

# High-Value Procurement Policy and Procedures for SIOFA

## 1. Purpose

The purpose of this *SIOFA High-Value Procurement Policy and Procedures* (procurement policy) is to set out a clear, transparent and efficient process for the procurement of high-value services, having due regard to existing regulations of the organisation, notably the Financial Regulations of the Meeting of the Parties (Financial Regulations), while applying best practices adopted by other similar organisation within the context of SIOFA.

This Policy aims to establish a fair, transparent, and competitive framework for the procurement of goods and services that meet or exceed the designated financial threshold. It also reinforces institutional accountability by mandating an agreed-upon process, thereby mitigating potential organisational liability and ensuring sound governance in all high-value procurement activities.

## 2. Definition of High Value Goods and Services

High-value services are defined as those exceeding a €100,000 threshold or as specified by the Meeting of the Parties. The threshold represents around 11% of the organisation's average annual operational budget over the past three years.<sup>1</sup> These services may include consultancy, technical assistance, or other critical services requiring extensive evaluation and oversight by the Meeting of the Parties.

Establishing a carefully considered threshold is essential to upholding strong fiscal discipline while maintaining the organisation's operational efficiency. A threshold set too low may burden routine procurement with unnecessary bureaucracy, while one too high may negatively expose the organisation by limiting oversight over substantial expenditures, reducing opportunities for competitive procurement and increasing the risk of unchecked spending, conflict of interest, or non-adherence with broader financial governance principles, exposing the organisation to reputational damage or inefficient use of organisation funds. The selected threshold should reflect the scale of SIOFA's operations and the principles of sound financial governance outlined in the Financial Regulations.

The suggested threshold is set at a level that ensures the organisation can manage procurement effectively without impeding the organisation's and the Secretariat's daily operations with excessive processes. It should also allow similar processes of lesser value within the organisation to be implemented without needing readjustment to agreed-upon procedures. This includes the current process for the recruitment of Consultants in Science, which has established processes, with services costing from € 5,000 to €100,000 in the past four (4) years.

Subject to the agreement of the Meeting of the Parties, the application of the threshold may be exempted:

- If it relates to renewing or extending an ongoing service/ contract
- If the procurement is routine in nature
- If the Meeting of the Parties deems the procurement as low risk (e.g. purchase of movable properties for the Secretariat)

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<sup>1</sup> Calculated at € 872,949, rounded to the nearest €100,000. i.e. €900,000.

- In cases of emergencies
- Where the timelines associated with implementing this policy may position SIOFA as a less favourable client to potential service providers
- Other such circumstances as may be determined by the Meeting of the Parties

The threshold should allow the organization to make timely decisions. In some sectors or operational areas, delaying procurement processes (even for high-value services) could negatively impact the effectiveness of the organization's work, so having flexibility and efficiency in the process is key.

The Meeting of the Parties should review this threshold from time to time to ensure that it remains appropriate as the organisation evolves. It should consider factors such as the organisation's operational budget, external market condition changes and other strategic and policy changes.

### 3. Procurement Process

The procurement of high-value services will follow a structured and transparent process in line with the principles of this policy. These steps are as follows:

1. **Needs Assessment:** Every high-value procurement should reflect the organisation's needs, objectives and operational requirements. The needs assessment should define the scope, deliverables, and timelines of the service required, which should be reflected in the procurement documents such as the Terms of Reference and the Invitation to Bid. ***All high-value procurement shall be subject to the pre-approval of the Meeting of the Parties, including intersessionally.***
2. **Preparation of Procurement Documents:** The Secretariat shall draft all the procurement documentation required for the solicitation of services. These procurement documents will include:
  - a. Invitation to Bid (ITB)
  - b. Terms of Reference (TOR)
  - c. Evaluation Criteria
  - d. Exclusion and eligibility criteria

The procurement documents *may* be subject to review by the Meeting of the Parties or its chairperson, or any subsidiary body as delegated by the Meeting of the Parties

3. **Advertisement:** The Secretariat shall publish the Invitation to bid, together with the ToR and other relevant procurement documents, on the SIOFA website and other relevant platforms. The ITB may also be advertised in local media to allow participation of local service providers in the bidding process. Direct requests for bids and quotes could also be submitted to selected providers, but any direct bids/quote would still have to go through the selection process like any other bid.
4. **Proposal Submission and Opening:** All proposals shall be submitted by the Secretariat's Close of Business of the deadline day, which shall be expressed in date and Coordinated Universal Time (UTC) within the procurement documents. All submissions shall include a financial proposal that shall accompany their submissions. They should be submitted to the Executive Secretary, with the Panel Chair in cc. Proposals shall be submitted electronically, unless otherwise specified in the procurement documents. The Executive Secretary shall circulate all proposals received to the Selection Panel, also noting those that were not considered due to the timeliness of the submission. All services, including submission related to the ITB, shall be provided in the organisation's working language, English.

## 4. Selection Panel

The Meeting of the Parties will establish a selection panel specific to a procurement. The Selection Panel shall review and evaluate proposals submitted to a specific procurement. The composition of the panel will be as follows:

- **Panel Chair:** A person from a Contracting Party (CP) or a participating fishing entity (PFE) who will oversee the process.
- **Subject Matter experts:** 2 -3 persons with expertise in the specific area being procured. The subject matter experts shall preferably be from CCPs. However, in cases where there are no such experts within the CCPs, independent experts may be recruited to support the panel's work.
- **The SIOFA Secretariat:** The Executive Secretary or a designated member of the Secretariat (the Secretariat) will ensure compliance with the Procurement Policy and Procedures and provide administrative support to the panel. The secretariat may also provide necessary advice to the selection panel during the evaluation process in cases where expertise exists within the secretariat to provide such expert advice on the subject matter being assessed. However, the secretariat shall not be part of the evaluation process.

The panel will be responsible for:

- Reviewing and shortlisting proposals based on set criteria.
- Ensuring that all evaluations are conducted fairly and objectively.
- Preparing a final report recommending the successful bidder.

## 5. Evaluation Criteria

To ensure that the evaluation panel prioritises the most critical aspects, the policy has defined a set of assessment criteria and prioritises them by assigning weights to each criterion based on its relative importance. The selection panel will evaluate the proposal on the following key criteria:

- 1. Technical Merit (60%):**
  - Experience and qualifications of the service provider.
  - Quality of the proposed methodology and approach.
  - Alignment with the organisation's needs.
- 2. Timeline (10%):**
  - Ability of the service provider to meet the proposed timelines.
  - Feasibility of the proposed delivery schedule.
- 3. Cost (30%):**
  - Total cost of the proposal, including pricing structure, fees, and any other associated costs, as specified in their financial proposal.
  - Value for money (considering the cost relative to the proposed benefits and quality).
  - Competitiveness and transparency of the pricing structure.

The selection panel shall evaluate the technical merit and timelines included in the proposal prior to assessing the financial proposal(cost). Proposals will only proceed to financial evaluation if they fully meet both specified criteria.

These weights can be adjusted depending on the nature of the procurement (e.g. goods or services).

In evaluating each criterion, the panel shall additionally consider the following risk factors:

- How well the bidder identifies and addresses potential risks.
- The approach to mitigating risks during service delivery.
- Any risks within the specific proposal
- Whether the vendor have a history of successful or failed projects (references or case studies from previous projects)
- Whether the proposed timelines are realistic or not

To ensure a fair assessment, the panel shall implement a consistent and objective scoring system to assess each proposal based on the defined criteria. For example, a score of 1 to 5 can be assigned by each panel member to each criterion, with the final panel member score being the sum of all single criteria scores. The final bidder score could be the average of all panel member scores received.

Each panel member should propose a score under each criterion for each submission. The Secretariat shall be responsible for collating and compiling the results and preparing the assessment's outcome for review by the selection panel.

After all proposals have been evaluated and scored, the selection panel will compile and compare each member's results. The panel may negotiate or reject the proposal if the highest-scoring bid doesn't meet the organisation's standards (e.g., it's too costly, or the provider's timeline is unrealistic). In the event of a tie (i.e., two proposals with similar scores), the panel might evaluate additional factors such as customer service, flexibility, or other qualitative aspects that differentiate the bids.

## 6. Exclusion Criteria

Proposals shall be excluded from consideration if they meet any of the following conditions:

### 1. Non-Compliance with Requirements:

- Failure to meet the minimum technical or financial requirements
- Failure to include a financial proposal in their submission
- Incomplete, late or inconsistent submissions.
- Submission and services not submitted in the working language of the organization

### 2. Conflict of Interest:

- Bidders who have any conflict of interest with the organization or are unable to remain impartial.

### 3. Bankruptcy or Legal Issues:

- Bidders who are bankrupt, under liquidation, or involved in legal disputes that may impact their ability to deliver the services.

### 4. Previous Poor Performance:

- Bidders with a history of poor performance or non-fulfilment of previous contracts with the organisation

## 7. Contract Award and Implementation

1. The contract will be awarded to the bidder with the best combination of technical and financial value, as determined by the selection panel.
2. The Executive Secretary shall be responsible for notifying all bidders of the outcome of the evaluation process.
3. The selected service provider will enter into a formal contract, which will outline the scope, deliverables, timelines, and payment terms. The Executive Secretary shall also be

responsible for entering into an agreement with the Service provider on behalf of the Meeting of the Parties

4. Regular monitoring and evaluation will be carried out to ensure the service provider delivers according to the agreed terms.
5. The Executive Secretary shall report to the Meeting of the Parties on the performance of the contracts by the service providers.

## 8. Record Keeping and Reporting

The Secretariat shall be responsible for maintaining all procurement records, including bids, evaluations, and correspondence, in accordance with the Financial Regulations and the Rules of Procedure. The documentation shall also include:

- The scoring of each proposal
- Rationale for selecting the preferred bidder
- Any notes on risk assessment or potential concerns

The Executive Secretary shall report the process and its outcome to the Meeting of the Parties after the selection panel has selected a successful bidder.