To: Brad Carr, USAID

CC: George Kokochashvili (USAID), Kartlos Gviniashvili (MDF), Ilia Eloshvili (Tetra Tech); Sergo.Gviniashvili (Tetra Tech)

From: Jeff Fredericks, Tetra Tech, GMIP COP

Date: March 30, 2012

Subject: GMIP Procurement Integrity Summary Report

Background

Under the USAID Municipal Infrastructure and IDP Housing Rehabilitation Project Tetra Tech is responsible for providing support to monitor current processes and practices, identify and mitigate areas of risk, and carry out oversight and quality control efforts to ensure that selected municipal and IDP infrastructure projects are implemented effectively and in accordance with U.S. and Georgian standards and regulations. The monitoring and oversight role will encompass all areas of project intervention, from procurement planning to final acceptance. It will help to ensure that infrastructure deliverables are effective, efficient, and sustainable and that implementation is carried out within allowable budgets, time restraints, and within accepted quality standards.

MDF has been certified by USAID as having adequate financial and procurement management capability to perform contracting required to implement Improved Economic Infrastructure Program. At the same time it is very important to ensure permanent enhancement of existing practices and bring them to the U.S. and International standards.

One of the important areas in the US funded projects is integrity issues, especially in procurement due to fact that procurement is an activity most vulnerable to fraud and corruption.

To protect against fraud and corruption it is crucial that all involved staff understand and are well trained regarding the integrity requirements. Therefore USAID and Tt have promoted MDF procurement integrity awareness in the form of staff training, support in the preparation of a Procurement Integrity Plan and its further implementation.

Procurement Integrity Training

One of the first steps Tt carried out to enhance awareness and compliance with procurement integrity was to present training for GMIP participants (USAID, Tt, and MDF staff). A two day training program was conducted from October 19-20 in Tbilisi. The purpose of the course was for participants to (1) understand and be able to describe procurement integrity rules and regulations that pertain to US Government and World Bank purchasing; and (2) understand the procurement integrity and compliance considerations of procuring goods and services with USAID funding.

Training was conducted through interactive discussions using a case study approach for clarification of integrity aspects, as well as practical examples from Georgian experience

brought by participants. Group exercises contributed to active involvement of the participants.

Training covered various procurement integrity topics such as compliance, fraud and corruption, organizational and personal conflicts of interest, USAID cost principles, WB procurement guidelines, and risk mitigation and preventive measures. Additionally, a USAID guest speaker from the regional contracts office introduced procurement confidentiality issues related to USAID regulation.

Training participants were awarded with certificates. All participants expressed their positive feed-back during evaluation of the training.

Procurement Integrity Plan

Several of the important points stressed during the procurement integrity training conducted in October 2011 were risk mitigation planning and integrity violation preventive measures. During discussions on these subjects USAID recommended that an MDF Procurement Integrity Plan (PIP) be prepared as a way of further enhancing procurement integrity.

Tt has developed a working draft of a PIP based on different sources. These included publications, provisions and regulations, templates and examples from Organization for Economic Co-operation and Development (OECD) and International Federation of Consulting Engineers (FIDIC); US Federal Acquisition Regulations (FAR), USAID Automated Directives System (ADS), and US Department of State (USDOS), as well as procurement integrity training materials. The main structure of the PIP was based on the OECD "Principles for Integrity in Public Procurement" using best practices and experiences summarized by OECD.

The PIP includes the following contents:

1. General
2. Risk Mapping
3. Integrity Principles
4. Integrity management at each stage of procurement
5. Procurement Integrity Procedures
6. Appendix: Draft "Certification and Agreement for the use and disclosure of proposals"

General: It is important that all involved individuals understand what is meant by integrity, why it is important, and how it affects efficient use of resources. The key message is that preventive and proactive measures are the most effective way of limiting integrity violations. These measures should cover the whole procurement process, i.e. needs assessment, planning, selection and contract management steps. The whole idea of PIP is to encourage the practice of risk mitigation actions based on systematic approach, which means that: (i) risks should be identified and understood by all involved parties, (ii) measures should be

elaborated to minimize the identified risks, (iii) policy and principles should be introduced based on which risk mitigation measures are built.

Risk Mapping: In order to understand where to protect against integrity violations and the types of violations that can occur, risks should be identified and understood. Risk types with examples are discussed for all stages of procurement. Risk mapping is aimed at familiarizing dedicated procurement professionals with a way of thinking that prevents improper actions.

Risk mapping covers the following procurement stages:

- Needs assessment
- Procurement Planning
- Selection Methodology
- Management of the contract

Integrity Principles: All measures introduced for enhancing integrity should be built on a set of principles which aim systematically to improve the existing culture of integrity throughout the entire procurement cycle. These principles should be followed to create effective integrity in public procurement:

- Transparency
- Good Management
- Prevention of misconduct, compliance and monitoring
- Accountability and Control

The PIP describes these principles and emphasizes their use as a guide to be used in each procurement action to ensure preventative measures are in place to minimize violation risks.

Integrity management at each stage of procurement: Based on an understanding of the possible risk factors occurring at each stage of the procurement cycle, precautionary actions should be put in place to assure mitigation of risk factors.

The importance of top management in providing guidance and examples to the staff as high level professionals is highlighted. Another important way of combating improper business practices is to establish a culture of integrity throughout the organization by elaborating a code of ethics and defining proper conduct for all staff and communicating this to the entire organization.

For each stage of procurement there should be objectives defined which should be achieved through systematic approach. To implement the PIP at MDF, a number of “To-Be” measures are presented. These should be analyzed with “As-Is” situation. Appropriate adjustments should be introduced. Each process should end up with an integrity check.

Currently the PIP does not incorporate the “As-Is” situation into the plan. Additional information is required on MDF’s internal structure. It is clear, that there are many processes, procedures and structures within the MDF which are in place to ensuring procurement integrity. Reviewing these procedures could be the subject of the “As-Is” analysis, creating a

good basis for further refinement based on best practices and would allow the establishment of good benchmarks for future improvement efforts.

Procurement Integrity Procedures: Based on procurement integrity procedures adopted by the US State Department for the procurement process, using it as an example, draft procurement procedures for MDF have been developed. These should be appropriately adjusted after considering MDF's existing practices. The aim of these procedures is to ensure that procurements are conducted in a fair, equitable and open manner.

Appendix: A draft "Certification and Agreement for the use and disclosure of proposals" to be signed by the MDF Evaluation Committee members is presented. This draft was prepared based on USAID templates and is provided to ensure all participants understand the importance of procurement integrity and of avoid disclosing information or put themselves in a position that could cause potential conflicts of interest.

Presentation of Procurement Integrity Plan

A presentation by Tt on Procurement Integrity was given to MDF officials on Feb 06, 2012. The purpose of the presentation was to introduce MDF to the various aspects of the Procurement Integrity Plan and to stimulate feedback from MDF on the PIP.

Following MDF officials attended the presentation:

David Siradze	First Deputy Executive Director
Zurab Chinchilakashvili	Deputy Executive Director
Lasha Skhiereli	Head of Monitoring Department
Gizo Glonti	Head of Procurement Division
Kakha Khurtsilava	Head of Legal Division
Zurab Baratashvili	Procurement Officer
Kartlos Gviniashvili	Project Manager

The presentation included a Power Point Presentation that consisted of several slides summarizing the PIP. After presentation there were a few issues for discussions and/or comments. One point highlighted by officials of MDF was a question on blacklisted companies. The question was whether bidders on a Georgian blacklist could participate in donor funded projects if they were blacklisted by the donor. The question was forwarded to USAID contracting office and their comments were relayed to the participants.

TEC Members Certification

On Feb 10, 2012 the first bidding documents under for GMIP, ICB No: USAID/W/ICB/01-2011Procurement of Rehabilitation Works for IDP Housing, was received and opened by the tender evaluation committee (TEC). All committee members signed and certified their agreement and compliance with the requirements of the integrity principles that prevent organizational and personal conflict of interests.

Annex 1
Procurement Integrity Training Report

USAID/ Caucasus Municipal Infrastructure and IDP Housing Rehabilitation Project
10th Floor 154 Aghmashenebeli Ave.Tbilisi, 0102, Georgia
Tel: +995-322910401, Fax: +995-322910401,

MUNICIPAL INFRASTRUCTURE AND IDP HOUSING REHABILITATION PROJECT

PROCUREMENT INTEGRITY TRAINING

CONTRACT: AID-EDH-I-00-08-00027-00, TASK ORDER: AID-114-TO-11-00002

November 7, 2011

This document was produced for review by the United States Agency for International Development. It was prepared by Tetra Tech for the Municipal Infrastructure and IDP Housing Rehabilitation Project, Task Order number AID-114-TO-11-00002 under the USAID Architectural and Engineering (A&E IQC).

MUNICIPAL INFRASTRUCTURE AND IDP HOUSING REHABILITATION PROJECT

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November 7, 2011

The following document was prepared by Tetra Tech ES, Inc. (http://www.tetratech.com).

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November 7, 2011

Mr. Bradley Carr
Water Irrigation and Infrastructure Advisor
Office of Economic Growth
US Agency for International Development
11 George Balanchine Street
Tbilisi, 0131
Georgia

Re: Procurement Integrity Training September 19 – 20, 2011

Dear Mr. Carr:

This report is being submitted to you in accordance with the requirements of task order no. AID-114-TO-11-00002 of contract AID-EDH-I-00-08-00027-00. It provides Tetra Tech's report on the Procurement Integrity Training program held at Radisson Blu Iveria, Tbilisi on October 19 - 20, 2011for the Municipal Infrastructure and IDP Housing Rehabilitation Project.

If you require a bound/color printed copy, please let me know.

We look forward to your review and welcome your comments and suggestions.

Very truly yours,

David J. Casella
Director, Contracts and Legal
Tetra Tech ES, Inc.
4601 N Fairfax Drive, Suite 601
Arlington, VA 22203
Email: david.casella@tetratech.com

CC: USAID (George Kokochashvili); MDF (Kartlos Gviniashvili); Tetra Tech (Firouz Rooyani, Dean White, Tom Chicca, Illia Eloshvili); Jeff Fredericks Tetra Tech COP

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Acronyms

CCN	Cooperating Country National
CFR	Code of Federal Regulations
CO	USAID Contracts Office
COP	Chief Of Party
DCOP	Deputy Chief Of Party
DRC	Danish Refugee Council
EA	Environmental Assessment
EC	European Commission
EIA	Environmental Impact Assessment
EPI	Economic Prosperity Initiative USAID Project
ESS	Environmental Scoping Statement
GEL	Georgian Lari
Geo	Geo Ltd
GMIP	Municipal Infrastructure And IDP Housing Rehabilitation Project (the project)
GoG	Government of Georgia
HO	Home Office
ICRC	International Committee of the Red Cross
IDP	Internally Displaced Persons
IL	Implementing Letters
Kav	Kavgiprotrans-Mg Ltd
KfW	Kreditanstalt für Wiederaufbau (German International Development Banking Agency)
LTTA	Long Term Technical Assistance
MDF	Municipal Development Fund
MLHSA	Ministry of Labor Health and Social Affairs
MRA	Ministry of Refugee Affairs
MRDI	Ministry of Regional Development and Infrastructure
NEO	New Economic Opportunities (USAID Project)
NGO	Non-Government Organization
NTP	Notification to Proceed
PE	Licensed Professional Engineer
PEA	Programmatic Environmental Assessment
PMC	Project Management Committee
PMP	Performance Monitoring Plan
SDC	Swiss Agency for Development and Cooperation
SIDA	Swedish International Development Corporation Agency
SOW	Scope of Work
STTA	Short Term Technical Assistance
TBD	To Be Determined
TOCOTR	USAID Task Order Cognizant Technical Officer
Tt	Tetra Tech EM Inc
UNHCR	United Nations High Commissioner for Refugees
UNTC	United Nations Treaty Commission
USAID	United States Agency For International Development
USG	U.S. Government
WB	World Bank

USAID/ Caucasus – Municipal Infrastructure and IDP Housing Rehabilitation Project (GMIP)
Procurement Integrity Training
Radisson Blu Iveria, Tbilisi
October 19 - 20, 2011

Background

Under the United States Agency for International Development (USAID)/ Caucasus – Municipal Infrastructure and IDP Housing Rehabilitation Project (GMIP) Contract No. AID-EDH-I-00-08-00027-00 Order No: AID-114-TO-I 1-00002, Tetra Tech EM Inc. (Tt) is responsible for providing support to monitor current processes and practices, identify and mitigate areas of risk, and carry out oversight and quality control efforts to ensure that selected municipal and Internally Displaced Persons (IDP) infrastructure projects are implemented effectively and in accordance with U.S. and Georgian standards and regulations.

The major purpose of this project is to improve the infrastructure in five selected municipalities - Dusheti, Mtskheta, Gori, Kareli, and Oni, affected during Russian Georgian conflict in 2008 and improve living standards for nearly 4,000 houses constructed by the GoG without running water or sewer systems for IDPs from the August 2008 conflict, to provide each house with a shower, sink, toilet, water taps and other renovation as necessary. The funds will also be used to upgrade existing IDP shelters and redevelop buildings for use as durable housing for IDPs from previous conflicts. Funding will also support various other activities focused on ensuring overall sustainability of IDP housing.

Activities performed under this task order will complement and reinforce the activities, project management, and engineering expertise of USAID/Georgia and its implementing partners. From 2010 to 2013, USAID/Georgia will undertake works in the infrastructure sector in collaboration with the GoG's Municipal Development Fund (MDF) to upgrade municipal infrastructure in targeted municipalities, to install and extend irrigation channels, and to upgrade IDP housing. Municipal infrastructure and irrigation rehabilitation will be implemented through an agreement with the MDF, and the IDP housing will be implemented through a separate agreement with this same agency. Tt will be expected to form a close working relationship with the MDF in the implementation of both projects, accompanying the MDF in all phases of the project and providing monitoring and oversight services to the MDF and USAID. The purpose of this award is to monitor current processes and practices, identify and mitigate areas of risk, and carry out oversight and quality control efforts to ensure that selected infrastructure projects are implemented effectively and in accordance with U.S. and Georgian standards and regulations. Efforts will not duplicate work that MDF does or might perform under its agreement with USAID. The monitoring and oversight role will encompass all areas of project intervention, from procurement planning to final acceptance. It will help to ensure that infrastructure deliverables are effective, efficient, and sustainable and that implementation is carried out within allowable budgets, time restraints, and within accepted quality standards.

The project includes three major components and two subcomponents:

1. Component 1: Municipal Infrastructure
2. Component 2: Rehabilitation Of Irrigation Infrastructure
3. Component 3: IDP Durable Housing

a. Subcomponent 1: Provide Water And Sanitation Upgrades For IDP Cottage Housing For IDPS From The August 2008 Conflict
b. Subcomponent 2: Provide Durable Housing Solutions For IDP From 1990s Conflict

Training Outcomes

The goals of the first day of the two-day program were for the participants to: (1) understand and be able to describe procurement integrity rules and regulations that pertain to US Government and World Bank purchasing; and (2) understand the procurement integrity and compliance considerations of procuring goods and services with USAID funding.

Particular focus was on World Bank procurement guidelines and regulations, and their nexus to USAID financial regulations. Participants discussed compliance mitigation measures to address anticipated issues in the upcoming procurements.

USAID Contracting Specialist Ms. Eka Gamezardashvili augmented the review of procurement confidentiality requirements with a presentation of the procurement integrity provisions in Implementation Letters. Ms. Gamezardashvili's presentation generated discussion of how MDF will comply with USAID regulations.

The goal of day two was for the participants to understand the procurement integrity and compliance considerations of procuring goods and services under the GMIP. Particular focus was on World Bank procurement guidelines and regulations, and their nexus to USAID financial regulations. Participants discussed compliance mitigation plans to address anticipated issues in the upcoming procurements. At the request of the participants, the day two agenda was modified to include design/build contracting and its compliance considerations that were not in the original syllabus.

Training Participants

The two-day program was designed to meet the training needs of: (1) a wide audience for procurement integrity basics; and (2) MDF procurement and financial officials for World Bank procurement procedures and USAID cost principles. Participants included officials representing USAID, MDF, NEO and Tetra Tech.

A list of Participants is included as Attachment A. The participant list also includes participant sign-in to confirm attendance.

Day One Agenda and Description of Sessions

	Introduction	9:30 AM
1.	**Compliance Overview**	10:00 AM
	15- Minute Break	10:45 AM
2.	**Influencing Government Actions—Fraud and Corruption**	11:00 AM
	Lunch	12:30 PM
3.	**Organizational Conflicts of Interest**	1:30 PM
	15-Minute Break	2:45 PM
4.	**Procurement Integrity**	3:00 PM

5. **Miscellaneous Compliance Topics** 3:45 PM
   End Day One 5:00 PM

The **Compliance Overview** introduces the participants to the legal and ethical framework that govern public procurement. The various Standards of Conduct requirements that pertain to government, industry and multilateral donors are explained and compared. Other important points made during the overview include procurement integrity trigger points in the procurement process, and the fact that procurement rules pertain from contract "cradle to grave." The session also covers the civil and criminal penalties that apply to procurement integrity violations.

The **Influencing Government Actions—Fraud and Corruption** session covers: (1) False Claims; (2) Bribes and Gratuities; (3) Kickbacks; and (4) the Foreign Corrupt Practices Act. These laws are grouped because they seek to prevent violations that share similar requirements for corrupt and fraudulent action, intent and punishment. The group exercise "Spot the Red Flag" followed the presentation and class discussion. Participants were divided into three groups and given 30 minutes to read and discuss fact patters. Questions follow regarding the propriety and legality of various situations that arise during the procurement process.

Following lunch, the topic was **Organizational Conflicts of Interest**. The presentation and discussion follows the recent decision released by the Government Accountability Office, *In Re:* McCarthy/Hunt. The decision examines the three OCIs that pertain to design/build contracting: (1) unequal access to information; (2) biased ground rules; and (3) impaired objectivity. The decision also looks at who is responsible for determining whether a conflict exists, and what actions may mitigate a potential or actual conflict. A COI exercise followed the presentation and discussion. The participants divided into three groups—two competing companies and the government. A conflict scenario is presented and each group had 30 minutes to decide it's position on whether a COI exists and what actions may mitigate it.

A session on the **Procurement Integrity Act** followed a brief coffee break. The class discussed the rules regarding the confidentiality of source selection information, and restrictions on transfers. The "revolving door" rules about individuals moving between government and the private sector were covered.

The final session of the day covered **Miscellaneous Compliance Topics**: (1) time charging and product substitution; (2) source, origin and nationality rules; and (3) domestic preferences. The class was dismissed at 5 PM.

Day Two Agenda and Description of Sessions

1. **World Bank Procurement Guidelines** 9:30 AM
   Break 11:00 AM
2. **USAID Cost Principles** 11:15 AM
   Lunch 12:30 AM
3. **Issue Mitigation** 1:30 PM
   Design/Build Contracting 2:30 PM
4. **Group Exercise** 3:15 PM
   Course Review, Wrap-up 4:00 PM

The first session, **World Bank Procurement Guidelines**, introduced the participants to the requirements to prevent fraud and corruption in Bank-financed transactions. The World Bank Project Lifecycle was presented and discussed as a means of demonstrating that violations may occur in any stage of a contract. The presentation looked at compliance risk during the design stage, the procurement stage and the implementation stage. Financial management risks during the entire lifecycle were reviewed along with mitigation measures. The session concluded with a group exercise to complete three problems in the Preventing Fraud and Corruption guidebook published by the World Bank. The answers were discussed following 30 minutes of group work.

The **USAID Cost Principles** session generated the most interest and participation of the two-day program. USAID-financing under the implementation letters require MDF to operate under the overlapping requirements of World Bank Procurement Guidelines and USAID Cost Principles. There was a detailed discussion of the Reasonable, Allocable and Allowable requirements for all expenditures, and what to do when an unallowable item is presented in an invoice. FAR part 31 was also discussed. The group exercise "Allowable, Allocable and Reasonable" asked participants to determine whether or not certain costs are reimbursable under USAID ADS 305.

The **Issue Mitigation** session covers mitigation planning from the top of the management hierarchy down the corporate ladder. The major elements of a compliance plan were discussed.

The final session of the Procurement Integrity training program was a **Group Exercise**. The participants were divided into their work groups and asked to identify the principal risks that apply to the procurements that will be made under the implementation letters.

MDF identified the following issues and mitigation actions:

1. The selected contractors will be unqualified to perform the work. The concern is about both technical abilities and financial capacity. The mitigation actions were to develop better bidding documents and evaluation criteria, and implement a due diligence review. (A sample due diligence checklist was provided to the participants in the morning session after the class requested more detailed information about how to perform a due diligence review.)

2. Design firms won't conform to the statement of work. This risk is also mitigated by a better bidding documents and evaluation criteria.

3. Timing and financial risks. The concern is that sufficient USAID funds will be requested and available to keep contract financing current. The mitigation action is to develop a written procurement plan that will address financial management. Detailed financial forecasts and other information will also be required from contractor so that funds are available when payments become due.

4. Risks may arise that are not covered by the provisions of the contract. In particular the contractor may provide a design that does not conform to the requirements. The mitigation action is to require strict performance of the statement of work, and to enforce its legal remedies as appropriate.

Course Evaluation

A course evaluation was not performed at the time of the program, so a follow-up evaluation form will be sent to each participant via email, and the results presented separately.

Course Materials

The course materials listed below were provided to the participants. The documents are in the attached zip file, and include:

1. Course Agenda: "A - Procurement Integrity GMIP Training Even Form-01"
2. Day One Slides: "B - Procurement Integrity Georgia Oct 19-20 Day 1"
3. Day Two Slides: "C - Procurement Integrity Georgia Oct 19-20 Day 2"
4. Group Exercise One: "D - Spot the Red Flag"
5. In re McCarthy/Hunt Decision: "E - Procurement Integrity Training Georgia McCarthyHunt edited"
6. Organizational Conflict of Interest Exercise: "F - Procurement Integrity Georgia Conflicts Exercise"
7. World Bank Procurement Guidelines: "G - Procurement Integrity Training WB Guidelines"
8. AICPA Guidelines: "H - Procurement Integrity Training AICPA Antifraud"
9. USAID ADS 305: "I - Procurement Integrity ADS 305"
10. Group Exercise: Allowable, Allocable and Reasonable: "J - Procurement Integrity Georgia AAR Exercise"
11. Guest Speaker Eka Gamezardashvili: "K - Procurement Integrity Georgia Eka Guest Speaker"
12. Due Diligence Questions: "L - Procurement Integrity due diligence questions"

List of Participants for Procurement Integrity Course 19-20 October, 2011

	Instructors		Signatures	
			Day 1	Day 2
1	David Casella	Tetra Tech		
2	Eka Gamezardashvili	USAID		
	Name/Organization	**Title**		
	USAID			
3	Bradley Carr	Water, Irrigation and Infrastructure Advisor		
4	George Kokochashvili	Engineering Specialist		
5	Jonathan Chappel	Regional Contract Officer		
	MDF			
6	Gizo Glonti	Head of Procurement Division		
7	Paata Charakashvili	Head ad of Division for Relations with International Organizations		
8	Soso Chonkadze	Chief Specialist, Procurement Division		
9	Zura Baratashvili	Procurement Officer		
10	Kartlos Gviniashvili	Program Manager		
11	Esma Khutsishvili	Specialist/Financial Division		
12	Nata Godziashvili	Head of Financial Division		
	Meriam Shalamberidze, Chief procur. specialist			
	NEO			
13	Russo Kacharava	Grants and Subcontracts Director		
14	Tamuna Toria	Grants and Subcontracts Manager		
	Nato Ardishvili	Grants finance manager		
	EPI			
15	Katy Chumburidze	Management and Operations Leader		
	Tetra tech			
16	Ilia Eloshvili	Deputy COP		
17	Sergo Ghviniashvili	Finance and Procurement		
18	Archil Lezhava	Program Specialist/Public Outreach		
19	George Nizharadze	Office Administrator		
20	Irakli Kakula	Paralegal		
21	Christina Gogsadze	Office Administrator/Financial Manager		
	Mark Jensen	Civil Engineer		
	Total	**21 Persons**		

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Training Evaluation Sheet

Training Course Title: Procurement Integrity 19-20.10.2011

Location: Tbilisi, Georgia

Overall Evaluation:

Item	Excellent		V. Good		Good		Medium		Weak	
	Total	%	Total	%	Total	%	Total	%	Total	%
Content /Lectures			100	75						
Trainers	100	75								
Training class/Location	100	75								
Administrative services	100	75								

2- What are your judgments of the work techniques?

Item	Excellent		V. Good		Good		Medium		Weak	
	Total	%	Total	%	Total	%	Total	%	Total	%
Training Aids	100	75								
Working Groups			100	75						
Exercises/Case Study			100	75						
Time for discussion	100	75								
Social relation with trainers	100	75								
Social relation with colleagues	100	75								

3- Participation in the training course

Item	V. High		High		Average		Low		None	
	Total	%	Total	%	Total	%	Total	%	Total	%
Your personal participation			100	75						
The participation of other participants	100	75								
Follow up the work			100	75						
The effect of the trainers on the training	100	75								
The effect of working in groups on the training			100	75						

4- Your Recommendations to improve the training program:

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Training Evaluation Sheet

Training Course Title: Procurement Integrity 19-20.10.2011

Location: Tbilisi, Georgia

Overall Evaluation:

Item	Excellent		V. Good		Good		Medium		Weak	
	Total	%	Total	%	Total	%	Total	%	Total	%
Content /Lectures			25	25						
Trainers	25	25								
Training class/Location	25	25								
Administrative services	25	25								

2- What are your judgments of the work techniques?

Item	Excellent		V. Good		Good		Medium		Weak	
	Total	%	Total	%	Total	%	Total	%	Total	%
Training Aids			16	16						
Working Groups			16	16						
Exercises/Case Study			16	16						
Time for discussion	17	17								
Social relation with trainers	17	17								
Social relation with colleagues	17	17								

3- Participation in the training course

Item	V. High		High		Average		Low		None	
	Total	%	Total	%	Total	%	Total	%	Total	%
Your personal participation					20	20				
The participation of other participants	20	20								
Follow up the work					20	20				
The effect of the trainers on the training	20	20								
The effect of working in groups on the training	20	20								

4- Your Recommendations to improve the training program: The content of the training was very general. Consideration/discussion of specific issues related to USAID procurement rules and procedures for different types of contracts would be more useful.

Training Evaluation Sheet

Training Course Title: Procurement Integrity 19-20.10.2011

Location: Tbilisi, Georgia

Overall Evaluation:

Item	Excellent		V. Good		Good		Medium		Weak	
	Total	%	Total	%	Total	%	Total	%	Total	%
Content /Lectures	X									
Trainers	X									
Training class/Location	X									
Administrative services	X									

2- What are your judgments of the work techniques?

Item	Excellent		V. Good		Good		Medium		Weak	
	Total	%	Total	%	Total	%	Total	%	Total	%
Training Aids	X									
Working Groups	X									
Exercises/Case Study	X									
Time for discussion	X									
Social relation with trainers	X									
Social relation with colleagues	X									

3- Participation in the training course

Item	V. High		High		Average		Low		None	
	Total	%	Total	%	Total	%	Total	%	Total	%
Your personal participation	X									
The participation of other participants	X									
Follow up the work			X							
The effect of the trainers on the training	X									
The effect of working in groups on the training	X									

4- Your Recommendations to improve the training program:

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Training Evaluation Sheet

Training Course Title: Procurement Integrity 19-20.10.2011

Location: Tbilisi, Georgia

Overall Evaluation:

Item	Excellent		V. Good		Good		Medium		Weak	
	Total	%	Total	%	Total	%	Total	%	Total	%
Content /Lectures			X							
Trainers	X									
Training class/Location	X									
Administrative services	X									

2- What are your judgments of the work techniques?

Item	Excellent		V. Good		Good		Medium		Weak	
	Total	%	Total	%	Total	%	Total	%	Total	%
Training Aids			X							
Working Groups	X									
Exercises/Case Study	X									
Time for discussion			X							
Social relation with trainers	X									
Social relation with colleagues	X									

3- Participation in the training course

Item	V. High		High		Average		Low		None	
	Total	%	Total	%	Total	%	Total	%	Total	%
Your personal participation	X									
The participation of other participants			X							
Follow up the work			X							
The effect of the trainers on the training	X									
The effect of working in groups on the training			X							

4- Your Recommendations to improve the training program:

_____

_____

_____

Training Evaluation Sheet

Training Course Title: Procurement Integrity 19-20.10.2011

Location: Tbilisi, Georgia

Overall Evaluation:

Item	Excellent		V. Good		Good		Medium		Weak	
	Total	%	Total	%	Total	%	Total	%	Total	%
Content /Lectures			X							
Trainers			X							
Training class/Location	X									
Administrative services	X									

2- What are your judgments of the work techniques?

Item	Excellent		V. Good		Good		Medium		Weak	
	Total	%	Total	%	Total	%	Total	%	Total	%
Training Aids			X							
Working Groups			X							
Exercises/Case Study	X									
Time for discussion	X									
Social relation with trainers	X									
Social relation with colleagues	X									

3- Participation in the training course

Item	V. High		High		Average		Low		None	
	Total	%	Total	%	Total	%	Total	%	Total	%
Your personal participation	X									
The participation of other participants	X									
Follow up the work	X									
The effect of the trainers on the training	X									
The effect of working in groups on the training			X							

4- Your Recommendations to improve the training program:

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Your personal participation	X									
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Training Aids			X							
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	Total	%	Total	%	Total	%	Total	%	Total	%
Your personal participation	X									
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Content /Lectures			X							
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2- What are your judgments of the work techniques?

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Training Aids					X					
Working Groups					X					
Exercises/Case Study			X							
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Item	V. High		High		Average		Low		None	
	Total	%	Total	%	Total	%	Total	%	Total	%
Your personal participation					X					
The participation of other participants			X							
Follow up the work					X					
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Item	Excellent		V. Good		Good		Medium		Weak	
	Total	%	Total	%	Total	%	Total	%	Total	%
Content /Lectures					100	90				
Trainers	100	100								
Training class/Location	100	100								
Administrative services	100	100								

2- What are your judgments of the work techniques?

Item	Excellent		V. Good		Good		Medium		Weak	
	Total	%	Total	%	Total	%	Total	%	Total	%
Training Aids			100	90						
Working Groups			100	100						
Exercises/Case Study			100	95						
Time for discussion	100	95								
Social relation with trainers	100	90								
Social relation with colleagues	100	90								

3- Participation in the training course

Item	V. High		High		Average		Low		None	
	Total	%	Total	%	Total	%	Total	%	Total	%
Your personal participation					100	90				
The participation of other participants	100	80								
Follow up the work					100	80				
The effect of the trainers on the training	100	95								
The effect of working in groups on the training	100	95								

4- Your Recommendations to improve the training program:

Annex 2
Procurement Integrity Plan (Draft)

Procurement Integrity Plan

Table of contents:

1. General
2. Risk Mapping
3. Integrity Principles
4. Integrity management at each stage of procurement
5. Procurement Integrity Procedures
6. Appendix

This documents has been prepared using information, publications and public documentation of OECD, FIDIC, FAR, USAID ADS, US DOS

1. General

With Information Letters #3 and #4 USAID has certified MDF as having adequate financial and procurement management capability to perform contracting required to implement Improved Economic Infrastructure Program. For the purpose of further enhancing of integrity in procurement area this Procurement Integrity Plan is being created to identify and mitigate risk factors related to different stages of entire acquisition process.

As procurement is an activity vulnerable to fraud and corruption whole procurement process should be brought under review and analyzed in each detail to identify potentials for misconduct. Identification and awareness of misconduct risks are crucial for precautionary measures to fight and mitigate such risks. This helps to elaborate prevention techniques for reducing misconduct.

Worldwide best practices show that most effective way of fighting integrity violation is preventative measure and not only punishment actions. The risk mitigation should be developed based on logic that (i) risks should be identified and understood by all involved parties, (ii) measures should be elaborated to minimize the identified risks, (iii) policy and principles should be introduced based on which risk mitigation measures are built.

Definition of Integrity

Integrity can be defined as the use of funds, resources, assets, and authority, according to the intended official purposes, to be used in line with public interest.

Integrity violations include:

- Corruption including bribery, “kickbacks”, nepotism, cronyism and clientelism;
- Fraud and theft of resources, for example through product substitution in the delivery which results in lower quality materials;
- Conflict of interest in the public service and post-public employment;
- Collusion;
- Abuse and manipulation of information;
- Discriminatory treatment in the public procurement process;
- The waste and abuse of organizational resources.

The Public Procurement Integrity hinges upon the fact that corruption is only eliminated by across-the-board honesty and integrity. Honesty is interpreted as free from fraud or deception, and integrity as the conduct of the public officials whereby they do not obtain or keep what does not fairly belong to them.

2. Risk Mapping

Fraud and corruption risks related to the entire procurement cycle are useful to distinguish in the needs assessment; in the planning; in relation to the selection method; and during contract management.

By each stage of procurement there should be kept in mind that there are many ways to misappropriate public funds having personal monetary and/or non-monetary benefits for the misuser. It is important that all controls are designed in the way to target optimal cost/benefit correlation assuring that controls are not creating red tape.

Aim of risk mapping is to dedicate procurement professionals to the thinking way that allows preventing improper actions. Analyzing and understanding possible scenarios of violations is useful through examples which will be good food for professionals in charge to align the decisions in proper way.

There are two main issues causing errors, anomalies, fraud, misuse of public funds – lack of awareness of involved people and intentional misuse. During first issue can be resolved through permanent trainings, second one is difficult to fight. Therefore it is crucial to understand all the techniques allowing avoidance of existing rules and to introduce such rules that allow effective combating of misconduct and prevents potential violations.

2.1. Needs assessment

Even before contract is signed misappropriation can happen through artificial and/or inadequate studies having high quality but being “empty” and creating improper basis for further decision making.

2.1.1. Minor studies

All studies which fall below threshold and are being regulated with simplified procurement procedures are under risk to be contracted to the consultancy having conflict of interests. Examples can be that (i) study is requested from “friendly companies”; (ii) duplicated study takes place without having adequate justification of needs; (iii) studies are never delivered and counterparty is benefiting from the advances received.

2.1.2. Studies above the thresholds

If the cost of study is above threshold and consultancy should be contracted through tender there might be desire to circumvent the procedure. Choosing “economically most advantageous” tender having subjective conditions as selection criteria drive a risk to misuse those criteria in favor of desired consultancy.

Another way of misuse of funds can be scope of study designed in the way which flexible allows expanding the study beyond its initial mission. Having prices set arbitrarily makes possible creating additional margins for consultancy through amendments to contracts.

Risks of altering the outcome of the selection process is also in case of tenders with lowest tenderer criteria if decision-maker desires to get kickbacks through different ways starting from the preliminary hidden agreement and finishing with genuine extortion from tenderer.

2.2. Planning

Planning process is very important stage in managing risk for further procurement stages. As known, here, the aim is to establish the precise cost of the project that has theoretically been

given the go-ahead. These allows for a sound analysis of the tenders, as well as the preparation of the administrative and technical documentation needed for launching a call for tender that meets all needs and regulations. Besides of these objectives are clear, in dishonest hands this stage of procurement cycle can become origination of further corruption schemes.

There can be personal financial or moral benefit for dishonest decision-maker in undervaluing or overvaluing the estimated project costs. Therefore it is crucial to assure that estimations are being fulfilled professionally in good faith in order to assure best possible allocation of public funds.

Since project documentation is vital for successful management of procurement one single misappropriation even in form of "mistake" can influence the project's optimal flow and violation of integrity.

Following should be brought to the attention:

- Whether Person(s)/entities preparing technical specification are affiliated to the group participating in the tender process
- Specifications are fair and not discriminating some of tenderer due to using of exclusive right
- Abusing of non-standard specification can cause deviations between specifications defined in planning process and thus used during implementation process.
- Stuff in charge of specifications having employer's trust can abuse the power being in collusion with a potential supplier
- Misappropriating with not be unknown "errors" can cause diverting of tender process in favor of privileged tenderer.
- There can be "omissions" in documentations which will be identified in case of disputes with supplier when enforcing the terms of contract decision-maker will found out that "penalty" clause has been deleted from original document.
- Specifications are being done in the manner that "imposed" maintenance is unavoidable and privileged suppliers are benefited

2.3. Selection methodology

Manipulations with procurement procedures can camouflage the misappropriation of public funds, corrupt practices, influence-peddling, and acquisition of illegal interests; also undermine the equality of tenderers.

In case of **open calls for tender**, besides all candidates are entitled to submit offers, different tools might be considered by dishonest decision-maker to bias the equality of tenderers.

Following risks can be noteworthy:

- Reduced publicity – when call for tender is not enough widely announced and firms "in the know" are being privileged
- Subjective criteria – some additional selection criteria might be very subjective and not well-measurable which is causing not fair and equal treatment of all tenderers. Justification of the selected criteria is therefore very much important
- Unrealistic deadlines – which means that some of potential tenderers will be not in the position to submit their bids due to short period of time given for tender submittal.

Justification of shortened deadlines is usually on the grounds of urgency, which should be always subject of attention due to high risk of abuse.

- Difficult conditions to obtain documents – complicated conditions for selective tenderers to get tender documents are discriminatory and give advantages to privileged firms
- Information leaks – in violation of the equality principle the employer or staff in charge of preparing specifications can release important information the privileged tenderer

In case of **restricted calls for tender** there might be risks worth to pay attention, particularly:

- Drawing up a list of candidates – since this is most important part of restricted tender's attention should be paid to the selection process to avoid subjective treatment of the candidates
- Conspiracy – there might be different ways of potential candidates creating hidden agreement between each other and/or with decision-maker to influence the competition, like group agreement, kickbacks, manipulation of insider information and etc.

The negotiated contracts as result of the negotiated procedures of procurement should be always subject of special attention because of high risk of abuse. Such procedure should be minimized as much as possible and should have strong justification.

Since decision-maker and supplier have face to face negotiated the contract there is always suspect that misappropriation took place. There might be different scenario how decision-maker can justify choice of the negotiated procedure:

- Make call for tender inconclusive – which allows then to switch to negotiated procedures.
- In the event of urgency or compelling urgency – Action justified by serious risks if the work or the procurement is not carried out immediately, or because of unforeseeable events.
- Splitting-up contract and/or invoices in order to be in line with threshold requirement and avoid issuing a call for tender

2.4. Management of the contract

Fraudulent practices and illegal actions at previous stages of procurement are intended to facilitate misappropriations during the management of the contract.

Misappropriations can also occur once contract is awarded during the execution of work which should be also considered as part of Procurement Integrity violation.

Therefore close monitoring of contract execution is vital for successful project flow. Possible risk area, which should be brought under attention and should be subject of justification might be:

- Misappropriation with discounts
- Amendments to the order
- Part-exchange of equipment and modification of service
- Double (or multiple) payments
- Additional, modified or incomplete works

3. Integrity Principles

All measures introduced for enhancing integrity should be built on set of principles which will be aiming systematically to improve existing culture of integrity throughout the entire procurement cycle, from needs assessment to contract management and payment.

Integrity in the procurement should be built based on principles which are guiding tools at each stage of entire procurement cycle. It is crucial that principles are understandable for all involved parties.

3.1. Transparency

- **Providing adequate degree of transparency in the entire procurement cycle in order to promote fair and equitable treatment for potential suppliers.** Transparency should be assured not only related to tender documentation but also regarding entire procurement process. Safeguarding of confidential information is crucial during defining of degree of transparency.
- **Maximizing transparency in competitive tendering and take precautionary measures to enhance integrity, in particular for exceptions to competitive tendering.** To ensure sound competitive processes, clear rules need to be provided, and possibly guidance, on the choice of the procurement method and on exceptions to competitive tendering.

3.2. Good management

- **Ensuring that public funds are used in public procurement according to the purposes intended.** To assure value for money procurement planning and related expenditures are key factor. Oversight functions from internal control and internal audit structure, should monitor the management of public funds to verify that needs are adequately estimated and public funds are used according to the purposes intended.
- **Ensuring that procurement officials meet high professional standards of knowledge, skills and integrity.** To improve resistance to mismanagement high level of professionalism of procurement officials is crucial. Appropriate investments in the public procurement staff should be assured including recruitment of highly educated and experienced staff, permanent training to keep professional level in line with new challenges, adequate incentives for motivation of procurement staff as well as creating such environment that public officials are aware of integrity standards and able to identify potential conflict between their private interests and public duties that could influence public decision making.

3.3. Prevention of misconduct, compliance and monitoring

- **Having mechanism in place to prevent risks to integrity in public procurement.** There should be appropriate institutional and procedural frameworks to protect procurement officials against undue influence not only from potential tenderers but also from high level officials. Also, it is very important to identify risks to integrity for job positions, activities, or projects that are potentially vulnerable. Mitigation of these risks through preventative mechanisms is important trough foster a culture of integrity in the public service such as integrity training, as well as the disclosure and management of conflict of interest.

- **Encouraging close co-operation between government and the private sector to maintain high standards of integrity, particularly in contract management.** The communication channels should be maintained to assure a dialogue with suppliers' organizations to keep up-to-date with market evolutions, reduce information asymmetry and improve value for money.
- **Providing specific mechanism to monitor procurement as well as to detect misconduct and apply sanctions accordingly.** Mechanisms to track decisions and enable the identification of irregularities and potential corruption in procurement. Officials in charge of control should be aware of the techniques and actors involved in corruption to facilitate the detection of misconduct in public procurement. In order to facilitate this, it should be also establishing procedures for reporting misconduct and for protecting officials from reprisal considered.

3.4. Accountability and Control

- **Establishing a clear chain of responsibility together with effective control mechanisms.** Appropriate organizational structure with clear chain of responsibility by defining the authority for approval, based on an appropriate segregation of duties, as well as the obligations for internal reporting should be in place. Internal and external controls should complement each other and be carefully co-ordinated to ensure that the information produced by controls is as complete and useful as possible.
- **Handling complaints from potential suppliers in a fair and timely manner.** Potential suppliers should have effective and timely access to review systems of procurement decisions and that these complaints are promptly resolved.

4. Integrity management at each stage of procurement

At each stage of procurement cycle different precautionary actions should take place to assure mitigation of risk factors. Leading role of top management, providing guidance to the staff and giving examples through their conduct as high level professionals, is vital.

Therefore code of ethics and conducts for MDF staff needs to be elaborated and communicated through the entire organization using worldwide best practices as benchmarks considering local specifies.

While introducing risk mitigation actions for whole procurement cycle the control mechanism should be all the time assured, therefore most important is to build entire system in the way that **documentation** of all key decisions with justification of actions is possible. This allows audit trails to be efficient and effective, to assure further improvement of the system.

For most effective implementation of integrity the “To-Be” measures, which are described below, analyzed with “As-Is” situation and appropriate adjustments introduced. Each process should end up with integrity check.

Following objectives and actions need to be considered for procurement cycle to mitigate risks related to violation of procurement integrity:

4.1. Pre-tendering phase

4.1.1. Needs assessment

- Reduce information asymmetry with the private sector through:
  - Gathering as much information as possible on the industry or the goods and services (e.g. through a market study), maintaining appropriate database for assuring best informative decision making; and
  - Organizing consultations with the private sector where appropriate. Attention should be paid to ensuring that the information exchange is organized in an open, structured and ethical manner to avoid collusion between potential suppliers and that the minutes of discussions are maintained and documented.
- Provide an assessment of the need for the procurement,
  - The need is for the replacement or enhancement of existing resources or to meet an entirely new requirement;
  - There are no alternatives, including the use of in-house resources or the enhancement of existing capacity through enhanced efficiency;
  - Procurement would be essential for the conduct of business or to improve performance; and
  - The planned capacity or size is actually needed.
- Use a validation system that is independent from the decision maker,
  - Ensure that decisions to launch a specific procurement are taken by more than one official, to minimize the risk of lobbying or collusion with a specific firm;
  - For projects at risk because of their value, complexity or sensitivity, consider the use of independent validation of the process (e.g. approval by a review committee, use of a external advisor), and
  - Consult all interested stakeholder representatives and wider public in the needs assessment.

4.1.2. Planning and budgeting

Since planning process is very important stage in procurement process, following precautionary steps should be made to minimize risk of mismanagement:

- Ensure that the procurement is aligned with:
  - The strategic priorities of the MDF; and
  - The overall investment decision making process and the general budget process which should be completed prior to the commencement of the tendering process (existing procedures here should be mentioned and if needed extended)

Internal control department should be intensively involved in the mentioned justification process.

  - As part of the planning, ensure clear and reasonable time frames for each stage of procurement process, ensuring that these timeframes can be consistently applied, considering complexity and sensitivity of the contract
- Provide a realistic estimation of the budget and ensure its timely approval, in particular by:
  - preparing a realistic estimate of all phases of the procurement, based on sound forecasting methods;
  - verifying that funds are available to meet the procurement to the extent possible;
  - requesting the budget holder to approve expenditure; and
  - taking into account possible variations over time, which could have an impact on the contract and forecast its value.
- Prepare a business case for major projects that are particularly at risk because of their value, complexity or sensitivity by:
  - taking specialized advice from project and technical experts to assess costs and benefits in a realistic manner. Also possibly request independent peer review of economic, environmental, and social forecasts (e.g. involve independent oversight body, specialized public agencies, panel of experts or representatives from civil society, or academic institutes or think tanks, etc.);
  - ensuring a sound project management regime. In particular: make sure that project management costs are properly funded, that dedicated project officials are in place, and that key stages of the project are appropriately documented;
  - preparing project-specific procurement plans to determine the level of risk of the project and plan precautionary measures accordingly (e.g. use of gateway reviews to provide an independent review at each stage of the procurement cycle, probity auditor, etc.); and
  - ensuring that criteria for making procurement decisions are defined in a clear and objective manner, included in the tendering documents, and that decisions demonstrate that criteria have been respected.
- Clearly define responsibilities taking into account possible risks by:
  - attributing the responsibility of project development and implementation to one project organization, with directors being held accountable;
  - defining the delegated levels of authority for approval of spending, sign off and approval of key stages;
  - performing an assessment of the positions of officials which are vulnerable and those activities in the procurement where risks may arise; and
  - planning senior-level review within the organization at key stages of the procurement process and considering additional control depending on the value, complexity and sensitivity of the procurement.

- Make sure that officials are aware of the requirements for the transparency of the procurement system and well prepared to apply them by:
  - designating the official(s) in charge of ensuring publicity over procurement officials' decisions;
  - using an electronic and/or paper medium that is widely disseminated and remains readily accessible for audit;
  - ensuring adequate record storage and management for recording key decisions throughout the procurement cycle; and
- Ensure separation of duties and authorization, which can take several forms such as:
  - ensuring segregation of technical, financial, contractual and project authorities for the approval process. The following functions could be handled by different personnel: issue of purchase orders; recommendation of award; certification of the receipt of goods and services; and payment verification; and
  - identifying separate personnel with clear responsibility for key stages of the procurement process, including definition of requirements, evaluation, control of performance and payment. When these duties cannot be separated, compensating controls should be put in place (e.g. random audit).

4.1.3. Definition of requirements

- Take precautionary measures to prevent conflict of interest, collusion and corruption and promote integrity, in particular by:
  - obtaining declarations of private interests from officials involved in the procurement process (certification of TEC members in Appendix can be modified for all involved staff);
  - ensuring that officials are informed and have received guidance about how to handle conflict-of-interest situations (code of conduct should specify, also procedures below). For officials and other actors involved in the process (e.g. civil society monitors), make them aware of restrictions and prohibitions (e.g. receipt of gifts, handling of confidential information);
  - ensuring that officials are familiar with identified risks to integrity in the procurement process (for instance through a risk map or training) and encourage them to liaise with competition and/or enforcement officials in case of doubt of collusion or corruption; and
- Take into account integrity considerations in the selection process, in particular by:
  - establishing satisfactory evidence of identity of potential suppliers and sub-contractors, including documentary evidence of the identity of key actors who have the legal power to operate in the business;
  - where applicable, collecting declarations of integrity from potential suppliers in which they testify that they have not been involved in corrupt activities in the past. Consider possible sources of information to verify the accuracy of the information submitted. In addition, consider the possibility of placing requirements on potential suppliers/contractors to show evidence of anti-corruption policies and to contractually commit to complying with anti-corruption standards;
  - when selecting tenderers on the basis of criteria that include integrity considerations, ensure that this information can be collected and that it can be obtained from a reputable source (e.g. official certificate of absence of convictions in Court);

- where applicable, excluding tenderers who have been involved in corruption or debarred on corruption charges (checking existing databases, blacklists, etc).

- Make requirements available to all parties by:
  - publishing requirements for participation and recording them in writing; and
  - where possible, providing potential suppliers with the right to seek clarifications, especially for high-value procurements, while ensuring that the answers are widely shared and recording them in writing.
- When considering the use of a list of suppliers, ensure that
  - inherent risks to competition and transparency are taken into account before deciding to use a list of suppliers;
  - the list of suitable suppliers is published on the basis of a set of criteria that are clearly defined and stated;
  - proposed prices are compatible with goods and services, in reference to established market prices or based on the knowledge of prior procurements of a similar nature (e.g. through a database or data mining).
- Ensure that specifications are:
  - based on the needs identified.;
  - designed in a way to avoid bias, in particular that they are clear and comprehensive but not discriminatory (e.g. no proprietary brands or trade descriptions). It is necessary to avoid any form of specification that favors a particular product or service; and
  - designed in relation to functional performance, with a focus on what is to be achieved rather than how it is to be done in order to encourage innovative solutions and value for money.
- Ensure that award criteria are clearly and objectively defined by:
  - using evaluation criteria on the basis of the economically most advantageous, unless this is a commodity purchase for which the basis of the lowest price may be used;
  - specifying the relative weightings of each criteria and justifying them in advance;
  - specifying to what extent these considerations are taken into account in award criteria when using economic, social or environmental criteria; and

  All decisions should be documented to allow audit trail.

4.1.4. Choice of procedures

- Procurement officials in charge should determine the optimum procurement strategy which:
  - makes sure that the choice of the method ensures sufficient competition;
  - provides clear rules to guide the choice of the procurement method;

  Chosen procurement strategies should be reviewed, justified and approved for all procurements, to ensure that they are proportional to the value and risk associated to the procurement;

- For restricted/selective tendering methods, special measures could be taken to enhance integrity, such as:
  - considering the minimum number of suppliers to be invited for tendering according to regulations, estimating the maximum number of suppliers that could be realistically considered for the specific procurement, and recording justifications if the minimum number of tenders cannot be met; and

- conducting spot checks to confirm suppliers' offers and contacting suppliers who do not respond to repeated invitations to tender with a view to detecting potential manipulation.

- For negotiated/limited tendering methods, specific measures could be taken to enhance integrity, such as:
  - providing more detailed record, including for instance the particular supplier who was selected; and
  - including the terms agreed upon in the contract, with a specification reflecting the supplier's solution.

4.2. Tendering

4.2.1. Invitation to tender

- Ensure a sufficient level of transparency in the procurement opportunity:
  - for open tendering: make the information on the procurement publicly available, including related evaluation criteria; and
  - for restricted/selective and negotiated/limited methods: publish information on how to qualify in a readily available medium within a timeframe and in a manner that would reasonably allow eligible suppliers to apply.
- Publish a tender notice that includes:
  - information on the nature of the product or service to be procured, specifications, quantity, timeframe for delivery, realistic closing dates and times, where to obtain documentation, and where to submit tenders;
  - a clear and complete description of selection and award criteria that is nondiscriminatory and cannot be altered afterwards;
  - details on the management of the contract and the plan and method for payment and the guarantees when required; and
  - Details of the contact point for enquiries.
- Communicate to potential suppliers in the same timeframe and in the same manner, in particular by:
  - encouraging information exchange on a formal basis (e.g. contact points for enquiries, information sessions, on-line module to observe clarification meetings, on-line posting of questions and answers);
  - ensuring that questions for clarification are promptly responded to and that this information is transmitted to all interested parties;
  - communicating changes immediately, preferably in the same channel originally used; and
  - publishing information, preferably on-line, to allow for external monitoring and public scrutiny.

4.2.2. Evaluation

- Ensure security and confidentiality of information submitted, in particular by:
  - ensuring that measures are in place for the security and storage of tendering documents (e.g. keeping a document register, numbering all documents or having a central storage area for all documents), as well as for limiting access to documents; and
  - considering electronic security issues and having documented processes for electronic storage and communication (e.g. tenders submitted electronically are

safeguarded from access before the closing time; the system has the capacity to reject late tenders automatically).

- Define a clear procedure for the opening of the tender, in particular by:
  - having a team open, authenticate and duplicate sealed tenders as soon as possible after the designated time, immediately followed by public opening, if possible;
  - performing the opening of tenders, preferably before a public audience where basic information on the tenders is disclosed and recorded in official minutes;
  - specifying clear policy defining circumstances under which tenders would be invalidated (e.g. tenders received after the closing time are invalidated unless it is due to a procuring agency error);
  - ensuring that any clarification of submitted tenders does not result in substantive alterations after the deadline for submission; and
  - ensuring that a clear and formal report of all the tenders received is produced (including their date and time of arrival, as well as the comments received from tenderers) before passing them to the officers responsible for their evaluation.
- Ensure that the evaluation process is not biased and confidential by:
  - undertaking evaluations with more than one evaluating official or preferably a committee. Depending on the value of the procurement and the level of risk, the committee could include not only officials from different departments but also possibly external experts;
  - using notified evaluation criteria systematically and exclusively and assessing them independently (e.g. technical, project and risk criteria could be assessed prior to and separately from financial criteria). Tenders should be evaluated against notified criteria
  - verifying that officials in charge of the evaluation are not in a conflict of-interest situation (e.g. through mandatory disclosure) and are bound by confidentiality requirements. In the case of an evaluation committee, integrity and professional considerations must be taken into account in the selection of members and involve a member that is external to the procurement team when possible; and
  - including all relevant aspects of the evaluation in a written report signed by the evaluation officers/committee.
- When allowing negotiations after the award to prevent waste and potential corruption (e.g. only one tender is received)
  - ensure that negotiations are conducted in a structured and ethical manner and are held within a predefined period of time so that they do not discriminate between different suppliers;
  - handle information on tenders in a confidential manner; and
  - keep detailed records of the negotiation.

4.2.3. Award

- Inform tenderers as well as the wider public on the outcome of the tendering process by:
  - promptly notifying unsuccessful tenderers of the outcome of their tenders, as well as when and where the contract award information is published;
  - publishing the outcome of the tendering process in a readily available medium. A description of goods or services, the name and address of the procuring entity; the name and address of the successful supplier, the value of the successful tender or the highest and lowest offers taken into account in the award of the contract, the date of award; and the type of procurement method used should be included. In

cases where limited tendering was used, a description of the circumstances justifying the use of limited tendering should also be included;
  - considering the possibility of publishing the grounds for the award, including the consideration given to qualitative tender elements. Commercially-sensitive information about the winning tender or about other tenders, which could favour collusion in future procurements should be not disclosed; and
  - allowing the mandatory standstill period, where one exists, before the beginning of the contract.
- Offer the possibility of debriefing to suppliers on request by:
  - withholding confidential information (e.g. trade secrets, pricing);
  - highlighting the strengths and weaknesses of the unsuccessful tender;
  - for debriefings in writing, ensuring that the written report is approved beforehand by a senior procurement official; and
  - organising oral debriefings, provided that discussions are carried out in a structured manner so that they do not disclose confidential information, and that they are properly recorded.
- Resolve possible disputes through constructive dialogue when possible, and provide an identified channel for formal review by:
  - in the case of problems with potential suppliers, making an effort to resolve disputes through negotiation as a first step;
  - providing information on how to lodge a complaint related to the procurement process;
  - providing the possibility to use dispute resolution mechanisms not only before but also after the award; and
  - considering the possibility of using interim measures to enable the prompt processing and resolution of complaints. The possible overriding adverse consequences for the interests concerned, including the public interest, should be taken into account when deciding whether such measures should be applied.

4.3. Post-tendering

4.3.1. Contract management

- Clarify expectations, roles and responsibilities for the management of the contract by:
  - ensuring that MDF staff and the supplier are aware of policies in order to prevent conflict of interest and corruption (e.g. publication of the policies, reference in the contract) and that the supplier communicates this information to potential sub-contractors;
  - ensuring that contract and purchase orders provide sufficient information to enable the supplier to deliver the goods/services of the correct description and quantity within the specified time;
  - including models in the contract for appropriate risk sharing between the MDF and the contractor, especially for complex procurements (e.g. performance bond, penalty for late delivery and/or payment);
  - including the payment in the contract, and where this is not possible, informing suppliers of the payment period following approval of invoice; and
  - stating in the contract possible compensation in case of undue withholding of payment by contracting officials.
- Supervise closely the contractor’s performance and integrity, in particular by:

- monitoring the contractor's performance against specific targets and levels laid down in the contract at regular intervals;
- ensuring that costs are monitored and kept in line with contract rates and approved budgets;
- organizing inspection of "work-in-progress" (especially regarding structural elements that could be hidden by ongoing construction) and completing work and random sample checks;
- using electronic systems to monitor progress of contract and timely payment and sending warnings regarding possible irregularities or corruption;
- involving third parties to scrutinize the process (e.g. selected member from an stakeholders); and
- where possible, testing the product, system or other results in a real world environment prior to delivery of the work.

- Control change in the contract by:
  - ensuring that contract changes that alter the price and/or description of the work are supported by a robust and objective amendment approval process;
  - ensuring that contract changes beyond a cumulative threshold are monitored at a high level;
  - allowing contract changes only up to a reasonable threshold, and changes that do not alter the quality of the good or service. Beyond this threshold, a review system could be set up to understand the reasons for these changes and consider the possibility to re-tender;
  - clearly tying in the variation with the main contract to provide an audit trail; and
  - recording changes to the contract and possibly communicating them to unsuccessful tenderers as well as other stakeholders.
- Enable stakeholders, civil society and the wider public to scrutinize public procurement by:
  - recording, co-coordinating and communicating information in relation to contract management;
  - organizing regular review meetings between the customer and contractor, and recording end-user satisfaction with the service; and
  - ensuring access to records for stakeholders and possibly civil society and the wider public for a reasonable number of years after the contract award.

4.3.2. Order and payment

- Verify that the receipt of goods/services is in line with expected standards by:
  - inspecting the goods against the purchase order and the delivery invoice before payment. It is also necessary to assess and certify the standard of service to ensure quality;
  - when possible, involving at least two officials in the verification that the receipt of goods/services is in line with expected standards; and
  - involving, in addition to procurement officials, end-users when possible to enhance checks and balances.
- Ensure that the final accounting or audit of a project is not carried out by personnel involved in former phases to ensure the separation of duties and authorization, for instance:

- officials who examine the invoice against the goods and orders/delivery note should differ from those officials who give the payment order to the accounting department; and
- payments should be cross-checked by the accounting entity afterwards.

- Ensure that the budgeting system provides for a timely release of funds to make payment against contractual conditions, in particular by:
  - committing budget funds according to the procedures and deadlines;
  - organizing random supervisory checks on payments and monitor outstanding payments; and
  - preparing systematic completion reports for certification of budget execution and for reconciliation of delivery with budget programming.
- Consider the possibility of a post project assessment, in particular by:
  - reviewing the procurement process, drawing lessons that can be learned for any future contracts and placing this information on record;
  - considering the possibility of a “feedback loop” through the consultation of end-users in the post project assessment, particularly for high-value procurements, and involving civil society representatives who monitored the project, if applicable;
  - including information on discrepancies and abnormal trends in procurement (e.g. possible collusion, split orders) in the report for information management as well as liaising with competition and/or law enforcement agencies, when relevant; and

5. Procurement Integrity Procedures

In order to insure that procurement is conducted in a fair, equitable and open manner, the procedures set forth below shall apply to the procurement process.

The executive director shall have responsibility for the prevention of improper influence relative to all procurement contracts awarded by MDF.

A copy of Procurement Integrity Procedures will be given to every MDF employee, consultant, or other person assigned to any task related to a MDF procurement. A copy of these procedures will be incorporated into every Request for Information (RFI), Request for Proposal (RFP) or Invitation for Bids (IFB) issued by MDF (needs to be identified).

Any MDF employee who violates these procedures may be subject to disciplinary action. Any vendor who violates these procedures may, after notice and opportunity to be heard, be determined to be a non-responsible vendor, and on the basis of such a determination may be ineligible to receive a contact award.

Every reasonable effort will be made to assure compliance with these procedures, but a minor deviation from these procedures that does not impair fairness and integrity of the procurement process will not require the invalidation of a contract award.

MDF employee must provide every interested vendor with an equal opportunity to compete. No information may be given to one vendor without being made available to all other interested vendors. Vendors should be asked to submit every substantive question concerning the procurement in writing not later than the date specified by MDF for such questions; and a copy of each question, together with MDF's written answer, should be supplied to all interested vendors and included in the procurement record.

Unless otherwise directed by MDF' Executive Director, the contact person designated in bid document will serve as the coordinator for all procurement-related contacts between MDF personnel and vendor personnel. All telephone calls, correspondence, and meeting requests must be routed to the contact person designated in bid document. That person will forward the record of all such contacts to the MDF Procurement Department for inclusion in the procurement record.

A vendor may not exert or attempt to exert any improper influence related to the vendor's bid or proposal. When a record of contact which contains an attempt to influence procurement is forwarded to MDF Procurement Department pursuant to the procedures set forth in paragraph above, the Procurement Department will notify the MDF's Executive Director, who shall thereupon cause an investigation to be made and shall recommend such action, if any, as may be necessary.

Unless otherwise directed by the MDF Executive Director, the Procurement Director will be responsible for approving and scheduling all contacts between MDF employees and vendor personnel concerning procurement.

Vendors are expected to obtain information related to MDF procurement only from the MDF designated contact listed in the bid document.

Every IFB and RFP shall require vendors to identify in their bids or proposals the persons authorized to represent the vendor by name, address, telephone number, place of principal employment and occupation. This requirement applies not only to vendor employees involved in the submission of the vendor's bid or proposal but also every individual or

organization employed or designated by the vendor to attempt to influence the procurement process. If, after submission of a bid or proposal, a vendor retains an individual or organization to attempt to influence the procurement process, then the name, address, telephone number, place of principal employment and occupation of such individual or organization shall be disclosed in writing to MDF prior to any contact with MDF and such disclosure shall be included in the procurement record. IFBs and RFPs shall require that vendors indicate in their bids or proposals or subsequent disclosure whether each contact individual or organization has a financial interest in the procurement.

All contacts between MDF personnel and vendor personnel during which a procurement-related matter is discussed in any way must be by telephone, in writing, by e-mail or in person at the place of business of MDF or the vendor or at the place designated by MDF. Written documentation of all such discussions must be filed with the MDF procurement department for inclusion in the procurement record.

During the procurement process, no lunch, dinner, or other meal or other gift shall be accepted by a member of the MDF staff from an interested vendor, except that a presentation, interview or similar session occurring at the place of business of MDF or a vendor or at a place designated by MDF may include a refreshment break.

The evaluation of competing bids or proposals and recommendations and deliberations of MDF evaluation or selection committees shall be solely on the merits of the bids or proposals, free from any improper influence.

Prior to the public release by MDF of an Invitation for Bids (IFB) or Request for Proposals (RFP), no MDF employee may disclose the contents of any portion of an IFB or RFB to any person not employed by MDF or any person not authorized by the MDF Executive Director unless such disclosure is specifically authorized by the Executive Director, who shall only authorize such disclosure if he or she determines that such disclosure will not impair the fairness and integrity of the procurement process.

The evaluation of competing bids or proposals shall be conducted strictly in accordance with the detailed evaluation and selection procedures documented in the procurement record prior to the initial receipt and opening of bids or proposals. The Procurement Director shall issue the detailed evaluation or selection procedures to the members of the evaluation and selection committees prior to the distribution of the bids or proposals to the committee members for evaluation.

During the evaluation and selection phases of the procurement process, no MDF employee may disclose any part of a bid or proposal to any person, except that (i) a member of an evaluation or selection committee may discuss a proposal with another member of the same committee, and (ii) a member of an evaluation or selection committee may disclose a proposal or a portion of a proposal to a person assigned to assist in the evaluation or selection process, as described below.

With the approval of the MDF Procurement Director, evaluation or selection committees may appoint MDF employees or other experts to provide supporting services or information to assist in the evaluation of proposals and selection of a contractor.

At the discretion of the MDF, any person to whom a bid or a proposal or a portion of a bid or proposal is disclosed may be required to comply with a written non-disclosure or

confidentiality agreement setting forth the terms and conditions under which such person is entrust with the bid or proposal or portion thereof.

Prohibited conduct by competing contractors.

During the conduct of any MDF procurement of property or services, no competing contractor or any officer, employee, representative, agent, or consultant of any competing contractor shall knowingly

- Make, directly or indirectly, any offer or promise of future employment or business opportunity to, or engage, directly or indirectly, in any discussion of future employment or business opportunity with, any procurement official of MDF;
- Offer, give, or promise to offer or give, directly or indirectly, any money, gratuity, or other thing of value to any procurement official of MDF; or
- Solicit or obtain, directly or indirectly, from any officer or employee of MDF, prior to the award of a contract any proprietary or source selection information regarding such procurement

Prohibited conduct by MDF procurement officials

During the conduct of any MDF procurement of property or service, no procurement official of MDF shall knowingly

- Solicit or accept, directly or indirectly, any promise of future employment or business opportunity from, or engage, directly or indirectly, in any discussion of future employment or business opportunity with any officer, employee, representative, agent, or consultant of a competing contractor.
- Ask for, demand, exact, solicit, seek, accept, receive, or agree to receive, directly or indirectly, any money, gratuity, or other thing of value from any officer, employee, representative, agent, or consultant of any competing contractor for such procurement; or
- Disclose any proprietary or source selection information regarding such procurement directly or indirectly to any person other than a person authorized by the Executive Director to receive such information.

Disclosure to unauthorized persons

During the conduct of any MDF procurement of property or services, no person who is given authorized or unauthorized access to proprietary or source selection information regarding such procurement, shall knowingly disclose such information, directly or indirectly, to any person other than a person authorized by Executive Director to receive such information.

Restrictions on MDF officials and employees

No MDF official or employee, who has participated personally and substantially in the conduct of any MDF procurement or who has personally reviewed and approved the award, modification, or extension of any contract for such procurement shall

- Participate in any manner, as an officer, employee, agent, or representative of a competing contractor, in any negotiations leading to the award, modification, or extension of a contract for such procurement, or
- Participate personally and substantially on behalf of the competing contractor in the performance of such contract, during the period ending 2 years after the last date such individual participated personally and substantially in the conduct of such procurement or

personally reviewed and approved the award, modification, or extension of any contract for such procurement, or otherwise authorized by Executive Director.

Appendix 1 (To be signed by Evaluation Committee members)

Certification and Agreement for the use and disclosure of proposals

With respect to proposals submitted in response to XXXXXX tender, the undersigned hereby agrees and certifies to the following:

1. I will use the proposals and all information therein other than information otherwise available without restriction, for evaluation purpose only. I will safeguard the proposals, and will not remove them from the site at which the evaluation is conducted unless authorized by the Executive Director. In addition, I will not disclose them, or any information contained in them (other than information otherwise available without restriction), except as directed or approved by the Executive Director.
2. I will ensure that any authorized restrictive legends placed on the proposals by prospective contractors or subcontractors, or MDF, will be applied to any reproduction, or abstract of information, made by me. Upon completing the evaluation, I will return all copies of the proposals, and any abstracts thereof, to the MDF office that initially furnished them to me.
3. Unless authorized by the Executive Director in advance in writing I will not, whether before, during, or after the evaluation, contact any prospective contractor or subcontractor, or their employees, representatives or agents, concerning any aspect of the proposal.
4. I have carefully reviewed my employment (past, present and under consideration) and financial interests, as well as those of my household family members. Based on this review, I certify, to the best of my knowledge and belief as of the date indicated below, that I either
    a. Have no actual or potential conflict of interest, personal or organizational, that could diminish my capacity to perform an impartial and objective evaluation of the proposals, or that might otherwise result in an unfair competitive advantage to one or more prospective contractors or subcontractors, or
    b. Have fully disclosed all such conflicts to the Executive Director, and will comply fully, subject to termination of my evaluation services, with any instructions by the Executive Director to mitigate, avoid, or neutralize conflict(s). I understand that I will also be under a continuing obligation to disclose, and act as instructed concerning, such conflicts discovered at any time prior to the completion of the evaluation.

Signature:

Name Typed or Printed:

Date:

Annex 3
Procurement Integrity Plan Presentation

USAID | GEORGIA
FROM THE AMERICAN PEOPLE

AID-EDH-I-00-08-00027-00, TASK ORDER: AID-114-TO-11-00002

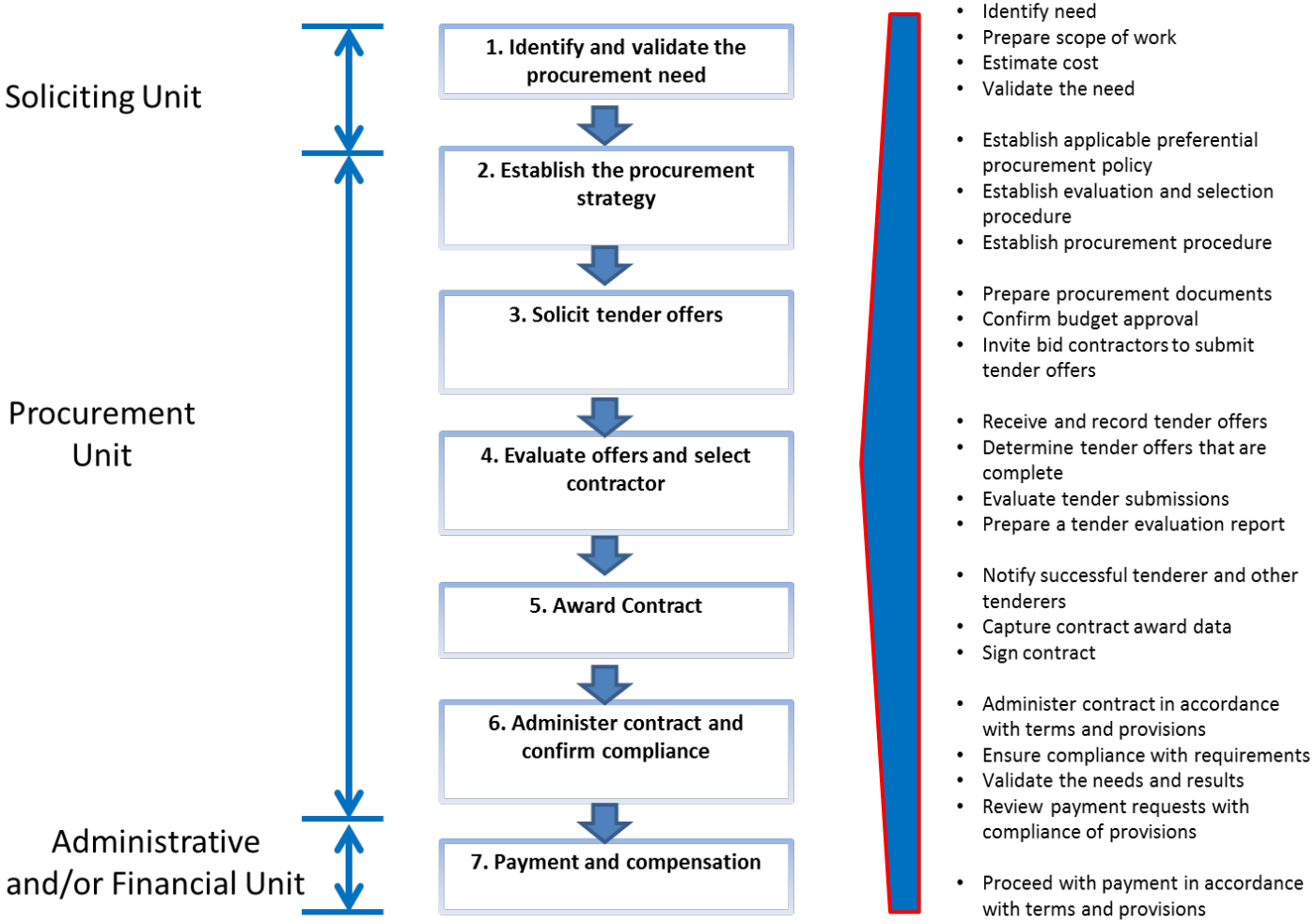
Municipal Infrastructure and IDP Housing Rehabilitation Project

Procurement Integrity Plan

Tbilisi, Georgia
February 6, 2012

TETRA TECH

Generic procurement process activities



What is Integrity

Integrity in public procurement – Use of funds, resources, assets and authority according to the intended official purpose, in line with public interest

Integrity violations include:

- Corruption including bribery, “kickbacks”, nepotism, cronyism and clientelism;
- Fraud and theft of resources;
- Conflict of interest in the public service and post-public employment;
- Collusion;
- Abuse and manipulation of information;
- Discriminatory treatment in the public procurement process;
- The waste and abuse of organizational resources.

Procurement Integrity Management

Risk Mapping

Integrity Principles

Integrity at each step of procurement

Procedures

Risk Mapping -Pre-tendering

Needs assessment

- Lack of adequate needs assessment
- Influence of external actors
- Informal agreement on contract

Planning and budgeting

- Deficient cases, poor procurement planning
- Procurements not aligned with overall investment decision-making process
- Failure to budget realistically or deficiency in the budget

Definition of requirements

- Technical specifications that are tailored for one company, too vague or not based on performance requirements
- Selection and award criteria that are not clearly and objectively defined, not established in advance
- Licensing of unqualified companies, for example through the provision of fraudulent tests or quality assurance certificates
- Requesting samples of goods that could influence objectivity
- Buying of information by companies as to the project specifications and timetable

Choice of Procedures

- Lack of procurement strategy for the use of non-competitive procedures
- Abuse of non-competitive procedures on the basis of legal exceptions through: contract splitting; abuse of extreme urgency; untested continuation of existing contracts
- Timeframe not consistently applied to all bidders, or timeframe that is insufficient to ensure a level playing field

Risk Mapping - Tendering

Invitation to tender

- Absence of public notice for the invitation to bid
- Award and evaluation criteria that are not announced in advance of the closing of the bid
- Sensitive or non-public information disclosed
- Lack of competition or in some cases collusive bidding

Evaluation

- Conflict of interest and corruption in the evaluation process (e.g. familiarity with bidders over time, personal interests such as gifts or additional employment, no effective implementation of the “four-eyes” principle, etc.)

Award

- Conflict of interest and corruption in the approval process (e.g. no effective separation of financial, contractual and project authorities)
- Lack of access to records on the procedure

Risk Mapping – Post-tendering

Contract Management

- Abuses of the contractor in performing the contract, in particular in relation to its quality, price and timing:
  - substantial change in contract conditions to allow more time and/or higher prices for the bidder
  - product substitution or sub-standard work or service not meeting contract specifications
  - theft of new assets before delivery to end-user or before being recorded in the asset register
- Deficient supervision from public officials and/or collusion between contractors and supervising officials
- Subcontractors and partners chosen in a non-transparent way, or not kept accountable

Order and payment

- Deficient separation of financial duties and/or lack of supervision of public officials leading to:
  - false accounting and cost misallocation or cost migration between contracts
  - late payments of invoices
  - false or duplicate invoicing for goods and services not supplied and for interim payments in advance of entitlement

Integrity Principles

- Transparency
- Good management
- Prevention of misconduct, compliance and monitoring
- Accountability and Control

Integrity Risk Mitigation

- **Proactive actions to reduce or eliminate damages caused by fraud and corruption**

- **Mitigation Planning:**
  - Senior management sets a "culture of compliance"
  - Written code of conduct
  - Permanent and targeted training for staff
  - Written procurement plan

- **Organizational aspects:**
  - Assignment of compliance roles and responsibilities
  - Oversight and monitoring
  - Investigation responsibilities
  - Reporting methodology
  - Identification of potential conflict of interests
  - Document management plan

Code of Conduct

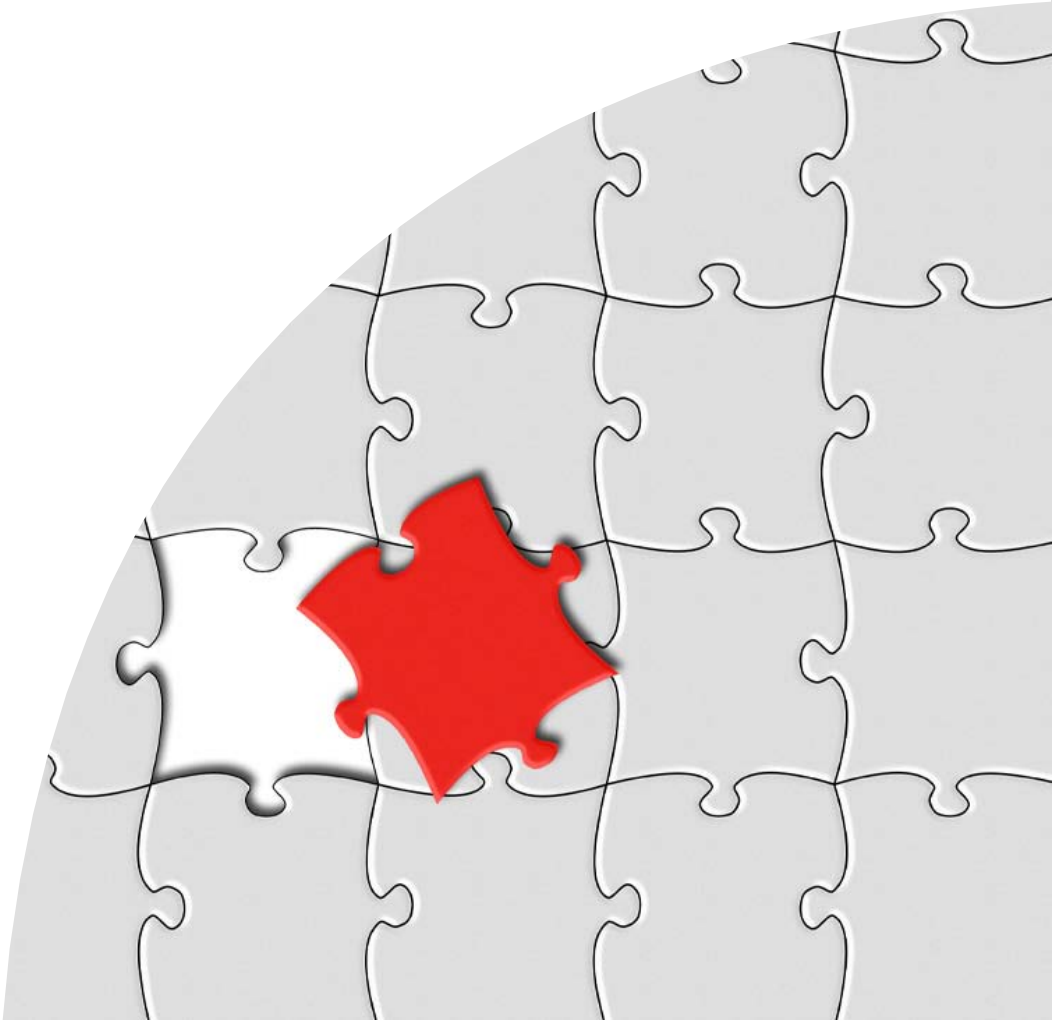
- Compliance to all applicable laws and regulations
- General Employee Conduct
- Conflict of Interest
- Outside Activities, Employment and Directorship
- Relationships with Clients and Suppliers
- Gifts, Entertainments and Favors
- Improper Practice
- Funds and Other Assets
- Records and Communications
- Dealing with Outside Peoples and Organizations
- Prompt Communications
- Privacy and Confidentiality

Certification and Agreement for the use and disclosure of proposals

To be signed by Evaluation Committee members

USAID | GEORGIA
FROM THE AMERICAN PEOPLE

Thank You!



Annex 4
Certification and Agreement for the use and disclosure of proposals signed by MDF's Tender Evaluation Committee Members

To be signed by Evaluation Committee members

Certification and Agreement for the use and disclosure of proposals

With respect to proposals submitted in response to Rehabilitation Works for IDP's Housing tender, the undersigned hereby agrees and certifies to the following:

1. I will use the proposals and all information therein other than information otherwise available without restriction, for evaluation purpose only. I will safeguard the proposals, and will not remove them from the site at which the evaluation is conducted unless authorized by the Executive Director. In addition, I will not disclose them, or any information contained in them (other than information otherwise available without restriction), except as directed or approved by the Executive Director.
2. I will ensure that any authorized restrictive legends placed on the proposals by prospective contractors or subcontractors, or MDF, will be applied to any reproduction, or abstract of information, made by me. Upon completing the evaluation, I will return all copies of the proposals, and any abstracts thereof, to the MDF office that initially furnished them to me.
3. Unless authorized by the Executive Director in advance in writing I will not, whether before, during, or after the evaluation, contact any prospective contractor or subcontractor, or their employees, representatives or agents, concerning any aspect of the proposal.
4. I have carefully reviewed my employment (past, present and under consideration) and financial interests, as well as those of my household family members. Based on this review, I certify, to the best of my knowledge and belief as of the date indicated below, that I either
    a. Have no actual or potential conflict of interest, personal or organizational, that could diminish my capacity to perform an impartial and objective evaluation of the proposals, or that might otherwise result in an unfair competitive advantage to one or more prospective contractors or subcontractors, or
    b. Have fully disclosed all such potential conflicts to the Executive Director, and will comply fully, subject to termination of my evaluation services, with any instructions by the Executive Director to mitigate, avoid, or neutralize actual or potential conflict(s). I understand that I will also be under a continuing obligation to disclose, and act as instructed concerning, such conflicts discovered at any time prior to the completion of the evaluation.

Signature:

Name Typed or Printed: David Siradze

Date: 10. 02. 2012

სატენდერო შემოთავაზებების გამოყენების და გამჟღავნების შეთანხმება

საქართველოს რეგიონებში იძულებით გადაადგილებულ პირთა ბინების რეაბილიტაციის ტენდერის ფარგლებში წარმოდგენილი სატენდერო შემოთავაზებებთან დაკავშირებით ქვემოთ ხელმომწერი ეთანხმება და ადასტურებს შემდეგს:

1. სატენდერო შემოთავაზებებს და ყველა იმ ინფორმაციას, რომელზეც ვრცელდება შეზღუდვა, გამოვიყენებ მხოლოდ სატენდერო შეფასების მიზნებისათვის. გავუფრთხილდები აღნიშნულ სატენდერო შემოთავაზებებს და აღმასრულებელი დირექტორის შესაბამისი წერილობითი ნებართვის გარეშე არ გავიტან სატენდერო შეფასების პროცედურების განხორციელების ადგილიდან. გარდა აღნიშნულისა, აღმასრულებელი დირექტორის მითითების და წერილობითი ნებართვის გარეშე, არ გავამჟღავნებ სატენდერო შემოთავაზებებშიმითითებულ ინფორმაციას (იმ ინფორმაციის გარდა, რომელიც ხელმისაწვდომია შეზღუდვების გარეშე).
2. ვუზრუნველყოფ, რომ სავარაუდო კონტრაქტორის, ქვეკონტრაქტორის ან მგფ-ის, მიერ განხორციელებული ნებისმიერი შემზღუდავი აღნიშვნა სატენდერო შემოთავაზებებზე გავრცელდეს ასევე ნებისმიერ რეპროდუქციაზე (ასლი, ფოტოკოპია და სხვა) ან/და ამონარიდზე. სატენდერო შემოთავაზებების შეფასების დამთავრებისთანავე, დავაბრუნებ ყველა ასლს ან/და ამონარიდს მგფ-ს ოფისში, სადაც აღნიშნული დოკუმენტაცია გადმომეცა.
3. აღმასრულებელი დირექტორის წინასწარი წრილობითი ნებართვის გარეშე, არც შეფასების პროცესის დაწყებამდე, არც მის მიმდინარეობის დროს და არც მის დამთავრების შემდეგ, არ დავუკავშირდები სავარაუდო კონტრაქტორს ან ქვეკონტრაქტორს, არც მის რომელიმე თანამშრომელს, წარმომადგენელს ან აგენტს, სატენდერო შემოთავაზების ნებისმიერ საკითხთან დაკავშირებით.
4. მე გულდასმით შევამოწმე ჩემი და ჩემი ოჯახის წევრების სამსახურებრივი (წინა, ამჟამინდელი და განხილვის პროცესში მყოფი) და ფინანსური ინტერესები. აღნიშნული შემოწმების შედეგად ვადასტურებ, რომ ჩემს ხელთ არსებული ინფორმაციის საფუძველზე, წინამდებარე შეთანხმების გაფორმების მომენტისთვის:
    a. არ გამაჩნია პიროვნული ან ორგანიზაციური ხასიათის ფაქტობრივი ან პოტენციური ინტერესთა კონფლიქტი, რომელიც შემზღუდავს სატენდერო შემოთავაზებების მიუკერძოვებელ და ობიექტურშეფასების განხორციელებაში, ან რომლის შედეგად ერთ ან რამოდენიმე სავარაუდო კონტრაქტორს ან ქვექონტრაქტორს მიენიჭება არასამართლიანი კონკურენტულიუპირატესობა, და ასევე
    b. სრულად გავამჟღავნე აღმასრულებელ დირექტორთან ყველა პოტენციური ინტერესთა კონფლიქტი და სრულად დავემორჩილები აღმასრულებელი დირექტორის ინსტრუქციებს ფაქტობრივი ან/და პოტენციური ინტერესთა კონფლიქტ(ებ)ის შესამცირებლად, თავიდან ასაცილებლად ან გასანეიტრლებლად. აღნიშნული შეიძლება ასევე გახდეს ჩემი სატენდერო კომისიის წევრობის შეჩერების საფუძველი. მესმის და ვადასტურებ, რომ ასევე ვიქნები ვალდებულების ქვეშ ვიმოქმედო ინსტურციების შესაბამისად და გავამჟღავნო ზემოთაღნიშნული კონფლიქტები დაუყოვნებლივ, მათი გამორკვევის ნებისმიერ ეტაპზე სატენდერო შეფასების დამთავრებამდე.

ხელმოწერა

სახელი, გვარი: დავით სირაძე

თარიღი: 10.02.2012

To be signed by Evaluation Committee members

Certification and Agreement for the use and disclosure of proposals

With respect to proposals submitted in response to Rehabilitation Works for IDP's Housing tender, the undersigned hereby agrees and certifies to the following:

1. I will use the proposals and all information therein other than information otherwise available without restriction, for evaluation purpose only. I will safeguard the proposals, and will not remove them from the site at which the evaluation is conducted unless authorized by the Executive Director. In addition, I will not disclose them, or any information contained in them (other than information otherwise available without restriction), except as directed or approved by the Executive Director.
2. I will ensure that any authorized restrictive legends placed on the proposals by prospective contractors or subcontractors, or MDF, will be applied to any reproduction, or abstract of information, made by me. Upon completing the evaluation, I will return all copies of the proposals, and any abstracts thereof, to the MDF office that initially furnished them to me.
3. Unless authorized by the Executive Director in advance in writing I will not, whether before, during, or after the evaluation, contact any prospective contractor or subcontractor, or their employees, representatives or agents, concerning any aspect of the proposal.
4. I have carefully reviewed my employment (past, present and under consideration) and financial interests, as well as those of my household family members. Based on this review, I certify, to the best of my knowledge and belief as of the date indicated below, that I either
    a. Have no actual or potential conflict of interest, personal or organizational, that could diminish my capacity to perform an impartial and objective evaluation of the proposals, or that might otherwise result in an unfair competitive advantage to one or more prospective contractors or subcontractors, or
    b. Have fully disclosed all such potential conflicts to the Executive Director, and will comply fully, subject to termination of my evaluation services, with any instructions by the Executive Director to mitigate, avoid, or neutralize actual or potential conflict(s). I understand that I will also be under a continuing obligation to disclose, and act as instructed concerning, such conflicts discovered at any time prior to the completion of the evaluation.

Signature:

Name Typed or Printed: Gizo Glonti

Date: 10.02.2012

სატენდერო შემოთავაზებების გამოყენების და გამჟღავნების შეთანხმება

საქართველოს რეგიონებში იძულებით გადაადგილებულ პირთა ბინების რეაბილიტაციის ტენდერის ფარგლებში წარმოდგენილი სატენდერო შემოთავაზებებთან დაკავშირებით ქვემოთ ხელმომწერი ეთანხმება და ადასტურებს შემდეგს:

1. სატენდერო შემოთავაზებებს და ყველა იმ ინფორმაციას, რომელზეც ვრცელდება შეზღუდვა, გამოვიყენებ მხოლოდ სატენდერო შეფასების მიზნებისათვის. გავუფრთხილდები აღნიშნულ სატენდერო შემოთავაზებებს და აღმასრულებელი დირექტორის შესაბამისი წერილობითი ნებართვის გარეშე არ გავიტან სატენდერო შეფასების პროცედურების განხორციელების ადგილიდან. გარდა აღნიშნულისა, აღმასრულებელი დირექტორის მითითების და წერილობითი ნებართვის გარეშე, არ გავამჟღავნებ სატენდერო შემოთავაზებებშიმითითებულ ინფორმაციას (იმ ინფორმაციის გარდა, რომელიც ხელმისაწვდომია შეზღუდევების გარეშე).
2. ვუზრუნველყოფ, რომ სავარაუდო კონტრაქტორის, ქვეკონტრაქტორის ან მგფ-ის, მიერ განხორციელებული ნებისმიერი შემზღუდავი აღნიშვნა სატენდერო შემოთავაზებებზე გავრცელდეს ასევე ნებისმიერ რეპროდუქციაზე (ასლი, ფოტოკოპია და სხვა) ან/და ამონარიდზე. სატენდერო შემოთავაზებების შეფასების დამთავრებისთანავე, დავაბრუნებ ყველა ასლს ან/და ამონარიდს მგფ-ს ოფისში, სადაც აღნიშნული დოკუმენტაცია გადმომეცა.
3. აღმასრულებელი დირექტორის წინასწარი წრილობითი ნებართვის გარეშე, არც შეფასების პროცესის დაწყებამდე, არც მის მიმდინარეობის დროს და არც მის დამთავრების შემდეგ, არ დავუკავშირდები სავარაუდო კონტრაქტორს ან ქვეკონტრაქტორს, არც მის რომელიმე თანამშრომელს, წარმომადგენელს ან აგენტს, სატენდერო შემოთავაზების ნებისმიერ საკითხთან დაკავშირებით.
4. მე გულდასმით შევამოწმე ჩემი და ჩემი ოჯახის წევრების სამსახურებრივი (წინა, ამჟამინდელი და განხილვის პროცესში მყოფი) და ფინანსური ინტერესები. აღნიშნული შემოწმების შედეგად ვადასტურებ, რომ ჩემს ხელთ არსებული ინფორმაციის საფუძველზე, წინამდებარე შეთანხმების გაფორმების მომენტისთვის:
    a. არ გამაჩნია პიროვნული ან ორგანიზაციური ხასიათის ფაქტობრივი ან პოტენციური ინტერესთა კონფლიქტი, რომელიც შემზღუდავს სატენდერო შემოთავაზებების მიუკერძოვებელ და ობიექტურშეფასების განხორციელებაში, ან რომლის შედეგად ერთ ან რამოდენიმე სავარაუდო კონტრაქტორს ან ქვექონტრაქტორს მიენიჭება არასამართლიანი კონკურენტულიუპირატესობა, და ასევე
    b. სრულად გავამჟღავნე აღმასრულებელ დირექტორთან ყველა პოტენციური ინტერესთა კონფლიქტი და სრულად დავემორჩილები აღმასრულებელი დირექტორის ინსტრუქციებს ფაქტობრივი ან/და პოტენციური ინტერესთა კონფლიქტ(ებ)ის შესამცირებლად, თავიდან ასაცილებლად ან გასანეიტრლებლად. აღნიშნული შეიძლება ასევე გახდეს ჩემი სატენდერო კომისიის წევრობის შეჩერების საფუძველი. მესმის და ვადასტურებ, რომ ასევე ვიქნები ვალდებულების ქვეშ ვიმოქმედო ინსტურციების შესაბამისად და გავამჟღავნო ზემოთაღნიშნული კონფლიქტები დაუყოვნებლივ, მათი გამორკვევის ნებისმიერ ეტაპზე სატენდერო შეფასების დამთავრებამდე.

ხელმოწერა

სახელი, გვარი: გიზო ღლონტი

თარიღი: 10.02.2012

To be signed by Evaluation Committee members

Certification and Agreement for the use and disclosure of proposals

With respect to proposals submitted in response to Rehabilitation Works for IDP's Housing tender, the undersigned hereby agrees and certifies to the following:

1. I will use the proposals and all information therein other than information otherwise available without restriction, for evaluation purpose only. I will safeguard the proposals, and will not remove them from the site at which the evaluation is conducted unless authorized by the Executive Director. In addition, I will not disclose them, or any information contained in them (other than information otherwise available without restriction), except as directed or approved by the Executive Director.
2. I will ensure that any authorized restrictive legends placed on the proposals by prospective contractors or subcontractors, or MDF, will be applied to any reproduction, or abstract of information, made by me. Upon completing the evaluation, I will return all copies of the proposals, and any abstracts thereof, to the MDF office that initially furnished them to me.
3. Unless authorized by the Executive Director in advance in writing I will not, whether before, during, or after the evaluation, contact any prospective contractor or subcontractor, or their employees, representatives or agents, concerning any aspect of the proposal.
4. I have carefully reviewed my employment (past, present and under consideration) and financial interests, as well as those of my household family members. Based on this review, I certify, to the best of my knowledge and belief as of the date indicated below, that I either
    a. Have no actual or potential conflict of interest, personal or organizational, that could diminish my capacity to perform an impartial and objective evaluation of the proposals, or that might otherwise result in an unfair competitive advantage to one or more prospective contractors or subcontractors, or
    b. Have fully disclosed all such potential conflicts to the Executive Director, and will comply fully, subject to termination of my evaluation services, with any instructions by the Executive Director to mitigate, avoid, or neutralize actual or potential conflict(s). I understand that I will also be under a continuing obligation to disclose, and act as instructed concerning, such conflicts discovered at any time prior to the completion of the evaluation.

Signature:

Name Typed or Printed: Kakhaber Khurtsilava

Date: 10.02.12.

სატენდერო შემოთავაზებების გამოყენების და გამჟღავნების შეთანხმება

საქართველოს რეგიონებში იძულებით გადაადგილებულ პირთა ბინების რეაბილიტაციის ტენდერის ფარგლებში წარმოდგენილი სატენდერო შემოთავაზებებთან დაკავშირებით ქვემოთ ხელმომწერი ეთანხმება და ადასტურებს შემდეგს:

1. სატენდერო შემოთავაზებებს და ყველა იმ ინფორმაციას, რომელზეც ვრცელდება შეზღუდვა, გამოვიყენებ მხოლოდ სატენდერო შეფასების მიზნებისათვის. გავუფრთხილდები აღნიშნულ სატენდერო შემოთავაზებებს და აღმასრულებელი დირექტორის შესაბამისი წერილობითი ნებართვის გარეშე არ გავიტან სატენდერო შეფასების პროცედურების განხორციელების ადგილიდან. გარდა აღნიშნულისა, აღმასრულებელი დირექტორის მითითების და წერილობითი ნებართვის გარეშე, არ გავამჟღავნებ სატენდერო შემოთავაზებებშიმითითებულ ინფორმაციას (იმ ინფორმაციის გარდა, რომელიც ხელმისაწვდომია შეზღუდევების გარეშე).
2. ვუზრუნველყოფ, რომ სავარაუდო კონტრაქტორის, ქვეკონტრაქტორის ან მგფ-ის, მიერ განხორციელებული ნებისმიერი შემზღუდავი აღნიშვნა სატენდერო შემოთავაზებებზე გავრცელდეს ასევე ნებისმიერ რეპროდუქციაზე (ასლი, ფოტოკოპია და სხვა) ან/და ამონარიდზე. სატენდერო შემოთავაზებების შეფასების დამთავრებისთანავე, დავაბრუნებ ყველა ასლს ან/და ამონარიდს მგფ-ს ოფისში, სადაც აღნიშნული დოკუმენტაცია გადმომეცა.
3. აღმასრულებელი დირექტორის წინასწარი წრილობითი ნებართვის გარეშე, არც შეფასების პროცესის დაწყებამდე, არც მის მიმდინარეობის დროს და არც მის დამთავრების შემდეგ, არ დავუკავშირდები სავარაუდო კონტრაქტორს ან ქვეკონტრაქტორს, არც მის რომელიმე თანამშრომელს, წარმომადგენელს ან აგენტს, სატენდერო შემოთავაზების ნებისმიერ საკითხთან დაკავშირებით.
4. მე გულდასმით შევამოწმე ჩემი და ჩემი ოჯახის წევრების სამსახურებრივი (წინა, ამჟამინდელი და განხილვის პროცესში მყოფი) და ფინანსური ინტერესები. აღნიშნული შემოწმების შედეგად ვადასტურებ, რომ ჩემს ხელთ არსებული ინფორმაციის საფუძველზე, წინამდებარე შეთანხმების გაფორმების მომენტისთვის:
    a. არ გამაჩნია პიროვნული ან ორგანიზაციური ხასიათის ფაქტობრივი ან პოტენციური ინტერესთა კონფლიქტი, რომელიც შემზღუდავს სატენდერო შემოთავაზებების მიუკერძოვებელ და ობიექტურშეფასების განხორციელებაში, ან რომლის შედეგად ერთ ან რამოდენიმე სავარაუდო კონტრაქტორს ან ქვექონტრაქტორს მიენიჭება არასამართლიანი კონკურენტულიუპირატესობა, და ასევე
    b. სრულად გავამჟღავნე აღმასრულებელ დირექტორთან ყველა პოტენციური ინტერესთა კონფლიქტი და სრულად დავემორჩილები აღმასრულებელი დირექტორის ინსტრუქციებს ფაქტობრივი ან/და პოტენციური ინტერესთა კონფლიქტ(ებ)ის შესამცირებლად, თავიდან ასაცილებლად ან გასანეიტრლებლად. აღნიშნული შეიძლება ასევე გახდეს ჩემი სატენდერო კომისიის წევრობის შეჩერების საფუძველი. მესმის და ვადასტურებ, რომ ასევე ვიქნები ვალდებულების ქვეშ ვიმოქმედო ინსტურციების შესაბამისად და გავამჟღავნო ზემოთაღნიშნული კონფლიქტები დაუყოვნებლივ, მათი გამორკვევის ნებისმიერ ეტაპზე სატენდერო შეფასების დამთავრებამდე.

ხელმოწერა

სახელი, გვარი: კახაბერ ხურცილავა

თარიღი: 10.02.12.

To be signed by Evaluation Committee members

Certification and Agreement for the use and disclosure of proposals

With respect to proposals submitted in response to Rehabilitation Works for IDP's Housing tender, the undersigned hereby agrees and certifies to the following:

1. I will use the proposals and all information therein other than information otherwise available without restriction, for evaluation purpose only. I will safeguard the proposals, and will not remove them from the site at which the evaluation is conducted unless authorized by the Executive Director. In addition, I will not disclose them, or any information contained in them (other than information otherwise available without restriction), except as directed or approved by the Executive Director.
2. I will ensure that any authorized restrictive legends placed on the proposals by prospective contractors or subcontractors, or MDF, will be applied to any reproduction, or abstract of information, made by me. Upon completing the evaluation, I will return all copies of the proposals, and any abstracts thereof, to the MDF office that initially furnished them to me.
3. Unless authorized by the Executive Director in advance in writing I will not, whether before, during, or after the evaluation, contact any prospective contractor or subcontractor, or their employees, representatives or agents, concerning any aspect of the proposal.
4. I have carefully reviewed my employment (past, present and under consideration) and financial interests, as well as those of my household family members. Based on this review, I certify, to the best of my knowledge and belief as of the date indicated below, that I either
    a. Have no actual or potential conflict of interest, personal or organizational, that could diminish my capacity to perform an impartial and objective evaluation of the proposals, or that might otherwise result in an unfair competitive advantage to one or more prospective contractors or subcontractors, or
    b. Have fully disclosed all such potential conflicts to the Executive Director, and will comply fully, subject to termination of my evaluation services, with any instructions by the Executive Director to mitigate, avoid, or neutralize actual or potential conflict(s). I understand that I will also be under a continuing obligation to disclose, and act as instructed concerning, such conflicts discovered at any time prior to the completion of the evaluation.

Signature:

Name Typed or Printed: Zurab Chinchilakashvili

Date: 10-02-12

სატენდერო შემოთავაზებების გამოყენების და გამჟღავნების შეთანხმება

საქართველოს რეგიონებში იძულებით გადაადგილებულ პირთა ბინების რეაბილიტაციის ტენდერის ფარგლებში წარმოდგენილი სატენდერო შემოთავაზებებთან დაკავშირებით ქვემოთ ხელმომწერი ეთანხმება და ადასტურებს შემდეგს:

1. სატენდერო შემოთავაზებებს და ყველა იმ ინფორმაციას, რომელზეც ვრცელდება შეზღუდვა, გამოვიყენებ მხოლოდ სატენდერო შეფასების მიზნებისათვის. გავუფრთხილდები აღნიშნულ სატენდერო შემოთავაზებებს და აღმასრულებელი დირექტორის შესაბამისი წერილობითი ნებართვის გარეშე არ გავიტან სატენდერო შეფასების პროცედურების განხორციელების ადგილიდან. გარდა აღნიშნულისა, აღმასრულებელი დირექტორის მითითების და წერილობითი ნებართვის გარეშე, არ გავამჟღავნებ სატენდერო შემოთავაზებებშიმითითებულ ინფორმაციას (იმ ინფორმაციის გარდა, რომელიც ხელმისაწვდომია შეზღუდევების გარეშე).
2. ვუზრუნველყოფ, რომ სავარაუდო კონტრაქტორის, ქვეკონტრაქტორის ან მგფ-ის, მიერ განხორციელებული ნებისმიერი შემზღუდავი აღნიშვნა სატენდერო შემოთავაზებებზე გავრცელდეს ასევე ნებისმიერ რეპროდუქციაზე (ასლი, ფოტოკოპია და სხვა) ან/და ამონარიდზე. სატენდერო შემოთავაზებების შეფასების დამთავრებისთანავე, დავაბრუნებ ყველა ასლს ან/და ამონარიდს მგფ-ს ოფისში, სადაც აღნიშნული დოკუმენტაცია გადმომეცა.
3. აღმასრულებელი დირექტორის წინასწარი წრილობითი ნებართვის გარეშე, არც შეფასების პროცესის დაწყებამდე, არც მის მიმდინარეობის დროს და არც მის დამთავრების შემდეგ, არ დავუკავშირდები სავარაუდო კონტრაქტორს ან ქვეკონტრაქტორს, არც მის რომელიმე თანამშრომელს, წარმომადგენელს ან აგენტს, სატენდერო შემოთავაზების ნებისმიერ საკითხთან დაკავშირებით.
4. მე გულდასმით შევამოწმე ჩემი და ჩემი ოჯახის წევრების სამსახურებრივი (წინა, ამჟამინდელი და განხილვის პროცესში მყოფი) და ფინანსური ინტერესები. აღნიშნული შემოწმების შედეგად ვადასტურებ, რომ ჩემს ხელთ არსებული ინფორმაციის საფუძველზე, წინამდებარე შეთანხმების გაფორმების მომენტისთვის:
    a. არ გამაჩნია პიროვნული ან ორგანიზაციური ხასიათის ფაქტობრივი ან პოტენციური ინტერესთა კონფლიქტი, რომელიც შემზღუდავს სატენდერო შემოთავაზებების მიუკერძოველელ და ობიექტურშეფასების განხორციელებაში, ან რომლის შედეგად ერთ ან რამოდენიმე სავარაუდო კონტრაქტორს ან ქვექონტრაქტორს მიენიჭება არასამართლიანი კონკურენტულიუპირატესობა, და ასევე
    b. სრულად გავამჟღავნე აღმასრულებელ დირექტორთან ყველა პოტენციური ინტერესთა კონფლიქტი და სრულად დავემორჩილები აღმასრულებელი დირექტორის ინსტრუქციებს ფაქტობრივი ან/და პოტენციური ინტერესთა კონფლიქტ(ებ)ის შესამცირებლად, თავიდან ასაცილებლად ან გასანეიტრლებლად. აღნიშნული შეიძლება ასევე გახდეს ჩემი სატენდერო კომისიის წევრობის შეჩერების საფუძველი. მესმის და ვადასტურებ, რომ ასევე ვიქნები ვალდებულების ქვეშ ვიმოქმედო ინსტურციების შესაბამისად და გავამჟღავნო ზემოთაღნიშნული კონფლიქტები დაუყოვნებლივ, მათი გამორკვევის ნებისმიერ ეტაპზე სატენდერო შეფასების დამთავრებამდე.

ხელმოწერა

სახელი, გვარი: ზურაბ ჩინჩილაკაშვილი

თარიღი: 10.02.12