

6 SUPPLY CONTRACTS

This chapter provides a step by step guide for Procurement Procedures applicable to Supply Contracts according to contract value.

Supply Contracts cover the purchase, operational leasing, rental or hire of various products including the rent of vehicles, equipment, venues and property, with or without an option to buy. The delivery of products may in addition include siting, installation and maintenance.

SUPPLY		
EUR 300 - 9,999	Simple Procedure	See section 6.1
EUR 10,000 -149,999	Negotiated Procedure	See section 6.2
EUR 150,000 - 299,999	Local Open Tender	See section 6.3
Above EUR 300,000	International Open Tender	See section 6.4

Ethical Considerations

The procurement of supplies may involve specific ethical risks related to the production, handling and transport of products which negatively influence employees' labour rights and companies' social and environmental performance. To avoid or prevent ethical risks, it is important to consider which risks are related to the purchase of a specific product from a specific sector. It is recommended to include ethical considerations in the market survey and to conduct a small-scale research on the suppliers' ethical business performance in the sourcing process and further make procurement decisions which seek to avoid or manage the identified ethical risks. Also consider how internal purchasing practices may influence suppliers' ability to meet ethical criteria and standards e.g. short lead times, changes to specifications and negotiating prices. Please ensure always to communicate the ethical principles and standards to potential suppliers either by personal contact or by publishing the COC. For more information on ethical procurement principles and implementation, see section 1.2 and 1.2.1.

6.1 THE SIMPLE PROCEDURE

The Simple Procedure is the simplest Procurement Procedure. This procedure is applicable within the threshold of EUR 300 - 9,999.

For the Simple Procedure it shall be documented that the price of the procured product corresponds with or is lower than the market price while meeting the technical specifications. To establish this, several methods exist. It is possible to collect written quotations or refer to recent contracts from the past 12 months. The advantages of written quotations are many. They evidence what has been offered, thereby reducing misunderstandings and are easy to document. Alternatively, the method can be verbally collected quotations documented in a Note to File or printed prices and specifications from the internet. Regardless of the method chosen, a minimum of three prices must be collected, specifications must be available and documented in the procurement file.

Before the procurement process is initiated, please ensure that all members of the Procurement Committee sign the Declaration of Impartiality and Confidentiality (GEN 2-1). Furthermore, please ensure

that the mandatory general Advertisement of Business Opportunities (GEN 8) was published. For more information on the general Advertisement of Business Opportunities, see section 4.11.1.

NOTE: Special procedural and quality assurance requirements exist for the purchase of medicine, medical devices and food. Please see section 4.13.1 Procurement of Medicine, 4.13.2 Procurement of Medical Devices and 4.14 Procurement of Food.

Step Guide:

1

Purchase Request with Technical Specifications



Identify the supplies to be procured from the Procurement Plan and draft the technical specifications.



Procurement starts with the completion and authorization of the Purchase Request Form GEN 1-1. The Purchase Request originates outside the Procurement Department.

The Purchase Request identifies the technical specifications of the supplies, ensures budget availability and requests the procurement responsible staff to procure the supplies. Please also refer to the [Logistics Manual chapter 6 Equipment](#) for more information.

Clear, adequate and well-defined technical specifications are a prerequisite for receiving quotations matching the requirements and the budget. Please refer to section 4.12.1 when drafting the technical specifications. Please observe that special requirements exist for the purchase of medicine in section 4.13.1 and purchase of medical devices in section 4.13.2.

NOTE: If a supplier assists with input to the technical specifications, the supplier is excluded from participating in that procedure.



MANDATORY TEMPLATE
GEN 1-1 Purchase Request Form

2

Collect Quotations



Approach the supplier(s) for a written or non-written quotation, search the internet for the best price and quality or refer to recent Purchase Orders to ensure that the price corresponds with the present market price or lower. Make sure to have at least three prices for comparison and keep the documentation in the procurement file.



It is an advantage to use the Simple Procedure Quotation Form in SUP 1, because it will help prevent misunderstandings, and ensures that all the required information is collected. The written form also provides a reminder to specify quality or ethical criteria in the technical specifications or contract conditions.

If a non-written quotation is collected, the Procurement Committee shall make a written note of the price, supplier name, contact person, description of goods and note the date. This note shall be filed in the procurement file. At this stage, it is also important to communicate the ethical principles and standards to the suppliers.

**SUPPORT TEMPLATE**

SUP 1: Simple Procedure Quotation Form

3

Evaluate and Select Supplier

Evaluate the quotations and select the supplier offering the best price meeting the technical specifications. For evaluation purposes please use the Evaluation Grid for Simple Procedure (SUP 1-1) or issue a Note to File with justifications for selecting the supplier.

Before issuing the Purchase Order, please verify the selected supplier(s)'s eligibility as per DCA Counter Terrorism Policy, by checking the UN Security Council, EU and donor required sanctions lists.

**SUPPORT TEMPLATE**

SUP 1-1: Evaluation Grid for Simple Procedure

4

Issue Purchase Order

After selecting the best offer a Purchase Order/Contract shall be issued by the Procurement Committee, applying SUP 6. Check if the Purchase Order must be adapted to national legislation, traditions or requirements. Never delete or make alterations to the GTC and incorporate all agreements reached with the selected supplier in the Purchase Order.



The Purchase Order shall be forwarded unsigned to the selected supplier and returned signed to the Contracting Authority. Only thereafter shall the Purchase Order be signed by the Contracting Authority. Signing the Purchase Order creates a legally binding document for both parties.



Before signing the Purchase Order the Procurement Committee shall ensure:

- That adequate and exact reference is made in the Purchase Order to the relevant RFQ (or the supplier's quotation)
- That the supplier acknowledges the GTC and the COC without exceptions or amendments
- For new suppliers, ensure that enough references and company data has been collected

NOTE: If the supplier cannot accept the GTC, the Procurement Committee shall decline that quote and proceed with another supplier.

**MANDATORY TEMPLATE**

SUP 6: Purchase Order

5

Receive and Inspect

Inspect the supplies received to ensure they comply with the Purchase Order and file a proof of receipt of the supplies. The Contracting Authority shall follow up on the timely delivery and satisfactory quality of the received supplies and take remedial measures to mitigate any negative consequences for the beneficiaries, caused by late delivery or shortfall in the agreed quantity and quality. Proceed as described in section 6.5.

**SUPPORT TEMPLATE**

SUP 13: Goods Received Note

**DOCUMENTATION IN THE PROCUREMENT FILE**

- Declaration of Impartiality and Confidentiality
- Purchase Request
- Simple Procedure Quotation Form/Copy of Procurement Request (optional)
- Proof of minimum 3 prices or quotes
- Evaluation and justification for selection of supplier
- Purchase Order/Contract
- Copy of invoice
- Shipping documents, if relevant
- Proof of receipt of the supplies
- Note to file, if relevant

6.2 THE NEGOTIATED PROCEDURE

The Negotiated Procedure is more formal than the Simple Procedure. This procedure is applicable within the threshold of EUR 10,000 – 149,999. It requires that a minimum of three suppliers are invited simultaneously to submit a quotation based on a written RFQ. The contract shall be awarded to the most compliant supplier. It is mandatory to publish an Award Notice for contracts above EUR 30,000 and letters to all unsuccessful suppliers shall always be submitted.

The Negotiated Procedure is less formal than a Local Open Tender Procedure and gives the opportunity to negotiate the terms of the contract.

Before the procurement process is initiated, please ensure that all members of the Procurement Committee sign the Declaration of Impartiality and Confidentiality (GEN 2-1). Furthermore, please ensure that the mandatory general Advertisement of Business Opportunities (GEN 8) was published. For more information on the general Advertisement of Business Opportunities, see section 4.11.1.

NOTE: Special procedural and quality assurance requirements exist for the purchase of medicine and medical devices. Please see section 4.13.1 Procurement of Medicine, 4.13.2 Procurement of Medical Devices and 4.14 Procurement of Food.

Step Guide:**1****Purchase Request with Technical Specifications**

Identify the supplies to be procured from the Procurement Plan and draft the technical specifications.



Procurement starts with the completion and authorization of the Purchase Request Form GEN 1-1. The Purchase Request originates outside the Procurement Department.

The Purchase Request identifies the technical specifications of the supplies, ensures budget availability and requests the procurement responsible staff to procure the supplies. Please also refer to the [Logistics Manual chapter 6 Equipment](#) for more information.

Clear, adequate and well-defined technical specifications are a prerequisite for receiving quotations matching the requirements and the budget. Please refer to section 4.12.1 when drafting the technical specifications. Please observe that special requirements exist for the purchase of medicine in section 4.13.1 and purchase of medical devices in section 4.13.2.

NOTE: If a supplier assists with input to the technical specifications, the supplier is excluded from participating in that procedure.



MANDATORY TEMPLATE

GEN 1-1: Purchase Request Form

2

Prepare Shortlist



Prepare a short list with a minimum of three suppliers, applying GEN 13. It is recommended to include 4-8 suppliers to ensure that a minimum of three quotations are collected. For information on sourcing suppliers see section 4.11.2.



At this stage it is recommended to collect general information on sector and country specific ethical risks to identify potential risks related to procuring the product(s) in question. Include the information in the sourcing decisions and further in drafting the RFQ. See section 1.2.1 for implementation of the ethical procurement principles.



MANDATORY TEMPLATE

GEN 13: Shortlist of Suppliers/Candidates and Receipt Form

3

Draft Request for Quotation



Carefully prepare the RFQ, applying the template in SUP 2 or SUP 2-1 if Framework Contract, and approach the suppliers for a quote. The RFQ shall be forwarded simultaneously (on the same day) to all the shortlisted suppliers and it is recommended to provide suppliers with a minimum of two weeks to submit a quote. This is to ensure that all suppliers are given enough time and an equal amount of time to prepare and submit their offer. At this stage, it is important to communicate the ethical principles and standards to the suppliers.



When preparing the RFQ consider all the articles and options and decide on:



- Delivery terms incl. Incoterms if required.
- Technical specifications.
- If installation and/or maintenance and/or after sales service and/or spare parts are required.
- Deadline for receipt of quotations. Again, it is recommended to allow a minimum of two weeks depending on the complexity of the requirements.



- Payment terms.
- Evaluation criteria.
- Ethical criteria e.g. sustainability requirements, certifications, CSR policies etc.
- If a Tender Guarantee and/or Performance Guarantee shall be required as recommended for contracts above EUR 50,000. For more information on bank guarantees see section 9.3.

To ensure that enough offers will be received on time it is recommended to contact all shortlisted suppliers 1-2 days after submitting the RFQ to inquire if they intend to submit an offer. When a short deadline is required, it is a particularly good practice to follow up to explain the importance of completing the Submission Form and submitting the offer prior to the deadline.



MANDATORY TEMPLATE

SUP 2: Request for Quotation

SUP 2-1: Request for Quotation for a Framework Contract

4

Register Quotes and Initiate Evaluation



Upon receipt of the quotations the date and time for receipt are registered in GEN 13 and the Procurement Committee initiates the evaluation, utilising the Evaluation Grid in SUP 4. Suppliers who have not submitted their quotation before the deadline shall not be considered. Make sure all the evaluation criteria, defined in the RFQ are applied to the Evaluation Grid before evaluation starts.



Evaluation Challenges:

- In case all suppliers have offered prices which are above budget and/or the technical specifications need to be changed or adjusted, it is not necessary to issue a new RFQ. Instead the suppliers can be contacted in writing with the amendments and new deadline, and a revised quotation requested.
- If less than three quotations have been received, and if some suppliers have declined to submit a quotation, the Contracting Authority can proceed with the best offer provided once the general procurement principles are met. E.g. it shall be ensured that enough suppliers were shortlisted, that all suppliers have been given enough time to submit a quotation, and that all suppliers have acknowledged the receipt of the RFQ. Should it not be possible to find a minimum of three qualified suppliers in the market, it is important to survey broader e.g. markets in neighbouring districts and countries. Please see section 4.11.2 for how to source new suppliers. Lack of suppliers in the local market is not sufficient grounds for proceeding with less than three quotations.



MANDATORY TEMPLATE:

SUP 4: Evaluation Grid for Negotiated Procedure

GEN 13: Shortlist of Suppliers/Candidates and Receipt Form

5

Negotiate



The Procurement Committee has the option to negotiate the terms of the contract and it is recommended to do so. There are no specific procedures on negotiations except that the general procurement principles shall always be respected, and negotiations shall not entail any substantial deviation from the terms and conditions of the RFQ. The main purpose of negotiation is to obtain better conditions in terms of delivery date, technical quality, price, payment conditions, etc.



Negotiations may however have the purpose of reducing the scope of the supplies or revising other terms of the contract in order to reduce the total price. This may be necessary when the prices proposed exceed the limits of the funds available to the Contracting Authority. In this case, all suppliers involved should be invited to participate in the negotiations and to potentially submit a new offer.

The negotiations can be done by email, phone or at a meeting. A written summary shall be prepared, filed and submitted to the supplier.

When negotiating the terms, consider how requirements on e.g. lead times and price may affect the supplier's ability to comply with the ethical principles and standards.

6

Select Supplier and Issue Purchase Order



Finalize evaluation and select the best and most compliant supplier, i.e. the supplier who is substantially responsive to the RFQ, is technically compliant, and who has offered the best quality and price. This provided further that the Supplier has demonstrated the capability and resources to carry out the Contract effectively.



Before issuing the Purchase Order, please verify the winning supplier's eligibility as per DCA Counter Terrorism Policy, by checking the UN Security Council, EU and donor required sanctions lists.



After selecting the winning supplier, the Procurement Committee issues the Purchase Order applying SUP 6 or SUP 7 if a Framework Contract. Check if the standard Purchase Order must be adapted to national legislation, traditions or requirements. Incorporate all agreements reached with the selected supplier in the Purchase Order and never delete or make alterations to the GTC.



The Purchase Order or Framework Contract shall be forwarded unsigned to the selected supplier and returned signed to the Contracting Authority. Only thereafter shall the document be signed by the Contracting Authority. Signing the Purchase Order or Contract creates a legally binding document for both parties.

Before signing the Purchase Order or Contract and returning the signed copy to the Contractor, the Procurement Committee shall ensure:

- That adequate and exact reference is made in the Purchase Order to the relevant RFQ
- That the supplier acknowledges the GTC and the COC without exceptions or amendments
- For new suppliers, make sure that satisfactory references and company data has been collected

NOTE: If the supplier cannot accept the GTC, the Procurement Committee shall decline that quote and continue the process with another supplier.



MANDATORY TEMPLATE:

SUP 4: Evaluation Grid for Negotiated Procedure

SUP 6: Purchase Order

SUP 7: Framework Contract

7

Send Letter to Unsuccessful Suppliers



Once the selected supplier has returned the Purchase Order duly signed, a letter shall be sent to the unsuccessful suppliers informing them of the result of the procedure i.e. the name of successful supplier and the total contract amount. Apply SUP 8.

8

Publish Award Notice**MANDATORY TEMPLATE:**

SUP 8: Letter to Unsuccessful Suppliers



For Purchase Orders with a value above EUR 30.000 it is mandatory to publish an Award Notice applying GEN 17. The Award Notice shall be published in a suitable media where suppliers will notice the information and on the Contracting Authority's website. The purpose of a public announcement is to meet the principle of transparency with the added benefit of attracting new suppliers. Thus, the Award Notice is useful and recommended for all contracts.

For situations where the Procurement Committee finds that posting an Award Notice will bring project staff, beneficiaries, the project or the winning supplier at risk, the Procurement Committee may refrain from posting an Award Notice, see blanket derogation (k). This shall be duly documented.

NOTE: The Procurement Committee shall take notice of any specific donor requirements for publishing an Award Notice.

**MANDATORY TEMPLATE:**

GEN 17: Award Notice (optional below EUR 30,000)

9

Receive and Inspect

Inspect the supplies received to ensure they comply with the Purchase Order and file a proof of receipt of the supplies. The Contracting Authority shall follow up on the timely delivery and satisfactory quality of the received supplies and take remedial measures to mitigate any negative consequences for the beneficiaries, caused by late delivery or shortfall in the agreed quantity and quality. Proceed as described in section 6.5.

**SUPPORT TEMPLATE**

SUP 13: Goods Received Note

**DOCUMENTATION IN THE PROCUREMENT FILE**

- Purchase Request
- Shortlist and Suppliers/Candidates and Receipt Form
- Request for Quotation
- Quotations
- Evaluation Grid for Negotiated Procedure Incl. Declaration
- Purchase Order/Contract
- Letter to Unsuccessful Suppliers
- Copy of invoice
- Shipping Documents, if relevant
- Award Notice (optional below EUR 30,000)
- Proof of receipt of the supplies
- Note to File, if relevant

6.3 THE LOCAL OPEN TENDER PROCEDURE

The Local Open Tender Procedure, from here on named Local Open Tender, is more elaborate than the Negotiated Procedure. It is applicable to higher value purchases of EUR 150,000 – 299,999.

A Local Open Tender requires a public and specified advertisement of a Tender Notice in the country of operation, in newspapers and suitable online procurement media, with a bid flow of at least 21 days. A Local Open Tender shall provide eligible suppliers in the country of operation with equal business opportunities.

The Tender Dossier shall be drafted and forwarded to interested suppliers, who then can submit a tender. After the deadline for receiving tenders, they shall be opened and announced in the optional presence of all interested tenderers. Evaluation of tenders is undertaken by the Procurement Committee based on a clearly predefined evaluation grid and the most compliant tenderer is awarded the contract. A public Award Notice is required and letters to all unsuccessful suppliers shall be submitted.

As the commercial risks for high value purchases are increased, consider the use of prepayment, tender and performance guarantees. For more information on financial guarantees, see section 9.3.

Before the procurement process is initiated, please ensure that all members of the Procurement Committee sign the Declaration of Impartiality and Confidentiality (GEN 2-1). Furthermore, please ensure that the mandatory general Advertisement of Business Opportunities (GEN 8) was published. For more information on the general Advertisement of Business Opportunities, see section 4.11.1.

Step Guide:

1

Purchase Request with Technical Specifications



Identify the supplies to be procured from the Procurement Plan and draft the technical specifications.



Procurement starts with the completion and authorization of the Purchase Request Form GEN 1-1. The Purchase Request originates outside the Procurement Department.

The Purchase Request identifies the technical specifications of the supplies, ensures budget availability and requests the procurement responsible staff to procure the supplies. Please also refer to the [Logistics Manual chapter 6 Equipment](#) for more information.

Clear, adequate and well-defined technical specifications are a prerequisite for receiving quotations matching the requirements and the budget. Please refer to section 4.12.1 when drafting the technical specifications. Please observe, that special requirements exist for the purchase of medicine (section 4.13.1) and medical devices (4.13.2).

NOTE: If a supplier assists with input to the technical specifications, the supplier is excluded from participating in that procedure.



MANDATORY TEMPLATE:
GEN 1-1: Purchase Request Form

2

Draft Tender Dossier

Carefully prepare the Tender Dossier, applying SUP 3. When preparing the Tender Dossier consider all the articles and options and decide on:

Deadline

Decide on the deadline for receipt of tenders. The bid flow shall be a minimum of 21 days.

**Award Criteria**

The Tender Dossier shall stipulate the award criteria for the Contract. The contract shall be awarded to the most compliant tender, i.e. the tenderer who is substantially responsive, technically compliant, and who has offered the best quality and price. The tenderer shall have demonstrated capability and resources to carry out the contract effectively.

**Timetable for Tender Procedure**

Tenderers shall be informed of the planned timetable for the further tender procedure, incl. clarifications, deadline, tender opening date.

**Transport and Storage**

When are the goods required at site? Consider if the timeframe is realistic or if it provides too short lead times for supplier(s). Will the project staff themselves arrange for transport from delivery point to final site, and which Incoterm shall be applied? The choice of transport and the associated environmental risks shall also be considered. Has consideration been given to storage facilities at site? Lack of storage facilities could be solved by requesting partial deliveries in the Tender Dossier. Partial deliveries are also common for products with a short shelf life. It is recommended to draft a distribution schedule as a working tool (GEN 9-3).

Ethical Criteria

It is recommended to collect general information on sector and country specific ethical risks to identify potential risks related to procuring the product in question. Is there a need to include specific ethical criteria in the Tender Dossier such as certifications or specific terms in the contract such as environmental or social performance? See section 1.2.1 for implementation of the ethical procurement principles.

Inspection

Will a pre-shipment inspection be required, or will the goods be inspected upon arrival?

Bank Guarantees

Will a tender or performance guarantee be required, as recommended for contracts above EUR 50,000? Or a prepayment guarantee? For more information on bank guarantees see section 9.3.

**MANDATORY TEMPLATE:**

SUP 3: Tender Dossier

SUPPORT TEMPLATE:

GEN 9-3: Distribution Schedule Sample

3

Publish Tender Notice

Draft the Tender Notice applying GEN 11. The Tender Notice shall as a minimum describe the supplies to be procured including the essential technical specifications, the rules governing the submission and presentation of tenders, the exclusion, selection and award criteria, and where and when the Tender Dossier can be collected.



Interested Tenderers shall be given a minimum of 21 days to submit a tender from the date of publishing the Tender Notice until deadline. The bid flow of 21 days may be longer depending on the nature of the supplies.

The Tender Notice shall be published in the country of operation in suitable medias e.g. newspapers, websites as well as media required by donor. To provide eligible suppliers with equal business opportunities, the Procurement Committee is encouraged to submit the Tender Notice directly to a broad list of suppliers who could be interested in participating in the tender process.

It is in the interest of the Procurement Committee to ensure the widest possible participation in the tender process to obtain the best quality and value for money.

NOTE: The Tender Dossier shall be available on the date of publishing the Tender Notice.



MANDATORY TEMPLATE:
GEN 11: Tender Notice

4

Submit Tender Dossier

Within 1-2 days of the Tender Dossier being requested it shall be submitted to interested suppliers. At this stage it is also important to communicate the ethical principles and standards to the suppliers.



Use GEN 13 to keep a record of the date the Tender Dossier was submitted and to whom. Identify each tenderer by a number.

Should the Contracting Authority require an amendment to the Tender specifications or TOR, please also use GEN 14 to communicate to all tenderers interested in participating in the tender procedure. Tenderers may submit questions and clarifications in writing according to the date specified in the timetable A.4 in the Tender Dossier. Information regarding interpretation of the Tender Dossier shall be requested in writing only. Tenderers are not allowed to approach the Contracting Authority for oral clarification. Clarifications to the Tender Dossier shall be documented in GEN 14 and shared with all tenderers interested in participating in the tender procedure.

Any prospective tenderer seeking to arrange individual meetings during the tender period with either the Contracting Authority and/or any other organisation with which the Contracting Authority is associated or linked to, shall be excluded from the tender procedure.

NOTE: Tenderers shall never pay for costs in relation to the tender process and it is

not acceptable procurement practice to sell the Tender Dossiers against a so called tender document fee.



MANDATORY TEMPLATE:

GEN 13: Shortlist of Suppliers/Candidates and Receipt Form

GEN 14: Tender Amendments, Questions and Answers

5

Receive Tenders



For each tender received, the date and time of receipt shall be registered in GEN 13, including name of the person who received the tender. All received tenders shall be kept unopened in a secure place until the tender opening session.

All tenders received after the deadline shall be rejected at the tender opening. If the deadline is 17:00 hrs, then offers received at 17:01 or later shall be rejected.



MANDATORY TEMPLATE:

GEN 13: Shortlist of Suppliers/Candidates and Receipt Form

6

Conduct Tender Opening Session



Conduct a tender opening session where all tenderers who have submitted a tender are invited to participate. Tenders shall be opened at the announced time, place and date in the presence of tenderers who choose to attend. The names of the tenderers and prices are read aloud and registered in GEN 15-3, and tenderers who participate are registered in GEN 15-2.

For guidance on how to prepare and conduct the tender opening session please refer to GEN 15-1: Tender Opening Checklist.



MANDATORY TEMPLATE:

GEN 15-2: List of Participants

GEN 15-3: Tender Opening

SUPPORT TEMPLATE:

GEN 15-1: Tender Opening Checklist

7

Ensure Administrative Compliance



After the tender opening the Procurement Committee shall carry out administrative compliance check of the received tenders. Fill in section A of SUP 5: Evaluation Grid for Open Tender. This is a preliminary examination of all tenders and not an evaluation of the actual proposals.

Each tender shall be checked for administrative compliance based on the requirements set out in the Tender Dossier e.g.

- Was the tender received before the deadline?
- Is the required no. of copies supplied?
- Is the Tender Submission Form completed and duly signed?
- Are requirements to origin and nationality respected (if required)?
- Are all the requested documents submitted and properly signed e.g. certification, references, bank guarantees, the Tender Submission Form, etc. The required

documents are listed under “instructions to tenderers” in the Tender Dossier.

Tenders which do not comply shall be rejected and the reason for rejection shall be stated in section A of SUP 5.



MANDATORY TEMPLATE:

SUP 5: Evaluation Grid for Open Tender

8

Evaluate and Select Tenderer



After ensuring the administrative compliance, each member of the Procurement Committee shall receive a copy of the compliant tenders for evaluation and analysis. This evaluation shall be done in private and each member shall fill in part B and C of the Evaluation Grid in SUP 5. Tenderers are not allowed to be present. Make sure all the evaluation criteria, defined in the Tender Dossier are applied to the Evaluation Grid before evaluation starts.



After the individual evaluations an evaluation meeting is carried out where the Procurement Committee discusses their individual evaluations, draft a joint Evaluation Grid (SUP 5), rank proposals and select the winning tenderer. The joint Evaluation Grid shall clearly document why the winning proposal was selected and shall be signed by all members of the Procurement Committee. Tenderers cannot attend this meeting.



Before issuing the Contract, please verify the winning supplier's eligibility as per DCA Counter Terrorism Policy, by checking the UN Security Council, EU and donor required sanctions lists.

NOTE: During the evaluation it may be necessary to obtain clarification from a tenderer. Depending on the type of clarification, the tenderer shall be allowed at least 48 hours to respond. Always remember to put a deadline for receipt of the clarification and all communication shall be in writing.

Evaluation Challenges

- If there is a need to amend the technical specifications described in the Tender Dossier, either by reducing or increasing the minimum requirements, the tender process shall be cancelled and a new procedure initiated, starting from step 1. The deadline for submitting tenders can be reduced from 21 to 15 days (or less), depending on the complexity. This emphasises the importance of drafting clear and thorough technical specifications from the outset of the procurement process.
- If all financial offers exceed the budget substantially, the cause for this can either be change in the market price, minimum technical requirements are too high, etc. The reason for the high offers shall be clarified. Proceed as described in the above case scenario if changes to the technical specifications are needed.
- If less than three tenders have been received, the Contracting Authority can proceed with the best tender provided that general procurement principles are met, including proper advertisement. If there is a need to make substantial changes to the contract terms e.g. technical specifications, the tender process shall be cancelled and a new process initiated, starting from step 1. If no tenders are received a new tender procedure shall also be initiated. Please analyse the possible reason for the lack of tenders and implement the findings in the new Tender Notice and the Tender Dossier.

**MANDATORY TEMPLATE:**

SUP 5: Evaluation Grid for Open Tender

9

Issue Contract and Send Letter of Acceptance

The Procurement Committee sends a Letter of Acceptance to the selected tenderer, applying GEN 16, and issues the contract applying the template in the Tender Dossier (part B of SUP 3). Check if the standard contract must be adapted to national legislation, traditions or requirements. Incorporate all agreements reached with the selected supplier in the contract and never delete or make alterations to the GTC.



The contract shall be forwarded unsigned to the selected tenderer and returned signed to the Contracting Authority. Only thereafter shall the contract be signed by the Contracting Authority. Signing the contract creates a legally binding document for both parties.



Before signing the contract the Procurement Committee shall ensure:

- That adequate and exact references are made in the contract to the tenderer
- That the tenderer acknowledges the GTC and the COC without exceptions or amendments
- For new suppliers, make sure that satisfactory references and company data has been collected

NOTE: If the selected tenderer cannot accept the GTC the Procurement Committee shall decline the bid and continue the process with another tenderer.

**MANDATORY TEMPLATE:**SUP 3: Tender Dossier (part B: Contract)
GEN 16: Letter of Acceptance

10

Send Letter to Unsuccessful Tenderers

After the contract has been signed, the Procurement Committee shall submit a notification letter to the unsuccessful tenderers notifying them of the result of the tender process. Use the template in SUP 8.

**MANDATORY TEMPLATE:**

SUP 8: Letter to Unsuccessful Suppliers

11

Publish Award Notice

It is mandatory to publish an Award Notice, applying GEN 17. The Award Notice shall be published in a suitable media where suppliers will notice the information and on the Contracting Authority's website. The purpose of a public announcement is to meet the principle of transparency with the added benefit of attracting new suppliers. Thus, the Award Notice is useful and recommended for all contracts.

For situations where the Procurement Committee finds that posting an Award Notice will bring project staff, beneficiaries, the project or the winning contractor at risk, the Procurement Committee may refrain from posting an Award Notice, please see blanket derogation (k). This shall be duly documented.

NOTE: The Procurement Committee shall take notice of any specific donor requirements for publishing an Award Notice.



MANDATORY TEMPLATE:
GEN 17: Award Notice

12

Receive and Inspect



Inspect the supplies received to ensure they comply with the Purchase Order and file a proof of receipt of the supplies. The Contracting Authority shall follow up on the timely delivery and satisfactory quality of the received supplies and take remedial measures to mitigate any negative consequences for the beneficiaries, caused by late delivery or shortfall in the agreed quantity and quality. Proceed as described in section 6.5.



SUPPORT TEMPLATE
SUP 13: Goods Received Note



DOCUMENTATION IN THE PROCUREMENT FILE

- Purchase Request
- Tender Dossier
- Tender Notice
- Shortlist of Suppliers/Candidates and Receipt Form
- Tenders
- Amendments, Questions and Answers
- Tender Opening Minutes (Checklist, List of Participants, Tender Opening)
- Evaluation Grid for Open Tender Incl. Declaration
- Contract and Letter of Acceptance
- Letter to Unsuccessful Suppliers
- Copy of Invoice
- Shipping Documents, if relevant
- Award Notice
- Proof of receipt of the supplies
- Note to File, if relevant

6.4 THE INTERNATIONAL OPEN TENDER PROCEDURE

The International Open Tender Procedure (from here on named International Open Tender) is like the Local Open Tender except for the rules applicable to advertisement of the Tender Notice and the timeframe for the bid flow. International Open Tenders shall always be advertised internationally and the deadline for submitting a tender shall be at least 30 days after the Tender Notice is published. The International Open Tender is applicable for all purchases above EUR 299,999.

As the commercial risk is higher for high value purchases, please consider the use of prepayment, tender and performance guarantees. For more information on financial guarantees, see section 9.3.

Before the procurement process is initiated, please ensure that all members of the Procurement Committee sign the Declaration of Impartiality and Confidentiality (GEN 2-1). Furthermore, please ensure that the mandatory general Advertisement of Business Opportunities (GEN 8) was published. For more information on the general Advertisement of Business Opportunities, see section 4.11.1.

Step Guide:**1-2****Purchase Request with Technical Specifications and Tender Dossier**

Follow step 1-2 in the Local Open Tender Procedure in section 6.3:

- Raise a Purchase Request
- Draft technical specifications
- Draft Tender Dossier

3**Publish Tender Notice Internationally**

The Tender Notice shall be published in relevant regional and international medias and shall as a minimum describe the supplies to be procured including the essential technical specifications, the rules governing the submission and presentation of tenders, the exclusion, selection and award criteria, and where and when the Tender Dossier can be collected.



Interested Tenderers shall be given a minimum of 30 days to submit a tender from the date of publishing the Tender Notice. The bid flow of 30 days may be longer depending on the nature of the supplies. Tenderers may submit a bid from the day of publishing the Tender Notice until the deadline.



The Tender Notice shall be published in suitable procurement media e.g. newspapers, websites and media required by donor in the country of operation and internationally. Examples of websites for Tender Notice publication are [Relief Web](#), [UN Development Business](#), [dgMarket tenders worldwide](#) or [Ted tenders electronic](#) [dailyted.europa.eu](#)



It is in the interest of the Procurement Committee to ensure the widest possible participation in the tender to obtain the best quality and value for money.

NOTE: The Tender Dossier shall be available on the date of publishing the Tender Notice.

**MANDATORY TEMPLATE:**

GEN 11: Tender Notice

4-12**From Submitting Tender Dossier to Receipt**

Follow step 4-12 in the Local Open tender Procedure in section 6.3:

- Submit Tender Dossier
- Receive Tenders
- Conduct tender opening sessions
- Ensure administrative compliance
- Evaluate and select tenderer
- Issue contract and send Letter of Acceptance
- Send Letter to Unsuccessful Tenderers
- Publish Award Notice
- Receive and Inspect



DOCUMENTATION IN THE PROCUREMENT FILE

- Purchase Request
- Tender Dossier
- Tender Notice
- Shortlist of Suppliers/Candidates and Receipt Form
- Tenders
- Amendments, Questions and Answers
- Tender Opening Minutes (Checklist, List of Participants, Tender Opening)
- Evaluation Grid for Open Tender
- Contract and Letter of Acceptance
- Letter to Unsuccessful Suppliers
- Copy of Invoice
- Shipping Documents, if relevant
- Award Notice
- Proof of receipt of the supplies
- Note to File, if relevant

6.5 RECEIVING SUPPLIES

The Contracting Authority shall follow up on the timely delivery and satisfactory quality of the received supplies and take remedial measures to mitigate any negative consequences for the beneficiaries caused by late delivery or shortfall in the agreed quantity and quality. When receiving the supplies, follow the three steps:

Step 1: Forwarders receipt

Upon receipt of supplies, check that the packages are not wet or damaged. Sign and file a receipt of goods/delivery note in the Procurement File. If the packing is wet, damaged or bent, it is extremely important to make a note on the receipt or delivery note. Write e.g. "received damaged" or "shortage".

Step 2: Unpacking and inspection

Unpack goods within 48 hours of receipt of supplies. At the final destination the Procurement Committee shall inspect that the supplies are in acceptable condition. If the Procurement Committee lacks the expertise to make an inspection, a Technical Advisor shall be consulted for assistance. Payment shall only be authorised to the supplier after inspection is completed and supplies found to be in order.

Step 3: Damaged goods

In case of damaged supplies or shortage, a claim shall be made to the forwarder and the insurance company within five days. For insured goods, it is important that the damage report is forwarded to the Procurement and Logistics Unit immediately. This report shall include a copy of the signed receipt or delivery note (as in step 1), pictures of the damaged supplies, where it was inspected and by whom, where the damaged supplies are now stored and a short description of the damage or shortage. The insurance company may send a representative to inspect the damage.

6.6 INCOTERMS 2020

Incoterms are internationally recognised trade clauses most commonly used for international sales and transport contracts published by the [International Chamber of Commerce \(ICC\)](https://www.iccwg.org/). The standard clauses can be adopted as the legal regulation for delivery of supplies and distribution of cost and risks between the seller and the Contracting Authority in the Purchase Order or Contract.

The below table is meant to give a broad overview of the various Incoterms. For each Incoterm, it is important to specify the port or other named delivery destination as precisely as possible.

NOTE: If Incoterms are unspecified in a Purchase Order or Contract, it is the EX Works (EXW) which applies, placing minimum risk and obligations on the seller and maximum on the buyer, the Contracting Authority.

RULES FOR ANY MODE(S) OF TRANSPORT

Incoterm (2020)	Delivery and risk
Blue indicates seller's	Gold indicates buyer's
	Green indicates mixed or shared

EXW

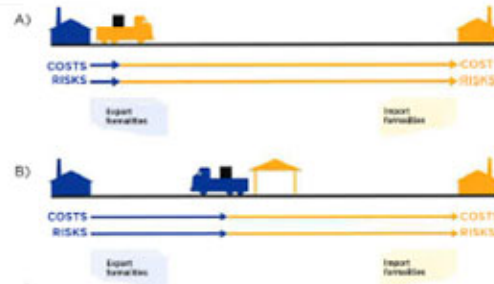
Ex Works
(Insert named place of delivery)
Incoterms® 2020



"Ex Works" means that the seller delivers the goods to the buyer when it places the goods at the disposal of the buyer at a named place (like a factory or warehouse), and that named place may or may not be the seller's premises. For delivery to occur, the seller does not need to load the goods on any collecting vehicle, nor does it need to clear the goods for export, where such clearance is applicable.

FCA

Free Carrier
(Insert named place of delivery)
Incoterms® 2020



"Free Carrier (named place)" means that the seller delivers the goods to the buyer in one or other of two ways. First A) when the named place is the seller's premises, the goods are delivered when they are loaded on the means of transport arranged by the buyer. Second B) when the named place is another place, the goods are delivered when, having been loaded on the seller's means of transport, they reach the named other place and are ready for unloading from that seller's means of transport and at the disposal of the carrier or of another person nominated by the buyer. Whichever of the two is chosen as the place of delivery, that place identifies where risk transfers to the buyer and the time from which costs are for the buyer's account.

CPT

Carriage Paid To
(Insert named place of destination)
Incoterms® 2020



"Carriage Paid To" means that the seller delivers the goods – and transfers the risk – to the buyer by handing them over to the carrier contracted by the seller or by procuring the goods so delivered. The seller may do so by giving the carrier physical possession of the goods in the manner and at the place

appropriate to the means of transport used. Once the goods have been delivered to the buyer in this way, the seller does not guarantee that the goods will reach the place of destination in sound condition, in the stated quantity or indeed at all. This is because risk transfers from seller to buyer when the goods are delivered to the buyer by handing them over to the carrier; the seller must nonetheless contract for the carriage of the goods from delivery to the agreed destination.

CIP
Carriage and Insurance Paid To
(Insert named place of destination)
Incoterms® 2020



“Carriage and Insurance Paid To” means that the seller delivers the goods – and transfers risk – to the buyer by handing them over to the carrier contracted by the seller or by procuring the goods so delivered. The seller may do so by giving the carrier physical possession of the goods in the manner and at the place appropriate to the means of transport used. Once the goods have been delivered to the buyer in this way, the seller does not guarantee that the goods will reach the place of destination in sound condition, in the stated quantity or indeed at all. This is because risk transfers from seller to buyer when the goods are delivered to the buyer by handing them over to the carrier; the seller must nonetheless contract for the carriage of the goods from delivery to the agreed destination.

DAP
Delivered at Place
(Insert named place of destination)
Incoterms® 2020



“Delivered at Place” means that the seller delivers the goods – and transfers risk – to the buyer when the goods are placed at the disposal of the buyer on the arriving means of transport ready for unloading at the named place of destination or at the agreed point within that place, if any such point is agreed. The seller bears all risks involved in bringing the goods to the named place of destination or to the agreed point within that place. In this Incoterms® rule, therefore, delivery and arrival at destination are the same.

DPU
Delivered at Place Unloaded
(Insert named place of destination)
Incoterms® 2020



“Delivered at Place Unloaded” means that the seller delivers the goods – and transfers risk – to the buyer when the goods, once unloaded from the arriving means of transport, are placed at the disposal of the buyer at a named place of destination or at the agreed point within that place, if any such point is agreed. The seller bears all risks involved in bringing the goods to and unloading them at the named place of destination. In this Incoterms® rule, therefore, the delivery and arrival at destination are the same. DPU is the only Incoterms® rule that requires the seller to unload goods at destination. The seller should therefore ensure that it is in a position to organise unloading at the named place. Should the parties intend the seller not to bear the risk and cost of unloading, the DPU rule should be avoided and DAP should be used instead.

DDP
Delivered Duty Paid
(Insert named place of destination)
Incoterms® 2020



“Delivered Duty Paid” means that the seller delivers the goods to the buyer when the goods are placed at the disposal of the buyer, cleared for import, on the arriving means of transport, ready for unloading, at

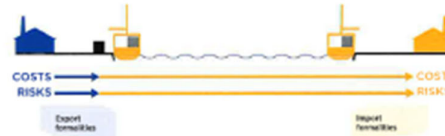
the named place of destination or at the agreed point within that place, if any such point is agreed. The seller bears all risks involved in bringing the goods to the named place of destination or to the agreed point within that place. In this Incoterms® rule, therefore, the delivery and arrival at destination are the same.

RULES FOR SEA AND INLAND WATERWAY TRANSPORT

Incoterm (2010)	Delivery and risk	
Blue indicates seller's	Gold indicates buyer's	Green indicates mixed or shared

FAS

Free Alongside Ship
(Insert named port of shipment)
Incoterms® 2020



“Free Alongside Ship” means that the seller delivers the goods to the buyer when the goods are placed alongside the ship (e.g. on a quay or a barge) nominated by the buyer at the named port of shipment or when the seller procures goods already so delivered. The risk of loss of or damage to the goods transfers when the goods are alongside the ship, and the buyer bears all costs from that moment onwards.

FOB

Free on Board
(Insert named port of shipment)
Incoterms® 2020



“Free on Board” means that the seller delivers the goods to the buyer on board the vessel nominated by the buyer at the named port of shipment or procures the goods already so delivered. The risk of loss of or damage to the goods transfers when the goods are on board the vessel, and the buyer bears all costs from that moment onwards.

CFR

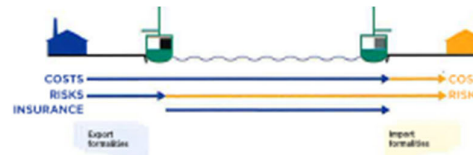
Cost and Freight
(Insert named port of destination)
Incoterms® 2020



“Cost and Freight” means that the seller delivers the goods to the buyer on board the vessel or procures the goods already so delivered. The risk of loss of or damage to the goods transfers when the goods are on board the vessel, such as the seller is taken to have performed its obligation to deliver the goods whether or not the goods actually arrive at their destination in sound condition, in the stated quantity or, indeed, at all. In CFR, the seller owes no obligation to the buyer to purchase insurance cover: the buyer would be well-advised therefore to purchase some cover for itself.

CIF

Cost, Insurance and Freight
(Insert named port of destination)
Incoterms® 2020



“Cost Insurance and Freight” means that the seller delivers the goods to the buyer on board the vessel or procures the goods already so delivered. The risk of loss of or damage to the goods transfers when the goods are on board the vessel, such that the seller is taken to have performed its obligation to deliver the goods whether or not the goods actually arrive at their destination in sound condition, in the stated quantity or, indeed, at all.

6.7 LEGAL ASPECTS – WARRANTY OBLIGATIONS

The GTC for Supply establishes the seller's warranty obligations. They are more comprehensive than what a seller is generally including in his/her own general terms and conditions, and they could be contrary to the customs of the country. If it is foreseen that this could be a hindrance to collection of offers, consider limiting these provisions in the Purchase Order or Contract (e.g. in common law systems "Incidental damages" are excluded from seller's liability). The duration of the warranty period (one year according to the GTC) can be increased, for example, if required by the applicable law which provides for a longer period.

Besides these warranty obligations, which are contractual, the seller is generally subject to legal "product liability" (for hidden defects) in the countries where the products are sold. This product liability is governed by mandatory provisions, generally protecting the consumer or third party and is therefore not considered in the GTC.