



## 6.2 THE NEGOTIATED PROCEDURE FOR SUPPLIES

(EUR 10,000 – 149,999)

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.



**MANDATORY TEMPLATE:**

[SUP 8: Letter to Unsuccessful Suppliers](#) 🇩🇪 🇪🇺

## 8

### Publish Award Notice



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