



# Procurement policy

September 2021



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## PREAMBLE



This procurement policy is aimed primarily at the Institut Pasteur's suppliers and also at supervisory authorities and the broader community of donors.



The document is intended to be shared with the general public and is accessible via the Institut Pasteur website.



This document was developed on the basis of the Procurement Department's mandate. It sets out the missions and working methods of the Procurement Department.



The document was drafted in March 2021 and approved by the senior management team in June 2021.

## INTRODUCTION

The Institut Pasteur is an international center for biomedical research whose aim is to contribute to the prevention and treatment of infectious and non-infectious diseases through four key missions:

- research,
- innovation and the applications of research,
- teaching and training scientists and practitioners,
- public health initiatives that support health authorities and help patients.

The Procurement Department works alongside scientists and all Institut Pasteur staff to support and participate in the success of these missions.

The Procurement Department aims to contribute to the Institut Pasteur's development and growth.

It focuses its efforts on three strategic objectives:

- Optimizing economic performance and improving risk management,
- Contributing to overall performance by developing collaborative practices within the procurement ecosystem, for the benefit of campus and the Pasteur Network,
- Promoting and preserving the Institut Pasteur's image.

# I – ABOUT THE PROCUREMENT DEPARTMENT

## 1. The values of the Procurement Department

Throughout the procurement process, the work of the Procurement Department is guided by a **buyers' code of ethical conduct** which is part of the Institut Pasteur's **Charter for the Prevention and Management of Conflicts of Interest**.

These principles of ethics and professional conduct serve as a guide for the individual and collective action of staff and stakeholders on a daily basis. They apply to all decision-making and interactions with suppliers.



Within the procurement procedure, all tenders are treated equally (the same information is sent to each tenderer at the same time, the aims and selection criteria are known in advance, etc.). Reciprocal respect is vital.



Attempting to exert influence or allowing oneself to be influenced at any stage in the procurement process (through gifts, activities or other benefits) is prohibited, both internally and externally.



Offers and contracts are strictly confidential and are treated with the utmost discretion.



Any important information relating to a procurement decision or selection process is recorded and documented.



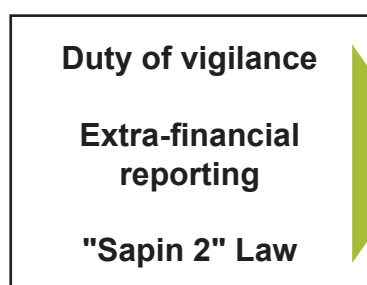
The Procurement Department makes every effort to adopt environmentally friendly practices and promote sustainable initiatives.



## 2. The practices of the Procurement Department

The Procurement Department applies and complies with applicable regulations and conveys the Institut Pasteur's positions on social and environmental issues to its contacts.

### Regulatory obligations



The Procurement Department ensures adherence to international laws and standards in the procurement process. At its own level, it promotes **compliance** with and **effective application of regulations in its relationships with suppliers**.

### Corporate social responsibility



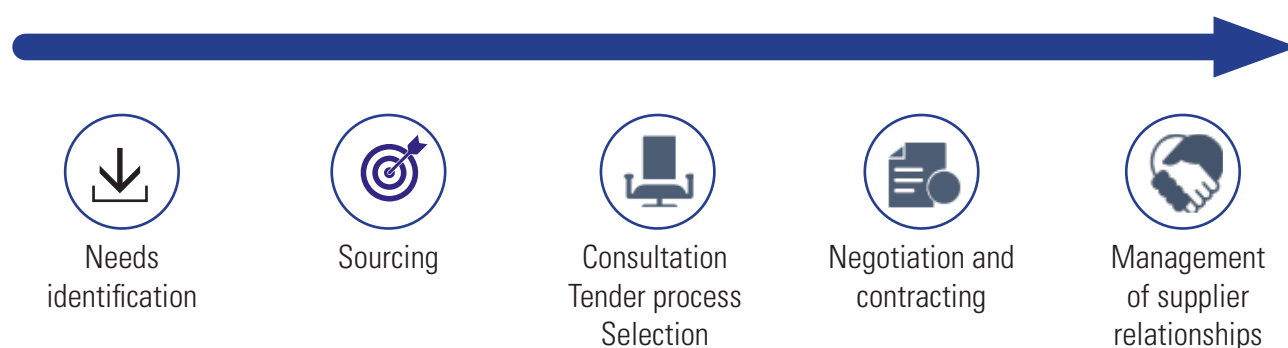
The Procurement Department urges its suppliers to comply with the following practices:

- **Ethical purchasing**, respect for human rights, health and safety in the workplace, tackling corruption, etc.,
- **Socially inclusive purchasing** from sheltered employment programs that encourage occupational integration, especially for disabled employees,
- **Environmentally friendly purchasing** – products that are recyclable, eco-labeled, made from biodegradable/reclaimed/recycled materials, from renewable resources, etc.

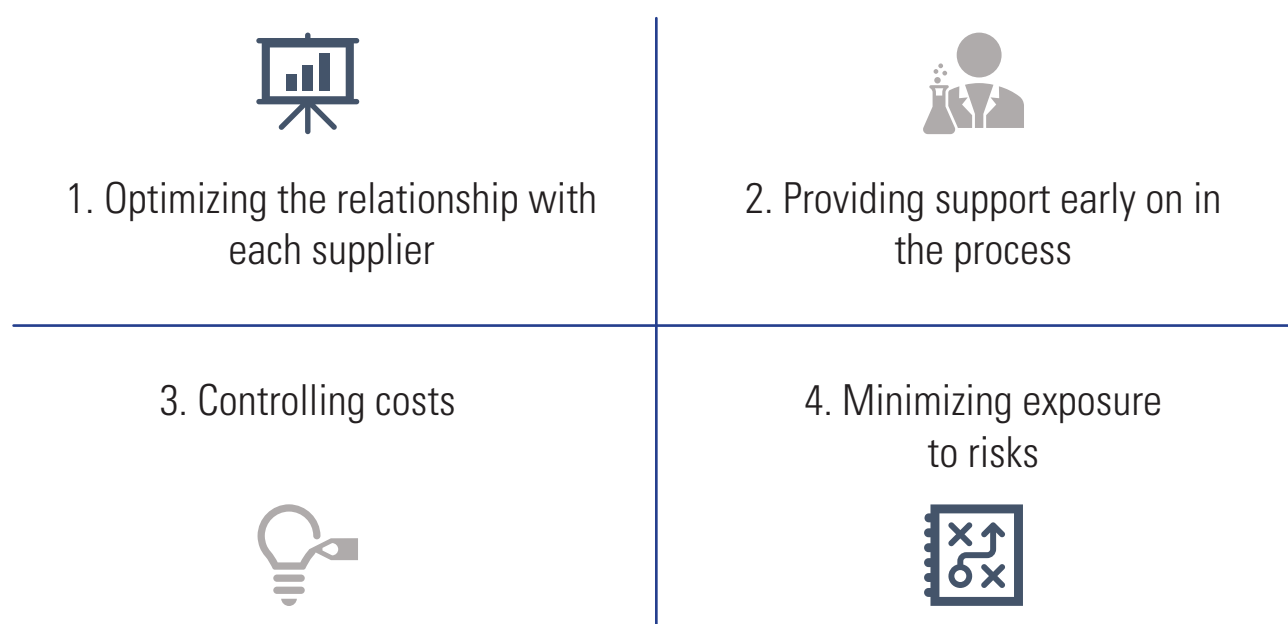
It encourages the selection of companies with an effective CSR policy, as long as they comply with price, quality and time criteria.

## II – THE MAIN MISSIONS OF THE PROCUREMENT DEPARTMENT

The Procurement Department **embraces its cross-cutting role**, offering a comprehensive suite of services for all Institut Pasteur staff. The aim is to establish a **win-win relationship** with suppliers that will **deliver value** to the Institut Pasteur.



This **value creation is based on a secure, effective procurement process**. The added value offered by the Procurement Department can be seen in each of its **four missions**:



## 1. Optimizing the relationship with each supplier

### Effective management of the supplier panel

The Procurement Department selects a small number of recommended suppliers for each category of purchases following a competitive consultation and tender process. Finding **the right balance between the need expressed, the product or service expected and a fair price ensures that the "best" supplier can be selected.**

The **department's recommendations are constantly being updated** by means of:

- **competitive intelligence**, to seize opportunities offered by the market and leverage innovation,
- **management of supplier relationships**, to provide a panel of competitive, responsive suppliers whose offerings are fully in line with the Institut Pasteur's demands.

Based on this panel of suppliers, an **informed shortlist** is drawn up to ensure that the best opportunities are harnessed during the tendering process.



### Developing strategic partnerships

The objectives and challenges of some purchase categories can be met by building strategic relationships with partner suppliers. This approach enables suppliers and the Institut Pasteur to develop a **relationship of trust over the long term.**

The Procurement Department acts as a **facilitator** in fostering these strategic partnerships, which serve as **drivers for innovation.**

## 2. Providing support early on in the process

The cross-cutting nature of the Procurement Department gives it a central role in the early stages of any new project. The Procurement Department is crucial in establishing supplier relationships.

### **Streamlining purchases**

The Procurement Department works in close collaboration with Institut Pasteur staff to identify **potential synergies** and ensure consistent communications with suppliers.

The Procurement Department offers expertise at each stage in the process via a **sound methodology, tools and best practices**.



### **Helping staff express their needs effectively**

Challenging the needs expressed is part of the Procurement Department's job – it ensures that each need expressed corresponds with the actual need and prevents excessive or insufficient quality.

The **department's recommendations are constantly being updated** by means of:

- better **cost management** and avoidance of any budget overspend,
- better **operational efficiency**.



### 3. Controlling costs

#### Optimizing spending

The Procurement Department applies a structured approach to **ensure the right price, quality and time criteria for purchases**.

This approach is based on:

- a **competitive procedure** via consultations and tenders,
- **consolidation of purchase volumes**,
- ongoing efforts to **rationalize the supplier panel**,
- **total cost evaluation**,
- **cost breakdowns**.



Based on this panel of suppliers, an **informed shortlist** is drawn up to ensure that the best opportunities are harnessed during the tendering process.

### 4. Minimizing exposure to risks

#### Complying with the procurement process

The **procurement process preserves the Institut Pasteur's integrity** by providing a framework for secure purchasing. It is vital that all parties monitor the procurement process carefully to **minimize exposure to risks**.

**It is important to ensure that suppliers meet the challenges related to risk and compliance (duty of vigilance).**

The Institut Pasteur and its suppliers must work in **partnership to develop a joint approach to risk management**.



This close relationship minimizes financial, economic (e.g. supplier default), legal (e.g. economic dependency or undeclared work) and operational risks through constant performance monitoring.

### III – MANAGEMENT OF SUPPLIER RELATIONSHIPS

#### Our six commitments to suppliers

- 1 Respecting the interests of all contracting parties in the preparation and performance of contracts (contractual balance).
- 2 Minimizing any risk of economic dependency for suppliers.
- 3 Favoring amicable solutions in the first instance in the event of a dispute, before referring the matter to the Department of Legal Affairs.
- 4 Helping suppliers to improve their performance by sharing indicators.
- 5 Developing strong partnerships that lay the foundations for lasting, balanced relationships with suppliers.
- 6 Developing ethical relationships with suppliers based on the Institut Pasteur's CSR commitments and aiming to select suppliers with responsible practices.

## The six demands we make of our suppliers

- 1 Providing products and/or services in line with contractual specifications.
- 2 Complying with legislation, regulations and international agreements in the area of employment law, prohibiting any form of corruption and precluding any situation of conflict of interest for the Institut Pasteur's staff.
- 3 Complying with rules on confidentiality in relations with the Institut Pasteur and signing a confidentiality agreement if necessary.
- 4 Adopting a proactive, innovative approach that is constantly aiming for improvement (taking initiative, reducing costs, improving performance, etc.).
- 5 Embracing the social and ethical principles promoted by the Institut Pasteur and complying with environmental regulations.
- 6 Notifying the Institut Pasteur in the event of a reputational risk arising from the relationship between the two parties.

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