



GARDP PROCUREMENT POLICY

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Policy version control

Title	Procurement Policy	
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Distribution list	All boards, all committees, all staff and external consultants	

Revision history

Version	Reasons and Changes	Date
Version 1.0	Executive Director	08 April. 2019
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1) Context and objective

GARDP's model is based on strong engagement of public and private partners who support GARDP's vision and mission (see box below). To that end, a procurement policy needs to combine the ability to effectively engage suppliers (of products or goods) ("Suppliers") and service providers ("Service Providers") in successfully contributing to projects with the ongoing concern of the best use of resources.

GARDP's procurement policy therefore combines strict principles with pragmatic approaches in selecting the appropriate vendors, especially when the choice of qualified suppliers is limited. GARDP constantly strives to hold itself to the highest standards of accountability, transparency, and ethics.

In this context, **GARDP's procurement policy** aims to:

- Ensure the best use of resources to fulfil its mission
- Support good partnering and contracting practices
- Set a clear framework for Suppliers and Service Providers when dealing with GARDP
- Provide trust to donors

GARDP Procurement Guidelines will complement this Procurement Policy.



2) Principles

Building on GARDP's existing business practices and values, **ethical standards of behaviors must be demonstrated** by any participant involved at any stage of GARDP's procurement activities, particularly regarding the notions of:

- Respect & Probity
- Conflict of interest, Fraud and Corruption, Code of Ethics
- Sustainability
- Transparency

Respect & Probity

GARDP's procurement operations comply with the basic principles of probity in procurement:

- Acting fairly, impartially and with integrity
- Respecting individual and cultural differences
- Accountability and transparency
- Trustworthiness and acting lawfully
- Securing confidential information

Conflict of interest, Fraud and Corruption, Code of Ethics

Beyond the principles stated above, employees involved in the procurement processes on behalf of GARDP must comply with related policies dealing with Conflicts of interests, Fraud and Corruption and follow the principles outlined in GARDP's Code of Ethics. In particular, GARDP employees shall comply with the following:

1. GARDP employees must fulfill their tasks with impartiality, honesty and integrity at all times, represent GARDP with loyalty and respect commitment and reputation of GARDP.
2. GARDP employees must comply with all applicable laws and regulations within the jurisdiction where they operate, as well as GARDP internal policies.
3. GARDP employees shall disclose to their management any identified or potential conflict of interest. When in doubt, employees should consult with their supervisor and escalate upon need.
4. GARDP employees shall not take any actual or potential personal advantage including, but not limited to, financial gains resulting from GARDP procurement activities.
5. GARDP employees shall take appropriate measures to mitigate risks associated with Suppliers' and/or Service Providers business practices.

Sustainability

GARDP operates within social, environmental and economic settings which are all impacted by sustainable procurement practices. Sustainable procurement means that, when buying goods and services, GARDP will consider:

- Strategies to avoid unnecessary consumption;
- Environmental impacts of the goods and services over their whole life cycle;
- Suppliers' social responsibility practices including compliance with legislative obligation to employees and international standards

GARDP will work toward inclusion of such terms in contracts with suppliers.

Transparency

GARDP aims to use a transparent and competitive framework to secure fair bidding exercise and reasonable overall value for money.

In that context, following activities are embedded into GARDP processes:

- All Standard Competitive Bidding (meaning > 50k€) will be published on GARDP's website to ensure broad competition
- A clear and detailed framework of the project or scope of work/service, timelines and information on the selection process are included in procurement documentation sent to potential bidders
- All bidders not awarded will be offered the opportunity to discuss the decision and receive detailed feed-back from the GARDP selection committee

3) Procedure and classification

a) A key step within GARDP's global activity

Building on the principles set in the first sections, procurement activities are positioned in a broader context that needs to take into consideration:

- Strategic levels (mission, overall objectives and strategies).
- Project roadmaps, specific objectives, timelines and resources that enable identification of buying needs.
- Opportunity of pooling buying needs across projects, diseases, departments.

The need for outsourcing is made in the design phase of a program/project. It shall result from identified gaps and operational decisions. Budget preparation provides guidance to the team on the expected spend and enables management pre-approval. Procurement activities are derived from needs determined by subject matter expert ("SME"), and outcomes are approved by the management, and in close relationship with finance department.

b) Operating guidelines

Sourcing

Procurement leads the sourcing and purchasing of goods and services used by GARDP to achieve its objectives. All GARDP activities that involve the purchase of goods or services, either operating or capital expenditures, should be implemented following the policy and standard procurement procedures described below.

Such purchases include but are not limited to:

- R&D-related activities (e.g. Lead optimization, Chemistry Manufacturing & Control, Clinical trials, etc.)
- Access/BD-related activities (market research, market intelligence, etc.)
- External or internal audit, IT services, communication & branding, publications, events, etc.)

Relationships with **individual consultants are managed as per HR policy.**

Contracting

Contracting practices are managed by GARDP's Legal Department.

Once a sourcing decision is approved, GARDP shall provide to the awarded bidder its own contractual key terms or engage in negotiations to ensure final contractual terms are compatible with GARDP's model and do not put the organization at risk, under the guidance of the legal team. When the relationship with a particular Supplier or Service Provider is expected to cover several projects/engagements, a Master Service Agreement may be put in place to simplify business relationships upon consultation of the legal and procurement teams.

Decision authorities and GARDP's teamwork:

SME / Department lead (or someone in their team by delegation) has the final award authority on sourcing decision, provided they respect the following guiding principles:

- Expenses/investments are validated as part of the action plan and budget approved by the the Executive Director or, when delegated, by the Deputy Executive Director . In situations which present significant changes or an unanticipated expense, validation must be obtained with sufficient notice to the relevant director or the Executive Director or, when delegated, to the Deputy Executive Director if appropriate.
- Authorized persons who shall sign the contract must be regularly informed (even informally) of the selection process.
- A selection committee has been organized with staff directly involved in the activity and procurement to ensure a thorough selection. The selection committee's input on the sourcing recommendation must be documented and validated by upper management. The signature policy provides guidance on the authorization levels.
- Compliance with the principles set forth in this policy and implementation of the appropriate procurement procedure.

Procurement staff/team is instrumental in the roll out of the process and shall be involved from the initiation of the supply request onwards, for all expenses above €50k. He/she designs, supports and oversees the process in the context of Standard competitive bidding (see below). He/she also acts as an advisor on any commercially related issue.

He/she is the custodian of the policy/procedures and should therefore ensure compliance with the same. He/She can raise concerns to the management in situations of infringement to the current policy.

Finance department must be informed at the initiation of the sourcing request to check associated budget and funding (the budget leader remains accountable for his/her budget). They manage the process from the receipt of invoices down to payment.

Legal department is instrumental in the roll out of the contractual process and shall be involved from the sourcing recommendation approved. He/She leads the contractual aspects of the negotiation (proposes contract templates, finalizes contract) with the relevant GARDP teams and informs the Executive Director when needed. The contracting process is detailed in the contract management guidelines set up by the Legal Department.

Documentation:

All records relating to supplier selection, negotiation, award of contract and contract management must be archived as described in the procurement and legal guidelines.

c) Classification

Different classifications of business relationships are identified by GARDP:

- **Service Providers and Suppliers:** Competitive bidding is the standard practice for all activities outsourced by GARDP where costs are supported by GARDP and expected goods and services can be provided by several organizations.
- **Co-development Partners:** Working with co-development partners (“**Co-development Partners**”) is an intrinsic part of the GARDP’s model and should be properly recognized. Such “partners” are directly taking risks associated with the project, are supporting costs of specific activities and associated to project decision-making. By doing so, they shall not be considered as Service Providers or Suppliers. The nature of the partnership may evolve over time. In any case, GARDP will be diligent in avoiding conflicts of interest, and will document specific situations to clarify accountability and minimize risk. Those collaborations with pharma, academic or other partners who have specific assets of interest to GARDP will not be tendered, however, they need to be documented and approved by the Board. For clarity, the list of Co-development Partners is included in Appendix 1 and will be reviewed on a regular basis, approved by the Executive Director or, when delegated, by the Deputy Executive Director prior submission to the board for approval if required. This review and approval process will be detailed in a separate policy.
- **Sole Service Providers or Suppliers:** In some instances, GARDP may not be able to source goods and services through competitive bidding. Such situations include: the existence of only one supplier (no reasonable alternative or substitute), or a remediation situation or business continuity risk. Lack of anticipation in project management does not fall into this particular case. A specific budget/quotation, including clarification of accountabilities and liabilities (or T&Cs), shall be asked and documented through a waiver form to be completed and approved by Procurement, Director of Department (or designee), and Director of Internal Operations before goods and services are contracted to confirm circumstances and ensure limitation of risks.

d) Categories of consultation

Competitive bidding is the principle which shall apply to all GARDP Service Providers or Suppliers to ensure the best performance between GARDP’s needs and the supplier offering (quality, delay, and cost).

For pragmatic purposes, the amount of the purchase determines the type of consultation:

- **Light** Competitive bidding (>€20.000)
- **Standard** Competitive bidding (>€50.000)

Change in scope of work, new Scope of work to a Master Service Agreement and in general any amendment to an existing contract that overall add up to more than 50,000€ must follow the principle of a competitive bidding process.

The table next page further describes guidelines associated to each category.

	Expected Budget	Number of bidders	Pre-selection of suppliers (optional)	Information of the supplier	Scope of work	Pre-proposal discussion	Negotiation	Selection	Award	Formalized Agreement
	<20.000€	Minimum 1 bidder	None	Informal direct discussion with supplier (s) - calls, mails Written scope of work				Decision by SME/Department leader with Finance validation	By email to selected supplier	Contract (>5.000€) Quotation (<5.000€)
Light Competitive Bidding	>20.000 €	Minimum 2 bidders	None	Quotation request sent by email with Scope of Work	Yes	Upon request from supplier	Yes, if needed (upon request, with Procurement team support)	Decision by SME/Department leader with Finance validation	By email to all bidders	Contract
Standard Competitive Bidding	>50.000 €	3 to 5 invited bidders	Pre qualification of suppliers (Request For Information, Quality audit, financial assessment)	Publication on GARDP's website + Invitation to tender	Request for proposal (including specifications)	Written Q&A shared among participants within a deadline	Yes Oral presentation is organized + Negotiation of T&Cs before award	- Selection Scorecard - Bid defense meetings - Selection committee - Management team validation	By email to all bidders offering to non – awardees opportunity for a feed-back discussion	Contract



Appendix 1 – List of co-development partners

- DNDi
- Shionogi
- CHAI
- Venatorx Pharmaceuticals
- Innoviva Specialty Therapeutics - IST (Entasis Therapeutics)
- Orchid Pharma Limited
- Dr Reddy's
- Bugworks Research Inc.