**Guidelines for project implementation by grant beneficiaries – Tool 5**

**PROCEDURE FOR PROCUREMENT BY GRANT BENEFICIARIES**

**GENERAL PROVISIONS**

Procurement by Grant Beneficiaries generally anticipates the following approach:

* **Purchase based on invoice only**. The beneficiaries may procure supplies or services based on invoice (asking one provider/supplier for pro-forma invoice) for services/supplies bellow 2,500 EUR. Providers/suppliers should demonstrate clear preparedness and ability to supply goods/supplies or deliver services as required. It is always recommendable to archive records (documentary proofs) of the procedure (such as e-mail enquiry by grant beneficiary and pro-forma invoice by supplier/provider received).
* **Single tender**. Contracts worth under EUR 20 000 or less may be awarded based on a single tender. If the estimated budget is less than EUR 20 000, one offer is enough. However, no slicing of budget is allowed to avoid following the rule and applying the simplified procedure. The grant beneficiary might decide to contact/compare more offers if it considers that this would improve efficiency of the procedure (i.e. improve quality of supplier/provided goods or services or decrease prices). The Grant Beneficiaries need to justify the choice of invited candidate(s) in both situations. The quality and financial aspect of procedure needs, in any case, to correspond to standard market conditions, otherwise the generated costs might be considered ineligible.
  + The grant beneficiary may use the package annexed to this tool. The evaluation committee is not necessary, assessment is done based on YES/NO criteria, with no scoring, but with assessment of required compliance.
  + NEGOTIATION REPORT FOR SINGLE TENDER PROCEDURES (part of the single tender package) is completed following the end of the procedure.
  + Regardless of the negotiation procedure, principles of Annex IV still need to be requested, therefore it is also recommended to complete and sign the Note on tender inserted in the package.
  + The grant beneficiary needs to ensure clear audit and documentary trail of procedure – the enquiry, tenderers response and evaluation (assessment) must be properly documented.

For single tenders the procedure may be performed in the local language.

* **Competitive negotiated procedure**. The procedure is based on short-listing and inviting at least 3 competent candidates. The Grant Beneficiaries need to justify the choice of invited candidates. The Grant Beneficiaries may use simplified tender packages for services and supply contracts, which are annexed to this report. Evaluation Committee is established and evaluation should be undertaken.
* **Open local procedure**. The procedure is based on publication of the tender – public invitation – at the local level. Full tender dossier and applicable evaluation procedure apply.
* **International open procedure**. The procedure is based on publication of the tender – public invitation – at the international level. Full tender dossier and applicable evaluation procedure apply.

**STEPS – SINGLE TENDER PROCEDURE**

1. Preparation of tender documentation on the basis of templates provided in this Guidelines
2. Identification of tenderer to be invited – at least 1 competent tenderer
3. Invitation to tenderer – at least 1 competent tenderer
4. In order to achieve best value for money it is recommended to invite at least 3 competent tenderers
5. At least 10 days are given between the invitation and the deadline for submission of the tenders
6. Nomination of persons to participate in the negotiation process
7. Evaluation (Assessment) procedure
8. Completion of single tender negotiations report (as per template)
9. Preparation and signature of contract in accordance with the standard formats provided within the tender documentation

**STEPS – SIMPLIFIED PROCEDURE**

1. Preparation of tender documentation on the basis of templates provided in this Guidelines. Specific attention to be dedicated to technical specifications in the case of supply contracts and terms of reference in the case of service contracts. Simplified tender packages may be used.
2. Observe that preparing the tender dossier - particularly the technical specifications / terms of reference - may require the assistance of one or more external technical specialist(s). Each such specialist must sign a declaration of objectivity and confidentiality
3. Identification of tenderers to be invited – at least 3 competent candidates
4. Invitation to tenderers – at least 3 competent candidates directly invited
5. At least 30 days are given between the invitation and the deadline for submission of the tenders
6. Responding to all relevant enquiries or clarifications from the potential tenderers – responses are to be sent to all the invited tenderers to ensure equal treatment.
7. Nomination of evaluation committee (at least 3 voting members, with equal vote, observe that all members of the evaluation committee and any observers must sign a declaration of impartiality and confidentiality)
8. Evaluation procedure
9. Completion of evaluation report.
10. Preparation and signature of the contract in accordance with the standard formats provided within the tender documentation

**KEY CHALLANGES AND PRACTICAL RECOMMENDATIONS**

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| LIST OF ENTITIES INVITED TO SUBMIT A TENDER | * Make sure that the selection criteria set out in the Contract Notice are proportionate in relation to the nature and value of the contract * Make sure you have proper justification on why the specific tenderers were invited, for example ‘’based on the initial market research, we have established that these tenderer are competent and competitive providers’’ |
| CONTRACT NOTICE | * Provide very brief short description of the Contract (more details can be found in the Terms of reference /Technical specifications) * Please specify the budget of the service(sometimes this requires combining of several budget lines from the grant budget) * Check if the contract should be divided into lots – principal approach is that one whole lot can be provided by one tenderer. * When preparing selection criteria: * Make sure the criteria is not very restrictive but at the same time detailed enough to obtain quality offers * You may use the “Average” criteria since Tenderers must present average annual turnover and average number of staff * If Annual average turnover is to be the criteria make sure it is not exceeding the budget of the project. Minimal average turnover could be equal to the size of the service/supply * For professional capacity do not require more staff than necessary for contract implementation, be realistic. Full time and part-time staff could be separated. * Technical capacity of the Tenderer should prove that company can complete the similar size/complexity jobs |
| Instructions to tenderer | * When filling in the dates table make sure none of the days is weekend * In case of service tender, please state the value of the contract in point 4 (based on your grant budget). * Notification date, contract signature and start date should be just provisional dates * Tenders must arrive in time, as presented in the Tender dossier – sufficient time as per procedure is to be given. * Decide if you would require supporting documents from the Tenderers and when |
| Terms of reference (services) | * Services: Be very careful in selecting the “type” of procedure. If tangible results of the requested service are requested, such as catering for xx people, overnight stay for xx training participants, development study or research, xx leaflets or brochures, created web site etc. “GLOBAL PRICE” procedure (and documentation) should be used. * In case that the outputs are not exact, such as hiring a company that will provide a group of experts for training, support use “FEE BASED” procedure (and documentation) * In case of “FEE BASED” procedure make sure that the profile(qualification and skills, general and specific experience) for each expert is clearly defined. At the same time avoid restrictive criteria. * In case of simpler services(such as catering, training organization) request realistic number of reports, for every payment ask small report on implementation of services |
| Technical specification (supply) | * Make sure that the brand names are not mentioned * MINIMAL technical criteria for the desired equipment need to be clearly defined – the selection criteria is price and tenderer must offer minimum requested quality specified in the technical specification |
| Contract | * The price stated in the Article 1 is without VAT * In addition to the core text of the contract all the indicated annexes – offer, budget etc – form an integral part of the contract * In case you are making a pre-finance payment certain risk implies - pre-financing guarantee could be requested from the Contractor |
| Organization and methodology | * In case of service tender this document is a template document for Tenderer to fill in. Filled organizational and methodology is his technical offer * Make sure they understand the importance of this document because based on this document only they will be technically evaluated |
| Evaluation grid(for service tenders) | * Please specify criteria for technical evaluation, either use what is proposed in the template or make your own maximum scores per criteria |
| Tender Submission Form | * In case you have tender divided into Lots, for each lot a separate tender submission form must be delivered by the Contractor |

Annexes to this Tool:

1. Package for service/supplies single tender
2. Package for simplified services procurement (global price and fee based)
3. Package for simplified supply tender
4. Declarations