



January 29, 2018
OSG/037-18

To: The Assistant Secretary General, Secretaries and Executive Secretaries, Directors, and all Staff Members

From: Luis Almagro, Secretary General

Subject: Modification of Procurement Contract Rules regarding electronic bid submissions and the pricing thresholds of the competitive methods

The Procurement Contract Rules of the General Secretariat of the Organization of American States (Executive Order No. 001-1, Corr. 1) are hereby amended to allow -to the maximum extent practicable and considering the technologies and infrastructure available- electronic bid submissions in the "Competitive Negotiated Contracting Procedures" conducted by the General Secretariat; and, update the pricing thresholds of the respective competitive methods in accordance with Directive No. 01/11 adopted on September 9, 2011.

Subsections a. to d. of Section 10.2.2 of the Procurement Contract Rules are amended as follows:

a. Purchases Equal to or Greater than \$100,000

For each procurement likely to result in a contract price equal to or greater than \$100,000, the GS/OAS shall publish a Request for Proposals ("RFP") which sets out the specifications for the goods or services desired and invites 5 or more qualified sources to submit written offers to provide those goods and services. The GS/OAS shall then negotiate with the qualified sources which reply as to the quality and quantity of the goods and services to be provided, their price, and other pertinent considerations, to the end of entering into the most desirable arrangement for the GS/OAS. Publication of the announcement of the RFP must be in the media (newspapers, trade journals, etc.); however, where the total contract sum is less than \$300,000 or the Secretary for Administration and Finance has certified that publication by media is not practicable for reasons of emergency or extraordinary urgency, then the publication requirement may be satisfied by mailing, faxing, or emailing a copy of the RFP to at least five qualified vendors known to the GS/OAS. The GS/OAS may request potential bidders to submit their bids by mail, fax, e-mail or by using the designated online source selection tool. All replies should be summarized on a permanent record, which should be signed by the person(s) receiving the bids.

b. Medium Purchases (\$50,000 - \$99,999)

A medium purchase is a procurement that has a contract price of more than \$50,000 but not more than \$99,999. For medium purchases, the GS/OAS may solicit written bids by mailing, faxing, or E-mailing the prospective vendors a bid sheet. The GS/OAS may request potential bidders to submit their bids by mail, fax, e-mail or by using the designated online source selection tool. A minimum of five qualified sources known to the GS/OAS should be contacted. The bidders may either mail or fax their bids to the GS/OAS; however, in those instances where: (1) the specifications are complicated; or (2) there are less

than three vendors known to the GS/OAS within a two hundred mile radius of where the goods or services are to be purchased, the GS/OAS shall employ the same procedures utilized for purchases equal to or greater than \$100,000. All replies should be summarized on permanent record that should be signed by the person(s) receiving the bids.

c. Small Purchases (\$6,000 - \$49,999)

A small purchase is a procurement that has a contract price between \$6,000 and \$49,999, inclusive. For these purchases, a "short list" of vendors should be established, and in most cases the GS/OAS will solicit bids by telephone, e-mail, or fax, from three or more sources on the list. The GS/OAS may request potential bidders to submit their bids by mail, fax, e-mail or by using the designated online source selection tool. However in those instances where: (1) the specifications are complicated; or (2) there are less than three vendors known to the GS/OAS within a two hundred-mile radius of where the goods or services are to be purchased, the GS/OAS shall employ the same procedures utilized for purchases greater than \$50,000. The short list should be updated twice a year.

d. Purchases Under \$6,000

Procurements with a contract price between \$3,001 and \$5,999, inclusive, should be solicited by telephone, e-mail, or fax. Three bids should be requested, and the bidders may submit their bids by fax, E-mail, or by mail. All replies should be summarized on a permanent record, which should be signed by the person(s) receiving the bids. (A procurement with a contract price below \$3,000 (a direct purchase) does not have to be bid. However, it is incumbent upon the buyer to select the most responsible vendor).

This Directive shall replace any contrary provision and practice of the General Secretariat especially the "Guidelines for the Competitive Bidding and Evaluation Process (For Purchases Equal or Greater Than \$100,000)" adopted by the Secretariat for Administration and Finance on December 2013.

The Procurement Contract Rules and its amendments can be found on the Internet at <http://www.oas.org/legal/english/gensec/EXOR-00-01-CORR1.htm>.

This Directive shall enter into force upon the date printed above.