



Private Infrastructure  
Development Group  
Pioneering infrastructure changing lives

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# Procurement Operating Policy

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<b>Document scope:</b>	All PIDG Companies, PIDG Service Providers and PIDG Recipients
<b>Document custodian:</b>	Head of Operations
<b>Document approver:</b>	PIDG Owners (following recommendation by PIDG Ltd Risk Committee and approval by the PIDG Ltd Board)
<b>Document number:</b>	OPP004
<b>Document status:</b>	Final
<b>Version:</b>	1
<b>Issue date:</b>	17 June 2021
<b>Review date:</b>	Biennial

## 1. Introduction

The Private Infrastructure Development Group Trust (“**PIDG Trust**”) and PIDG Companies are accountable to the PIDG Owners for ensuring that works, supplies and services that are procured by PIDG with their funds are done so in a way that is transparent, fair, accountable, with integrity and which seeks to obtain best value for money.

As the PIDG Trust and PIDG Companies are established as private entities their activities are not covered by any public or administrative procurement regulations or the procurement rules of any treaty-based or other international organisation. However, mindful of their accountability and obligations to obtain best value for money in a transparent and fair way, the PIDG Owners require the PIDG Trust and PIDG Companies (“**PIDG**”) to comply substantially and in the spirit of laws and procedures which are generally recognised and accepted for the purposes of regulating public procurement activities, and in particular the EU Procurement Directive 2014/24 (the “**Directive**”) and subsequent and associated legislation.

The PIDG Procurement Operating Policy (the “**Policy**”) reflects the PIDG’s commitment to fair practices and sets out the objectives, the overall approach, key principles and guidance for the acquisition of works, supplies and services by PIDG and related to the PIDG’s activities. It is intended to control, guide and serve as a reference for all procurement within PIDG.

## 2. Scope

This Policy covers all procurement for supply of works, supplies and services undertaken by, or on behalf of, the PIDG Trust and PIDG Companies.

This Policy applies to:

- PIDG, i.e. PIDG Trust and PIDG Companies including Private Infrastructure Development Group Ltd (“**PIDG Ltd**”), InfraCo Africa, InfraCo Asia, The Emerging Africa Infrastructure Fund, GuarantCo Ltd and ICF Debt Pool LLP;
- third-party service providers responsible for delivering the core activities of a PIDG Company (“**Service Providers**”); and
- persons and entities which receive funding from PIDG, e.g. project companies supported by InfraCo Africa and InfraCo Asia, borrowers of EAIF and recipients of guarantees from GuarantCo (“**PIDG Recipients**”).

Where PIDG’s ability to control or direct Service Providers or PIDG Recipients to comply with this Policy is constrained by external factors all reasonable endeavours will be made to require compliance with this Policy or another policy consistent with the principles of this Policy.

This Policy does not apply to the recruitment of any staff (whether employee, contractor, consultant or worker). Such recruitment shall be undertaken in accordance with PIDG’s recruitment policies and procedures.

### 3. Policy Statement

The fundamental objective of this Policy is to make sure that PIDG obtains appropriate works, supplies and services for the stated purpose, at the appropriate time, place and cost. This should be in a manner which balances the overall requirement for value for money, including efficiency and effectiveness in maximising output, with delivering desired outcomes, fairness, transparency, integrity and accountability.

It is PIDG policy that the procurement for supply of works, supplies and services by, or on behalf of PIDG is undertaken in accordance with EU Procurement Directives as though they are contracting authorities as referred to in the Directive.

PIDG may, by exception, agree to rely on and apply the procurement rules of another body or entity and may agree to another body, entity, multilateral or bilateral agency or organisation taking a leading role in the procurement activities relating to a project. This will be subject to the proviso that the applicable procurement rules and procedures are consistent with the provisions set out in this Policy. PIDG Ltd's prior approval is required for the use of the procurement rules of another body or entity, except that the procurement rules of those entities listed in Annex 1 have been assessed as consistent with the provisions set out in this Policy and therefore the prior approval of PIDG Ltd is not required.

### 4. Policy Standards

PIDG shall apply the following standards in order to achieve the aims and objectives of this Policy:

#### 4.1 Value for money:

The effective, efficient, and economic use of resources, which requires an evaluation of relevant costs and benefits, along with an assessment of risks, and non-price attributes and/or life cycle costs, as appropriate. It permits integrating into the procurement process factors such as sustainability, quality, economic, environmental, and social considerations. Price alone may not necessarily represent value for money.

#### 4.2 Fairness:

Open competitive procurement is PIDG's preferred procurement approach, whenever possible and reasonable, to maximise fairness of opportunity to bid. PIDG is committed to treating all suppliers and potential suppliers fairly throughout all procurement activities.

#### 4.3 Transparency:

PIDG will be transparent in procurement activities. This means that all material steps in the procurement process will be documented appropriately to provide a clear audit trail, evidencing decisions made and enable appropriate reporting of procurement activities and that bidders and potential bidders will receive the same information.

#### 4.4 Integrity:

PIDG procurement activity must not support organisations involved in criminal activity such as fraud, corruption or human rights abuses including forced labour and modern slavery. Reasonable risk-based evaluation will be carried out on suppliers; and business relationships will be responsibly managed with appropriate action taken where improper practices come to light. Bidders must be required to confirm in the bidding process whether they have been sanctioned or found guilty of any form of misconduct by any public authority or international organisation (or equivalent) within the preceding 5 years.

#### 4.5 Compliance:

PIDG procurement activities shall be conducted in compliance with the EU Procurement Directives as well as any relevant national/ local laws and in accordance with appropriate internal authorisation and delegated authorities.

#### 4.6 Disaggregation:

As required by the EU Procurement Directives, it is not acceptable for PIDG to evade the application of a procurement procedure or the requirement for competition by splitting contracts or purchase orders with the same supplier for the same or for a substantially connected subject matter.

#### 4.7 Accountability:

PIDG holds those involved in the procurement process accountable for their actions (or inactions).

#### 4.8 Procurement Approach:

Procurement shall take the most appropriate approach to meet the business and/or project objectives and outcomes, taking into account the context and the risk, materiality, counterparty, type of works, goods or service to be performed or procured, value, term and complexity of the procurement. See Section 5, below.

#### 4.9 Panel/Framework Agreement:

Panels/Framework Agreements may be established by PIDG with suppliers for the provision of works, supplies and services following a competitive tender process.

#### 4.10 Conflict of Interest:

PIDG requires that all parties involved in the procurement process do not have a conflict of interest, unless such a conflict has been resolved in a manner acceptable to PIDG. PIDG will require bidders to confirm in the bidding process that the bidder has no actual or perceived conflict of interest in respect of the bid and to otherwise disclose the nature of the actual or perceived conflict of interest.

#### 4.11 Eligibility:

PIDG encourages firms and individuals from all countries to bid for its works, supplies and services, subject to rules on eligibility and participation and the commercial operations and requirements of the businesses.

#### 4.12 Complaints:

PIDG will implement mechanisms for resolving procurement related complaints. Every effort will be made to address such complaints objectively and in a timely manner, with transparency and fairness. PIDG also sets out its commitment to investigate and resolve complaints and concerns in the Complaints and Whistleblowing Operating Policy.

#### 4.13 Health, Safety, Environmental and Social (“HSES”) Considerations:

When undertaking procurement, PIDG is committed to taking into account the requirements of its HSES Policies and Standards and adopt best practice principles for environmentally and socially sustainable procurement where appropriate for material works contracts. In order to achieve this PIDG will, as appropriate:

- I. incorporate HSES considerations, standards and requirements in procurement planning, technical specifications, scope of work and tender documents;
- II. incorporate applicable terms into all bidding documents and contracts; and
- III. review the HSES arrangements of suppliers of goods, works and services in its evaluation of bids and offers.

**4.14 Due Diligence:**

All new material suppliers will be subject to risk-based due diligence which will be proportionate to the materiality, value and intended term and complexity of the proposed contract. The due diligence will be carried out in advance of placing orders or entering into contracts to provide a better understanding of the supplier and support procurement decision-making. PIDG will check all bidders against relevant sanctions lists including the World Bank's Listing of Ineligible Firms and Individuals in accordance with the PIDG Anti-corruption and Integrity Operating Policy.

**4.15 Record keeping:**

PIDG shall maintain adequate records to fulfil its regulatory obligations and to meet its business purposes. Personal data obtained in any procurement process shall only be processed in accordance with applicable data protection legislation and for the specified purposes; no other use may be made of the data, unless permitted under other law, or the party to whom the data relates provides their consent in accordance with applicable data protection legislation.

**4.16 Awareness and training:**

PIDG shall ensure that all PIDG People, i.e. directors and employees and those working for and on behalf of PIDG, are aware of their obligations in relation to procurement. PIDG shall ensure that all PIDG People complete the designated training in the timescale directed and more targeted training is provided for those occupying relevant roles.

## 5. Procurement Methods and Thresholds

	Contract Value (in US \$ exclusive of VAT)	Procurement Method	Detail	Waiver approved by
1.	Less than 10,000	Direct contracting	It is acceptable to single source (i.e. go direct to one supplier) but must be able to demonstrate value for money.	Procuring PIDG Company
2.	10,000 and less than 75,000	Minimum of 3 competitive offers	<p>A value for money evaluation must be carried out. This means a competitive exercise where it is sensible in terms of proportionality of time, cost and benefit.</p> <p>Such an exercise may be advertised through appropriate channels, including the PIDG Company or PIDG website, or may be by inviting specific candidates to submit proposals/bids.</p> <p>At least three candidates should be invited to take part in the exercise who should all receive the same information regarding the procurement. If only one or two suppliers respond, it is reasonable to proceed if it is possible to conclude that they will deliver the service/ goods effectively and provide value for money. If this is not possible, requests should be made for proposals from additional suppliers.</p>	Procuring PIDG Company
3.	75,000 and less than EU Threshold	Competitive exercise or tendering (prequalification, if appropriate) and advertising	<p>A competitive process must be undertaken with the aim of receiving four tenders from potential suppliers. The procurement process must include advertising through appropriate channels, including the PIDG Company or PIDG website and may include inviting specific candidates to submit tenders provided that the same information regarding the procurement is received by all tenderers. Suppliers should be given at least 14 days to return a completed tender.</p> <p>A nominated procurement officer must lead the procurement and market engagement.</p>	PIDG Ltd
4.	Over EU Threshold	OJEU procurement process or other permitted or approved process	<p>Procurement must be in line with the applicable regulations, which by default are the EU Procurement Directives unless otherwise permitted or approved by PIDG Ltd. The EU Procurement Directives set out a range of procurement routes for different types of procurement (including sole sourcing) and the thresholds are periodically updated.</p> <p>A nominated procurement officer must lead the procurement and market engagement.</p>	PIDG Ltd

## 6. Roles and Responsibilities

The Board of PIDG Ltd is responsible for approving this Policy following recommendation of PIDG Ltd's Risk Committee and is accountable to the PIDG Owners for the management of procurement activities undertaken by and on behalf of PIDG.

PIDG Ltd's Risk Committee is responsible for reviewing this Policy, ensuring the adequacy of PIDG's arrangements with respect to procurement and monitoring compliance with this Policy.

PIDG Ltd's Head of Operations is responsible for the implementation of this Policy together with its associated guidance and procedures. The Head of Operations has overall responsibility for overseeing the investigation of all procurement complaints and concerns, unless the concerns relate to the Head of Operations. The Head of Operations shall periodically report to the Risk Committee of PIDG Ltd on the adequacy and effectiveness of PIDG's procurement arrangements.

Each PIDG Company shall (i) be responsible for ensuring its compliance with this Policy and associated standards and guidance as issued by PIDG Ltd from time to time, and (ii) take reasonable steps to ensure that equivalent arrangements are put in place in respect of each Service Provider and PIDG Recipient (where appropriate) to ensure their compliance with this Policy or another policy consistent with the principles of this Policy.

## Annex 1

### List of Entities whose procurement rules have been assessed as consistent with the provisions set out in this Policy

1. African Development Bank
2. African Union
3. Asian Development Bank
4. Asian Infrastructure Investment Bank
5. World Bank Group
6. Geothermal Risk Mitigation Facility ("GRMF")
7. International Federation of Consulting Engineers ("FIDIC")
8. Agence Française de Développement ("AFD")