

**PROCUREMENT STATUTE
OF THE CHAMBER OF
COMMERCE OF
BOGOTÁ**

LEGAL VICE PRESIDENCY

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PROCUREMENT STATUTE OF THE CHAMBER OF COMMERCE OF BOGOTA

The purpose of this Statute is to integrate the Policy and the general standards and principles that will govern the procurement processes of the Chamber of Commerce of Bogota-CCB for the acquisition of goods and services.

Chapter I. Procurement Policy

Article 1.- Procurement policy of the Chamber of Commerce of Bogota - CCB.

The Procurement Policy establishes a general framework under which CCB shall manage its contracting processes to guarantee efficacy in the acquisition of goods and services required to meet its main objective, which is to: Increase prosperity of the Bogota-Region inhabitants. This is achieved by strengthening the business capabilities and enhancing the environment to generate shared values under governance principles and a long-term global view that complies with the duties conferred by the law and other standards.

To that effect, the policy promotes and encompasses the following:

- Assure an efficient and effective planning and the encouragement of best practices in contractual management to guarantee the supply of goods and services in a responsible, sustainable and effective way in accordance with quality, costs, risk minimization and opportunity.
- Guarantee procurement transparency stated in the use of a registry of suppliers of goods and services, the implementation of the policy and of this Statute, as well as the verification and dissemination of contractual processes where CCB acts as a buyer or contractor.
- Create liaison spaces with its vendors and contractors to promote conditions that strengthen competitiveness and generate mutual benefit actions.
- Extend the use of ethical, responsible and sustainable practices according to CCB's institutional values.
- Improve the understanding of procurement needs and procedures by strengthening the technical and professional skills of employees whose duties evolve around acquisitions and procurement.
- Promote the use of electronic techniques as long as it guarantees compliance with the requirements established in the law.

-Assure the development of management systems, processes, procedures, protocols and other tools that guarantee the implementation of this policy.

-Implement the principles adopted in this Statute, which shall be expressly incorporated in the manuals and contractual documents.

Paragraph: The areas involved with the acquisition and procurement duties of goods and services of CCB are responsible for the implementation and compliance of this policy. The Legal Vice-Presidency and the Planning Department will be in charge of managing, doing the follow up and monitoring the compliance of this policy.

Chapter II. Provisions

Article 2 - Scope.

This Statute shall be applied throughout the procurement processes in which CCB acts as the contracting party, except in the following cases:

- a. Employment contracts
- b. Utilities contracts.
- c. Operations performed through petty cashes.
- d. Banking or financial services.
- e. Memberships in organizations or clubs and payments of programs offered to the general public for employees' training purposes.
- f. Affiliations, contributions, taxes or fees and payments that correspond to or derive from the compliance of legal or regulatory obligations.
- g. Legal businesses in which CCB acts as a provider of goods and services, in which, under all circumstances, shall adhere to the principles embodied in the Statute.

Article 3 - Legal Nature and procurement regime.

CCB is a non-for-profit, private, corporate, union-like entity, whose procurement is governed by private law.

Article 4 - Procurement principles.

CCB will apply the general principles of private law to its contractual processes, as well as the following principles: Equality, transparency, morality, effectiveness, economy, promptness, responsibility, impartiality, objective selection and planning.

Chapter III. Authorities, authorizations, competencies and responsibilities

Article 5 - Authorizations.

CCB will have collective authorities that will intervene in the procurement processes foreseen in this Statute. In their respective competency frameworks, the authorities shall respond for their recommendations, proceedings and omissions while exercising their duties, but under no circumstances, they will waive the responsibility that expenditure authorities have.

Article 6 -Competence of the Board of Directors.

The Board of Directors shall authorize the opening of selection processes and the underwriting of all acts, contracts or agreements executed by CCB, totaling more than 2.000 current legal monthly minimum salary (SMMLV) without VAT.

Article 7- Competence of the Executive Committee of the Board of Directors.

The Executive Committee of the Board of Directors shall authorize the underwriting of all acts, contracts and agreements entered into by CCB whose amount ranges between 1.000 SMMLV and 2000 SMMLV without VAT.

Article 8 - Competence of the Executive President.

The Executive President (EP) in its capacity as the Legal Representative of CCB shall be the expenditure authority of all of the procurement executed by the entity, power that the EP can delegate according to the Statutes of CCB, adopted by the Board of Directors and by other standards that substitute, repeal or amend thereof.

For such amounts that are less or equal to 1000 SMMLV without VAT, the Executive President, being the expenditure authority, does not require any authorization.

Paragraph. The expenditure authority can execute additions to contracts or agreements, when these do not exceed the ten percent (10%) of their initial value, without the need for authorization from any other authority. The other additions must have a recommendation from the competent body or an authorization from a higher authority.

Article 9 -Procurement Advisory Committee.

The Executive President shall determine the composition and operation of the Procurement Committee. This Committee is an advisory and consultative body for the different authorities that approve and order the contractual expenditure when the estimated value of the contracting or agreement is equal to or exceeds the equivalent of 100 SMMLV without VAT.

Its recommendations are not binding for the expenditure authority.

Chapter IV. Common rules in the procurement processes of CCB

Article 10 - Minimum requirements to participate in procurement processes.

Natural or legal persons who are interested in participating in the procurement processes and execution of contracts with CCB shall comply with the required conditions regarding the identification procedure, selection and registration of suppliers in CCBs potential vendor database, and the compliance with the standards established in the Code of Ethics of CCB and other applicable standards.

Paragraph: To register potential vendors, CCB may search for the information that lies in the Unified Offeror Registry –RUP.

Article 11 - Qualifying Requirements.

These requirements establish the offeror's conditions that are necessary to participate in the selection process and that do not grant scores. The requirements for such criteria shall be adequate and proportional to the nature and cost of the contract to be executed. The legal, administrative and financial capability of the offeror, among others, are an example of these type of requirements.

Article 12 - Assessment Criteria.

Corresponds to those objective factors that are determined in the invitation to offer that will be taken into account to assign the scores to the submitted offers such as: Price, quality, technical aspects, organization, work team, as well as experience, among others.

Overall, CCB shall verify the compliance of qualifying requirements and separately, will weigh the assessable criteria and subsequently the economic offer.

Notwithstanding the foregoing, and upon recommendation from the Procurement Committee, the expenditure authority may abstain from awarding when none of the proposals is convenient for CCB.

Article 13 - Remediability rules.

The substantial aspects will take precedence over the formal ones within the selection processes of CCB. CCB can request for clarifications and/or documents that relate to the offeror's conditions or that back up the content of said proposal, without implying that this could modify the initial scope thereof or give credit to requirements or conditions acquired after the selection process closure.

Article 14 - Mechanisms to obtain more favorable conditions.

Mechanisms to obtain conditions that are more favorable for CCB in the procurement processes, shall be used. Such mechanisms are: Tenders or negotiations, where applicable.

CHAPTER V. Types of Selection

Article 15 - Types of Selection of Contractors

Taking into account the conditions and/or estimated amount of goods and services requested to contract, these are the expected selection types:

1. Private Call.
2. Public Call.

Article 16 - Private Call.

Under this modality, CCB shall select the vendor in the procurement processes whose estimated amount does not exceed the sum of 1000 SMMLV without VAT in which case, and generally, a minimum of 2 proposals will be requested.

Article 17- Public Call.

Under this modality, CCB shall use this selection modality for the procurement processes whose amount is higher than 1000 SMMLV without VAT or when the entity considers it convenient.

The opening of these type of procurement processes shall be communicated to the potential stakeholders by posting a notice in the CCB's web page and in a mass communication and/or dissemination media or in electronic media.

Article 18 - Exceptions.

There is no need to carry on the selection processes foreseen in the aforementioned articles for the following cases:

- a) Contracting due to manifest urgency. This situation shall be justified and approved by the expenditure authority and competent authority. The Procurement Advisory Committee shall analyze it.
- b) Contracting with a unified offeror. This situation shall be justified and approved by the expenditure authority and competent authority upon review by the procurement area.
- c) Contracting due to good standing. This situation shall be justified and approved by the expenditure authority and competent authority upon review by the procurement area.
- d) Contracting under market conditions, whose amount is less than 100 SMMLV before VAT. This situation shall be justified and approved by the expenditure authority and competent authority.
- e) Contracting under *intuito personae*. This situation shall be justified and approved by the expenditure authority and competent authority upon review by the procurement area.
- f) When it has been impossible to choose a contractor after undergoing the selection process. This situation shall be justified and approved by the expenditure authority and competent authority upon recommendation of the Procurement Advisory Committee.

Paragraph: The exceptions require the recommendation of the competent body or an authorization from the higher authority.

CHAPTER VI. Other Provisions

Article 19 - Guarantees.

CCB shall demand such guarantees that, pursuant to the nature of the offer or the contract to protect, result adequate and proportional. Consequently, CCB could demand or accept any guarantee that is available in the national or international market such as: Insurance policies, *stand by* letters of credit, guarantee trusts, bank guarantees, etc.

The following risks shall be covered, depending upon the contracting purpose: Good handling of the advanced payment, prepayment, compliance, salaries, fringe benefits and workers' compensations, stability of works, quality and extra contractual civil liability.

Article 20 - Contract settlement.

Act or agreement between the interested parties whose purpose is to make a final account adjustment and settle the business through the recognition of complied benefits and owed considerations or hold harmless, as the case might be.

CCB will carry out the settlement of contracts according to their nature, or when it deems it appropriate.

Article 21- Supervision and/or inspection.

All of the contracts executed by CCB will have an inspector and /or supervisor who will be accountable for the verification of the contract's compliance. In any case, the expenditure authority (accountable for contracting) or the appointed person, pursuant to the issued regulation, will perform the inspectorship or contract supervision.

Paragraph: The contracts whose amounts are less than 100 SMMLV shall be evaluated case by case to determine if there is a need for supervision.

Article 22 - Dispute resolution.

It is feasible to access conciliation settlement mechanisms, amicable agreements, transaction and arbitration in order to solve conflicts that arise during the execution, underwriting, performance or settlement of CCB contracts.

Article 23 - Implementation

The Executive President of CCB shall issue manuals and other documents that will determine the procedures, conditions and all other procurement related aspects to comply with this Statute.

Article 24 - Glossary.

The expressions used in this Statute will be understood as per the accuracy outlined in the Glossary, Annex No 1.

Article 25 - Transitional regime and validity.

The vendor selection processes that began prior to the effective date of this Statute, will continue until their completion taking into account the standards in force as of its execution date.

ANNEX N° 1

GLOSSARY

Accountable Area. It is the unit inside CCB interested in the acquisition of goods and services.

Addition. Increase in the value of the principal contract.

Advanced Payment. CCB acknowledges its obligation to pay a part or the full amount of the agreed value before the contractor performs its commitments.

Award. CCB's power to allocate to the selected offeror the right to underwrite and execute a contract by virtue of a selection process.

CCB. Chamber of Commerce of Bogota.

Code of Ethics. Guide of Principles adopted by the Board of Directors of CCB that establishes the guiding behaviors of all the stakeholders within the entity's procurement processes which particularly states the binding ineligibility compliance regime, incompatibilities and conflicts of interest.

Contract settlement: Act or agreement between the interested parties whose goal is to make a final adjustment of accounts and settle the contractual relationship by acknowledging complied benefits and owed considerations or hold harmless, as applicable.

Expenditure authority. As provided in the by laws, the Executive President is empowered to engage CCB both at a contractual and at a budget level by signing and act, contract or agreement, as well as other employees who are empowered by the Executive President according to the terms and conditions of the corresponding delegation of power.

Good standing: Situation which takes into account the vendor's quality, training and specific experience conditions that qualify him to perform a contract in a suitable and appropriate way.

Intuito personae (in express consideration of the person): Contracts that can only be executed with a particular vendor due to its exceptional individual, personal or corporate qualities, which guarantee a unique capability to execute the purpose of the contract.

Manifest Urgency. Extraordinary situation that occurs when there is a calamity, *force majeure*, Act of God or disasters or any other similar circumstance that makes it impossible to rely on the contracting modalities established in this Statute and that seriously affects the continuity to provide the goods and/or service.

Market conditions. Event in which the vendor, who is capable of performing the purpose of the required contract is selected, once the price conditions are clearly ascertainable and customary in the market. Among others, it shall be understood that the entity will purchase under market conditions in any of the following circumstances:

- a. The goods or services to be procured shall be purchased in "department stores" according to the definition of the Superintendence of Industry and Commerce –SIC.
- b. The acquisition is done by referring to the prices of goods and services as outlined in specialized publications.
- c. The contract shall be performed in equal or similar conditions as such contracts previously performed satisfactorily by CCB. This condition shall be certified by the area responsible for the contract.

Negotiation: Stage of the agreement, arrangement or covenant to obtain conditions that are more favorable.

Principle of Celerity. Procurement process shall be performed with diligence and with undue delays.

Principle of Economy. Procurement processes shall be performed with austerity and efficiency, by optimizing the use of time and other resources and always pursuing a high level of quality in its actions.

Principle of Efficacy. Procurement shall be designed and conceived to guarantee the fulfillment of objectives, purposes and goals proposed by the entity.

Principle of Equality. CCB shall provide equal treatment to the vendors that will intervene in procurement processes.

Principle of Impartiality. The different proposals or options provided by offerors shall be assessed according to objective and relevant parameters, in such a way that there is no room for subjectivity or bias in the selection of the contractor.

Principle de Morality. Contractual management shall be performed with rectitude, loyalty and honesty.

Principle of Objective Selection. In its procurement, CCB shall select the most favorable offer for the entity according to the established objective selection criteria.

Principle of Planning. Refers to the previous stage in the contracting process where CCBs acquisition needs of goods and services shall be clearly identified.

Principle of Responsibility. Expenditure authorities will bear the consequences of their decisions or omissions in the contractual management.

The different CCB areas and authorities, responsible for the activities that are specific to their contractual management, will ensure that policies and institutional objectives of CCB are met through the contracts.

Principle of Transparency. Pursues the guarantee in the contracts. The most favorable offer that will better serve the interests of CCB, shall be chosen by having full knowledge of the selection conditions and equal opportunities.

Responsible for the contract. The employee drives the pre-contractual actions towards the execution of a contract.

SMMLV. Current legal monthly minimum salary in Colombia.

Tender: Organized mechanism to select a contractor.

Unified Offeror Registry: Due to the characteristics of its goods or services or their exclusiveness in the market, this vendor is the only one who is able to provide them.

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