



# Procurement process?

## Rules and handling of procurement of equipment

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## Aim of procurement

### **To get:**

1. The Right quality and
2. Right quantity of supplies
3. At the Right time
4. At the Right place
5. For the Right cost



## PROCUREMENT OF EQUIPMENT

Points to be noted before purchase of equipment:

- Precise description of technology
- Availability of maintenance & repair facility, with minimum down time
- Post warranty repair at reasonable cost
- Upgradeability
- Availability of consumables
- Low operating costs
- Installation
- Proper installation as per guidelines – eventual training



## Typical consideration for purchase of energy equipment

- |  |   |
|--|---|
| <ul style="list-style-type: none"><li>- Type of equipment</li><li>- Date of purchase</li><li>- Date of installation</li><li>- Place of installation</li><li>- Date of commissioning</li><li>- Environmental control</li><li>- Spare parts inventory</li><li>- Techn. Manual / circuit diagrams / literatures</li></ul> | <ul style="list-style-type: none"><li>- After sales arrangement</li><li>- Guarantee period</li><li>- Life of equipment</li><li>- Down time / up time</li><li>- Cost of maintenance</li><li>- Unserviceable date</li><li>- Date of replacement</li></ul> |
|--|---|



## Points to remember procurement

- Proper specification
- Comparison of offers based on basic price, freight & insurance, taxes and levies
- Quantity & payment discounts
- Payment terms
- Delivery period, guarantee
- Vendor reputation:  
(reliability, technical capabilities, Convenience, Availability, after-sales service, sales assistance)



# Procurement by grant Beneficiaries in the context of European Community external actions

## 2 BASIC PRINCIPLES

- To ensure transparency of operations;
- To obtain the desired quality of services, supplies or works at the best possible price.



## AWARD CRITERIA

which must be specified in the Call

- For supply contracts not including ancillary services (such as after sales services and/or training) the contract is awarded to the tender which, while being in order and satisfying the conditions laid down, quotes the lowest price.
- When they include ancillary services, the technical evaluation should take into account their quality on a YES/NO basis. After elimination of non compliant tenders, the contract is awarded to the tenderer offering the lowest price for both equipment and ancillary services together;
- For services contracts, the award criteria is the best-value-for-money (i.e. the most economically advantageous tender).



## Important link

- <http://ec.europa.eu/europeaid/eprag/document.do>
- - Procurement of :
  - Services
  - Supplies
  - Works





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Practical Guide to Contract  
Procedures for EU External Actions

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C2	Procurement notice	Download
C3	Summary Procurement Notice - Local Advertisement	Download
C4a	Letter of invitation to tender	Download
C4b	Instructions to tenderers	Download
C4c	Draft contract	Download
C4d	Draft contract: Special Conditions	Download
C4e	Draft contract: General Conditions (Annex I)	Download
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<b>SERVICES</b>	$\geq \text{€ } 200,000$ International restricted tender procedure	1. $< \text{€ } 200,000$ but $> \text{€ } 10,000$ Framework contracts 2. Competitive negotiated procedure		
<b>SUPPLIES</b>	$\geq \text{€ } 150,000$ International open tender procedure	$< \text{€ } 150,000$ but $\geq \text{€ } 60,000$ Local open tender procedure	$< \text{€ } 60,000$ but $> \text{€ } 10,000$ Competitive negotiated procedure	$\leq \text{€ } 10,000$ Single tender
<b>WORKS</b>	1. $\geq \text{€ } 5,000,000$ International open tender procedure 2. International restricted tender procedure	$< \text{€ } 5,000,000$ but $\geq \text{€ } 300,000$ Local open tender procedure	$< \text{€ } 300,000$ but $> \text{€ } 10,000$ Competitive negotiated procedure	



## Time planning for the procurement

- Prepare a realistic procurement plan – 9 to 12 month from document package is ready to contract signed
- Inform all involved parties
- Be prepared for surprises



## It takes time...and a delay at one stage has impact all the way

- Presentation of Forecast notice
- Publication of Forecast notice
- Finalise procurement package
- Send Procurement notice for publication
- Publication of Procurement notice
- Deadline for site visit and clarification request
- Deadline for giving clarification
- Deadline receipt tender
- Evaluation Committee meetings
- Approval of evaluation report
- Notify successful candidate
- Receive confirmation of tenderer's acceptance
- Prepare contract & circulate for approvals
- Send contract
- Last date reception signed contract
- Publish award
- Notify unsuccessful candidates
- Start of Works



## Prepare Inventory Procurement Plan

- Type of procurement action
- Description of the foreseen procurement action.
- Entity who will manage the procurement procedures?
- Procurement method:
  - Service contracts
  - Supply contracts
  - Works contracts
- Estimated amount in euro for the procurement action
- Launch of procurement action
- Duration of the procurement action
- Date of contracting
- Duration of eventual subcontracted action



## Recommendations

- Prepare a procurement plan and a calendar of the whole procurement action in advance
- Share procurement calendar and arrive to consensus with all the relevant parties involved in the action
- Designate a responsible person for procurement inside the team (procurement officer?)
- Strict **monitoring** of the deadlines
- Others?