



Procurement Policy of **Sonatrach**



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► Procurement Guidelines

The Procurement Guidelines aim at specifying:

- The rules for the procurement Goods, works and Installation of plants ;
- The methodology for developing the Bidding Documents;
- The sequences of the Bidding process;

THE CONTENT OF THE GUIDELINES

These Guidelines consecrate the following principles :

1. Adopting the competitive bidding as a general rule of contracting, and the direct agreement as an exceptional way of bidding, under the conditions laid down by Bidding Regulation.

The main competitive bidding used are :

1. Open invitation to tender (national and/or international).
2. Restricted invitation to tender (national and/or international).
3. Selective consultation after prequalification process for complex and large contracts.

Direct agreement is concluded within the following circumstances :

Emergency operations inconsistent with the duration of a competitive bidding, for exceptional circumstances duly proved with relevant documents and records;

Material subject to exclusive rights and proved to be only provided by a unique or sole supplier;

- Unsuccessful bidding ;
2. Equal treatment of all bidders :
 1. Transparency

2. Encouraging the use of local-skilled labor and local subcontracting.
3. Establishing the right of appeal for the bidders contesting the results of the bids ;
4. Possibility of sing for selection the criterion of "Most Valuable Bid" value as a criterion for the selection of bidders, in addition to the criteria of unique price and the technical and financial weighting for contracts of studies and services.
5. Adopting single and two-stage (02) tendering process :
 1. The one-step process (simultaneous submitting and opening of the technical and financial bids) for simple and repetitive contracts ;
 2. The two-stage process (technical bids evaluation stage followed by financial bids opening and evaluation) for large and complex contracts.
6. Setting ethical rules specific to Sonatrach and the right to exclude companies from taking part to our tenders for non-compliance with these rules.
7. Compulsory publishing of the Calls to tender of Sonatrach on the Journal of Bids of the Energy and Mines Sector 'BASOEM'

CONCLUSION

The procurement policy in force aim at :

- Enhancing competition, transparency and equity principles;
- Giving confidence to bidders during all the stages of the bidding process;
- Achieving balanced transactions in terms of rights and obligations of the Parties;
- Ensuring a quality control on the procurement of goods and services and on the achievement of planned operations;
- Strengthening procurement managerial and organizational skills;
- Ensuring cost reduction and control of the process of procurement;
- Allowing a continuous review and assessment of the procurement Policy