



**Guidelines for the Selection, Procurement and Contracting of
Goods, Services, Consultancies and Works**

**CORPORATE DIRECTORATE OF PHYSICAL INFRASTRUCTURE, LOGISTICS
AND ADMINISTRATION**

Directorate of Logistic and Administrative Services

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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 Guidelines for Ethical Conduct is included ✓ Authorized delegation of signatures is updated ✓ Relationships with Vendors and their employees ✓ Redefinition of the Contract Committee ✓ Change of Corporate Acronym 	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

ABBREVIATIONS AND ACRONYMS

Initials	Description	Initials	Description
CAF	Corporación Andina de Fomento	DIFLA	Corporate Directorate of Physical Infrastructure, Logistics and Administration
DFCD	Directorate of Cooperation Funds for Development	PE	Executive President

RELATED DOCUMENTS

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

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I. INTRODUCTION

These guidelines strengthen the regulatory framework for the selection, procurement and contracting of goods, services, consultancies and works that are hired directly by CAF.

Likewise, it establishes clear criteria to be disseminated, that provides the means to know in a standardized manner the guidelines that govern the selection and hiring of vendors and consultants, as well as the activities established for the formalization of contracts.

II. OBJECTIVE

The objective of this document is to provide guidelines and provisions for the selection, procurement and contracting of goods, services, consultancies and works to be done in a comprehensive manner, under transparent, efficient and ethical schedules, maintaining the principles of *accountability* and the effective use of CAF's resources or those managed by CAF. The latter are used only in the case where administration agreements do not stipulate specific regulations in this field.

III. SCOPE

This document applies to CAF's staff, its Vendors and Consultants who must sign a contract formalization within the framework of a selection, procurement and contracting of goods, services, consultancies and works.

IV. CAF'S RESPONSIBILITIES

The DIFLA is responsible for enforcing the regulations and procedures in the field of selection, procurement of goods, services, consultancies and works. Likewise, it is responsible for keeping this document up to date based on the needs of the organization.

The Vice Presidents and Organizational Unit Directors must comply with and enforce these Guidelines in the Organizational Unit for which they are responsible.

CAF's staff is responsible for complying with these Guidelines, as well as with all regulatory documents referenced herein, according to the activities performed.

The Committees that are described below have the following responsibilities:

- ✓ Evaluations Committee (of Vendors and Consultants) ensures the evaluation and validation of all documentation, communication and follow up of the process of selection of a Vendor or Consultant, as set forth in the regulations in force.
- ✓ Contract Committee is in charge of evaluating those contract requests with particular characteristics or risks of a different type, for goods, services and works.

V. GUIDELINES

- V.1. The DIFLA has competence delegated by the PE in the field of the management of the selection, procurement and contracting of goods, services, consultancies and works, which is the reason for which all processing of contracts to be drafted at CAF must be channeled through this Directorate.
- V.2. In the case of the hiring of Technical Cooperation operations financed with Special Funds, the DFCD must channel the requests directly through Legal Counsel and authorize the availability of the resources.
- V.3. The DCH is exclusively responsible for the hirings that are established in the Resolution in force related to the Powers of the Corporate Director of Human Capital.
- V.4. The Director of the DIFLA and DFCD, as well as the Representative Directors of the Country Offices, are fully empowered to sign contracts according to the delegation granted to them by the PE in this regard.
- V.5. All selection, procurement and contracting of goods, services, consultancies and works require compliance with the provisions set forth in CAF's *Management Policies*, for this purpose, as well as the *Policies and Principles for the Prevention and Detection of Asset Laundering*.
- V.6. Any relationship with a Vendor or a Consultant should be aimed at favoring CAF's interests. In this regard, CAF's Staff, as well as the Vendor or Consultant, must comply with the provisions set forth in the Guidelines for Ethical Conduct and report or denounce any fraudulent activity or event of corruption as indicated on CAF's website www.caf.com, through any of the following:
- Email: cdeetica@caf.com
Address: Av. Luis Roche, Torre CAF, Altamira, Caracas, República Bolivariana de Venezuela. (Send a sealed envelope addressed to CAF's Ethics Committee)
Telephone number: + 58 (212) 209-2330.
- V.7. The Vendor or Consultant must act as the sole formal employer of the staff assigned to CAF for the performance of a contract. In this regard, he will act as being solely responsible for the control, supervision, payments, the granting of labor and social benefits, and other obligations derived from the applicable legislation.
- V.8. In order to ensure that a selection, procurement and hiring is done within the terms required by the Institution, CAF's Staff must comply with the following activities with regard to a Vendor or Consultant.
- a) Identify the need for and the nature of the good, service, consultancy or work
 - b) Select the Vendor
 - c) Register the Vendor
 - d) Negotiate and formalize the contract
 - e) Manage the contract's life cycle
 - f) Evaluate the Service

- V.9. CAF's staff must adhere to the recommendations or decisions of the Committees that may be activated within the framework of selection, procurement and contracting of goods, services, consultancies and works. These Committees are oriented toward watching over the interests of the Institution, as well as mitigating the risks that are inherent to the selection or contracting of Vendors or Consultants. To wit:
- ✓ Evaluation Committee
 - ✓ Contract Committee
- V.10. In line with CAF's mission, specifically regarding sustainable development, as well as the regulations associated with the selection, procurement and contracting of goods, services, consultancies and works, practices that are oriented toward Reduction, Recycling and Reuse must be considered.
- V.11. For the purposes of complying with CAF's regulations, a spouse or anyone having a kinship relationship up to the fourth level of consanguinity with CAF's staff, may not be hired as a Vendor or Consultant. This limitation applies in the same way in the case of contracts with legal entities whose legal representative or shareholders are in the same kinship relationship.
- V.12. All contracts signed by CAF related to the process of selection, procurement and contracting of goods, services, consultancies and works must be reviewed and approved by Legal Counsel in order to guarantee the mitigation of legal risks.

VI. GLOSSARY OF TERMS

Term	Concept/Description
Consultant	Is that natural person or legal entity with expertise in a given area hired to develop studies on specific subjects or generic counseling.
Degrees of Consanguinity	1st degree: Parents and children. 2nd degree: grandparents, brothers and sisters and grandchildren. 3rd degree: Nephews and uncles. 4th degree: First Cousins.
Degrees of Affinity	1st degree: Spouse's parents and children. 2nd degree: Spouse's brothers- sisters-in-law, grandparents and grandchildren.
CAF's Staff	Functionaries and persons hired by CAF, during a specific period of time to do a specific task or job.
Vendor	A natural person or legal entity that supplies goods, services or works, according to the Organization's needs, which must be evaluated for quality, price, service, delivery deadline and sales conditions that are offered to CAF.