



Asia-Pacific
Economic Cooperation

APEC PROJECTS: Procurement and Contracting

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for Asia-Pacific **Prosperity**

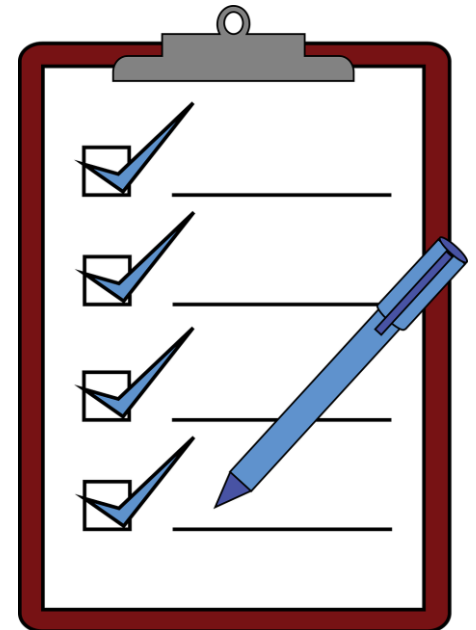
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Procurement and Contracting in APEC Projects

This session covers:

- Overview of contracting in APEC – different types of procurement processes, drafting advice)
- Drafting Terms of Reference (ToRs) & Requests for Proposal (RFPs)
- Templates and Resources for procurement and contracting for APEC projects



Overview of APEC Contracts

- The **APEC Secretariat** enters into contracts on behalf of the Project Overseer to commission services for APEC-funded projects
 - as a party to the contract, the Secretariat is responsible for negotiating the final text with the contractor, as necessary, and signing the contract.
- **Project Overseers** are responsible for:
 - leading the process to select a contractor, with the support of the Secretariat (Program Directors – PDs & Program Executives – PEs);
 - working closely with the contractor during project implementation, to ensure work is progressing on time and milestones are met; and
 - certifying that contractors have completed work satisfactorily.





Overview of APEC Contracts

The type of procurement method depends on the value of the contract. Chapter 11 of the Guidebook on APEC Projects steps out the processes.

Contract Value (USD)	Procurement Method	Bidding Process	Evaluation Process	Outcome	Length of Time
Up to 5,000	Terms of Reference (ToR)	No	PO	Work Undertaking (WU)	Up to 6 weeks
5,001- 20,000	ToR	No	PO	Minor Contract	6-8 weeks
20,001-50,000	Request For Proposal (RFP)	Selective tender process	PO	Major Contract	2 months
50,001+	RFP	Open tender process	Evaluation Panel	Major Contract	2-3 months



Drafting Terms of Reference (ToR) and Requests for Proposal (RFP)



- After the Project Proposal has been approved by the Budget and Management Committee, the procurement process may start. POs work with Program Directors and Program Executives to draft ToRs and RFPs.
- ToRs and RFPs are the source documents for the eventual Contract. They must:
 - Be based on the **approved** Project Proposal (or approved Project Design Amendment or Extension Form);
 - Be written in clear and concise English; describe the contractor tasks in detail; and use consistent titles for each of the project outputs;
 - Include a **Milestone Payment Schedule** that lists the key tasks or outputs whose completion will trigger a payment to the Contractor (ideally 3 per milestone payments per contract); and
 - Downloaded from the website before each new task, in case of changes to the template.



Drafting APEC Contracts

- After the contractor is selected via the ToR or RFP process, the Program Executive will draft the Contract in consultation with the Project Overseer.
- The signed contract **must** be in place **before** the contractor starts work. The date of the first deliverable in the contract cannot precede the date of the contract itself.
- Changes to a signed contract e.g. service delivery dates or payment schedule, must first be agreed by the Secretariat and formalised through a Corrigendum.
- Direct labor (the contractor fee) should be contracted out as **a single package** i.e. avoid multiple contracts for the same project unless there is strong justification for contracting multiple people/firms. See Chapter 11 of the Guidebook.



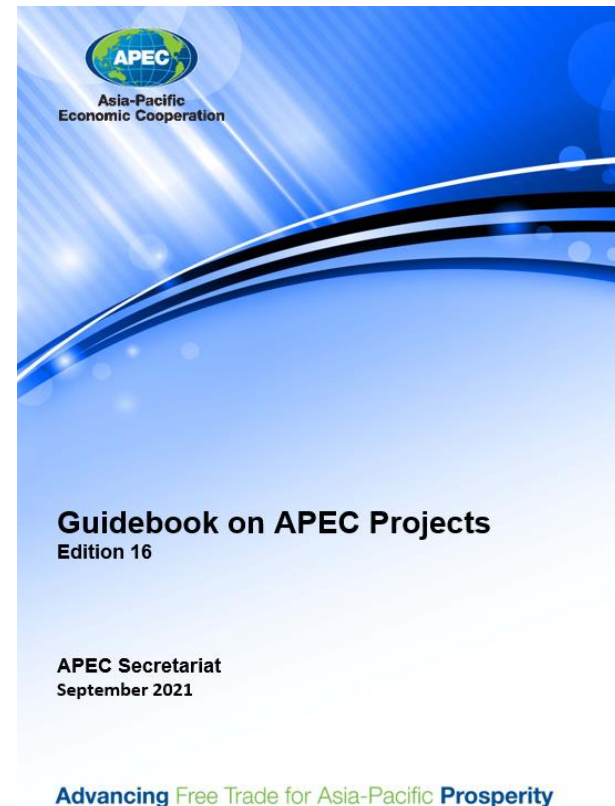
APEC Contracts – things to remember

- The Secretariat cannot change the **Standard Conditions** in our contracts
 - Potential contractors should review the contract in advance, particularly the clauses relating to Intellectual Property and Data Privacy.
- The contractor is required to sign a Notice of Acceptance confirming no conflict of interest exists.
- Contracts may not be awarded where there is a real or potential **conflict of interest**. APEC contracts may **not** be signed with:
 - Current government officials, or current employees of international organisations, or
 - Individuals who have a prior or current relationship with the Project Overseer that could constitute a conflict of interest.

TEMPLATES & RESOURCES

Available at: <http://www.apec.org/Projects/Forms-and-Resources.aspx>

- Visit the APEC Website:
 - Project Overseer Toolkit webpage: Procurement & Contracting (all templates, including annotations and examples – RFP, ToR, Standard Project Contract)
- APEC Guidebook on Projects Edition 16
 - Chapter 11 on Contracting
- Contact the APEC Secretariat
 - Your Program Director (PD) or Program Executive (PE)
 - Project Management Unit (pmu@apec.org)



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