

Procurement Manual

PREFACE

The “Procurement Manual” provides the essential information and brief step-by-step procedures for procurement of goods, works and services. This document is intended to guide the procurement officials directly involved in the procurement activities. It also intends to help with understanding the procurement processes and to achieve uniformity in procurement processes throughout the project. The rights and obligations of the purchaser and the contractor of goods and works will be governed by the tender documents and by the contracts signed by the purchaser with the contractor and not by the guidelines stated in this document.

This Procurement Manual provides general guidelines for ArmSwissBank procurement activities in projects financed under development partner-supported operations. Specific procurement requirements may vary depending on the funding source. In cases where donor-specific procurement guidelines exist, those guidelines will take precedence over conflicting provisions in this Manual, and appropriate annexes or supplements may be added for specific donor-funded projects.

The Guidelines apply for contracts which are fully implemented by ArmSwissBank or funded by other lenders or donor under parallel arrangements, other procedures may be followed provided the donor is satisfied these procedures are economical and efficient and do not prejudice the successful implementation of the project.

This Manual is designed to be adaptable to various donor requirements while maintaining core principles of transparency, fairness, competition, and value for money. Project managers should consult with ArmSwissBank procurement specialists to determine if specific donor requirements necessitate adjustments to standard procedures.

SECTION 1 – PURPOSE AND APPLICATION

1. This Manual sets out the principles and rules governing the procurement of Goods, Works, Services and Consultancy Services contracted by ArmSwissBank in projects financed under development partner-supported operations. The aim is to ensure transparent, efficient, and competitive procurement that complies with both national legislation and international donor standards, particularly the Republic of Armenia Law on Procurement.
2. Procurement is the overall process of acquiring goods, works, services and consultancies through purchase, hire or rental. Actions undertaken to carry out procurement are defined as procurement activities. These include all activities from needs identification, planning, forecasting, sourcing, and solicitation of offers, evaluation and review up to award of contracts. A specified series of procurement activities, which have to be executed in the same manner to obtain the same result under the same circumstances, is thereby defined as procurement PROCEDURE.
3. This Manual applies to:
 - Bank-financed institutional procurement;
 - Projects funded by international financial institutions or development partners;
 - Any procurement involving public, donor, or blended resources managed by the Bank.

Objective

4. The overall objective of manual is to add value to organization and its stakeholders for fulfilling objectives regarding procurement. Undertaking quality procurement means carrying out activities in a manner that best enable an organization to attain general and specific objectives of project(s) in compliance with applicable procurement PROCEDURE. The process should ensure that goods, works, services and consultancies acquired by the organization are obtained in a timely fashion, at the most competitive price and are of the required quality and quantity. The document has been designed to streamline procurement process by specifying relevant controls, defining lines of responsibility amongst respective departments and ensuring consistency with the existing control framework over the organization's business processes. This manual seeks to achieve the following broad objectives:
 - To elaborate the need for efficient and transparent procurement process;
 - To specify various types of procurement methods;
 - To indicate appropriate levels of transparency and efficiency through standards and guidelines;
 - To formalize policies, processes and rules;
 - To ensure maintenance of proper sets of documentation; and
 - To guarantee adherence to donor specific requirement regarding procurement.

Procedures for Procurement

5. Procurement of goods and services financed by the various donors will be undertaken in accordance with this Procurement Guidelines. Donor-financed procurement must comply with the Procurement Guidelines, as provided for in the relevant financing agreement. The rights and obligations of the ArmSwissBank and the provider of goods, works, and services are governed by the bidding documents, and by the contracts signed by the ArmSwissBank with the providers. The responsibility for procurement under donors' financing rests with the ArmSwissBank. The donor has the obligation to ensure that the proceeds of its financing are used in accordance with the donor's procurement policy and with due attention to considerations of economy, efficiency, and transparency.
6. Application of simplified procedures in achieving the objectives of ArmSwissBank Projects could be agreed between the donor and ArmSwissBank. For these procedures there are certain minimum procedural requirements for sub-projects to:
 - (i) ensure economy and efficiency, and
 - (ii) to supervise the procurement process periodically through post review by the donor and/or ArmSwissBank, which are outlined in this Manual.
7. The procurement processes typically consist of identification of requirements, developing specifications, identifying suppliers/ service providers, inviting bids/ proposals, evaluating and awarding contracts, contract management, receipt and certification of goods/ services, evaluation and closure of contract.

SECTION 2- Legal and Regulatory Basis

8. Procurement shall be conducted in compliance with:
 - ArmSwissBank's internal procurement procedures and fiduciary control policies taking into account the Law of the Republic of Armenia on Procurement;
 - Any donor-specific procurement requirements/ guidelines, when funding is provided by international development partners;

In cases of discrepancy between national and donor requirements, the applicable regulation will be determined in consultation with the funding partner.

SECTION 3 – DEFINITIONS AND ACRONYMS

9. For the purposes of this Manual the following terms shall apply:
Procurement, purchase of all types of goods, works and services compensated by the customer. In terms of this manual, rent and lease are also considered purchase of services.
Procurement contract, an agreement signed for the purpose of purchase.

Procurement officer, an official responsible for managing and executing procurement procedures on behalf of the procuring entity, including preparation of tender documents, coordination of bid evaluations, contract negotiations, and ensuring compliance with applicable procurement rules and regulations.

Project Management Unit (PMU), a dedicated organizational structure within or assigned by the procuring entity responsible for the day-to-day management, coordination, and implementation of a project, including planning, procurement, financial management, monitoring, and reporting in accordance with applicable policies, procedures, and contractual obligations.

Bidder, a party to a procurement contract with the procuring entity for the purpose of purchase;

Selected bidder, a party (parties) to whom the procuring entity offers to sign a procurement contract. Invitation, conditions offered to the bidder for the purpose of signing a procurement contract.

Procured item, any commodity, work or service purchased by the procuring entity.

Description of procured item, technical features of the procured item, purchase and payment conditions thereof.

Consulting services, non-material services which do not result in a measurable physical outcome.

Consultant, a person participating in consulting services for the purpose of signing a procurement contract.

Selected consultant, consultant(s) to whom the procuring entity offered to sign a contract for the procurement of consulting services.

Fast-wearing items, low-cost consumables used in daily operations that require frequent replacement due to regular use, such as stationery and cleaning supplies.

Qualification criteria, conditions and restrictions stipulated in article 35 of this Manual.

Procurement committee, A formal body within the Bank responsible for reviewing and approving procurement activities, ensuring that purchases of goods, services, and works are conducted in a transparent, cost-effective, and compliant manner in line with the bank's internal policies and applicable regulations.

Definitions of Procurement Categories

10. To ensure clarity and consistency in procurement operations, the following categories are used to classify procurement activities undertaken by the Bank:

1) Goods

Goods are defined as physical, tangible items that can be delivered, stored, and used to support the Bank's operations. These include both consumable and non-consumable items acquired for routine use or project-specific purposes.

Examples include:

- Office furniture (desks, chairs, cabinets),
- IT equipment (laptops, printers, projectors),
- Stationery and office supplies (pens, paper, folders),
- Cleaning materials and hygiene supplies,
- Tools, spare parts, and other equipment.

2) Services

Services refer to non-physical deliverables provided by individuals or companies to support operational, technical, or administrative functions. These may include professional expertise, technical assistance, or convenience services required for day-to-day functioning or project execution.

Examples include:

- Professional services such as consultancy, auditing, or legal advice,
- Financial and administrative services including banking and insurance,
- Logistical services such as transportation and communications,
- Event-related services such as training organization, venue rental, catering, and accommodation,
- Support services such as courier delivery, interpretation, and equipment maintenance.

3) Works

Works typically involve the construction, renovation, installation, or engineering of physical infrastructure or facilities. These activities require planning, labor, and materials, and may include supervision and technical design.

Examples include:

- Construction of buildings, offices, or storage facilities,
- Civil engineering projects such as road rehabilitation or drainage systems,
- Installation of water supply systems, power systems, or solar infrastructure,
- Renovation, repair, or upgrading of existing structures.

SECTION 4. Core Procurement Principles

11. All procurement actions under this Manual are governed by and are consistent with the following Core Procurement Principles:

◆ **Value for money.** The selection of offers must optimize both quality and cost, considering the full lifecycle of goods, works, or services. This principle ensures that the Bank obtains the best possible outcome—not necessarily the lowest price, but the most advantageous combination of cost, quality, and sustainability. It encourages the consideration of factors such as delivery time, after-sales service, and supplier reliability.

◆ **Transparency.** Procurement processes must be open, accessible, and clearly documented. All stages—from planning and advertisement to bid evaluation and contract award—must be conducted in a manner that allows stakeholders, including suppliers, internal units, donors, and auditors, to understand how decisions were made. Transparency builds trust, reduces the risk of mismanagement, and ensures public and institutional confidence in the Bank’s procurement activities.

◆ **Competition.** Procurement shall be based on open and fair competition among eligible suppliers and service providers. Competitive processes encourage innovation, drive down costs, and improve quality. Opportunities should be made widely available through public notices, equal access to information, and unbiased evaluation. Barriers to entry must be avoided, and all suppliers must be treated equally.

◆ **Economy and Efficiency.** Resources must be used in a cost-effective and timely manner to achieve the intended results. Procurement processes should be designed to avoid delays, minimize administrative burden, and ensure delivery of the required goods or services at the right time, quality, and cost. This includes sound planning, clear specifications, and streamlined procedures.

◆ **Integrity and Fairness.** All procurement must be conducted honestly, ethically, and impartially. Measures must be in place to prevent, detect, and respond to conflicts of interest, fraud, corruption, and undue influence. Bank staff and procurement participants must uphold high standards of professional conduct. All bidders must be treated fairly, and decisions must be based solely on objective criteria.

◆ **Proportionality.** Procurement procedures and controls must be proportionate to the size, complexity, and risk of the procurement activity. For small, low-risk purchases, simplified methods may be used to avoid unnecessary delays or burdens. For high-value or high-risk procurement, more rigorous procedures and oversight are required. This ensures efficiency without compromising accountability.

◆ **Eligibility.** The Bank permits Participants from all countries to provide on equal terms Goods, Works, Services or Consultancy Services for a Bank Operation
The Client shall exclude a Participant from contract award in conformity with the provisions 34,35 of this guideline.

Section 5. Roles and Responsibilities

12. The Chief Executive Officer (CEO) of ArmSwissBank shall appoint and oversee the personnel and committees responsible for the effective and compliant implementation of procurement activities. The following outlines the main functions and responsibilities of the key actors involved in the procurement process:

• Procurement Committee

The Procurement Committee provides oversight and quality assurance for major procurement activities. Its responsibilities include:

- Reviewing and approving contract award recommendations exceeding the defined financial thresholds;
- Ensuring compliance with the Bank's internal procurement policies and donor-specific requirements;

- Providing strategic guidance on complex or high-value procurements;
- Ensuring fairness, transparency, and integrity throughout the evaluation and selection process.

- **Procurement Officer or Procurement Coordinator**

The Procurement Officer or Coordinator manages the end-to-end procurement cycle and serves as the central point of contact for all procurement-related matters. Key responsibilities include:

- Preparing procurement plans and solicitation documents (e.g., RFQs, RFPs, ITBs);
- Coordinating the tendering and bid evaluation processes;
- Communicating with bidders and responding to queries in accordance with procurement rules;
- Ensuring the accuracy, completeness, and archiving of all procurement documentation;
- Ensuring the Bank's procurement system remains audit-ready at all times.

- **End-User Departments**

End-user departments are responsible for identifying needs and supporting the technical aspects of procurement. Their functions include:

- Initiating procurement requests and defining technical specifications or Terms of Reference (ToRs);
- Participating in bid evaluations where technical input is required;
- Providing subject-matter expertise throughout the procurement process;
- Monitoring contract implementation, deliverables, and supplier performance;
- Confirming receipt and quality of goods, services, or works prior to payment processing.

Terms of Reference (TOR)

13. **A Terms of Reference (ToR)** is a description of the scope of work for services, generally indicating the work to be performed, the level of quality and effort, the timeline, and the deliverables. TORs are mostly used to define the performance requirements for expert and advisory services, which are not easily quantified, e.g., where a solution to a requirement is offered. The TOR is often the vendor's first and main introduction to the requirements. Clear, uncontradictory TORs will limit the risks to the vendor and enable them to prepare a clear and detailed proposal. This should lead to successfully implemented projects and limit the risk of dispute or claims. The TOR typically includes the following information:

- Background for requesting the service;
- The objective of the service and overall impact;
- Expected and clearly defined output from the service;
- Activities required to reach this output;
- Inputs required to perform activities;
- Deliverables; and
- Timelines.

14. Procurement planning is a critical phase of the project and financial management cycle. It ensures that all procurement activities are well-prepared, timely initiated, cost-efficient, and aligned with the project objectives and applicable legal and donor requirements. Procurement must be planned strategically to align with project timelines, budget allocations, and risk profiles.
15. The preparation of a realistic and comprehensive procurement plan is essential for the effective implementation and monitoring of projects financed or co-financed by ArmSwissBank. As part of the project preparation phase, the **Procurement Officer of ArmSwissBank**, in coordination with the relevant end-user departments and the project team, shall develop a **preliminary procurement plan** outlining all anticipated procurement activities across the full scope of the project.
16. This procurement plan shall:
- Identify all goods, services, and works required under the project;
 - Propose appropriate procurement methods in line with ArmSwissBank's Procurement Guidelines and applicable donor requirements;
 - Include indicative timelines for each procurement activity (e.g., procurement initiation, bid evaluation, contract award, and delivery milestones);
 - Provide estimated contract values consistent with project budgeting and financing arrangements;
 - Flag any potential procurement risks or dependencies that may affect timely implementation.
17. The preliminary procurement plan will serve as a dynamic management tool and shall be reviewed and updated regularly throughout the project lifecycle to reflect changes in scope, budget revisions, market conditions, or implementation progress. Updates to the plan must be approved by the designated authority and documented accordingly.

Procurement Plan Requirements

18. A **Procurement Plan** shall be developed:
- For each **new project**, prior to initiation of any procurement activities;
 - For **donor-funded projects**, in accordance with the applicable financing agreement and donor-specific rules.
19. The Plan must include:
- Description of items to be procured;
 - Estimated costs;
 - Procurement methods and justification;
 - Timeline for each procurement action;
 - Roles and responsibilities;
 - Applicable donor requirements (e.g., prior review);

- Risk assessment and mitigation measures.

20. The Procurement Plan must be developed jointly by:

- The **Project Management Unit (PMU)** or the **responsible department**;
- The **Procurement Specialist or responsible employee**;
- The **Finance Officer**, where applicable.

The plan shall be reviewed and endorsed by the Management Board of Bank and, if required, submitted to the **donor or supervisory body** for no-objection or approval. Procurement Plans must be reviewed and updated at least annually or more frequently as required.

Approval and Publication

21. Final Procurement Plans must be approved by the **Bank CEO**.

For publicly funded or donor-financed procurement, plans or relevant extracts may be published via:

- **Donor project websites** (e.g., World Bank STEP, GCF platforms);
 - The **Bank's official website**, if required for transparency.
- Including use of Standard Bidding Documents (SBDs);
- Disclose that the donor's integrity standards and anti-corruption policies apply, including sanctions that may be in effect against firms or individuals.

General Procurement Notice (GPN)

22. For all donor-funded projects implemented by ArmSwissBank, procurement shall follow the applicable procurement procedures of the respective donor (e.g., Green Climate Fund, EBRD, ADB etc.), as outlined in the relevant financing agreement.

23. To ensure transparency and provide equal opportunity to potential bidders, a **General Procurement Notice (GPN)** shall be issued at the project's inception. The GPN serves to:

- Inform the public and interested suppliers, contractors, and consultants of the procurement opportunities under the project;
- Indicate that the procurement process will follow the donor's procurement rules and procedures, including use of Standard Bidding Documents (SBDs);
- Disclose that the donor's integrity standards and anti-corruption policies apply, including sanctions that may be in effect against firms or individuals.

24. The GPN will be published on:

- The official website of the respective donor;
- The ArmSwissBank website (www.armswissbank.am);

- The ArmSwissBank official Social pages (LinkedIn, Facebook)
- At least one national newspaper with wide circulation, preferably in Armenian and English (optional);
- Any additional regional or sector-specific platforms as required by the financing agreement.

For procurements involving **International Competitive Bidding (ICB)** or large-value contracts, **Specific Procurement Notices (SPNs)**—such as Invitations for Prequalification or Invitations to Bid—shall also be published on:

- The donor’s official procurement portal (in case of confirmation by the donors);
- A widely accessible international procurement platform (e.g., UNGM, Devex, dgMarket);
- A local/national newspaper of wide circulation (optional) .

25. ArmSwissBank shall notify the donor in advance and obtain the necessary approvals for the content and timing of the GPN and SPNs, as stipulated in the financing agreement. Additionally, any extension of bid submission deadlines must be communicated to all prospective bidders **no later than 14 calendar days** prior to the original bid submission deadline.

Section 8. Consolidated Procurement Thresholds

26. To ensure consistency, transparency, and compliance with donor requirements, the following table establishes the official procurement thresholds applicable to all ArmSwissBank-managed projects. These thresholds serve as the primary reference for selecting the appropriate procurement method for goods, works, and services.
27. The values presented in **Table 1** reflect the currently approved limits, which are aligned with international best practices and specific donor guidelines. They are designed to ensure proportionality in procurement processes, promote competition, and facilitate efficient project implementation.
28. Any deviation from the established thresholds must be **formally justified** and receive **prior written approval** from both the **Chief Executive Officer of ArmSwissBank** and the **respective donor** before the procurement process is initiated.
- These thresholds are subject to periodic review and may be updated based on evolving donor policies, procurement performance assessments, or changes in regulatory frameworks.

Table 1. Consolidated Procurement Thresholds

Procurement Method	Goods Threshold	Works Threshold	Consulting Services Threshold	Comments
International Competitive Bidding (ICB)¹	> US\$100,000	> US\$100,000	Not applicable	Mandatory for high-value and internationally sourced procurements
National Competitive Bidding (NCB)	US\$25,000 – US\$100,000	US\$25,000 – US\$100,000	Not applicable	Used for medium-value procurements within the national market
Shopping (SH)	< US\$150,000	< US\$300,000	Not applicable	Simplified process for low-value, off-the-shelf purchases
Direct Contracting / Direct Purchase (DC/DP)	Not applicable	Not applicable	Not applicable	Permitted only with prior justification and donor approval
Quality and Cost Based Selection (QCBS)	Not applicable	Not applicable	> US\$30,000	Preferred method for complex consulting assignments requiring quality focus
Least Cost Selection (LCS)	Not applicable	Not applicable	> US\$50,000	Used for assignments where well-defined and routine services are expected
Consultant Qualification Selection (CQS)	Not applicable	Not applicable	US\$10,000 – US\$50,000	Suitable for smaller consulting assignments based on qualifications alone
Individual Consultant (IC)	Not applicable	Not applicable	Any value	Used for assignments requiring individual expertise, short-term inputs

- **Quality- and Cost-Based Selection (QCBS):** Standard method for complex assignments.
- **Consultant Qualification Selection (CQS):** Small assignments with specialized expertise.
- **Least-Cost Selection (LCS):** For routine, low-risk assignments.
- **Individual Consultant (IC):** Based on qualifications and experience.
- **Direct Selection:** With full justification and donor approval (if required).

¹ This procurement method can be applied also for lower thresholds in case of proper justification from the Bank

SECTION 9. PREPARATION OF BIDDING DOCUMENTS / INVITATION TO QUOTE / REQUEST FOR PROPOSALS

29. ArmSwissBank shall make every effort to ensure that reputable and qualified firms are invited to participate in procurement processes for goods, works, and consulting services under donor-financed projects. Invitations to quote, bid, or submit proposals must be prepared with clarity, completeness, and in alignment with applicable donor requirements and standard bidding documents (SBDs).
30. Unsolicited bids, quotations, or proposals may be accepted **only after a due diligence review** is conducted to verify the legal status, technical capacity, and reputation of the submitting firm or individual. The due diligence process must be documented and retained as part of the procurement records.
31. As applicable, ArmSwissBank shall encourage potential bidders or proposers to **visit the project site** or review relevant operational conditions (e.g., office, warehouse, or installation site) prior to submitting their offers. This is particularly important for works contracts or service assignments where site conditions may significantly affect pricing or feasibility.
32. Bidding documents or Requests for Proposals (RFPs) shall include:
- Clear technical specifications or Terms of Reference (ToR);
 - Evaluation and qualification criteria;
 - Delivery timelines and contractual conditions;
 - Instructions to bidders/proposers and required forms;
 - Any relevant donor-specific clauses, including anti-corruption and conflict of interest declarations.

All procurement documents must be reviewed for consistency, legal sufficiency, and compliance with donor policies before issuance.

Rejection of All Bids

33. ArmSwissBank, in its capacity as an implementing or executing entity for donor-funded projects, reserves the right to reject all bids in accordance with the provisions outlined in the bidding documents and applicable donor procurement guidelines.
34. The following persons shall not be eligible to participate in procurement:
- (1) those who have been declared bankrupt through judicial procedure as of the day of submitting the bid;
 - (2) those who have overdue liabilities amounting up to one percent of the price proposal submitted thereby for the part of incomes controlled by the tax authority as of the day of submitting the bid, but in the amount not exceeding fifty thousand drams of the Republic of Armenia;
 - (3) those who have been convicted or a representative of the executive body whereof has been convicted — within three years prior to submission of the bid — for financing of terrorism, child exploitation or a crime involving human trafficking, creation of a criminal association or participation therein, receiving a bribe, giving a bribe or mediation in bribery

and crimes against economic activity provided for by law, except for cases when the conviction is cancelled or expired as prescribed by law;

(4) an unappealable administrative act for anti-competitive agreement or abuse of dominant position in the field of procurement has been adapted in relation thereto as prescribed by law, within one year prior to the day of submitting the bid;

(5) those who have been included in the list of bidders ineligible to participate in the procurement process, published according to the legislation of member states of the Eurasian Economic Union on procurement, as of the day of submitting the bid;

(6) those that have been included in the list of bidders ineligible to participate in the procurement process as of the day of submitting the bid. The bidders shall be included in the indicated list, where: a. they have violated the obligation provided for by a contract or assumed within the procurement process, which resulted in unilateral rescission of the contract by the contracting authority or termination of further participation of the bidder concerned in the procurement process; b. they have refused to conclude a contract as a selected bidder; c. they have refused further participation in the procurement process after the opening of bids.

35. The bidder must meet the qualification criteria defined by the invitation. For fulfilment of obligations provided for by the contract, the bidder must have the following criteria as required by the invitation:

- (1) compliance of professional activities with activities provided for by the contract;
- (2) professional experience;
- (3) technical resources;
- (4) financial resources;
- (5) labour resources.

36. Rejection of all bids may be justified under the following circumstances:

- A lack of effective competition;
- All or most bids are non-responsive or fail to meet the key technical, financial, or eligibility requirements;
- Bid prices are substantially higher than the allocated or estimated budget, and cannot be reasonably justified;
- There are fundamental issues in the specifications, scope, or procurement strategy that warrant revision.

37. **Lack of competition** shall not be determined solely by the number of bids received. Even if only one bid is submitted, the procurement process may still be considered valid, provided that:

- The opportunity was adequately advertised;
- The bidding process was open and competitive;
- The sole bid received is technically responsive and reasonably priced in comparison with market benchmarks.

38. In cases where **all bids are to be rejected**, ArmSwissBank must:

- Obtain prior written approval from the donor agency (**if required under the financing agreement**);
- Conduct a review of the procurement process to identify the root causes (e.g., overly restrictive specifications, unrealistic cost estimates, or inadequate advertising);
- Consider appropriate revisions to the contract conditions, scope of work, technical specifications, or evaluation criteria prior to re-launching the procurement process.

39. Only those bids that are **substantially non-responsive** to the requirements set forth in the bidding documents—such as failure to meet key technical specifications, eligibility requirements, or bidder qualifications—may be formally disqualified during the evaluation process. All evaluations and decisions to reject bids must be properly documented and retained in the procurement file to ensure transparency and audit readiness.

Invitation and Receipt of Bids / Quotations / Proposals

40. To promote fair competition and ensure the receipt of a sufficient number of responsive offers, **ArmSwissBank**, through its Procurement Implementation Group (PIG), shall issue invitations and requests for quotations/proposals using the methods outlined below, depending on the procurement category and method:

- **International or National Competitive Bidding (ICB/NCB)**: Public advertisement shall be made nationally (and internationally, if required) for the procurement of goods and works, in line with donor and internal procedures.
- **Shopping (SH) Method**: At least **three (3)** written Invitations to Quote shall be sent to eligible and qualified suppliers for the procurement of goods and works of lower value.
- **Consulting Services – QCBS, LCS, FBS, CQS Methods**: Between **three (3)** and **six (6)** Requests for Proposals (RFPs) shall be issued to a shortlist of qualified consulting firms.
- **Individual Consultant (IC) Selection**: A minimum of **three (3)** Requests for Expression of Interest (EOIs), including CV submission requests, shall be sent to individuals possessing the required professional qualifications and relevant experience.

41. All bids, quotations, proposals, or EOIs received—whether **on time or late**—shall be:

- **Logged and recorded** upon receipt;
- **Stored securely** in sealed envelopes or password-protected electronic formats;
- **Kept confidential** and safeguarded against tampering or unauthorized access until the official opening or evaluation begins.

42. Late submissions may only be considered under exceptional circumstances and in accordance with donor procurement rules and the terms specified in the solicitation documents. All steps taken during the invitation, receipt, and handling of submissions shall be thoroughly documented to ensure transparency, fairness, and audit readiness.

Language

43. For all international competitive procurements conducted by **ArmSwissBank** under donor-funded projects, the official language of the **Procurement Documents** shall be **English**, unless otherwise agreed with the relevant donor.
44. Where appropriate, ArmSwissBank may also issue translated versions of the procurement documents in Armenian.
45. In all cases where documents are issued in two languages, **English shall prevail** in the event of any discrepancy or conflict in interpretation. Applicants, Bidders, Proposers, or Consultants may submit their bids, proposals, or expressions of interest in **either English or Armenian**, provided that this option is explicitly allowed in the procurement documents.
46. ArmSwissBank shall be fully responsible for ensuring the accuracy and completeness of any translation from English into the National Language. Any inconsistencies must be promptly identified and corrected before bid submission deadlines.

Anti-Corruption Policy and Procedures

Policy Statement

47. **ArmSwissBank** upholds a strict **zero-tolerance policy** toward fraud, corruption, and unethical conduct in all procurement and contract execution activities. All bidders, suppliers, contractors, consultants, and Bank personnel involved in donor-funded projects are required to adhere to the highest standards of integrity, transparency, and accountability throughout the procurement lifecycle.

Prohibited Practices

46. The following practices are strictly prohibited and are grounds for sanctions:
 - a) **Corrupt Practice** – Offering, giving, receiving, or soliciting anything of value to improperly influence the actions of another party.
 - b) **Fraudulent Practice** – Misrepresentation or omission of facts to mislead or obtain undue advantage.
 - c) **Collusive Practice** – Arrangements between two or more parties designed to improperly influence the outcome of a procurement process.
 - d) **Coercive Practice** – Threatening, harming, or using undue pressure to affect the decisions or behavior of another party.
 - e) **Obstructive Practice** – Deliberately interfering with investigations, withholding information, falsifying documents, or destroying evidence related to procurement integrity.

Prevention Measures

47. To proactively safeguard against integrity risks in procurement, ArmSwissBank applies the following measures:

- a) Due diligence and background checks on suppliers and consultants;
- b) Mandatory disclosure of actual or potential **conflicts of interest**;
- c) Regular training of procurement and project staff in ethics, fraud prevention, and red flag identification;
- d) Segregation of duties to prevent concentration of procurement authority;
- e) Risk-based audits and periodic reviews of procurement transactions.

Reporting Suspected Corruption

48. ArmSwissBank encourages all staff, bidders, and stakeholders to report any suspicion of fraud or corruption. Reports can be submitted via:

- **Phone Hotline:** (+374 60) 757-000, (+374 11) 757-000
- **Email:** integrity@armswissbank.am
- **Written Submission:** To the **Compliance Officer**, ArmSwissBank

49. All reports will be treated **confidentially**. ArmSwissBank strictly prohibits any form of retaliation against individuals who report concerns in good faith.

Investigation Process

50. Allegations of misconduct shall follow a structured review and investigation process:

- a) Initial screening by the Compliance Officer;
- b) Formal investigation if allegations are credible;
- c) Documentation of findings, conclusions, and evidence;
- d) Application of remedial, disciplinary, or legal actions as appropriate.

Investigations will be conducted in a timely, impartial, and professional manner.

Sanctions

51. Depending on the severity and outcome of the investigation, sanctions may include:

- **For individuals:** Formal warning, suspension, dismissal, or referral to legal authorities;
- **For firms:** Disqualification from tenders, contract termination, debarment, or financial penalties;
- **For projects:** Declaration of misprocurement, suspension of disbursements, or reimbursement of misused funds to the donor.

Roles and Responsibilities

- **CEO of ArmSwissBank:** Holds overall accountability for anti-corruption policy enforcement;
- **Compliance Officer:** Leads implementation, monitors compliance, and investigates reports;
- **Procurement and Project Staff:** Responsible for following procedures and reporting concerns;
- **All Procurement Participants:** Required to observe ethical behavior and report any violations.

SECTION 10. BID/PROPOSAL EVALUATION AND CONTRACT AWARD PROCEDURES

Bids/Proposals Public Opening

52. The Evaluation Committee shall access and open all bids/proposals received on time via the designated procurement email address. During the public opening session, the Committee shall verify and read aloud key details of each bid/proposal, including the sender's information, date and time of receipt, any modifications (if applicable), the bid/proposal price, and other relevant documentation. All information disclosed during the session shall be recorded in the Minutes of Opening. The original signed Minutes of Opening shall be retained in the official procurement file.

Procedures for Bid Evaluation and Award of Contracts

Bid Evaluation Committee

54. An **Evaluation Committee** shall be established within ArmSwissBank to oversee the review of procurement processes. The Committee will be responsible for evaluating all bids, quotations, and proposals received and making **recommendations for contract award**, in accordance with the procedures set out in this Manual.

55. The primary function of the Committee is to:

- Evaluate the responsiveness and competitiveness of bids/quotations received;
- Assess technical and financial compliance based on the established evaluation criteria; and
- Recommend the most advantageous offer for contract award.

56. ArmSwissBank shall ensure that **no member of the Evaluation Committee has any conflict of interest**—whether actual, perceived, or potential—with any of the participating bidders or consultants.

Procurement Authority and Responsibilities

Procurement Committee Structure

57. ArmSwissBank utilizes a unified **Procurement Evaluation Committee structure** for all procurement activities related to donor-funded projects:

- **Chairperson:** Appointed by the **CEO of ArmSwissBank**;
- **Members:** At least two technical specialists from the relevant business or operational units;
- **Secretary: Procurement Officer** (non-voting);
- **Observer: Finance Department Representative** (non-voting).

58. The Committee is responsible for reviewing and evaluating all procurement cases and submitting formal **recommendations for contract award** based on the evaluation results and in accordance with the procedures outlined in this Manual.

Approval Authorities

59. Final approval of all procurement decisions—regardless of the financial threshold—is vested in the **Chief Executive Officer (CEO)** of ArmSwissBank or a delegated authority as per the Bank's internal decision-making structure.

SECTION 11. PROCUREMENT METHOD SELECTION FRAMEWORK

60. This table provides guidance on the specific circumstances for applying each procurement method. For the applicable value thresholds, refer to the Consolidated Procurement Thresholds table in Section 8.

Table 2: Procurement Method Application Criteria

Method	Circumstances for Application
International Competitive Bidding (ICB)	<ul style="list-style-type: none">• International competition needed• Specialized goods not available locally• Complex technical specifications• Large-scale projects with donor interest• When foreign firms are expected to participate
National Competitive Bidding (NCB)	<ul style="list-style-type: none">• Adequate local competition exists• Goods/works are available locally at competitive prices• Foreign bidders may participate but not specifically targeted• When procurement value does not justify international competition

Method	Circumstances for Application
Shopping (SH)	<ul style="list-style-type: none"> • Readily available off-the-shelf goods • Standard specification commodities • Simple civil works of small value • When speed of procurement is important • When obtaining three quotations is feasible
Direct Contracting (DC) or Direct Purchase (DP)	<ul style="list-style-type: none"> • Extension of existing contract ($\leq 15\%$ of original value) • Proprietary items available from only one source • Standardization with existing equipment • Emergency situations requiring immediate procurement • When the cost of competitive procurement would be disproportionate to the value

Procurement Method Decision Tree

61. The following decision-making framework is designed to support ArmSwissBank procurement officers in selecting the appropriate procurement method, in alignment with donor requirements and the thresholds outlined in **Table 1 – Consolidated Procurement Thresholds**.

62. This step-by-step process must be applied in conjunction with the applicable circumstances for each procurement method.

Step 1: Identify the Type of Procurement

- Is the procurement for **goods, works, or consulting services**?

Step 2: Estimate the Procurement Value

- Determine the **total estimated cost** of the procurement package, including all taxes, duties, and incidental services.

Step 3: Analyze Market Conditions

- Are the required items **readily available locally** at competitive prices?
- Is **international competition** necessary or expected to provide better value for money?
- Are there **limited or specialized suppliers** that could restrict competition?

Step 4: Assess Urgency and Complexity

- Is the procurement **time-sensitive or urgent** (e.g., project-critical or seasonal)?
- Are the **technical specifications complex**, requiring tailored solutions?
- What is the **implementation timeframe** and are there logistical or regulatory constraints?

Step 5: Select the Appropriate Procurement Method

Based on the value thresholds in **Table 1** and market/technical factors in Step 3 and 4:

Procurement Type	Estimated Value	Recommended Method
Goods	> US\$1,500,000	International Competitive Bidding (ICB)
Works	> US\$3,000,000	International Competitive Bidding (ICB)
Goods	US\$150,000 – US\$1,500,000	National Competitive Bidding (NCB)
Works	US\$150,000 – US\$3,000,000	National Competitive Bidding (NCB)
Goods / Works	< US\$150,000 – US\$300,000, and items are standard/off-the-shelf	Shopping (SH)

The selected procurement method must be clearly justified and recorded in the procurement plan and procurement documentation.