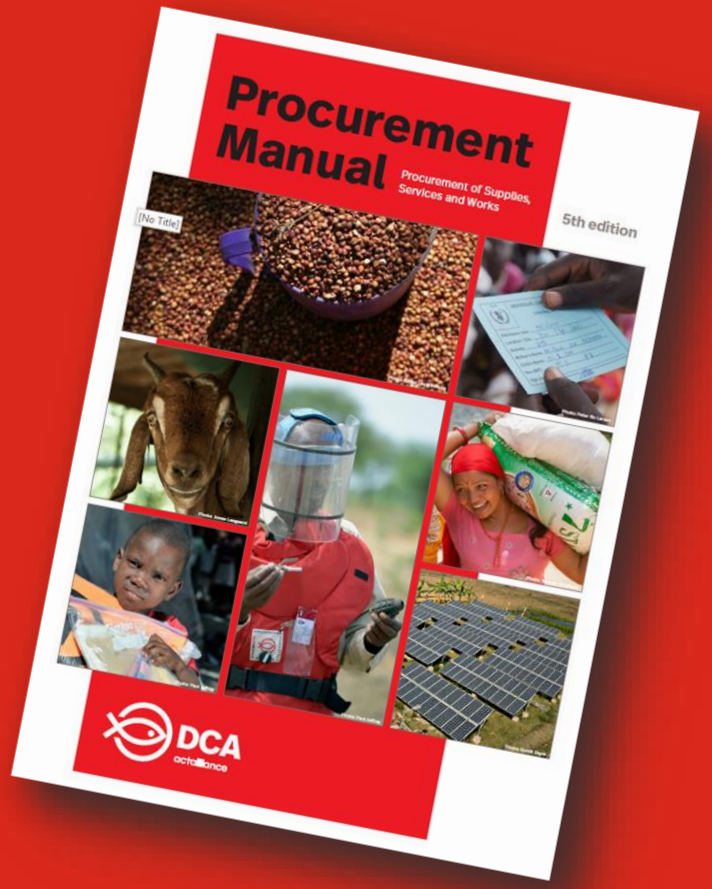
General info and Main Changes

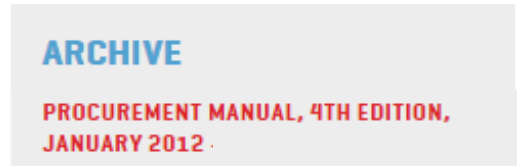
DCA PROCUREMENT MANUAL

5th Edition, April 2016



General Information

- The Manual + Annexes are available online
  - same web (LINK) and same login (pro/pro12345)
  - Previous editions available from same link in the Archive



- 5th ed. applicable from 1st of April 2016

- Always download Manual and Annexes from web
  - This ensures that the correct edition is applied

- Some Annexes translated into Danish – no other translation for 5th ed.
  - If you need the Manual or Annexes translated include costs in CO/HMA/project budgets (HQ does not pay for translations)
  - No major changes to content or the legal aspects of Annexes, so the translated Annexes in 4th ed. can still be used when needed

- CO/HMA print own Manuals and for their implementing partners
  - But, HQ will print 1-2 Manuals for CD/PM to bring to each CO/HMA offices
  - Note: Some parts of the Manual are in color now – but can still be printed in black/white

Updates and Changes

APPLICABILITY

- Same as always - **All projects** (Int. donors; Danida, foundations, private partnerships etc.)

- Danida and own funds with a total project budget below 500,000 dk.kr. are exempted
  - Partners can apply own procurement rules and guidelines if they live up to international standards. If they do not, they shall apply the Manual (Danida requirement)
  - DCA CO/HMA procurement + self-implementation = > Manual always applies
  - This has been a rule for a long time, but it was not outlined in the Manual - now it’s included in the Introduction under applicability

Updates and Changes

TRESHOLD BELOW EUR 300

- > NOT considered procurement = no Procurement Procedure applies

- > Simple Procedure starts at EUR 300

- > Threshold can be set lower than EUR 300

	SUPPLY	SERVICE	WORKS
Simple Procedure	300 – 9,999 EUR	300 – 9,999 EUR	300 – 9,999 EUR
Negotiated Procedure	10,000 – 149,999 EUR	10,000 – 149,999 EUR	10,000 – 299,000 EUR
Local Open Tender	150,000 – 299,999 EUR	150,000 – 299,999 EUR	300,000 – 2,999,999 EUR
International Open Tender	Above 300,000 EUR	Above 300,000 EUR	Above 3,000,000 EUR

Updates and Changes

CASH GRANTS AND VOUCHERS section 4.5

- Rewritten and charpened
  - Focus on Vouchers as this involes procurement
  - Commodity and Service Vouchers involves procurement = > selecting suppliers/service providers as per Contract Category and contract value
  - Cash Grants and Cash Vouchers are cash money = > not considered procurement and no Procurement Procedures applies
  - Highlighted that when Cash Grants and Vouchers are distributed electronically the purchase of Financial Service Providers, phones, tablets etc. are procurement and procurement procedures applies
  - New support **Annex GEN 19: Cash Grants vs. Vouchers**
    Describing the type of Cash Transfer -> provides an example -> procurement action(s) involved

Updates and Changes

DEROGATIONS section 4.7

- In general the section has been rewritten and charpened in understanding. It now includes an introduction to derogations and specifies the need for justification and documentation

- Automatic Derogation remaned = > **Blanket Derogation** section 4.7.1

- **Blanket Derogation**:
  - Reference to Simple Procedure removed
  - Replaced with ‘Procurement from a Single Supplier’ (no price comparison required)
  - Documentation: PO/Contract; Technical specs/TOR; Proof of Receipt and Invoice
  - Added:

    i: When pricec are fixed by legislation it is allowed to purchase from a single supplier

Updates and Changes

DEROGATIONS section 4.7

- ‘**Other Exemptions**’ added to **Blanket Derogations**:
  - **j.** Blanket derogation to refrain from posting a general advertisement for security reasons or if operation is declared an emergency situation
  - **k.** Blanket derogation to refrain from publishing an Award Notice if this poses a security risk to staff, beneficiaries or contractors.
  - **l.** Products grown or produced by beneficiaries > Simple Procedure
  - **m.** Procurement of livestock > Simple Procedure
  - **n.** For online purchase of supplies below EUR 10,000 it’s not mandatory to issue a Purchase Order

- Seperate section: **‘Derogation by Approval’ - section 4.7.2**
  - Removed: Shortfall or unavailability of resources in the market
  - Rest is the same as 4th Ed.
  - New examples

Updates and Changes

ADVERTISEMENT - section 4.11

- Section 4.11 Renamed to ‘General Advertisement’ and exempted for emegency status projects

PROCUREMENT IN EMERGENCY PROJECTS – section 4.15

- New section on emergency projects, explaining what an emegency situation is and reference to blanket derogation a. and j. (source single supplier and general advertisement not mandatory)

ONLINE PROCUREMENT – section 4.16

- New section: Risks and not mandatory to issue PO for purchases of supplies below EUR 10,000 (blanket derogation: j.)

Updates and Changes

DOCUMENTATION AND MONITORING section 5

- **Procurement Files** section 5.1
  - General procurement file content upgraded: include GEN 18 and a General Note to File
  - Proff of receipt *of the supplies, services or works* (before only proof of receipt)
  - Note to File is added under all proceures and explanation to the Note to File
  - Note on the preparation of a reconciliation sheet for multiple deliveries under same lot
  - GEN 18 adapter accordingly and in format

- New section on **Procurement Monitoring** section 5.2
  - Guidelines on procurement monitoring:
  - Section on ‘What to look for in Procurement Documentation’
  - Checking physical files and quality of documentation

Updates and Changes

DOCUMENTATION AND MONITORING section 5

- **Procurement Finalisation** section 5.3
  - Upgraded with more thorough guidelines
  - Actions in regards to the **Final Procurement Plan** is described with reference to: ‘Actual Procurement’ section in the PP; ensure PP matches the Financial report; actual procurement and the Narrative Report is aligned; and the Final Report to donor include relevant and correct procurement info

  - **Audit Preparation** is added: List of what to do and responsibilities for both implementing partner and donor contract holder

Updates and Changes

THE SIMPLE PROCEDURE

- Wording of what the Simple Procedure requires has been changed. This because the wording was unclear and often created an understanding that obtaining one quote was enough…

Changed from:

> *”The Simple Procedure does not require more than one quotation to be collected. It is though important to stress that the price shall correspond with the present market price or lower. This shall always be justified and filed in the procurement file. To prove that the price corresponds with the market price or lower, you can…”*

Changed to:

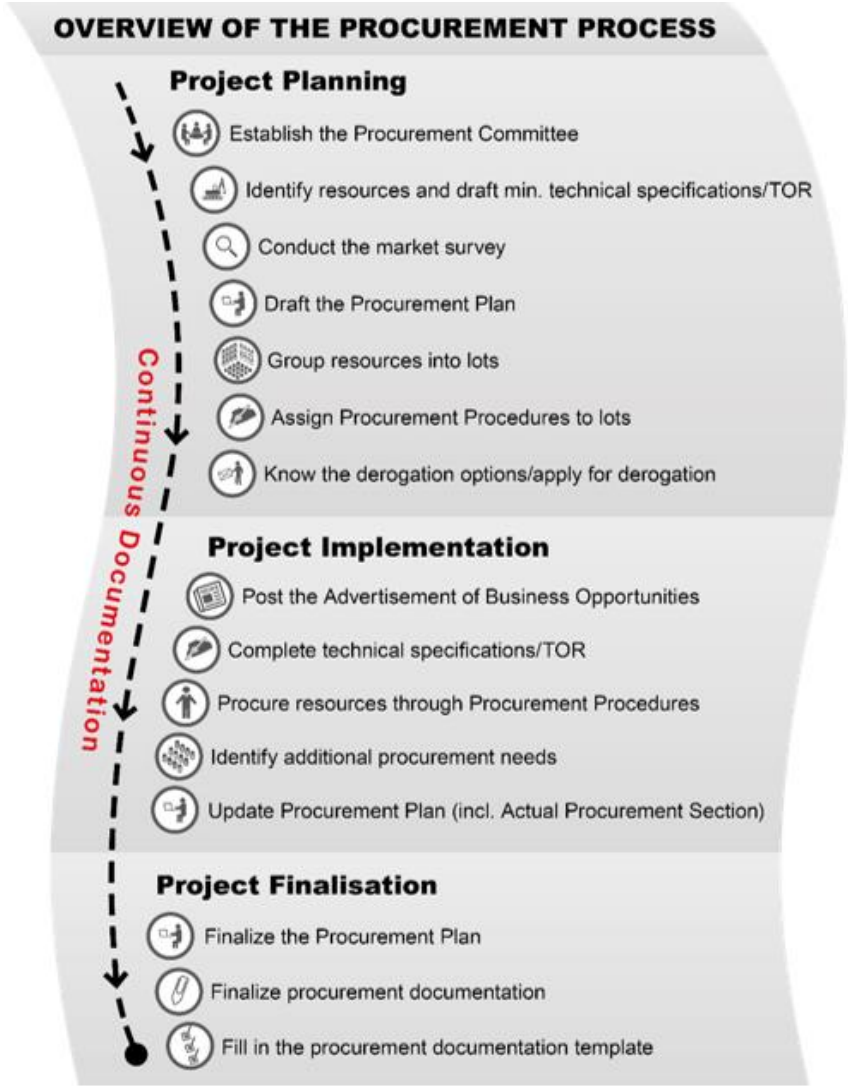
> *”For the Simple Procedure it shall be documented that the price of the procured product corresponds with, or is lower than the market price (meeting the technical specifications/TOR). To establish this you can… Make sure you have at least three prices for comparison”*

Updates and Changes

NEW VISUAL STEP GUIDES

- **Why?**
  - To create a more visial communication of steps and processes
  - Easier for users to get an overview and recognise actions
  - Gather all information relevant for each independent step in one visual step. This to make it easier for users to identify what is required for that particular step in terms of actions, considerations, dokumentation and annexes. If there is a relevant e-learning for a step this is also indicated
  - Each Procedural Step Guide ends with an overview of what documentation shall be filed in the procurement file

1. Procurement Process Overview ->



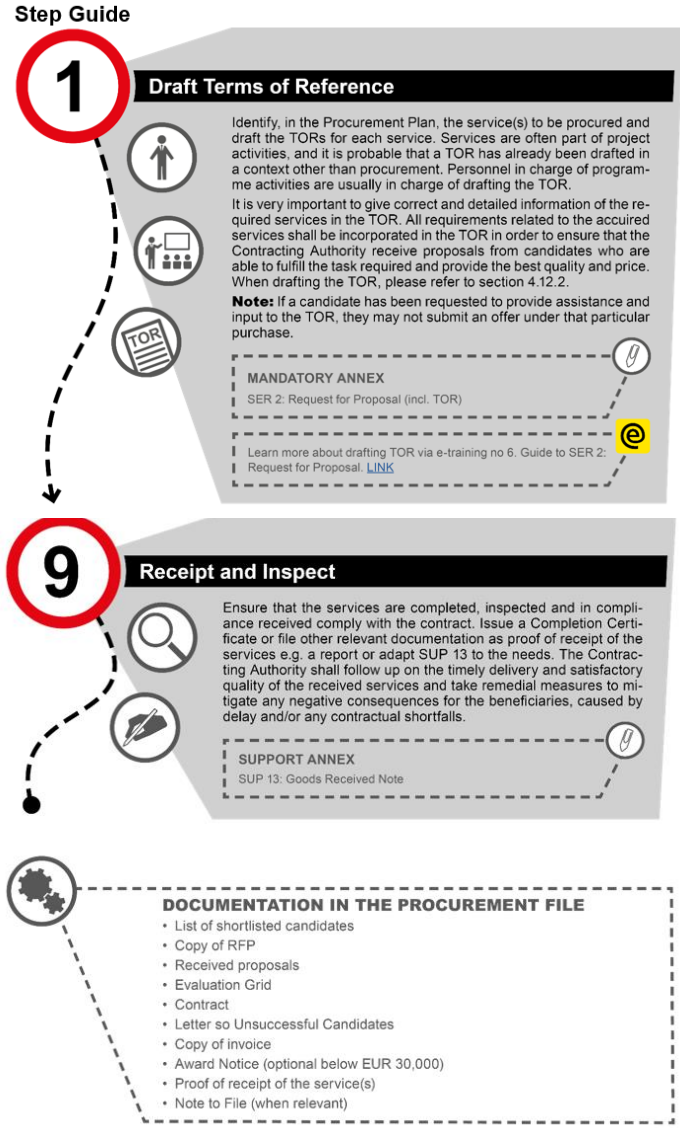
Updates and Changes

NEW VISUAL STEPGUIDES

2. Step Guide to the Procurement Plan

3. All Step Guides for Procurement Procedures - >

- Evaluation criterias described better in the step guides
- New E-training icon

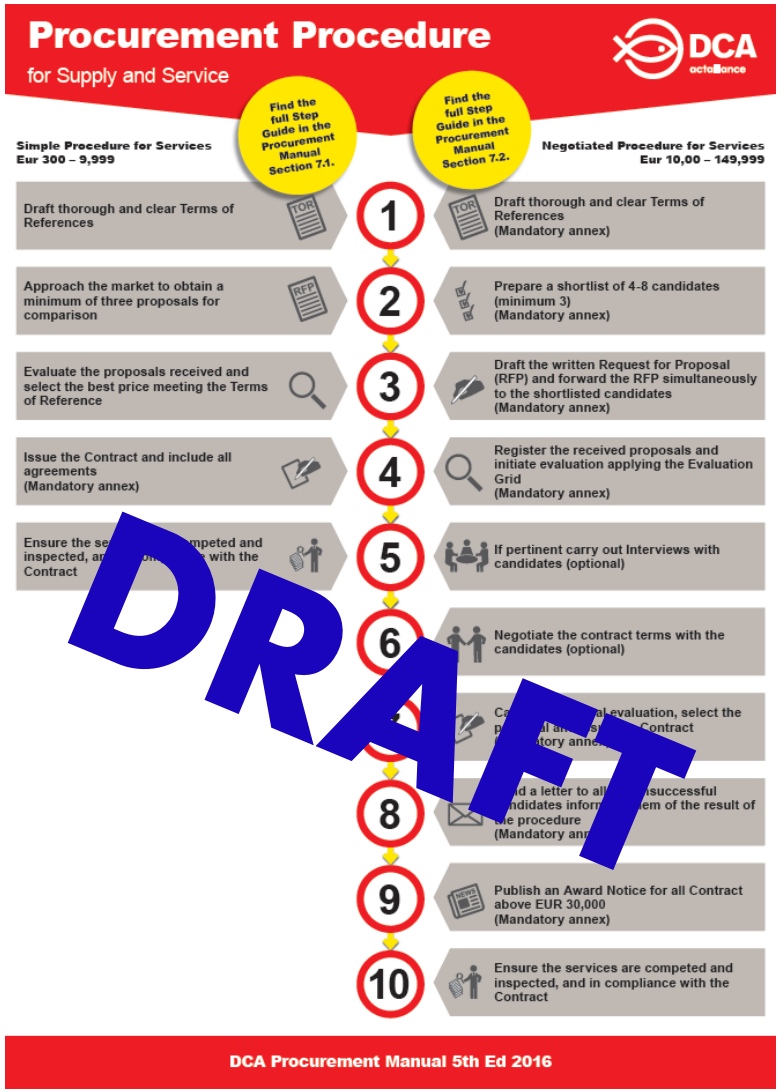


Updates and Main Changes

NEW POSTER (A2 format)

Poster with visual overview of the steps for the Simple and Negotiated Procedure is on the way

A little teaser…



Updates and Changes

PROCUREMENT E-TRAININGS

- Updated list of the available modules
- Total of 6 on-demand e-trainings

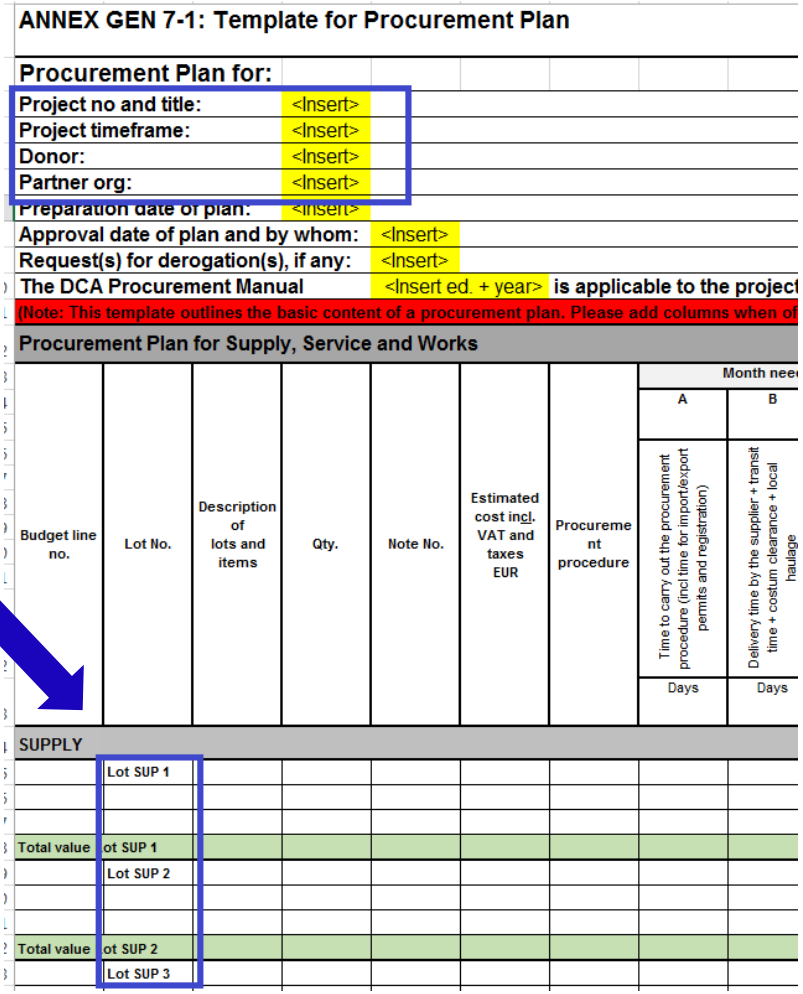
Changes to Annexes

GEN 7-1: TEMPLATE FOR PROCUREMENT PLAN

- Info on donor, partner etc. has been added
- Total Value of Procurement added at the bottom of the template
- Lot numbering as per Contract Category – e.g. Lot SUP 1. This allows users to add lots under each Contract Category during implementation
- GEN 18 adjusted accordingly

GEN 9: OVERVIEW OF PROCUREMENT STEPS

- Added support Annex
- Provides an overview of the different steps for the 4 Procurement Procedures



ANNEX GEN 7-1: Template for Procurement Plan

Procurement Plan for:

Project no and title:	<Insert>
Project timeframe:	<Insert>
Donor:	<Insert>
Partner org:	<Insert>
Preparation date of plan:	<Insert>
Approval date of plan and by whom:	<Insert>
Request(s) for derogation(s), if any:	<Insert>

The DCA Procurement Manual <Insert ed. + year> is applicable to the project

(Note: This template outlines the basic content of a procurement plan. Please add columns when of

Procurement Plan for Supply, Service and Works

Budget line no.	Lot No.	Description of lots and items	Qty.	Note No.	Estimated cost incl. VAT and taxes EUR	Procurement procedure	Month nee	
							A	B
							Time to carry out the procurement procedure (incl time for import/export permits and registration)	Delivery time by the supplier + transit time + costum clearance + local haulage
							Days	Days
SUPPLY								
	Lot SUP 1							
Total value	ot SUP 1							
	Lot SUP 2							
Total value	ot SUP 2							
	Lot SUP 3							

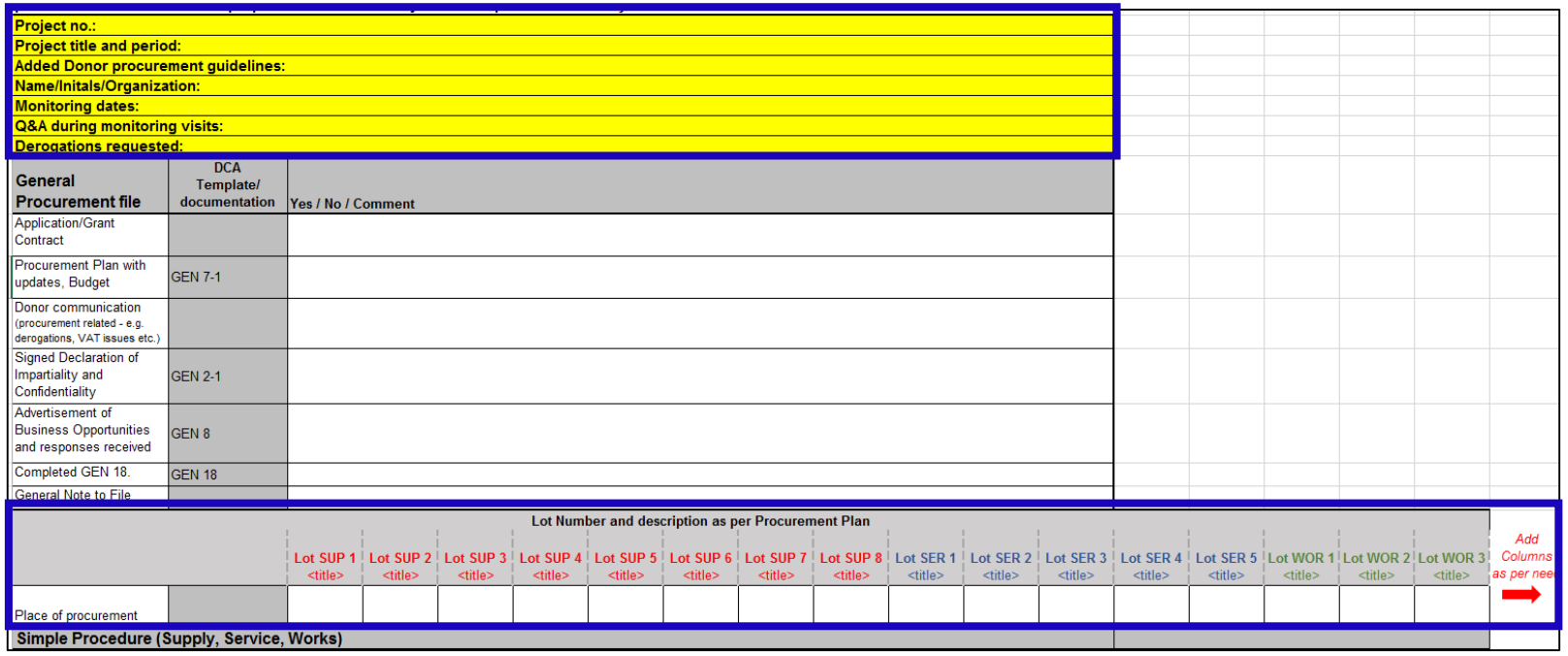
Changes to Annexes

GEN 11: TENDER NOTICE

- Renamed to **Business Opportunity/Tender Notice**
  - This will allow for the GEN 11 to be used for advertisement under a Negotiated procedure also

GEN 18: PROCUREMENT MONITORING TEMPLATE

- Aligned with section 5.1 Procurement Files and general info added on top



Project no.:
Project title and period:
Added Donor procurement guidelines:
Name/Initals/Organization:
Monitoring dates:
Q&A during monitoring visits:
Derogations requested:

General Procurement file	DCA Template/ documentation	Yes / No / Comment
Application/Grant Contract		
Procurement Plan with updates, Budget	GEN 7-1	
Donor communication (procurement related - e.g. derogations, VAT issues etc.)		
Signed Declaration of Impartiality and Confidentiality	GEN 2-1	
Advertisement of Business Opportunities and responses received	GEN 8	
Completed GEN 18.	GEN 18	
General Note to File		

		Lot Number and description as per Procurement Plan																Add Columns as per nee
		Lot SUP 1 <title>	Lot SUP 2 <title>	Lot SUP 3 <title>	Lot SUP 4 <title>	Lot SUP 5 <title>	Lot SUP 6 <title>	Lot SUP 7 <title>	Lot SUP 8 <title>	Lot SER 1 <title>	Lot SER 2 <title>	Lot SER 3 <title>	Lot SER 4 <title>	Lot SER 5 <title>	Lot WOR 1 <title>	Lot WOR 2 <title>	Lot WOR 3 <title>	
Place of procurement																		
Simple Procedure (Supply, Service, Works)																		

Changes to Annexes

GEN 19: CASH GRANTS VS VOUCHERS

- New support Annex which highlights if and how each type of Cash Transfer involves procurement

SUP 13: GOODS RECEIVED NOTE – New support Annex

SER 1 AND 2: REQUEST FOR PROPOSAL

- No major changes besides correction of errors and polishing of document
- Worth mentioning that there is an e-learning module avaialbe on how to use and fill in the RFP

SER 3, SER 7, WOR 3: EVALUATION GRIDS (for Negotiated and Local Open Tenders)

- Under Financial Evaluation a row has been added for the the Financial Offer

Part C: Financial Evaluation

Financial Evaluation					
PRICE OFFERED					
FINANCIAL SCORE[1]					

Removed Sections and Annexes

HYBRID CONTRACTS as a ‘Contract Category’ does not exist anymore

- Removed from section 3.1
- Contracts with elements from both services and supplies still exist, but is not a Contract Category in itself.
- When elements of 2 Contract Categories occur in one contract, the Contract Category which represent the highest value still detemines the procurement procedure (no changes)

CENTRAL BYING OFFICES are removed from Section 4.8.

- Section 4.8 only covers ECHO Recognised Humanitarian Procurement Centres

GEN 3: CONTRACTOR REGISTRATION FORM removed

- Decided not to require interested suppliers to submit a Form, because DCA/partners do not collect and use this data in a unifomed an strategic manner (requireing too much of suppliers).

GEN 15-4 EVALUATION REPORT FOR OPEN TENDER is removed.

- The Evaluation Grids for Open Tenders (SUP 5/SER 7) are used as Evaluation Reports
- Use of Annex’es in step guides adjusted accordingly
- Removed due to ‘overkill’ in collection of information and report writing, and no added value

Enjoy!

DCA PROCUREMENT MANUAL

For questions please contact your
ProLog Desk Officer

Remember to join the online session on the 13th of April, 2016