

IPACS Benchmark – Guidelines

Updated 2 September 2022, version 2

IPACS Benchmark E6 – The organisation observes open tenders for major commercial and procurement contracts (other than event bidding)

Definitions

- Open tenders – a process through which the organisation provides equal treatment, freedom of access and a transparent process for any company or group that meets appropriate criteria to submit a proposal to supply goods and/or services that the organisation seeks; the objective is to achieve the best value possible in procuring the goods or services; the organisation will either publish tender opportunities itself or make them available through recognised channels (e.g. public procurement portals)

Introduction to this benchmark and its significance

- Note that the bidding and allocation process for sports events is covered separately in E8 (event bid evaluation) and E9 (event allocation process)
- Most sports organisations are not-for-profit entities, often with a membership structure, so it is important that they use resources responsibly and transparently to further their overall mission
- Demonstrating that resources are invested in procuring products and services in an efficient and effective manner helps build trust in the organisation among stakeholders and underscores its commitment to ethical and legal principles]
- Open tenders help to mitigate against corruption risks and conflicts of interest that may not otherwise be apparent between the governing body and third-party suppliers
- Reducing predictability in the outcomes of tender processes helps mitigate against corruption and collusion risks
- Once the bidding process for a sporting event has taken place and it is allocated (see Recommendations E8 and E9), the organisation of the event and associated infrastructure carries high risks due to fixed deadlines and the significant level of investment involved, which might result in pressure on sports organisations and/or governments to seek to circumvent established procurement procedures
- A range of legal obligations will apply to procurement in many countries

Commentary on the action to be taken

- The organisation should have rules identifying different levels of authority for awarding contracts, which may include one or more senior staff up to a certain threshold then governing body approval for larger amounts; in any case, decisions on procurement should not be made by a single person
- The organisation's rules and/or policies should require a competitive tendering process for contracts with expected value beyond a specific threshold, or where a single contractor could end up with contracts of an accumulated value above a certain threshold; such tendering may be targeted to known potential suppliers
- The organisation should conduct open tenders for major commercial and procurement contracts, publishing details of the opportunity and making documentation on specifications available on request to suppliers that meet relevant criteria
- The organisation should evaluate tenders against defined, objective selection criteria which are closely aligned to the intent of the tender project and sufficiently open to enable multiple companies to bid; human rights and sustainability requirements should be included
- The organisation should consider procurement as one aspect of its risk management strategy
- The organisation should publish the identity of the successful bidder for open tenders and other significant contracts, where appropriate
- The organisation should have strict rules on gifts and invitations from bidders; no gifts should be allowed following the call for tenders that are in any way associated with those who tendered; before and after the tender period, careful attention should be paid to this issue (if necessary, enhanced approval mechanisms can be introduced); such rules should be clearly stated in the Code

of Ethics, integrated into its anti-corruption policies, and specifically monitored (during audits, for instance)

- The organisation should ensure that there is strong oversight of amendments to contracts to mitigate against corruption risks
- See also Recommendations B1 (Code of Ethics), B9 (zero tolerance), B10 (anti-corruption code), C8 (conflicts of interest), E4 (risk assessment), E8 (event bid evaluation) and E9 (event allocation process)

Investment requirement - there are limited additional costs for conducting open tenders, although a longer timetable may be required; implementing good practice procurement should obviously prove cost effective over a period of time; the scale of the tender exercise will vary in proportion to the expected value of the project and to the capacity of the organisation; for larger-scale procurement specialist expertise may be needed

Guidance according to stage of organisation

Early stage

- The organisation runs competitive tenders for significant contracts, such as major supplies or marketing rights, including evaluation against defined, objective selection criteria which are closely aligned to the intent of the tender project and sufficiently open to enable multiple companies to bid
- The organisation has internal financial rules requiring a competitive tender for goods or services beyond a reasonable threshold
- The organisation follows an appropriate timetable for conducting procurement
- The organisation manages conflicts of interest; individuals or members with potential or perceived conflicts of interest should not be permitted to participate in discussions or voting, in order to avoid an actual conflict of interest arising
- The organisation has a policy on the persons authorised to sign a contract (when a single signature is required)

Developing

- The organisation has and implements a procurement policy, which covers the entire procurement cycle, from procurement planning to contract performance and is proportionate to the capacity of the organisation
- The organisation systematically runs competitive tenders and publishes the name of the appointed firm or organisation, when it is appropriate to do so due to the scale and nature of the contract, in accordance with clearly defined rules
- The organisation runs open tenders when it is appropriate due to the scale and nature of the contract, in accordance with clearly defined rules, and publishes related documentation
- The organisation adopts responsible sourcing, taking full account of human rights and sustainability considerations

Advanced

- The organisation adapts its anti-corruption policies and measures to the specific features of procurement by developing tailored safeguards
- The organisation sets requirements for procurement policy for its members and/or major event organisers
- The organisation monitors compliance with procurement requirements by its members and partners and can sanction non-compliance

Good practice examples

International Sports Organisations (from 2020)

- IHF: An [Invitation to Tender](#) for media rights for events in 2019/2021 was published:
- ITF: There is a [procurement policy](#) and news stories are published from time to time about contracts
- World Sailing: example of an [invitation to tender](#)

Overall standard among International Federations:

- 11 out of 31 members of ASOIF held regular open tenders for major commercial and procurement contracts, providing full documentation

National Olympic Committees

- Italian National Olympic Committee (CONI) – [full list of contracts](#)

National Federation

- Italian Football Federation (FIGC) – [open tender for media rights](#) for women's football

Selected references

- [ASOIF GTF Questionnaire 2019-20](#), Indicator 6.6
- IOC – [Procurement of major international sport-events-related infrastructure and services](#)
- International Partnership Against Corruption in Sport (IPACS), [Task Force 1](#): Reducing the risk of corruption in procurement relating to sporting events and infrastructure
- Geeraert, A. (2018). [Sports Governance Observer 2018](#). An assessment of good governance in five international sports federations. Aarhus: Play the Game / Danish Institute for Sports Studies, p.11-15:
 - Principle 33: The organisation employs open tenders for major commercial and procurement contracts.

ASOIF indicator 6.6 – scoring definitions used in the 2019-20 assessment

- 0 – No
- 1 - Some tenders for major commercial and procurement contracts
- 2 - Regular open tenders for major commercial and procurement contracts
- 3 - Regular open tenders for major commercial and procurement contracts, full documentation
- 4 - State of the art open tenders for major contracts, full documentation, publication of appointments