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<td>1.0</td>
<td>Barry Greene, Managing Director, Finance and Operations</td>
<td>01 November 2012</td>
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<td>Reviewed by: Gavi Alliance Executive Team</td>
<td>01 November 2012</td>
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<td>2.0</td>
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<td>01 February 2020</td>
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<td>Reviewed by: Gavi Senior Management Team</td>
<td>17 February 2020</td>
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<td>Approved by: Chief Executive Officer</td>
<td>02 March 2020</td>
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1. Introduction

1.1. Purpose

The GAVI Alliance ("Gavi") intends that the highest ethical and professional standards apply to its procurement activities to ensure the optimal use of Gavi funds for the purposes for which these funds were provided.

This Procurement policy ("Policy") sets out the general principles that will apply to the procurement of goods and services by or on behalf of Gavi.

The Managing Director, Finance and Operations will establish the Gavi Procurement Manual to ensure that procurement carried out by the Gavi Secretariat is conducted in accordance with this Procurement Policy and Gavi’s policies and procedures.

1.2. Definition

Procurement at Gavi is defined as the acquisition of goods or services. This includes the complete set of activities and processes used to support tendering, contracting and performance management of suppliers and the full procure-to-pay requisition chain.

1.3. Scope

Any purchase of goods from a supplier, purchase of services or technical assistance from an individual, company, organisation or a research organisation, or purchase of vaccines and immunisation-related supplies using Gavi funds will be conducted in accordance with this Procurement Policy. This Policy does not apply to services provided by Gavi Alliance partners or any services provided to Gavi under a Grant Agreement.

This Policy applies to all Gavi employees, officers, consultants and agents who are directly or indirectly involved in the procurement for or on behalf of Gavi. Further, parties to whom contracts are awarded in accordance with this Policy will be expected to adhere to the principles established herein, in performance of their contracts.

Where procurement is being carried out on behalf of Gavi by UNICEF, WHO, PAHO or other relevant organisation, such partner will conduct the procurement according to its own procurement rules and principles and any relevant agreement concerning procurement between Gavi and such partner.

This Procurement Policy shall not apply to self-procurement of vaccines and immunisation-related supplies carried out by countries.

2. Procurement Principles

Gavi will be guided by the procurement principles set out below.

2.1. Ethics

All Individuals engaged in procurement must adhere to the Gavi Ethics Policy and act in a manner which maintains and enhances the reputation of Gavi and preserves trust in its systems and procedures. No individual shall use their authority, position or office for personal gain, which is defined as soliciting, accepting or otherwise benefiting from anything of material value, in any form, either in person or indirectly as a result of procurement financed by Gavi.

2.2. Value for Money

Procurement will be conducted with the aim of obtaining best value for money. The procurement process will consider best value for money for Gavi and decision-making will be based on the total cost of ownership, quality and fitness for purpose according to needs and the optimisation of economic, environmental and social benefits.
2.3. Effective Competition

Procurement of goods and services will be carried out to maximise competition to the greatest extent practicable and will be open to as many eligible bidders as is practicable in order to ensure effective competition and obtain best value for money and long-term sustainability.

To support implementation of the Supply and Procurement Strategy for vaccines and other immunisation products, Gavi will aim to employ a wide set of procurement tools, mechanisms and tactics, including competition, and apply these to the prevailing market conditions for a particular product to influence the market and create healthy markets in support of Gavi’s countries’ immunisation needs. These procurement strategies will be based on recognition of competition as critical to achieving long-term sustainability.

2.4. Transparency

Transparency is essential to demonstrate responsible use of Gavi funds. All bidders shall have equal access to open and full information regarding the requirements, selection criteria and process that governs each procurement.

2.5. Accountability and Impartiality

Individuals involved in the procurement process are accountable for their actions and decisions with respect to procurement. Individuals have a responsibility to ensure that Gavi funds are used effectively and efficiently and that their actions related to procurement are impartial and unbiased.

2.6. Efficiency, Effectiveness and Economy

Procurement will be conducted in a manner that maximizes the efficient and effective use of Gavi’s resources. Processes should be well planned, clearly organised and processed without undue delay. They should be proportionate to the level of risk, complexity and value of the requirement, so that the overall cost of conducting the procurement process is minimised and in proportion while still upholding the procurement principles.

2.7. Gender equality, equity and non-discrimination

Procurement will not discriminate based on personal characteristics such as gender, race, nationality, ethnic origin, religion, disability, age, HIV status or sexual orientation and other gender identities and expression. Recognising the distinct challenges women-owned businesses face, Gavi will encourage their participation and take a gender lens in procurement practices.

3. Conflict of Interest

Disclosure of interests and conflict of interest are particularly important in procurement where the integrity, transparency and impartiality of the decision-making process is critical to preserving trust in Gavi’s systems and procedures.

Gavi’s rules and regulations regarding conflict of interest can be found in the Gavi Alliance Conflicts of Interest Policy for Governance Bodies and the Gavi Alliance Conflicts of Interest Policy for the Secretariat (the “Gavi Secretariat CoI Policy”) and their respective Guidance and Procedures.

The additional standards of conduct that apply specifically with respect to procurement are specified in the Procurement Manual.

Failure to comply with these rules may result in actions in accordance with Gavi’s Disciplinary Procedures, and/or termination of any contract entered into with the supplier.

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1 GAVI Vaccine Supply and Procurement Strategy.
4. Cooperation

Where Gavi deems it appropriate Gavi will cooperate with other international organisations to combine procurement knowledge, benchmark best practices, ensure value for money and collaborate on joint tenders.

5. Risk Management

Procurement processes should include explicit steps to identify, assess and mitigate cost, quality, fraud, reputational and delivery risks associated with procurement. Individuals should consider risks, their likelihood and potential impact when making decisions relating to:

- Procurement requirements and methods;
- Proposal evaluations and value for money assessments;
- Supplier due diligence and conflict of interest assessments;
- Contract terms and approval; and
- Supplier performance criteria and evaluation.

6. Sustainability

Gavi must consider the impact of its actions during the procurement process and hold itself, its suppliers and contractors to the highest moral, ethical, environmental and social standards. Gavi should conduct procurement processes that have the most positive environmental, social, economic and innovation impact over the entire life cycle. Gavi will endeavour to identify, engage and develop local or women-owned businesses who have the potential to meet long-term requirements within countries receiving Gavi support. Individuals should consider including relevant sustainability criteria in specifications, terms of reference and solicitation documents.

In line with Gavi’s commitments to women’s empowerment and gender equality, preferences will be given for candidates and companies that demonstrate equal representation at management levels, respect and support human rights, promote education and training for gender equality and display commitment and transparency in reporting gender data. In addition, each Contractor will take all appropriate measures to prevent sexual harassment, exploitation or abuse of anyone by its employees or any other persons engaged and controlled by the Contractor to perform any services under the Contract.

7. Delegation of Authority

The Gavi Alliance Delegation of Authority Policy and the Delegated Signature Authorisation for Legal Agreements set out the delegation of authority to sign legal agreements on behalf of Gavi. The signing of the legal agreement constitutes the commitment of Gavi, and this commitment shall be reflected in the approved purchase order.

8. Supplier Registration and Eligibility

Any vendor engaged by Gavi must be registered in SAP. Requests for new vendor creation or change to existing vendor master data must be captured using the Gavi Vendor Form completed by the vendor, entered into SAP and validated and approved by Finance prior to any contract award.

9. Vendor Review Committee

The Vendor Review Committee (VRC) is formed of members from Procurement, Legal, Audit, Investigations or other subject matter experts as required. It makes vendor eligibility, suspension and sanction decisions subsequent to any of the following:

- Inconclusive or high-risk findings from any due diligence check
7. Instances of non-performance or non-delivery of contract terms
8. Investigation into allegations of fraud or corruption

10. Procurement Process

The activities in the procurement process can be grouped into three main stages: Planning, Sourcing and Contract Management.

<table>
<thead>
<tr>
<th>STAGES</th>
<th>PROCUREMENT PROCESS STEPS</th>
<th>DESCRIPTIONS</th>
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<tbody>
<tr>
<td>1</td>
<td>Budgets and work plans</td>
<td>Establish the budgets and workplans that create the procurement need</td>
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<tr>
<td>2</td>
<td>Procurement planning</td>
<td>Define and schedule the individual procurement activities required</td>
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<tr>
<td>3</td>
<td>Market research</td>
<td>Understand the supply market, current trends and key suppliers</td>
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<tr>
<td>4</td>
<td>Purchase requisition</td>
<td>Initiate the required procurement process and approve the available funds</td>
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<tr>
<td>5</td>
<td>Procurement strategy</td>
<td>Develop and agree the procurement strategy and method</td>
</tr>
<tr>
<td>6</td>
<td>Terms of reference or specification</td>
<td>Define the requirements for quantity, quality, delivery and implementation</td>
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<tr>
<td>7</td>
<td>Solicitation</td>
<td>Prepare and issue the tender documents and receive the bidder(s) response</td>
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<tr>
<td>8</td>
<td>Evaluation</td>
<td>Evaluate supplier proposals and select the supplier that represents best value for money</td>
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<td>9</td>
<td>Due diligence</td>
<td>Perform checks to identify risk and confirm supplier eligibility</td>
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<td>10</td>
<td>Negotiate and award contract</td>
<td>Negotiate the contract and obtain internal approval for award</td>
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<tr>
<td>11</td>
<td>Manage contract relationship</td>
<td>Manage communication, delivery and reporting according to contract</td>
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<tr>
<td>12</td>
<td>Goods receipt and payment</td>
<td>Receive the good or service and create formal record of receipt in SAP to enable payment</td>
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<tr>
<td>13</td>
<td>Contract amendment</td>
<td>If required, modify the original contract (duration, deliverables, cost, etc)</td>
</tr>
<tr>
<td>14</td>
<td>Supplier performance evaluation</td>
<td>Create a formal record of supplier performance following contract closure</td>
</tr>
<tr>
<td>15</td>
<td>Contract closure</td>
<td>Receive final reports, document and store knowledge, close PO, etc</td>
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11. Planning and Sourcing Methods

The range of available planning and sourcing methods should be clearly defined in the Procurement Manual and incorporated as appropriate into procurement strategy.

12. Effective date and review of Policy

This Policy comes into effect as of 1 July 2020.

This Policy will be reviewed by the Managing Director Finance and Operations as and when required.

Any amendments to this Policy are subject to the approval of the Chief Executive Officer or the Deputy Chief Executive Officer.