
- ❖ the requirements to the contents, form and design of applications for the participation in the procurement;
- ❖ the requirements to the procurement participants' description of the supplied goods that are the subjects of procurement, their functional, quantitative and qualitative characteristics, the requirements to the procurement participants' description of the works or services that are the subjects of procurement, their qualitative and quantitative characteristics;
- ❖ the requirements to the time and/or scope of the guarantees for the quality of goods, works or services (if necessary);
- ❖ The place, time and conditions of the delivery of goods, provision of works or services;
- ❖ the form, terms and order of payment for goods, works and services, specifying the limits of advance and/or the time of payment;
- ❖ the information about the opportunities of KhPG to change the terms of the contract while concluding and executing it according to this Provision;
- ❖ the order, place, start date and end date of the period for submitting the applications for procurement;
- ❖ the requirements to the procurement participants and the list of documents that are submitted by the procurement participants to confirm their compliance with the requirements;
- ❖ the order and term of withdrawal of the applications for the participation in procurement, the order of amending such applications;
- ❖ the form, order, start date and end date of giving the clarifications of the provisions of procurement documentation to the procurement participants;
- ❖ the place and date of the procurement procedures, including the place and date of considering the offers of the procurement participants and summarizing of the procurement;
- ❖ the grounds for refusal in access to the participation in the procurement;
- ❖ the procedure and criteria for the evaluation and comparison of the applications for the participation in the procurement;
- ❖ the information about the preferences provided;
- ❖ the period during which the procurement participant with whom a contract must be concluded according to this Provision, has to sign the contract;
- ❖ the reasons and consequences of recognition of procurement as such that did not take place.

This Provision in KhPG approves the typical composition of the tender documents (Annex 5). The tender selection documentation must contain:

- 1) the instruction on preparing the offers for the tender selection;

2) the qualification criteria for the participants and the information about the means to documentary prove the participants' compliance with the established criteria and requirements according to the law;

3) a sample application for the participation in the competitive selection;

4) the information about the necessary technical, qualitative and quantitative characteristics of the subject of procurement, including the relevant technical specification (if necessary – the plans, blueprints, drawings or the description of the subject of procurement).

The technical specification must contain the detailed description of the procured goods and services, including their technical and qualitative characteristics; the requirements to the technical and functional characteristics of the subject of procurement, in case if the description is impossible to create or if it is more appropriate to specify such indicators, the references to the basic characteristics, requirements, symbols and terminology associated with the goods or services procured, which are envisaged by the existing national or international standards, rules and regulations.

The technical specification should not contain references to a specific brand or company, patent, design or type of the subject of procurement, its source of origin or manufacturer. If such reference is necessary, the specification must include the expression "or equivalent". The technical and quality characteristics of the subject of procurement should anticipate the need to take measures to protect the environment;

5) the quantity of the goods and the location of their delivery;

6) the place for the services to be provided, their scope;

7) the terms of the delivery of goods and provision of services;

8) a draft contract or the basic conditions that must be included in the purchase agreement;

9) a description of a single item or a part of the subject of procurement (lot) for which the offers may be submitted for the tender selection, in case if the participants are allowed to submit the offers about a part of the subject of procurement;

10) the period during which the offers for the tender selection are considered valid, but no less than 90 days from the date of opening of the offers;

11) the information about the currency in which the price of the offer submitted for the selection must be calculated and indicated;

12) the information about the language (languages) in which the offers for the competitive selection should be written;

13) the information about the method, place and deadline for submitting the offers for the tender selection;

14) the procedure of provision of the clarifications about the selection documentation;

15) the place, date and time of opening of the offers by the Tender Commission;

16) the surname, name and patronymic, the position and address of one or several KhPG officials authorized to communicate with the participants.

The tender selection documentation may also contain other information which KhPG considers necessary to include, in accordance with the law.

The tender documentation should clearly indicate that the participants have to offer a solid, immutable price.

If the documentation in foreign language is needed for the participation in the procurement, the translation to the foreign language is made by the participant independently at their own expense, unless stated otherwise in the announcement of the procurement.

Tender applications or offers CANNOT be rejected in the following cases:

- fewer copies of a tender application was submitted than it was requested;
- the applications were submitted in the proper format, the necessary information was provided, but the document is not organized properly;
- the application is not signed or contains a scanned signature (the signature may be requested later, but if it is not provided, or if the original document, which is submitted later, differs from the earlier one, the application must be rejected);
- the candidates, applicants or tenderers can prove that the necessary documents are not available, provided that an acceptable alternative exists;
- the tenderers for procurement of services have not provided all documentary evidences concerning the exclusion or selection criteria with the tender application. The required supporting documentation may be requested from the tender winner within a reasonable time. When the additional supporting documentation is not provided, the winner shall be cancelled and his application must be rejected. In that case the tender must be re-organized.

7.3.1. The requirements for the applications for the participation in procurement:

To participate in the procurement the participant must prepare an application for participation in the tender selection (Annex 7), issued in full compliance to the requirements of the procurement documentation.

The application for participation in the procurement must contain:

- for a legal entity:

- a) the filled application form for the participation in the procurement in accordance with the procurement documentation;
- b) the application is supported by the tender documents (Annex 5) of the legal entity in the form established in the procurement documentation;
- c) copies of documents (the current version) with the application of existing amendments;
- d) the document confirming the registration of a tender participant as a subject of business activities (extract etc);
- e) the certificate of registration of a taxpayer;
- f) the document that proves the person's authorization to act on behalf of a participant in the procurement (a copy of the decision of appointment or election, or of the order to appoint an individual to the position , according to which such individual is entitled to act on behalf of the procurement participant, without authorization, hereafter – “The Chairman”). If another person acts on behalf of a procurement participant, the application for the participation in procurement must also contain the power of attorney to act on behalf of the procurement participant, including the authorization to sign the applications for the participation in the procurement (for the legal entities) or a copy of the power of attorney, signed by the Chairman of the procurement participant or the person authorized by the Chairman. If the said power of attorney is signed by the person authorized by the Chairman of the procurement participant, the application for the participation in the procurement must also contain the document confirming the authority of the person;
- g) the information about the functional and quality characteristics of the goods, works and services and other offers on the terms of the contract. In the cases stipulated by the procurement documentation, copies of the documents confirming the compliance of the goods, works and services to the requirements, if such requirements to the goods, works or services are established according to the legislation;
- h) the offer of price by the contract or of price per unit of goods, works or services;
- i) other documents or copies of documents, other information, the list of which is approved by the procurement documentation.

- for an individual business entity:

- a) the filled application form for the participation in the procurement in accordance with the procurement documentation. If another person acts on behalf of a procurement participant, the application for the participation in procurement must also contain the power of attorney to act on behalf of the procurement participant, including the authorization to sign the applications for the participation in the procurement, stamped and signed by the procurement participant (if this individual business entity has it);

б) The documents certifying the surname, name and patronymic, the passport details, the information about the residence, contact telephone number, TIN;

в) a copy of an extract from the Unified State Register of businesses;

г) the information about the functional and quality characteristics of the goods, works and services and other offers on the terms of the contract. In the cases stipulated by the procurement documentation, copies of the documents confirming the compliance of the goods, works and services to the requirements, if such requirements to the goods, works or services are established according to the legislation;

д) the offer of price by the contract or of price per unit of goods, works or services;

е) the application is supported by the tender documentation (Annex 5) of the business entity in the form established by the procurement documentation;

е) other documents or copies of documents, other information, the list of which is approved by the procurement documentation.

- for individuals:

а) the filled application form for the participation in the procurement in accordance with the procurement documentation. If another person acts on behalf of a procurement participant, the application for the participation in procurement must also contain the notarized power of attorney to act on behalf of the procurement participant, including the authorization to sign the applications;

б) The documents certifying the surname, name and patronymic, the passport details, the information about the residence, contact telephone number, TIN;

в) the information about the functional and quality characteristics of the goods, works and services and other offers on the terms of the contract. In the cases stipulated by the procurement documentation, copies of the documents confirming the compliance of the goods, works and services to the requirements, if such requirements to the goods, works or services are established according to the legislation;

г) the offer of price by the contract or of price per unit of goods, works or services;

д) in case of an individual's participation in the procurement through a representative the application for the participation in the procurement must contain the power of attorney to act on behalf of the procurement participant, signed by the individual, or a notarized copy of such power of attorney;

е) the application is supported by the tender documentation (Annex 5) of the business entity in the form established by the procurement documentation;

з) other documents or copies of documents, other information, the list of which is approved by the procurement documentation.

- if several legal entities, individuals or individual business entities participate in the tender, and act on the part of one procurement participant, the application for participation in the procurement must contain a cooperation agreement or memorandum that was concluded for a period that is at least equal to the term of agreement concluded by the results of the procurement by those persons.

In that case the application must be also supported by the documents and information required by this Provision and approved by the documentation of the competitive selection.

7.4. Tender procurement procedure.

During the full procurement procedure in the form of tender all interested persons are entitled to submit the offers for the participation in the tender.

7.4.1. Announcement of the tender procurement.

The announcement of the tender selection must indicate:

- name and location of KhPG;
- address of the web site of KhPG;

- name of the subject of procurement;

- the number and location of delivery of goods, or the scope and place of service delivery;

- the term of delivery of goods or services;

- the place of reception of the tender selection documentation;

- the procedure of submission of the tender offers by the tenderers (by mail, courier, personal delivery or by e-mail);

- the place and time for submitting the offers for the tender selection;

- the place, date and time of opening of the offers for the competitive selection;

- the size, time and terms of provision of the offers for the competitive selection (if KhPG requires to provide it);

- the surname, name and patronymic, the position and address of one or several KhPG officials authorized to communicate with the participants.

The announcement the additional information determined by KhPG (Annex 8).

The tender offers must be delivered to KhPG address not later than the date and time indicated in the invitation. The chosen candidates must have at least **30 days** after sending the letter of invitation to participate in the tender selection, to prepare and submit their tender offers. This period may be reduced in justified cases, depending on the nature of the services/goods/works, but it should be long enough to guarantee the quality of tender offers.

In determining KhPG in the announcement of the tender, the delivery of the tender offers from the participants in the form of sealed envelopes and receiving the envelopes with the tender offers, the person in charge of procurement in KhPG must register them by indicating the date and time of reception, and issue/sign a receipt in case of direct delivery. The envelopes containing the tender offers must remain sealed and kept in the safe place prior to opening. The outer envelopes of the tender offers must be numbered in order of reception (regardless of whether they were received on time).

The documents for the tender offers must be packed in an envelope which is mandatory to specify:

- the name of the subject of procurement in accordance with the terms of selection;
- the full name of the procurement participant, its address, identification code of USREOU, contact telephone numbers.

The requirements set out above are mandatory to be voiced to the tenderers in the tender announcement.

All documents related to the tender selection must be submitted in Ukrainian or English with a certified translation. The offer that is submitted by a participant includes the application for the participation in the selection and all annexes referred to in the documentation for the selection and indicated in the tender announcement.

All offers received by the Commission after the deadline of submission of the offers must be rejected, and, after marking in the outgoing mail journal may be returned to the candidates. If they are not returned the offers are marked as received after the deadline and will not be subject to consideration.

The timely delivery of the offer by a candidate, in full and in accordance with the established requirements is a prerequisite for the candidate's participation in the tender selection.

KhPG may extend the deadline for submission of the offers by the written notice to all applicants in the same form as it was done.

The procurement participants must be denied access to participation in procurement in the following cases:

- a) failure to submit the originals and/or copies or the documents and other information according to the requirements established in the procurement documentation. The presence of false statements about the participant or about the procured goods, works or services in such documents;
- b) discrepancies of the procurement participants to the requirements established in the procurement documentation in accordance with this Provision;
- c) discrepancies of the application for the participation in procurement to the requirements established in the procurement documentation, including the presence of contract price offers in these applications;
- d) non-compliance of one of the legal entities, individuals or individual business entities that act on the part of one procurement participant to the requirements detailed in this Provision. The decision to deny the access to participation is taken towards all legal entities, individuals or several individual business entities acting on the part of one procurement participant.
- e) in case of finding the unreliability of the information contained in the application for the participation in the procurement to the requirements established in this Provision – such participant must be suspended from participation in the procurement on any stage of its implementation.

7.4.2. The preparatory meeting of the Tender Commission.

The first meeting of the Commission is held prior to the start of the actual assessment. This session may be held right before the meeting and opening and opening of the tender documentation.

Tender documentation (applications and the tender documentation requirements) must be distributed among the committee members in advance. The Chairman of the Commission presents the purpose of the tender and explains the procedures for the Commission to comply with, including the evaluation tables and the award criteria specified in the tender documentation.

On the preparatory meeting:

1. The Chairman explains the purpose and scope of the offered contract, summarizes the main characteristics of the tender procedure for the current day, including the evaluation table.
2. All envelopes with the tender applications must be numbered in order of receipt
3. The Chairman of the Commission ensures that all tender applications which were received are available at the procedure of the opening of the tender applications.

The preparatory meeting of the Tender Commission may be held if necessary. A protocol is issued based on the results of the preparatory meeting.

7.4.3. The opening of the tender documentation.

During the opening of the tender offers the presence or absence of all the necessary documents required by the selection documentation is checked. This information is entered into the minutes of the meeting of the Tender Commission. The collection and registration of the tender offers is performed by the person in charge of procurement in KhPG.

The opening of tender offers for the tender selection is performed on the day of expiry of the deadline for their submission, in the place and time specified in the procurement announcement.

During the opening of the tender applications the check is performed to ensure that the tenders are submitted in full, with the guarantee, if required, and that the tenders are generally properly prepared. The indicated information is reflected in the Report of the opening of tenders (Annex 14).

The tenders are opened in the place and at the time specified in the tender documentation of KhPG. All tender envelopes are passed to the Chairman of the Commission.

The Chairman and the secretary verify that all tender envelopes are sealed and are in good condition. The Chairman and the secretary open the tender envelopes in order of reception and verify in the Register the number of the participant's envelope.

For each envelope in the Description of the received tenders (Annex 11) the Chairman of the Commission and the secretary announce and check the correctness of the following data:

- Registration number of the envelope;
- The name of the tenderer;
- The date (and time in case of the last day submission) of obtaining;
- The condition of the outer envelope;
- The presence of the tender offer for the procurement of supplies;
- The total cost of the offer and any discounts offered (the same wording as in the tender offer),
- The presence of the warranty (if required);
- The general solution on admissibility for the further evaluation.

The protocol of the opening of the offers for the tender selection is made on the day of opening of the offers in the form approved by the Director of KhPG.

The protocol of the opening of tenders is signed by all members of the Tender Commission. The opening of the offers for the tender selection is followed by the procedure of evaluation of the offers by all members of the Commission. After considering

the applications each member of the Commission fills the personalized evaluation table according to the provided evaluation criteria. A term given to members of the Tender Commission for the consideration and evaluation of the tender offers must not exceed 10 working days.

KhPG has the right to address the participants additionally to clarify the contents of their offers submitted for selection in order to facilitate the consideration and evaluation of their offers.

7.4.4. The evaluation of the participants of the tender selection.

On the results of the decision of the Tender Commission KhPG defines the winner of the selection from a number of participants whose tender offers were not rejected in accordance with this Provision (at least three) on the basis of criteria and evaluation methods mentioned in the documentation of the selection.

The evaluation criteria are as follows:

1. *Price* – in case of procurement of goods and services that are not produced or provided by the separately designed specifications (technical project) for which there is a permanent market ;
2. *The price along with other evaluation criteria*- in case of procurement which has a complex or specialized nature (including advisory services, scientific research, experiments or developments), such as:
 - quality of the services;
 - payment conditions;
 - deadline;
 - warranty service;
 - operational expenses;
 - transfer of technology and the training of the management, scientific and production staff, including the use of the local resources, the means of production, labor and materials for manufacturing the goods, providing the services offered by the participant.

Following the consideration and evaluation of tender offers the Analytical table is made for the evaluation of the offers (Annex 2), approved by the Chairman of the Commission through the Protocol of evaluation.

The total period of consideration, evaluation and selection of the winner must not exceed 10 work days from the date of opening of the selection offers.

The tender commission rejects an offer for the tender selection, in case if:

1) the participant:

- does not meet the qualification criteria;
- does not ensure the provision for the selection procedure, if it was required by KhPG;

2) the offer that was submitted for the selection does not meet the conditions of the selection documentation.

The tender commission cancels the tender selection in case of:

- there is no further need in procurement of the goods, works or services;
- detecting the collusion of the participants of the tender selection;
- less than three offers were submitted for the participation,
- all offers were rejected;

KhPG is entitled to consider the tender as the one that was not held if:

- the price of the most memorable offer for the selection exceeds the sum prescribed by the work plans and program budgets;
- procurement has become impossible due to force majeure.

The criteria and methods of evaluation of applications for participation in the procurement by the Tender Commission.

For the evaluation and comparison of applications for the participation in the procurement, established by the tender documentation, the use of quality and qualification criteria may be envisaged as well as other criteria characterizing the contract terms offered by the participants.

THE LIST OF THE SUMMARIZED EVALUATION CRITERIA FOR THE APPLICATIONS:

1. Price.
2. The term of delivery of goods, works and services.
3. The quality of goods and services, the aesthetic and production characteristics.
4. The terms of warranty for the procured goods and services.
5. The expenses for the operation of goods;
6. The costs of maintenance of the product;
7. The cost of the repair of the products, the use of the results of works and services;
8. The experience and qualification of a participant in the provision of services;
9. The terms of mutual settlements.

In evaluating and comparing the applications for participation in the procurement according to the quality and qualification criteria the business reputation of a participant may be evaluated, as well as his possession of the production facilities, technological equipment, labor and financial resources, the qualification and experience of the workers of the procurement participant and other parameters necessary for performing the contract, as well as the functional or qualification characteristics of the goods and the quality of works and services.

Qualitative and qualification criteria, as well as other criteria characterizing the contract conditions for each specific procurement are specified in the tender documents.

All offers which were received from the participants are analyzed by the Commission. The analysis of the offer is performed for the quality of the offered goods/services and in terms of value and quality. If on the results of the selection was chosen an offer with a price that was not the lowest, the reasons of this choice should be indicated in the separate documents.

According to this Provision, during the selection of an offer the Commission members also conduct the technical evaluation.

The technical evaluation consists of the evaluation of technical and administrative compliance. During the technical evaluation the Commission analyzes whether the tender offers meet the requirements specified in the tender documentation. The Tender commission uses the Table of administrative compliance (Annex 12) and the Evaluation table (Annex 13).

By decision of the majority of commission members the Chairman may send to the tenderers the written request for the additional explanations that must be given within a reasonable time specified by the Commission.

In case of the supply and work contracts the technical evaluation allows to assess the compliance of the tender offers to the specific requirements specified in the tender documents. The evaluation results are recorded in the form of the YES/NO answers to all the questions. If the tender is divided into lots they have to be evaluated one by one.

The rule on origin: The members of the Commission must verify that all supplies that are procured and the materials that will be used as part of works in case of a work contract, must meet the requirements concerning the rule on origin. The rule on origin does not apply to the contractor's equipment used for the construction.

To establish the origin it has to be determined where the product was produced or received. In case of any doubts about the origin of the supplies it is necessary to request the additional information. A participant of the competitive negotiations will have to provide the evidence in the form of origin certificate or other official documents as a visual evidence before signing the contract. The tender bids that clearly do not meet the rule on origin must be rejected.

The rule on nationality: At this stage the tender commission confirms that the nationality of any of the contractors/subcontractors specified in the technical offer meets the rule on nationality.

After the evaluation of the tender offers the commission must make a decision on the technical compliance of each tender and recognize it as corresponding or not corresponding to the technical requirements (Annex 2 of the tender documentation).

7.4.5. The procedure of price regulation.

The Tender Commission may use a declared right to regulate the price if it thinks that the prices of the candidates in their tender applications can be lowered, or it can express a request to conduct the aforementioned procedure to one of the candidates.

The procedure of price regulation must be personally attended by the persons authorized by a candidate (to participate in the aforementioned procedure on his behalf and claim the prices mandatory for the participant and other parameters of the tender offer). Before the start of the procedure such persons must submit to the Tender Commission the documents verifying their competence (properly structured power of attorney in any form) with the definition of an exhaustive list of rights of such authorized person.

These persons must submit a sealed envelope which (in any form) states the minimum price below which the representative of the candidate is not entitled to bargain, and other offers of the candidate, that include the positions that are better comparing with those previously offered by him.

The price and the rest of the offers are signed by the Chairman of the candidate and sealed.

Before the start of the price regulating procedure such envelopes are given to the Tender Commission under the signature. The representatives of a candidate who did not make the envelope stating the minimum price are not admitted to the aforementioned procedure.

After the aforementioned procedure the Tender Commission opens the sealed envelopes with the lowest prices, but the prices are not announced separately. If the final price, declared by the candidate on the results of the price regulation procedure is higher or equal to the one that was stated in the envelope with the lowest price of this candidate, the Tender Commission accepts the price that was stated in the envelope as the final price.

If the final price stated during the price regulation procedure is lower than the one that was specified in the envelope with the minimal price of this candidate, the Tender Commission will announce it and will consider the price obtained during the price regulation procedure as the final one, and the application will be rejected.

The meeting of the Commission is deemed to have occurred if all members were present. In this case the Commission reserves the right to reject all the received application and announce an additional tender.

8. The procedure of choosing the winner and concluding the contract on the results of the tender selection.

The winner of the tender selection is a participant, who either submitted the tender offer with the lowest price, or who was recognized as complying with the technical requirements during the evaluation, conducted by the Tender Commission. The lowest price is not always the basis for selecting the final supplier. But the offer is recognized as the winning one if its price is equal or lower than the maximum price planned in the program budget and the general budget of KhPG, and:

- it meets the formal criteria and the rules on admissibility;
- the total cost of the offer does not exceed the maximum budget planned for the contract;
- it meets the minimum technical requirements specified in the tender documents;
- it has the best price and quality ratio (for services) or the lowest price (for goods and works), meeting all the aforementioned conditions.

Given the requirements of the legislation of Ukraine concerning the access to documents, the entire tender selection procedure is confidential. The decision of the Tender Commission is collective and its discussions are not disclosed. The Commission members and any observers are required to keep secret until any decision is taken by the Tender Commission.

The results of the tender, as well as the results of the Tender Commission meeting are issued in the Report of the Tender Commission (Annex 15) and approved by the minutes of the meeting of the Tender Commission (Annex 16).

Based on the approved Protocol KhPG notifies the winner of the tender selection in writing that his offer was accepted and notes the inappropriate shortcomings or arithmetical errors corrected during the evaluation. The person responsible for notifying all tenderers of the results of the competitive selection is the person in charge of procurement in KhPG.

After the approval of the tender results the person in charge of procurement together with the initiator of the procurement in KhPG negotiate with a potential performer the terms of reference and terms of execution, the procedure of acceptance and delivery of services and prepare the project.

To ensure the fulfillment of obligations under the signed contract (if it is stated in the tender documentation) the winner of the tender must provide KhPG a warranty of the proper performance of the contract – a letter of guarantee. The warranty period is determined by the terms of the contract.

Once the contract with the winner is signed KhPG must inform other participants of the competitive negotiations that they were not awarded a contract.

If it is not possible to sign a contract with the winner of the competitive negotiations, KhPG may sign it with the second best participant in the competitive negotiations, other participants of the competitive negotiations are informed accordingly.

After the parties sign the supply contract its copy is provided to the financial manager and the chief accountant of KhPG for approval and subsequent execution of payments. The register of the contracts (Annex 17) is kept by the financial department of KhPG, the contracts performed within projects must contain the project's code. The financial manager together with the operational director control and monitor the compliance with the contract's requirements.

After the payment and reception of the goods/services the procurement is included in the register of procurements (Annex 3).

In carrying out the procurement at the expense of the funds provided by the European Union, US Government or any other donor this Provision is applied with the additional requirements specified by the donors and fixed in the contract with KhPG.

If an individual or a legal entity which provided the funds of KhPG at the expense of which the procurement is performed, submits the requirements to the features of the organization and procurement, this Provision is applied subject to those requirements.

9. Procurement on the project grants of US Government and European Union.

If the owner of the procured goods is the United States Government, KhPG must conduct the procurement according to the US law «On foreign policy» and USAID directive «Advanced Directive System» (ADS), ADS Section 302.3.5.6, «Grants within contracts». Grants provided to the non-American organizations must meet the requirements contained in the USAID directive «Advanced Directive System» (ADS), Chapter 303 «Grants and cooperation agreements with NGOs», as well as the general requirements of USAID, applicable to non-US NGO recipients and the grant procedures of the projects of USAID. ADS 303 refers to an additional regulatory document issued by the US Agency for the International Development, namely 2 CFR 200: «Unified administrative requirements, principles of funding and audit requirements of the federal grants». Only the section E «Principles of funding» concerns the non-US organizations.

Grant funds provided by a USAID project may not be used for the following:

- procurement of prohibited goods, such as agricultural products, vehicles (including motorcycles, pharmaceuticals, pesticides, equipment for logging or wood processing, the equipment that has already been in use and fertilizers. If there is a

need for procurement of prohibited goods, KhPG must obtain permission from USAID, directly buy such products and provide them to the grantee as an in-kind assistance;

- procurement of the goods that are prohibited by the rules of USAID, including, but not limited to, the following: the police or law-enforcement equipment, the equipment or services for abortions, the equipment for weather changes, luxury goods and weather equipment;
- procurement or activities that are not necessary for achieving the aims of the grant project, defined by the project, including any expenses of the grantee that are not directly related to the implementation of the proposed project;
- covering of any prior commitments and/or debts;
- payment of fines imposed on the applicant;
- providing donations;
- other expenses that are prohibited according to the regulations of USAID and US Government, such as alcohol. (the more detailed information is in 2 CFR 200, Section E «principles of funding»);
- indirect expenses, including, but not limited to, overhead expenses or indirect additional expenses (if the applicant does not have any documentary evidence of the permitted ratio of such expenses as a result of the audit or «Negotiated indirect cost rate agreement» (NICRA) issued by USAID).
- The funds provided by the federal government cannot be used to procure any goods or services from any company or individual whose name is included in the list of parties excluded from the federal procurement program and the programs of non-procurement (<http://www.sam.gov>), as well as any institution, whose member is a person from «Special list of persons whose assets are subject to blocking (SDN list)» of the Office of Foreign Assets Control of the US Treasury Department (OFAC).

In its activity KhPG is guided by the requirements of US federal government on the issue of the admissibility and efficiency of the costs.

1) Acceptable (allowed) costs

In order for costs to be found as acceptable, they should:

- be reasonable/rational,
- be related directly to the projects funded by US Government,
- be interpreted equally for the duration of the grant agreement,
- comply with all restrictions and exceptions, provided in 2 CFR 200 or in the agreement on concluding the contract, concerning the types and amounts of expenses.

2) Rational expenses

US federal regulations define the expenses as rational if in the same circumstances that existed at the time the decision of these expenses were taken any moderate person acted similarly and acquired the similar goods and services.

In determining the rationality of expenses it is important to be guided by the following considerations:

1. Are the costs of this kind generally recognized as necessary for the operation of the organization or performance of the contract?
2. Do they meet the requirements and restrictions imposed by the national legislation and the federal regulations, the terms of agreement and the principles of contracting?
3. Did the persons responsible for these expenses act with due discretion in the circumstances and with the knowledge of their obligations before KhPG, its employees, government and society?
4. Do the actions on the procurement of goods or services that have caused expenses (e.g. the decision of hiring, the selection of goods or services, the definition of wages or prices, selection of a supplier etc) correspond to the current policy and practice of conclusion of contracts funded by donors?

10. Exemption from VAT.

As part of the projects and pursuant to the requirements of the Order of National Agency of Ukraine for development and European Integration the procurements by the bank transfer on the sum exceeding \$500 in UAH must be made with exemption from VAT as VAT refund costs are considered unjustified.

According to the Regulation № 623 «On making amendments to the procedure of involvement and monitoring of international technical assistance», adopted by the Cabinet of Ministers of Ukraine on July 4, 2012, the right to tax benefits provided by law and international treaties of Ukraine for technical assistance projects is implemented by the following rules.

According to the revised Procedure the supplier, at the conclusion of the contract with the project executor within a project of International Technical Assistance, indicates that the procurement of goods, works and services is carried out at the expense of the project of International Technical Assistance and meets the category (type) of goods, works and services specified in the procurement plans, and obtains from the project executor the following documents:

1. A copy of the registration card of the project within which the procurement of goods, works or services is performed, issued by the Ministry of Economic Development and certified by the seal of the project executor;
2. A copy of procurement plan or an extract from the procurement plan, certified by the seal of the project executor.

The procurement plan of the project is approved by the beneficiary of the project and placed on the website of the Ministry of Economic Development and Trade of Ukraine.

The reporting on the transactions that should be exempt from VAT is made in the form provided by the donor, monthly (for the previous month) before the 16 by sending the filled form to the contract manager of the AMP of USA.

All operations exempt from VAT are included in the Register of exemptions the keeping of which is the responsibility of the chief accountant.

When KhPG receives grant from an organization which is registered in one of the countries of European Union, then the procurement standards can meet the requirements of the European Union.

In carrying out the procurement with the funds provided by the European Union this Provision applies subject to the requirements defined by the European Union and enshrined in the agreement with the Center.

Purchase Order

	<p>Employee's full name, position _____</p> <p>The name of a department/division of NGO «KhPG» _____</p> <p>Number/name of the project _____</p> <p>The name of the project's subsection _____</p>	<p>Filing date «__» _____ 20__ .</p>		
№	The name of product or service that is offered to procure (basic technical requirements)	Quantity	Estimated cost in UAH.	

Requirements to the supplier of goods, works, services: _____

Signatures:

Employee _____ Date _____ Comments _____

Procurement manager _____ Date _____ Comments _____

Chief accountant _____ Date _____ Comments _____

Finance manager _____ Date _____

Comments _____

Project manager _____ Date _____ Comments _____

Annex 2

Analytical table of the market analysis

Employee's full name, position _____

The name of a department/division of NGO «KhPG» _____

Number/name of the project _____

The name of the project's subsection _____

№ p/p	Supplier name	Type of the subject of procurement	Code of the goods, works, services	A short description of the goods, works, services	The price for a unit, UAH
1	EXAMPLE	Goods	Paper, cardboard, polygraphic and printed products	Format A-8, 1-sided, offset paper, 80 gram	0.20
2	S. EXAMPLE	Service	Installation works in the field of construction	Works: the description of the specifics	At the rate of 1 h = 200 UAH.

3					
4					
5					
6					
7					
8					
9					
10					

Annex 3

Register of procurement of goods and services of NGO «KhPG»

For _____ month of _____ year

№	The date of filing of the order	The initiator's full name	The sum of the procurement	Project code	Short description of the goods/services	Procurement type	The supplier of the goods, works, services	Notes
1								
2								
3								
4								

5								
6								
7								
8								
9								
10								

APPROVED

By the Director of NGO «KhPG»

**The register of the regular suppliers of goods, works and services of NGO «KhPG»,
that have passed the tender selection in compliance with the Provision on
procurement.**

№	The name of the goods, works, services	The name of the supplier company
1.	Stationery	
2.	Printing paper	
3.	Printing of the business cards	
4.	Stamps	
5.	Envelopes	
6.	Courier freight transportation	
7.	Courier mail	
8.	Telephone communication	
9.	Mobile telephone services	
10.	Mobile internet	
11.	Internet	
12.	IC Accounting support	
13.	Railway tickets	
14.	Development and support of the web page and its further hosting	
15.	Household goods (water, coffee, tea,)	
16.	Railway tickets	
17.	Written translation	
18.	Office rent	
19.	Office maintenance (utilities)	
20.	System administration of the office	
21.	Maintenance of the office equipment (repair, refilling toner, replacing of the components, performance testing)	
22.	Gasoline and diesel fuel	
23.	Flight tickets	
24.		
25.		

**TENDER DOCUMENTATION OF THE FULL
PROCUREMENT PROCEDURE**

Order №
On conducting the tender on the supply of hardware and software tools for computerization

Of « ____ » _____ 2015

Kharkiv city

In order to ensure the activity of NGO «KhPG» and to ensure the conducting of the tender on the supply of hardware and software tools for computerization of NGO «KhPG» I **HEREBY ORDER:**

1. To create the Tender Commission with the composition specified in the annex.
2. For the Tender Commission to be guided in its work by the Provision on procurement and the rules of the tender documents.
3. to the initiator and the person in charge of procurement in order to organize the analysis and evaluation of the offers submitted by the candidate companies and for the technical support of the Tender Commission to ensure the organizational support of the tender procedures in accordance with the requirements of the Provision on procurement of NGO «KhPG».
4. I reserve the control over the execution of this order.

The Director of NGO «KhPG» _____

Familiarized with the order:

« ____ » _____ 2015

Form of the organization

*APPLICATION***for participation in tender to determine the performer of the works**

Procurement subject: _____
Name of the goods, works or services

Application date _____

Program number _____

Participant _____
(Full name, USREOU code, the actual location address)

Having been fully familiarized and agreeing with the terms of the tender and the tender documents I'm sending to You the documents necessary for participation in the tender on performing (sale) _____

In case of victory we undertake to perform the works (deliver the goods), specified in the documentation before « ___ » _____ 20 __.

We agree to comply with the terms of this application during ___ work days after the last date(day) of opening of the tenders set by You. Our offer will be obligatory for you.

We agree with the conditions that You can reject our tender application or all applications in accordance with the conditions of the tender documentation, and we understand that You are not restricted in accepting any other deal with the terms that are more favorable for You.

Responsible for the participation in the tender _____.

Telephone _____.

The application includes (list):

 _____.

The signature of the authorized representative of the candidate company

L.S.

COMPETITION ANNOUNCEMENT

On holding a tender for the procurement of goods, works or services

1. The main funds administrator
(The full name and USREOU code) _____
- Source of financing (*PROJECT NAME*) _____
- The size of budget according to the estimate or the expected cost of procurement (*INDICATE IF NECESSARY*) _____
2. **Customer:**
- The full name _____
- Identification code in USREOU _____
- Address _____
- The person in charge of tendering _____
- Surname, name and patronymic _____
 - telephone, fax _____
 - e-mail _____
3. **The information about the subject of procurement**
- Subject of procurement, quantity* _____
- Place and time (of delivery, of performance of the works and provision of the services) _____
4. **Procurement procedure** The full procurement procedure
5. **Reception of the tender documents**
- Place _____
- Method _____
6. **THE CONDITIONS OF FILING THE TENDER OFFERS**
- PLACE _____

METHOD

Personally or by mail

DEADLINE

7. Opening of the tender offers

Place

Date

8. The additional information

9. The Chairman of the Tender Commission

(position)

(name and surname of the
person,

(Signature) L.S.

That signs the
announcement)

Annex 9

PROVISION ON THE PROCUREMENT POLICY
OF GOODS, WORKS AND SERVICES
OF THE PUBLIC ORGANIZATION
«KHARKIV HUMAN RIGHTS PROTECTION GROUP»

**DECLARATION OF
IMPARTIALITY AND CONFIDENTIALITY**

Tender title:

I, the undersigned, hereby declare that I agree to participate in the evaluation of the above-mentioned tender procedure. By signing this declaration I declare that I am aware of the following:

1. The financial entities and other persons involved in budget implementation and management, including the preparation, audit and control, must not take any actions that could lead to a conflict of their own interests with the interests of the European Union.

If there is such a risk the person must refrain from such actions. He or she must refer the case to the authorized official through delegation and inform their supervisor in the hierarchy. The authorized official must confirm in writing whether a conflict of interests exists. Where the existence of a conflict of interests was revealed, the person in doubt must stop all activity on this issue. The authorized official to whom the case was delegated must personally perform any of the following actions necessary.

2. In the context of paragraph 1 there is a conflict of interests, where the impartial and objective performance of the professional duties of a financial entity or other person as referred to in paragraph 1, is compromised for reasons connected with family, emotional life, political or national origin, economic interest or any other shared interest with the recipient.

Thus I declare, as much as I am aware, that I have no conflict of interests with the tenderers who have declared about the participation/submitted their offers for this contract, including the individual representatives or members of the consortium or with the offered subcontractors.

I confirm that if during the tender it turns out that such a conflict exists or may exist I will immediately notify the Head of the Evaluation Committee. If such a conflict is confirmed by the Head I agree to cease to participate in the Evaluation Committee.

I confirm that I am familiar with the information available to date concerning this tender procedure, including the provisions of the Practical Guide to the contract procedures for the external actions of the EU regarding the selection procedure.

I will perform my duties impartially and objectively. I also declare that I am not in a situation which could put into question my ability to evaluate the tender.

I will keep the strictest confidentiality of all information obtained as a result of my participation in the aforementioned tender selection procedure and any information relevant to the subject of this tender.

I undertake not to disclose such information to any person who does not have the right to access such information, and not to discuss it with any person in any public place or where others may overhear it.

Furthermore, I undertake to use this information only for the evaluation of this tender.

After the completion of the work of Evaluation Committee I undertake not to keep copies of any written information, as well as any templates or models that were used in the course of my duties.

I understand that any unauthorized disclosure of the information will result in the termination of my duties as a member of the Evaluation Committee and may result in my prosecution under the law.

I undertake to maintain the confidentiality regarding this procurement after the expiration of my work as a member of the Evaluation Committee.

NAME	POSITION	INSTITUTION	SIGNATURE

(signature, date, place)

Annex 10

PROVISION ON THE PROCUREMENT POLICY
OF THE GOODS, WORKS AND SERVICES
OF PUBLIC ORGANIZATION
«KHARKIV HUMAN RIGHTS PROTECTION GROUP»

DECLARATION OF OBJECTIVITY

PROJECT TITLE:

I, _____, that undersigned, hereby declare, that I agree to participate in the preparation of the aforementioned tender procedure.

I confirm that I am familiar with the information available at this time regarding this tender.

I undertake to perform my duties honestly and fairly. My contribution to the documents in the preparation of which I am involved, will be objective and will fully respect the principles of fair competition and impartiality, in particular by avoiding terms or conditions favouring any one product, manufacturer or service provider.

I undertake to hold in trust and confidence any information or documents ("confidential information") disclosed to me or discovered by me or drafted by me in the course or as a result of the preparation for the tender, I undertake to only use them for the preparation of this tender and not disclose them to any third party.

I also undertake not to keep copies of any given written information or prototypes and neither to assist nor to have any connections with the potential tenderers within the aforementioned tender.

I am fully aware that any failure to comply with the provisions of this Declaration would lead to my exclusion from the tender, and my candidature/bid would be rejected.

I also undertake not to disclose the confidential information to any employee or expert who did not sign such declaration and did not agree to its terms.

Name:	
-------	--

Signature:	
Date:	

THE DESCRIPTION OF THE RECEIVED TENDER APPLICATIONS

Contract title
№ of the publication

Registration number of	The tenderer's name	The date of reception	The condition of the outer envelope	The presence of a tender offer for the procurement of goods	The total cost of the offer and any discounts offered (the same wording as in the tender offer)	The presence of warranty, if it is required	The overall decision on the admissibility of the bids for the further evaluation
1	2	3	4	5	6	7	8

The Chairman of the Tender _____

Full name

Commission

signature

Annex 12

PROVISION ON THE PROCUREMENT POLICY
OF GOODS, WORKS AND SERVICES
OF PUBLIC ORGANIZATION
«KHARKIV HUMAN RIGHTS PROTECTION GROUP»

THE TABLE OF THE ADMINISTRATIVE COMPLIANCE

Contract title:		Publication number:	
------------------------	--	----------------------------	--

Number of the envelope with the tender application	The tenderer's name	Is the participant's nationality acceptable? (YES/NO)	Is the documentation complete? (YES/NO)	Was the application submitted in the required language? (YES/NO)	Is the form of the application submission complete? (YES/NO)	Is the tenderer's declaration signed? (YES/NO/ NOT APPLICABLE)	Are the other requirements of the tender dossier met? (YES/NO/ NOT APPLICABLE)	The general decision? (ACCEPT / REJECT)
1								
2								
3								
4								
5								

The Chairman's full name	
The Chairman's signature	

Date	
-------------	--

Annex 13

PROVISION ON THE PROCUREMENT POLICY
OF GOODS, WORKS AND SERVICES
OF PUBLIC ORGANIZATION
«KHARKIV HUMAN RIGHTS PROTECTION GROUP»

THE EVALUATION TABLEHKA

Contract title:		Publication number :	
------------------------	--	-----------------------------	--

Envelope №	The tenderer's name	Are the rules on origin met?	Financial and economic capacity? (YES/NO)	Professional capacity? (YES/NO)	Technical capacity (YES/NO)	Compliance with technical specifications*? (YES/NO)	Providing the support services as required? (YES/NO)	The application for subcontractors (YES/NO)	Other technical requirements of the tender dossier?	Technical compliance? (YES/NO)	Justifications/Notes:
1											
2											
3											
4											

Evaluator's full name and signature	
Evaluator's full name and signature	
Evaluator's full name and signature	
Date	

PROVISION ON THE PROCUREMENT POLICY
OF GOODS, WORKS AND SERVICES
OF PUBLIC ORGANIZATION
«KHARKIV HUMAN RIGHTS PROTECTION GROUP»

THE REPORT ON THE OPENING OF TENDERS

PUBLICATION NUMBER: _____

1. Schedule

	DATE	TIME	PLACE OF CONDUCTING
Procurement announcement			
Deadline for submitting the applications			
Opening of the tenders			

2. Observers**Full Name****Represents**

3. Protocol

The opening of the tender applications was carried out based on the register of the received tender offers, which was prepared using the information specified on the envelopes. Each envelope with a tender offer at the time of reception by the Contracting Authority was assigned a serial number.

During the opening of the tender bids the Chairman and the Secretary filled the observation list of the tender bids, which is attached. Only the tender bids that were received in the closed envelopes and in the appropriate submission time were opened.

[If any tenderers withdrew their tender offers:

The following tenderers withdrew their tender offers:

Number of the envelope with the application	The name of the tenderer	The cause (if known)

All Committee members (and observers) have signed the Declarations of impartiality and confidentiality which are attached to this report. The envelope number of the bid was noted on all copies of the bid. The Chairman and the Secretary have marked with the initials the title pages of each original document and all pages of each original financial offer.

4. Findings

The following tender applications were found suitable for the further evaluation:

Number of the envelope with the application	The tenderer's name	Financial offer [by lots] (€ / national currency)	The discount conditions (as stated in paragraph 4 of the template of presentation of the tender offer)

5. Signatures Full Name Signature

**The
Chairman**

**The
Secretary**

**The
evaluators**

The list of the bidders' representatives

PUBLICATION NUMBER: _____

Full name	Represents	Declaration (if available)	Signature

Annexes:

Observation list of the tender applications

The list of the tenderers' representatives

The Declarations of impartiality and confidentiality

PROVISION ON THE PROCUREMENT POLICY
OF GOODS, WORKS AND SERVICES
OF PUBLIC ORGANIZATION
«KHARKIV HUMAN RIGHTS PROTECTION GROUP»

THE REPORT OF THE TENDER COMMISSION

PUBLICATION NUMBER: _____

1. Schedule

	DATE	TIME	PLACE
Preparatory session			
The application submission deadline			
The opening of the tender offers			
< Meeting 1 >			
< Meeting 2 >			
Etc			

2. Observers

Full name

Represents

3. The Evaluation

Preparatory session

The Chairman has informed the Tender Commission regarding the scope of the offered contract, the specified organizations responsible for the preparation of the tender documentation, concluded the basic features of the tender procedure to date, including the compliance table, published as a part of the tender documentation.

The opening of the tender offers

The report on the opening of the tender offers is attached to this report (Annex 6). The tender commission considers only the offers which were found admissible for the further evaluation at the opening of the tender offers.

The compliance with the administrative criteria

The Evaluation Committee used the table of the compliance with the administrative criteria, included in the tender documentation, to assess the compliance of each tenderer with the administrative requirements of the tender documentation.

[If the clarifications/explanations were required from any tenderers:

With the consent of other members the Chairman in writing addressed the following tenderers whose tender offers required the clarifications and gave them the opportunity to respond <in a reasonable term established in the Evaluation Committee> (The full correspondence is included in the specified Annex):

Number of an envelope with the application	The tenderer's name	Lot number*	The review of the correspondence

The filled table of the compliance with the administrative criteria is attached (annex 12).

On this basis the Tender Commission has decided that the following tender offers do not meet the administrative requirements and should not be considered in future:

Number of an envelope with the application	The tenderer's name	Lot number*	Cause

The compliance with the technical criteria

Each evaluator who is a member of the tender commission used the table of the compliance with the technical criteria, which was included in the technical documentation, to assess the compliance of each tender offer with the technical requirements of the tender documents. The filled table of compliance with the technical criteria is attached.

[If the clarifications/explanations were required from any tenderers:

With the consent of other members the Chairman in writing addressed the following tenderers whose tender offers required the clarifications, and gave them the opportunity to respond <in a reasonable term established in the Evaluation Committee> (The full correspondence is included in the specified Annex):

Number of an envelope with the application	The tenderer's name	Lot number*	The review of the correspondence

After the discussion of the individual findings of the evaluators the Evaluation Committee has decided that the following tender offers do not meet the administrative requirements and should not be considered in future:

Number of an envelope with the application	The tenderer's name	Lot number*	Cause

The evaluation of the financial offers

The Tender Commission has checked the technically appropriate tender offers in terms of arithmetic errors.

[If any arithmetic errors were found:

As stated in the instructions for the tenderers, the arithmetic errors were corrected by the following principles:

- In case of discrepancy between the amounts stated in figures and in words the amount in words prevails
- In case of discrepancy between unit price and the total amount obtained by multiplying the unit price by the number of units, the indicated price for one unit prevails, except in cases where the tender commission agreed that the error clearly concerns the unit price, in which case the total amount prevails
- If the unconditional discounts were related to the financial offers for the individual lots, the discount was applied to the financial offer

The following arithmetic corrections were made:

Number of an envelope with the application	The tenderer's name	Lot number*	Financial offer (Euro/ national currency)	Financial offer with the arithmetic corrections (Euro/ national currency)

The financial offers with the arithmetic corrections were compared [for each lot] in order to determine the appropriate tender offer with the lowest price [for a lot].

[If the tender offer has the abnormally low price relative to market prices for similar purchases:

The tender offer submitted by <the name of a tenderer> has an abnormally low price relative to market prices for such purchases. Therefore, the Chairman of the Evaluation Committee wrote to <the name of the tenderer> asking to provide a detailed explanation of the offered low price.

Based on the tenderer's answers the Evaluation Committee decided

Either to accept the tender offer because [the tenderer uses a method of economic production/the used technical solution has a certain nature/the financial offer reflects the exceptionally favorable conditions available to the tenderer]

Or to reject the tender application because the abnormally low price wasn't justified by objective reasons.

[For each lot] The rating of the tender offers which were **excluded** during the evaluation was as follows, in order of the arithmetically corrected financial offers:

Number of an envelope with the application	The tenderer's name	Lot number*	Financial offer [after the arithmetical correction] (Euro/national currency)	Rating

4. Conclusion

The evaluation committee found that the recommended tenderers or members of the consortium are not in a situation of exclusion in the early warning system.

Consequently, the Evaluation Committee recommends to conclude a contract (contracts) as follows:

Lot number *	Number of an envelope with the application	The tenderer's name	Financial offer [after the arithmetic correction and including the discounts] (Euro/national currency)	[Spares and/or consumables] (Euro/national currency)	The contract value (Euro/national currency)

* Delete the column if there are no lots.

5. Signatures

	Full name	Signature
Chairman		
Secretary		
The evaluators		

Approved:

The Director of NGO «KhPG» Full name and signature:

Date:

Annexes: The report on opening of the tender offers and its annexes
 The table of the compliance with the administrative criteria
 The tables of compliance with the technical criteria, filled by the

individual evaluators, [including Annex III Technical offer]
Attendance entries
Correspondence with the tenderers regarding the corrections/clarifications

Annex 16

Kharkiv city

«__» _____ 201__.

PROT O C O L № _____

Of the meeting of the Tender Commission of NGO «KhPG» on procurement

We, the undersigned, the Chairman and the members of the commission on procurement, after examining the offer applications, submitted for the consideration of procurement

Using the data given in the analytical table of «__» _____ 20__, and having discussed each of the submitted offers, have concluded that the best indicators on the parameters:

The offer marked under number _____ in the Analytical table.

The Chairman of the Commission _____

Members of the Commission _____

Secretary of the Commission _____

Signature

Surname

The Annexes for the Protocol are the final evaluation sheet and the analytical table for the evaluation of the offers for the procurement of goods or services

Commentary:

REGISTER OF THE CONTRACTS

№	№ of the contract, date of signing	Supplier name	Contract contents	Initiator	Date of start of works	Date of completion of works	Total contract value, UAH	Funding source (project code)	Note