

**PROCUREMENT PROCEDURE FOR THE OPERATION OF THE ADMINISTRATIVE
FUND FOR AIR QUALITY MONITORING IN THE PASO DEL NORTE AIR BASIN
(AQF), BASED ON THE NORTH AMERICAN DEVELOPMENT BANK (NADB)**

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PROCUREMENT PROCEDURE FOR THE OPERATION OF THE ADMINISTRATIVE FUND FOR AIR QUALITY MONITORING IN THE PASO DEL NORTE AIR BASIN (AQF), BASED ON THE NORTH AMERICAN DEVELOPMENT BANK (NADB)

I. Ethics Considerations for Staff

1. Members of the Administrative Unit and Fund Committee should be aware of the AQFs Conflict of Interest Policy. They may not have a direct or indirect interest, financial or otherwise, that is in substantial conflict with the proper discharge of their responsibilities as outlined in the Resolution by the Joint Advisory Committee (JAC) for the creation of the technical commissions to support the AQF and this procurement procedures. Potential conflicts of interest must be disclosed using the Conflict-of-Interest Form. Some relevant provisions include:
 - a) **Gifts:** Members of the Administrative Unit and Fund Committee should not accept or solicit any gift, favor, service, or loan that might reasonably appear to influence them in the discharge of their responsibilities.
 - b) **Self-Dealing:** Members of the Administrative Unit and Fund Committee may not transact any business in an official capacity with any business entity of which he is an officer, agent, or member, or in which he owns a substantial interest.
 - c) **Purchases from/by Members:** Purchases are not permitted from a member of the Administrative Unit and Fund Committee.
 - d) **Benefits for Performing Official Duties:** A Members of the Administrative Unit and Fund Committee should not solicit, accept, or agree to accept any benefit for having exercised their responsibilities and duties.
2. Participants in the evaluation of vendor bids and proposals are required to sign and abide by a Conflict-of-Interest Statement and Confidentiality Agreement that applies specifically to the solicitation being evaluated. Evaluation team members must sign a separate agreement for every bid/proposal they are asked to evaluate.
3. Any violations of these purchasing ethics will be reported to the Fund Committee, to the institutions which the members represent, and to NADB.

II. Stages of the Procurement Process

1. Need for a product or service identified by Fund Committee
2. Definition of specifications or development of a scope of work (SOW)
3. Solicitation of price quotations, bids or proposals from suppliers
4. Selection of provider and report for the Fund Committee
5. Approval by Fund Committee and informing NADB
6. Contracting by NADB
7. Accept delivery and document receipt or completion
8. Issue payment

III. Notification and Advertising Requirements

1. When notification and advertising requirements are triggered, general procurement notices, invitations to bid or requests for participation shall be advertised in the JAC website, the JAC mailing list, and can also be circulated in one newspaper of national or local circulation appropriate to the project location. Notification shall be given in

sufficient time to enable prospective bidders to obtain bidding documents and prepare and submit their responses.

2. Once the bidding or selection process is finalized and the determination to award a contract has been shared with NADB, the Administrative Unit will post a publication on the AQF section of the JACs website containing the identification of the bid, including a basic summary and the name of the winning bidder.

IV. Define the Scope of Work (SOW)

1. The Fund Committee approves the projects, services or assets needed to fulfill the AQF's objective and directs the Administrative Unit to undergo the procurement processes.
2. The Administrative Unit must identify the specific need for goods or services by defining the specification or scope of work (SOW). The specifications or SOW must be sufficiently detailed for suppliers to accurately respond to requests for quotation, bids or proposals.
3. The goods or services that can be included in the SOW will be limited to:
 - a) Operating costs, maintenance, and human resources to support air quality monitoring stations in Ciudad Juárez, Chihuahua.
 - b) Infrastructure, technology, and equipment to enhance existing monitoring stations and to add new monitoring stations, Ciudad Juárez, Chihuahua.
 - c) Administrative costs and quality assurance.
4. The SOW should include:
 - a) Detailed description of the good or service, such as:
 - i. manufacturer's part number
 - ii. specific sizes, volumes, properties, etc.
 - iii. if applicable, description of the methods and technical approach to be taken to complete the work assignment.
 - iv. full descriptions of tasks and service deliverables required
 - v. description of functional requirement for a software solution
 - b) Quantity required
 - c) Quality requirements
 - i. in the case of acquisition of environmental data, a Quality Assurance Project Plan (QAPP) meeting all applicable TCEQ and EPA requirements shall be requested
 - d) Date requirements such as:
 - i. due date for goods
 - ii. project completion dates for services
 - iii. schedule of deliverables listing start and end dates

V. Eligibility

1. The Administrative Unit must ensure that only academic institutions, private entities - including for profit and not for profit organizations- and individuals provide quotes, participate in the bidding process, or submit proposals. State and Municipal governments cannot serve as vendors, contractors or provide services funded by the AQF.
2. The Fund Committee or Administrative Unit may determine to limit eligibility to providers from a particular country, region, or area, including from a specific municipality such as Ciudad Juárez, Chihuahua. A justification supporting such decision should be kept in the records of the procurement process.

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3. Any firm, individual, parent company, subsidiary, or previous form of organization constituted by or with any of the same individual(s) and principal(s) declared ineligible by NADB in accordance with its debarment procedures or declared ineligible by another international or domestic public financial institution and subject to agreements that NADB might have for the mutual enforcement of sanctions shall be ineligible to be awarded AQF funding, during the period of time determined by NADB or by the relevant international or domestic public financial institution, as applicable.

VI. Specific Procedural Requirements

1. In addition to following the requirements of this procurement policy, whenever AQF-funded procurements are made using funds from entities that specify procedural requirements to be followed by their recipients or subrecipients, then to the maximum extent possible and consistent with applicable law, AQF-funded procurements will also follow the specific procedural requirements imposed by that funder. This provision explicitly contemplates those requirements imposed under US law for funds provided by the US federal government, which are found at 2 CFR Part 200, and specifically the "Federal Procurement Standards" at 2 CFR 200.317 through 200.327.

VII. Solicitation Procedure for Quotations, Bids or Proposals

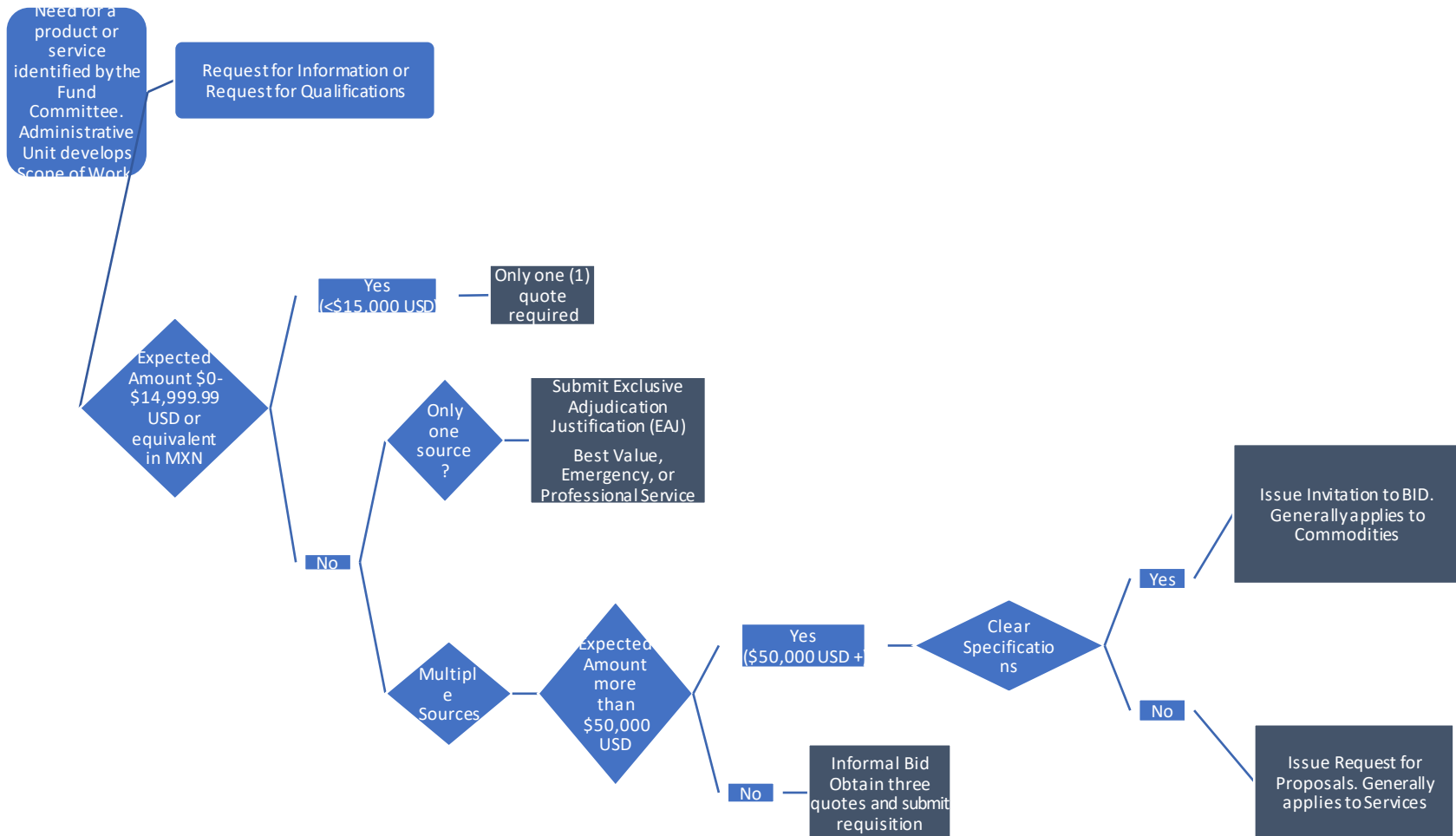
1. Once the specifications or SOW have been developed, the correct solicitation process can be determined.
2. Solicitation methods are generally determined based on the estimated value of the product or service to be purchased. The Administrative Unit generally may solicit quotations from suppliers for purchases up to \$50,000. Purchases with a value expected to be greater than \$50,000 often require a formal solicitation process.
3. The following value thresholds govern the purchase of goods and services.

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Dollar Range (USD or equivalent in MXN)		Solicitation Process of Quotes or Proposals
\$0	\$14,999.99	Competitive quotations are encouraged, but not required. Administrative Unit can solicit quotations from suppliers
\$15,000	\$50,000	A minimum of three (3) quotations are required. Quotations must be received in writing (mail, email, fax). A good-faith effort must be made to include at least one (1) quote each from a minority-owned or woman-owned business. An Exclusive Acquisition Justification (EAJ) may be used in situations where the good or service may be proprietary or only one (1) supplier is capable of meeting the requirement.
\$50,000.01	+	Consult with the Fund Committee the most appropriate procurement method. A formal solicitation process may be required. An Exclusive Acquisition Justification may be used in situations where the good or service may be proprietary or only one supplier is capable of meeting the requirement.

4. The purchasing workflow diagram below identifies the appropriate procedure for a given situation.

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VIII. Informal Bids. Purchase Value of \$15,000 - \$50,000

1. Informal bidding is used to procure goods or services when the expected value equals or exceeds \$15,000 but is less than or equal to \$50,000. The following guidelines apply to informal bids:
 - a) The bidding opportunity is not required to be publicly posted
 - b) Suppliers may submit their bids via mail or email
 - c) The Administrative Unit must obtain a minimum of three (3) written bids
 - d) The Fund Committee may solicit additional bids if it determines that there are additional suppliers capable of providing the goods or services
2. Procedure:
 - a) The Administrative Unit solicits bids from suppliers for the required good or service and informs the Fund Committee and NADB
 - b) If the Fund Committee or NADB consider that additional bids are required, they may notify the Administrative Unit to consider additional offers
 - c) Selection of the winning bid is generally based upon lowest price unless circumstances require consideration of other criteria as previously described by the Administrative Unit
 - d) The Administrative Unit communicates results to the Fund Committee for approval and informs NADB, sending all required documentation, so that it can initiate the contracting process.

IX. Invitation to Bid (ITB). Purchase Value Greater than \$50,000

1. When the expected value of the goods or services exceeds \$50,000, a formal solicitation process is required. The following guidelines apply to the Invitation to Bid (ITB) solicitation method:
 - a) An ITB is generally used when the good or service lends itself to a precise set of specifications, such as manufacturer part number (or equivalent), size, weight, voltage, CPU capacity, etc.
 - b) The evaluation of the ITB is based upon the best value criteria as established by the Administrative Unit, with price and delivery often being weighted more heavily
 - c) ITB opportunities are sent to known suppliers who provide the good or service, however, the opportunity is also publicly posted allowing any supplier to submit a response
 - d) Terms and conditions that will govern the resulting purchase order or contract are included in the ITB document. Suppliers may note exceptions to certain terms and conditions; however, the Administrative Unit may disqualify a supplier for not accepting the posted terms and conditions
2. Procedure:
 - a) The Administrative Unit submits a requisition that includes a list of all required items for approval by the Fund Committee.
 - b) Staff who will be responsible for answering supplier questions or evaluation of bid responses must complete a Non-Disclosure / Conflict of Interest Statement before the ITB is issued.
 - c) The Administrative Unit will complete the ITB document and prepare the ITB document to include:
 - i. a full description of all required items

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- ii. instructions for the bidder on how to submit pricing, delivery information and other required information
 - iii. submittal instructions and the deadline by which to submit their response
 - iv. contact from NADB in case bidders want to inquire on the terms and conditions which will govern the purchase order or contract
- d) The ITB is posted for a minimum of three (3) weeks on the JAC website and shared widely with the JAC mailing list.
 - e) The Administrative Unit informs the Fund Committee and NADB of the evaluation results and the selected bidder(s). Multiple awards are possible in order to achieve the overall best value.
 - f) The Fund Committee may make observations, recommendations, or require additional information from the Administrative Unit.
 - g) All suppliers who submitted bids are notified when an award has been made.
 - h) The Administrative Unit will inform NADB and send the corresponding documentation so that they can initiate the contracting process.

X. Request for Proposal (RFP), Purchase Value Greater than \$50,000 USD

- 1. When the expected value of the goods or services exceeds \$50,000 USD, a formal solicitation process is required. The following guidelines apply to the Request for Proposal (RFP) solicitation method:
 - a) Request for Proposal (RFP) is a formal solicitation method that requires evaluation of proposals based upon best value criteria.
 - b) The best value criteria that will be used to score proposals are weighted and must be approved by the Fund Committee before the RFP can be publicly posted. The evaluation criteria and weights are clearly identified in the RFP. Best value criteria may include, but are not limited to:
 - i. installation costs
 - ii. life cycle costs
 - iii. quality and reliability of the goods and services
 - iv. delivery terms
 - v. indicators of probable supplier performance under the contract, such as past supplier performance, the supplier's financial resources and ability to perform, the supplier's experience and demonstrated capability and responsibility, and the supplier's ability to provide reliable maintenance agreements and support
 - vi. cost of any employee training associated with the purchase
 - vii. other factors relevant to determining the best value for AQF in the context of a particular purchase
 - viii. any other factor that a private business entity would consider in selecting a supplier
 - c) RFP opportunities are sent to known suppliers who provide the goods or services. An RFP opportunity is also publicly posted on the JAC website and distributed among the JAC mailing list so that any supplier may submit a response.
 - d) Terms and conditions that will govern a resulting contract are contained within the RFP. Proposers can note exceptions to certain terms and conditions, however, the Administrative Unit may disqualify a proposer for not accepting posted terms.
- 2. Procedure:

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- a) The Administrative Unit informs the Fund Committee and NADB that it will initiate the RFP process.
- b) Establishment of an evaluation team:
 - i. The Administrative Unit identifies technical and business experts, researchers or other subject matter experts to serve as evaluation team members. The composition of the evaluation team must be approved by the Fund Committee before the RFP is publicly posted.
 - ii. The Administrative Unit will collect Non-Disclosure / Conflict of Interest Statement agreements from all evaluation team members.
 - iii. The evaluation team members work with the Administrative Unit to develop a detailed scope of work (SOW) and a list of questions that will assist the evaluation team in the proposal scoring process.
- c) The Administrative Unit prepares an RFP document, which includes:
 - i. background information regarding the purpose of the solicitation
 - ii. a detailed scope of work
 - iii. a list of questions for proposers to complete
 - iv. instructions on how to submit proposals
 - v. a schedule which includes:
 - (1) date of pre-proposal conference, if needed
 - (2) date for submission of written questions from the proposers to the Administrative Unit
 - (3) proposal submission deadline
 - vi. name, phone number and email address of the contact person designated as point of contact from the Administrative Unit
 - vii. terms and conditions
- d) The RFP is posted for a minimum of twenty one (21) days.
- e) The Administrative Unit shall remove all pricing components from the proposal prior to distributing proposals to the evaluation team. Cost and pricing are scored by the Administrative Unit.
- f) Each member of the evaluation team reviews qualified proposals, scores them based upon the RFP criteria, and submits scores to the Administrative Unit.
- g) The Administrative Unit completes scoring for cost / price and compiles the total score.
- h) The Administrative Unit member designated to lead the process reviews the proposal scores with the evaluation team, and they make a recommendation for award.
- i) The Administrative Unit will present the scoring and recommendation for award to the Fund Committee, who will approve or decline the recommendation.
- j) Once a decision is reached, the Administrative Unit shall notify the selected entity and shall inform NADB, sending along all required documentation so that NADB can initiate final negotiations and the contracting process.
- k) Regret letters are sent to the unsuccessful proposers by the Administrative Unit.
- l) The award results are publicly posted on the JAC website.

XI. Request for Qualifications (RFQ)

1. A Request for Qualifications is used to identify a group of suppliers who meet a set of minimum qualifications in order to submit proposals for a planned solicitation. Only qualified suppliers are then permitted to submit proposals to the solicitation.

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2. Requests for Qualifications add time to the overall solicitation process, but can be valuable in situations where:
 - a. many suppliers provide the goods or services, but the overall quality, reputation and capabilities are widely variable
 - b. aspects of the solicitation are confidential and there is a need to restrict access to the information that would otherwise be publicly posted
 - c. it is unclear whether one supplier has a unique or proprietary offering that could be justified as an exclusive acquisition procurement.
3. Procedure:
 - a. The decision to use the Request for Qualification process is generally made through discussions between the Administrative Unit and Fund Committee and can be consulted with NADB. Since this process does not conclude with a contract award, suppliers are not asked to provide pricing or delivery information.
 - b. The Administrative Unit develops a general scope of work (SOW) along with a set of questions that will be asked of the suppliers to determine their qualifications for the project.
 - c. The Administrative Unit identifies subject matter experts to review supplier submissions and score the responses. The team develops a scoring methodology that will be used in the scoring process. Team members each sign a Non-Disclosure / Conflict of Interest statement. The designated Administrative Unit member provides the form.
 - d. The Request for Qualifications is posted for a minimum of two (2) weeks in the JAC website and shared through the JAC mailing list.
 - e. The evaluation team scores the responses and identifies those suppliers who meet the minimum qualification requirements. Only qualified suppliers are asked to participate in a subsequent solicitation.
 - f. When the Request for Qualifications is concluded, AQF may or may not issue a solicitation.

XII. Request for Information (RFI)

1. A Request for Information (RFI) is used to collect additional information about features and specifications of a product or service. This process is used when the Administrative Unit does not have sufficient information to develop an appropriately detailed scope of work (SOW) to be used in a subsequent solicitation. The solicitation is open to all prospective vendors and is publicly posted on the JAC website and mailing list so that any supplier may submit a response. A supplier is not required to respond to the RFI in order to submit a proposal on a subsequent solicitation.
2. An RFI adds time to the overall solicitation process, but can be valuable in situations where:
 - a. additional information about a product or service is necessary before a SOW can be developed for the project
 - b. potential suppliers for the goods or services need to be identified
3. Procedure:
 - a. The decision to use the RFI process is generally made through discussions between the Administrative Unit and Fund Committee. Since the RFI process does not conclude with a contract award, suppliers are not asked to provide pricing and delivery information.

- b. The Administrative Unit develops a general description of the product or service that is required. Suppliers are asked to submit full descriptions and specifications of the goods or services they provide.
- c. The Administrative Unit identifies subject matter experts to review supplier submissions. RFIs are not scored and evaluation team members are not required to sign Non-Disclosure / Conflict of Interest statements.
- d. The RFI is posted for a minimum of two (2) weeks.
- e. The Administrative Unit reviews the submissions and uses the information to develop a SOW for the subsequent solicitation.
- f. When the RFI is concluded, AQF may or may not issue a solicitation.

XIII. Bid/Proposal Submission Requirements

1. In order for the supplier's bid or proposal to be considered, it must comply with the formal solicitation document. Formal solicitation documents specifically outline the information and format required. Bids or proposals that do not meet these submission requirements are subject to disqualification. Here are some items that suppliers should be aware of when they submit a bid/proposal:
 - a) Designated Contact for All Communications: A designated member of the Administrative Unit is assigned to each bid and is responsible for all communications related to that solicitation. During the course of the solicitation process, prospective bidders or proposers must direct all communications to the solicitation's designated member.
 - b) Exceptions to Standard Terms and Conditions: Standard terms and conditions apply to the subsequently awarded purchase order or contract. Bidders or proposers may propose exceptions to the terms and conditions; however, this could result in disqualification of the supplier's bid or proposal. Requested exceptions must include proposed alternative language.
 - c) Submission Deadline: Bids or proposals must be received by the submission deadline. Those received after the submission deadline will not be opened and will not be considered.

XIV. Exclusive Acquisition

1. Most purchases for AQF should be made on a competitive basis. However, there may be times when competition does not exist, or it is in AQFs best interest to use a particular product or services. Since these purchases eliminate competition, a justification must be submitted with any purchase where only one (1) supplier is being considered for requests that exceed \$15,000. Annex I. must be completed in the case of an Exclusive Acquisition. The justification must:
 - a. Identify the unique features of the particular product of service
 - b. Explain the need for the unique features of the product of service
 - c. Explain why other products or services are not acceptable
2. There are four (4) categories of purchases that require exclusive acquisition justification.
 1. Proprietary: Justification for a proprietary purchase is used when the goods or services are only available through a single source.

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2. Best Value: Justification for a best value purchase is used when it is in the best interest of AQF to use the particular good or service, but there is more than one (1) source available.
3. Emergency Purchases: Justification for an emergency purchase occurs as the result of an unforeseen circumstance that requires immediate response to prevent financial or operational damage to the monitoring stations. An emergency purchase may be warranted to prevent a hazard to life, health, safety, welfare, or property, or to avoid undue additional cost.
4. Professional Services: Professional service providers are generally pre-qualified based upon a Request for Qualifications (RFQ). The contract award is based upon negotiations with the most qualified provider. When a professional service is required and no pre-qualification has been established, a contract award must be justified as an exclusive acquisition to establish that the selection meets best value criteria. Professional service providers are normally licensed or certified and the scope of their services include:
 - a) accounting
 - b) legal counsel
 - c) professional engineering
 - d) auditors for Quality Assurance and Quality Control
3. A provider of professional services may not be selected on the basis of competitive bids, but rather on the basis of demonstrated competence and qualifications to perform the service and for a fair and reasonable price.

XV. Additional Considerations applicable to Consultants

1. In addition to considering the applicable procurement method based on expected contract amount or specific characteristics that may lead to an Exclusive Acquisition, the hiring of consultants should consider the requirements set in this section.
2. The term “consultants” includes a wide variety of private and public entities, including consulting firms, engineering firms, construction managers, universities, research institutions, government agencies, nongovernmental organizations (NGOs), and individuals. The consulting services to which these policies apply are of an intellectual and advisory nature. These policies do not apply to other types of services in which the physical aspects of the activity predominate.
3. Consultants shall not be hired for any assignment that would conflict with their prior or current obligations to other clients, or that may place them in a position of being unable to carry out the assignment in the best interest of the AQF. Without limitation to the generality of the foregoing, consultants shall not be hired under the circumstances set forth below:
 - a) Conflict between consulting activities and procurement of goods, works or services: A firm that has been engaged to provide goods, works, or services (other than consulting services covered by this section) for a project, and each of its affiliates, shall be disqualified from providing consulting services related to those goods, works, or services. Conversely, a firm hired to provide consulting services for the preparation or implementation of a project, and each of its affiliates, shall be disqualified from subsequently providing goods, works, or services (other than

consulting services covered by this section) resulting from or directly related to the firm's consulting services for such preparation or implementation.

- b) Conflict among consulting assignments: Neither consultants (including their personnel and sub-consultants) nor any of their affiliates shall be hired for any assignment that, by its nature, may be in conflict with another assignment of the consultants. As an example, consultants hired to prepare engineering designs for an infrastructure project shall not be engaged to prepare an independent environmental assessment for the same project. Similarly, consultants hired to prepare the SOW, shall not be hired for the assignment in question.
 - c) Relationship with members of the Administrative Unit and Fund Committee: Consultants (including their personnel and sub-consultants) may not be awarded a contract if they have a business or family relationship with someone directly or indirectly involved in any part of:
 - i. the preparation of the SOW;
 - ii. the selection or evaluation process; or
 - iii. monitoring and supervision the contract.
4. The Fund Committee will review the selection process for the hiring of consultants to ensure compliance with these policies. NADB shall be provided all needed documentation in case it deems appropriate to share comments or observations.

XVI. Purchase of Used Equipment

1. There may be instances when the procurement of previously used equipment may be necessary or advantageous, such as when there is a lack of availability of new equipment or when there are budgetary constraints. Despite the potential advantages, there are risks involved with procurement of used equipment.
2. Equipment that is used includes:
 - a. refurbished equipment
 - b. used equipment supplied with the same warranty as new equipment
 - c. equipment used for a demonstration
3. The Administrative Unit must consult with the Fund Committee when considering the purchase of used equipment, as Used Equipment purchases are subject to the approval of the Fund Committee.
4. In general, the purchase of used equipment may not be processed as an exclusive acquisition purchase. Although the equipment may have originally been available from only one source, once equipment appears on the used equipment market, a variety of sellers may be able to provide the equipment.
5. Used equipment purchases follow the same dollar limits that apply to new equipment purchases. The following requirements also apply to used equipment purchases:
 - a. The supplier providing the equipment must provide a letter or signed statement guaranteeing the quality and condition of the equipment bid.
 - b. The Administrative Unit must provide the following information:
 - i. Justification of the requirement for used equipment versus new equipment.
 - ii. Statement from a technical expert who has personally examined the equipment or otherwise verified that the equipment is in the condition

described by the supplier. The statement must also document that the cost of the used equipment warrants the risk involved.

- iii. If extenuating circumstances exist that prevent competitive bidding and the order exceeds \$15,000, an exclusive acquisition justification form must be provided.

XVII. Purchase of Software

1. The purchase of software, regardless of the dollar value of the purchase should ensure accessibility. Accessibility refers to the design of products, devices and services for use by people who have disabilities. With regard to software this generally allows individuals with audio, visual, or motor impairments to utilize the software effectively. The accessibility status of a product must be reviewed and approved prior to the purchase of any software or cloud-based software solution regardless of value.

XVIII. Selection by a Partner Institution

1. Partner Institutions are those who have membership in the Fund Committee and others deemed so by the Fund Committee.
2. The Fund Committee may decide after the scope of work (SOW) has been developed, that a Partner Institution carry out the selection process following its own procedures and regulations, as long as they advance the goals of economy, efficiency, fairness, transparency, and competition.
3. In these cases, the Partner Institution must provide the Fund Committee with all supporting documentation so that the results can be approved, shared with NADB to initiate the contracting process, and maintain complete records. The Fund Committee shall retain the right to review procurement documentation and activities carried out under these other arrangements.
4. Whenever a Partner Institution conducts the procurement, it must maintain communication with the Administrative Unit so that information and requests to bid be shared through the JAC website and mailing list.

XIX. Transfer of Ownership

1. Following numeral 7, 1) of the Resolution, the Fund Committee will approve the transfer or assignment of ownership of the equipment purchased by the AQF for the monitoring stations and communicate such decisions to NADB.
2. NADB will obtain the documentation needed to transfer or assignment of ownership by the vendor to the institution so determined by the Fund Committee and will share the records documenting the assignment or transfer with the Administrative Unit.
3. Equipment expected to be transferred must be purchased by the AQF to allow transfer of ownership.

XX. Supplier Protests, Disputes, Resolutions

1. Any actual or prospective bidder, offeror, or proposer who is aggrieved in connection with the award of a contract may file a formal protest with the Fund Committee.
2. In the case of a protest regarding the selection of a performing party following the procurement procedures, any supplier may write a letter of protest. The letter must be received by the Administrative Unit contact(s) listed on the solicitation within 10 business days of the award:

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- a) a specific identification of the provision(s) contained in this manual or the Resolution that the action complained of is alleged to have violated.
 - b) a specific description of each act of alleged violation.
 - c) a precise statement of the facts relevant to the dispute or protest.
 - d) an identification of the issue or issues to be resolved.
 - e) arguments in support of the protest.
3. The Fund Committee has the authority to settle and resolve the dispute or protest. It will review the letter and respond within 10 business days.
 4. Provided the protest or dispute letter is received within 10 business days of the occurrence, the Fund Committee will hold the award of the contract unless it makes a written determination that the award of the contract without delay is necessary to protect the best interests of AQF.
 5. The appeal shall be limited to review of the determination made by the Fund Committee. A protest or appeal that is not filed within 10 business days will not be considered unless good cause for delay is shown or it is determined that a protest or appeal raises issues significant to the AQF's procurement practices or procedures.
 6. The Fund Committee will issue a written decision for protest determination appeals within 10 business days and that decision will be final.

XXI. Contracting Process

1. As per the resolution creating the technical committees, once the procurement process has concluded and the Fund Committee has approved the results, NADB will be in charge of handling all contracting, including final negotiations, producing legal documents, monitoring and payments.
2. For NADB to contract with vendors for the provision of goods and services, the Fund Committee or Administrative Unit must provide at least the following information and documents:
 - a) Administrative Unit member responsible for the project
 - b) proposed performing party name, representative, background information, and contact;
 - c) a detailed description of the work to be undertaken;
 - d) a description of the tasks and deliverables to be completed including a schedule of deliverables listing start and end dates;
 - e) a description of the methods and technical approach to be taken to complete the work assignment, including completion of each task and subtask and preparation of the deliverables related to each task and subtask;
 - f) the expected timeline for the work, including the start and end date of the work. The start date may not precede the signature date of the contract between NADB and the vendor. The end date shall correspond with the date established in the request for proposals and may not exceed the duration of the work period as established in the solicitation.
 - g) a detailed budget, indicating the costs of services to be performed and all goods included;
 - h) a contract monitoring plan proposal;
 - i) any necessary completed federal forms, if federal funds will be used.

XXII. Contract Monitoring

1. NADB will conduct performance monitoring with collaboration as needed from the Administrative Unit. Performance monitoring is a key function of proper contract administration that helps confirm that the contractor is performing all of its duties and obligations in accordance with the terms of the contract, and identify and address any developing problems or issues.
2. Performance monitoring tools should be specified in the solicitation and included in the contract.
3. The Administrative Unit will be responsible for developing a monitoring plan proposal, which will be administered by NADB in conjunction with the Administrative Unit. The monitoring plan will address the risks that have been identified for the contract.
4. Monitoring tools that can be incorporated in the plan include:
 - a) **Site Visits:** Contracts that are complex or have a high degree of risk may require visits. Site visits may be used to verify that the contractor's performance complies with the contract schedule or other requirements.
 - b) **Periodic Business Reviews:** Formal, face-to-face business reviews should be scheduled at appropriate intervals to assure that contractor's performance is discussed. These reviews should have a formal agenda that specifically addresses all identified areas of risk, as well as discussion of opportunities for improvement that have been identified.
 - c) **Desk Reviews:** A desk review includes a review of reports submitted by a contractor. Criteria for items that require reporting by the contractor should be included in the contract monitoring plan.
 - d) **Expenditure Document Reviews:** An expenditure document review includes analysis of contractor invoices to determine if the fee rates and expenditure items are permitted under the terms of the contract, and if the supporting documentation adequately supports the invoice.

XXIII. Payments by NADB

5. NADB will make payments to contracted vendors upon clearance of deliverables in consultation with the Fund Committee or Administrative Unit, as appropriate. Any disbursement of Funds will be in accordance with NADB's procedures and requirements.

ANNEX I. Exclusive Acquisition Justification Form for Noncompetitive Purchases Over \$15,000 USD or equivalent MXN

The competitive bidding process is the standard for AQF procurement. In rare situations though, due to the unique nature of some goods and services, competition may not be possible. It is the responsibility of the Administrative Unit to verify that competition is not required and that the acquisition will result in “best value”.

This form is designed to assist in documenting and communicating the required information to the Fund Committee and NADB. Answer the questions below as completely as possible.

I. GENERAL INFORMATION

Today’s Date:	
Estimated Dollar Amount:	

CONTACT INFORMATION

AQF INFORMATION		SUPPLIERS INFORMATION	
Contact Name:		Suppliers Name:	
Phone:		Contact Name:	
Email Address:		Phone:	
		Email Address:	

II. TYPE OF JUSTIFICATION

Mark the box next to the selected justification

- 1. Proprietary and Best Value
 - Only known supplier that meets your scope of work
- 2. Emergency
 - A purchase for which delay would create a hazard to life, health, safety, welfare or property.
- 3. Professional services
 - Designated professional for which competitive bidding is not permitted.

III. GOODS OR SERVICE INFORMATION

PRODUCT MAKE/MODEL OR SERVICE	
DESCRIPTION OF REQUEST Describe the good or service to be procured and how it meets your needs.	

IV. PROPRIETARY AND BEST VALUE JUSTIFICATION

SPECIAL USE REQUIREMENTS (equipment only)		
To be compatible with existing equipment:	Yes	No
For the repair, maintenance, or modification of existing equipment:	Yes	No
For use as spare or replacement equipment:	Yes	No
REQUIRED FEATURES List the specific feature(s) or characteristic(s) that are required which are unique to the good or service provided by this supplier. Describe the importance of the unique feature(s) as it applies to the intended use and project goals. Describe how the selected supplier meets these requirements.		
EVALUATION OF OTHER SOURCES Identify other sources that were evaluated (including the names, manufacturers, model numbers, etc.) and the reason they were found to be unsatisfactory for the intended use or in meeting project goals. (Attach copies of any quotes collected from other suppliers)		
RISK ELEMENTS Describe any substantial risks that could not be overcome if the product or service was procured from another supplier.		

V. EMERGENCY JUSTIFICATION

RISK ELEMENTS State the financial or operational damage/risk that will occur if needs are not satisfied immediately (You must provide specifics when explaining any loss or damage).	
SPECIAL CIRCUMSTANCES State why the needs were not or could not be anticipated so that goods/services cannot be purchased following standard procedures.	
SUPPLIER SELECTION State the reason and process used for selecting the supplier (Attach quotes/proposals received from other sources, if applicable).	

VI. PROFESSIONAL SERVICES JUSTIFICATION

SUPPLIER SELECTION Criteria used to select the supplier for these services.	
REASON FOR SELECTION Identify specific qualifications of selected supplier.	