



PURCHASING AND CONTRACTING GUIDELINES

VICE-PRESIDENCY OF ADMINISTRATION

VERSION 3
27 August, 2020

LN / VPA - 019

Document History				
Version	Changes	Reviewed by	Approved By	Date of approval
1	Original Version	Executive Vice President L. E Berrizbeitia Legal Counsel R. Sigwald Director of Logistics and Administrative Services J. Caycedo	Executive President L. E García	11/12/13
2	<ul style="list-style-type: none"> ✓ The document's name is changed ✓ Communications in terms of Ethical Conduct Guidelines is included ✓ Authorized delegation of signatures is updated ✓ Relationships with Vendors and their employees ✓ Redefinition of the Contract Committee ✓ Change of 	Corporate Director (In charge) of Physical Infrastructure, Logistics and Administration G. Alzate Senior Director of Physical Infrastructure, Logistics and Administration E. Lupo Legal Counsel R. Sigwald	Executive President L. E García	11/30/15
3	<ul style="list-style-type: none"> ✓ Change of document name. ✓ Update according to the current organizational structure. ✓ Inclusion of conditions for contracting suppliers. 	General Counsel Vice-President of Administration	Executive President	27/08/2020

ABBREVIATIONS AND ACRONYMS

Initials	Description	Initials	Description
CAF	Corporacion Andina de Fomento	PE	Executive President
DFCD	Directorate of Development Cooperation Funds	VPA	Vice-Presidency of Administration
DSL	Directorate of Logistics and Administrative Services		

RELATED DOCUMENTS

Name
Management Policies
Policies and Principles for the Prevention and Detection of Money Laundering
Ethical Conduct Guidelines

TABLE OF CONTENTS

I.	OBJECTIVE	5
II.	SCOPE	5
III.	RESPONSIBILITIES	5
IV.	GENERAL REGULATIONS	6
V.	GLOSSARY OF TERMS.....	8

I. OBJECTIVE

The objective of this document is to establish criteria for a standardized view of the guidelines that govern the selection and contracting of Suppliers, as well as the activities required for the formalization of contracts.

These guidelines and provisions streamline the process to carry out these requirements in accordance with the corporate objectives, utilizing criteria of rationality, efficiency, agility, administrative transparency and effective use of the resources owned or managed by CAF. The latter applies only in the event that the administration agreements do not stipulate specific rules on this matter.

II. SCOPE

This document applies to CAF Staff and Suppliers within the framework of purchasing goods or contracting for services and works.

III. RESPONSIBILITIES

Senior Management and Management Staff must comply with and enforce these guidelines in the organizational unit for which they are responsible.

The VPA and the VPP, through the DFCD, are responsible for enforcing the regulations and procedures set forth in this document.

The VPA is responsible for keeping this document updated based on the needs of the organization.

CAF Staff is responsible for complying with these guidelines, as well as with all the rules referenced herein in accordance with the activities they carry out.

The committees associated with the purchasing and contracting process, detailed below, have the following responsibilities and CAF Staff must adhere to their recommendations or decisions:

- ✓ Evaluation Committee, multidisciplinary team responsible for evaluating and rating, with absolute independence of criteria, the proposals received during a selection process. Said committee must issue its recommendations in accordance with current regulations.
- ✓ Contracting Committee, a team made up of various CAF organizational units, responsible for the analysis of contracting requests that, due to particular characteristics or risks of differing natures, warrant a review prior to drafting the contract.

IV. GENERAL REGULATIONS

- IV.1. The VPA has the attributions in matters of the administration of the selection, acquisition and contracting of goods, services and works, which attributions have been delegated by the PE. Thus, all contracting procedures to be carried out in CAF must be channeled through said Vice-Presidency.
- IV.2. In cases of contracting related to technical cooperation operations financed with special funds, the DFCD must end the requests directly to the Legal Department and authorize the availability of resources.
- IV.3. The VPA, the director of DSLA and the director of the DFCD, as well as the Representatives of the Country Offices, in accordance with the delegation of the PE, are fully empowered to sign contracts.
- IV.4. All selection, acquisition and contracting of goods, services and works must comply with the provisions of CAF's Management Policies, as well as the Policies and Principles for the Prevention and Detection of Money Laundering.
- IV.5. The relationship with a Supplier must be oriented to favor of the interests of CAF. In this sense, CAF Staff and the Supplier must comply with the provisions of the Ethical Conduct Guidelines and report or denounce any fraudulent activity or act of corruption as set forth on the page www.caf.com, which may be done by any of the following means:
- ✓ Email: cdeetica@caf.com
 - ✓ Address: Av. Luis Roche, Torre CAF,
Altamira, Caracas,
Bolivarian Republic of Venezuela.
(Send a sealed envelope addressed to the CAF Ethics Committee)
 - ✓ Telephone: + 58 (212) 209-2330.
- IV.6. The Supplier must act as the sole formal employer of personnel assigned to CAF for the execution of a contract. It will act as the sole responsible party for the control, supervision, payments, provision of employment and social benefits as well as all other obligations derived from applicable legislation.
- IV.7. CAF Staff must ensure that selection, acquisition and contracting are carried out in the terms required by the institution and must comply with the following activities during the relationship with a Supplier:
- a) Identify the need for and the nature of the good, service or work.
 - b) Select the Supplier.
 - c) Register the Supplier.
 - d) Negotiate and formalize the contract.
 - e) Manage the life cycle of the contract.
 - f) Evaluate the service provided.
- IV.8. In keeping with CAF's mission, specifically regarding sustainable development, as well as the regulations related to the selection, acquisition and contracting of goods, services and works, reduction, recycling and reuse practices must be considered.
- IV.9. For the purposes of complying with the CAF provisions and rules, the spouse of, or anyone with up to a fourth (4th) Degree of Consanguinity or up to a second Degree of Affinity with, CAF Staff may not be contracted as a Supplier. This limitation also

applies in cases of the contracting of legal persons, which legal representative or shareholders have the same relationships set forth above.

- IV.10. Contracting of former CAF employees may only be carried out within the framework of these guidelines, once a minimum, one (1) year period, counted from the termination of the employment relationship, has elapsed. The same limitation will apply to individuals assigned by legal persons contracted by CAF and in cases where the former employee is the legal person's legal representative or shareholder.
- IV.11. Individuals who have held positions as officials, employees or similar in the public sector of shareholder countries may not be contracted as Suppliers until after a minimum, one (1) year period, which commences upon the termination of their relationship with the respective public sector, has elapsed. This limitation applies equally to cases of the contracting of legal persons, which legal representative, main shareholder or beneficial owner is an official, employee or similar of the public sector of a shareholder country or who has held such a position during the year prior to hiring said legal person.
- IV.12. Every contract signed by CAF related to the process of selection, acquisition and contracting of goods, services and works must be reviewed and approved by the legal department in order to guarantee the mitigation of legal risks.

V. GLOSSARY OF TERMS

Term	Concept/Description
CAF Staff	Employees and individuals hired by CAF, during a specific period of time to do a specific task or job.
Degrees of Affinity	1st degree: Spouse's parents and children. 2nd degree: brother in law, sister in law, spouse's grandparents and spouse's grandchildren.
Degrees of Consanguinity	1st degree: Parents and children. 2nd degree: grandparents, grandchildren and siblings 3rd degree: Nephews, nieces, uncles and aunts. 4th degree: First cousins.
Senior Management	Employees appointed to positions of the highest level of supervision.
Management Staff	Employees appointed to hold positions in which they can exercise supervisory activities and / or be responsible for organizational areas
Supplier	An individual who, or a legal person that, supplies goods, services or works, in accordance with the organization's needs.