



REVISED PROCUREMENT GUIDELINES FOR GRMF





OUTLINE

(I). BACKGROUND

(II). DETAILED PROCEDURES

(III). WHAT HAS CHANGED





BACKGROUND



- Revised to ensure efficiency in the implementation of projects by developers
 - Based on recommendations and inputs from developers during different for a
 - Guided by the AU Procurement Manual version 2.0 of 2016
 - Guided by the counsel of the Oversight Committee
 - Reviewed by the Office of Legal Counsel of the AUC
 - Approved by the Chairperson of the AUC
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DETAILED PROCEDURES



- Procurement Principles
 - Categories in Procurement
 - Methods of Procurement
 - Thresholds / Limits
 - General Rules
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DETAILED PROCEDURES-Procurement Principles

Transparency

- The procurement system must ensure transparency in the procurement of goods, services and works.
 - The procurement guidelines are designed to facilitate the procurement of goods, works and services of the right quality, at the right price, at the right time and at the right place through competitive bidding processes.
 - The AUC is entrusted with AU Member States and donor funds to provide services and support to the AU policies and programmes.
 - The use of funds for procurement must be conducted in a transparent and open manner, allowing both stakeholders and the general public access to information on procurement actions by the AUC, as well as providing a means to control and audit all procurement activities.
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PROCUREMENT PRINCIPLES

Value for Money

- ❑ Value for money is the trade-off between price and performance that provides the greatest overall benefit under the specified evaluation criteria.
- ❑ Consider, among other factors, the optimum combination of life cycle costing, fitness for purpose (i.e. quality and ability to meet the Grant Recipient's requirements).
- ❑ Specification should include social, economic and environmental objectives within the procurement process.

Effective Competition

Effective competition is achieved under the following conditions:

- (i) Sufficient number of prospective suppliers
- (ii) Prospective suppliers are independent of each other
- (iii) Competition for the same business opportunity under the same conditions
- (iv) Response to the procurement opportunity by a sufficient number of suppliers



PROCUREMENT PRINCIPLES

Fairness, Integrity and Transparency

- Guard against proscribed practices, (Fraud, Corruption and all unethical practices)
- Each procurement process must be conducted on the basis of clear and appropriate regulations, rules, processes, procedures and standards that are applied consistently to all potential suppliers.
- All suppliers must be offered equal access to information, free from favouritism, self-interest or preference in judgement.
- Integrity is exhibiting strong moral principles, honesty and decency as character traits.

The recipient of public funds from the AUC shall not use his or her authority or office for undue personal gain. Personal gain includes accepting or requesting anything of material value from bidders, prospective bidders or suppliers of goods and services



Procurement Principles

Efficiency and economy

- ❑ Considerations to quantity, quality and timelines, at the optimum prices.
- ❑ The processes applied must be proportionate to the value and complexity of the requirement,
- ❑ ensure that the associated costs are minimised and in line with the budget for the activity.

- Developers are required to consistently apply the principles together with professional judgement and good management, to ensure the highest standards of integrity and competency



CATEGORIES OF PROCUREMENT

Consultancy services are activities of an intellectual and advisory nature that do not lead to a measurable physical output and includes design, supervision, training, advisory, auditing, software development and similar services

Goods mean raw materials, products, equipment and other physical objects of every kind and description, whether in solid, liquid or gaseous form, well as services incidental to the supply of the goods provided that the value of the services does not exceed the value of the goods themselves

Non-Consultancy Services are any object of procurement other than goods, works and consultancy services. Normally such services do not involve intellectual and advisory inputs.



CATEGORIES OF PROCUREMENT

Works:

- Construction, reconstruction, demolition, repair or renovation of a building, structure, road or airfield;

- Any other civil works, such as site preparation, excavation erection, building, installation of equipment or materials, decoration and finishing; and

- Service which is tendered and contracted on the basis of performance of a measureable physical output such as drilling, mapping, satellite photography or seismic investigations:

Contracts which include the provision of works and services shall be regarded as works contracts if the total value of the works is greater than the value of the services covered by the contract.



METHODS OF PROCUREMENT

International Competitive Bidding (ICB)

- Open Competition is the most preferred method of GRMF procurement. Public advertisement has to be made by international online tender publication.
- The procedure for procuring consulting services usually comprises of two stages, namely prequalification and request for proposals.
- prequalification assesses general suitability of the bidders and the 2nd stage is a competition among the prequalified bidders
- The deadlines for preparation of the prequalification documents and for preparation of the bids must take due account of the particular circumstances of the project, its size and complexity
- Must adhere to the principles of fairness, transparency and equal treatment of bidders
- Deadlines shall be at least 30 calendar days for prequalification procedures and 45 calendar days for bids.



Methods of Procurement

National Competitive Bidding:

- publication of the invitation to tender that is confined to the partner country
- international bidders may not be prevented from participating in or be excluded from the procedure.
- The provisions governing international invitations to tender apply in regard to the difference between procurement consultancy services or goods, works, non-consultancy services.

Request for Quotations

- Only qualified bidders may be requested to submit offers.
- If the general suitability of all proposed bidders has been sufficiently demonstrated or is sufficiently known to the Contracting Authority, no detailed examination of their suitability need be carried out in the course of obtaining the offers.
- Where insufficient information is available, this must be obtained from all bidders together with the offers solicited. The deadline for submission of offers may be reduced appropriately, but as a rule should be no less than 20 calendar days.



Methods of PROCUREMENT

❑ Single Source Procurement

- With direct award only one offer is obtained, and the contract is awarded without a competitive procedure. Direct award is possible only for bids below the indicated threshold (Less than USD100,000.00).
- In cases of direct award the Beneficiary will always verify the appropriateness of the technical proposal and price quotation, and any other components of the offer.
- The outcome of this verification procedure must be documented in writing for an eventual check by the external auditor of the GRMF.



Limits of Procurement Methods under GRMF – Goods and Works

No	Method of Tendering	Goods	Works
1	International Competitive Bidding (ICB)	> 700.000 USD	> 1.000.000 USD
2	National Competitive Bidding (NCB)	Up to 700.000 USD	Up to 1.000.000
3	Request for Quotation (min 3 quotations)	Up to 500.000 USD	Up to 700.000 USD
4	Single Source Procurement	Up to 100.000 USD	Up to 100.000 USD



Limits of Procurement Methods under GRMF – Consultancy Services

No	Method of Tendering	Consultancy Services
1	International Competitive Bidding	> 300.000 USD
2	Request for Quotation (min. 3 invitation to bid to 3 potential bidders)	Up to 300.000 USD
3	Single Source Selection	Up to 100.000



GENERAL RULES

INELIGIBLE EXPENDITURE

The following expenditure is ineligible expenditure and cannot be financed from the grant: Taxes, duties, customs as well as depreciable assets. For further information please refer to the developer manual.

ELIGIBLE BIDDERS

Bidders for any types of procurements of goods and services can under no circumstances be entities or individuals barred from participating in European Union or AU public procurements; or have its origin in countries that have been blacklisted or sanctioned by the United Nations Security Council, the EU or the AU.

NO OBJECTION

The Beneficiary shall request a determination of No Objection from the Contracting Authority, before entering into any sub-contract which is above US\$ 1,000,000 for works, US\$ 700,000 for goods and US\$ 300,000 for Consultancy Services.





GENERAL RULES

ANNOUNCEMENT OF BIDDING DOCUMENTS

The bidding documents must be issued to all bidders simultaneously. In general, the procedure for issue of Requests for Quotations to bidders shall follow the same principles. The Developer shall ensure that full records are maintained and updated and that copies of all relevant documents are retained for reference.

BID EVALUATION AND SUPPLIER SELECTION

Bids should be evaluated based on technical quality and, where applicable, bid value on monetary terms. For competitive procurements, objective methodologies to assess bid quality shall be established before bidding documents are released. For open/public procurements, the Developer should inform all bidders about the out-come of the procurement process.

RECORD KEEPING

All Developers, which are recipients of AUC grants under the GRMF programme, must ensure adequate keeping of financial records of all goods and services procured during the contract period to allow verification of cost claims. Developers have to keep a full written record of the awarding procedures for at least ten (10) years, and have to allow the AUC and auditors assigned by the AUC at any time full access to any and all documents and records of the awarding procedure.



PROCUREMENT PLAN (PP)

- ❑ The procurement is guided by the procurement plan (PP) which clearly states the contemplated procurement method for each contract.

- ❑ The PP will be prepared based on Work Plan activities in the format provided in the Annex

- ❑ Based on international accepted principles and rules governing public procurements, developers will take into consideration the following:
 - Value for Money
 - Transparency, integrity, accountability and fairness is observed
 - Competitive advantage is attained
 - Laws, rules and regulations

The method of procurement/selection which can / must be employed for each package will depend on the contract limits



PROCUREMENT PLAN (PP)

- Should clearly outline the foreseen procurement method and the justification for the respective methods and will be approved by the Contracting Authority.

- The procurement plan has to be provided together with the full application

- The procurement plan needs to show the anticipated services to be contracted, including information on the estimated contract value and scheduled procurement method.

- A management Tool which must be updated through complete project implementation.



What Has Changed



- Clarity methods of procurement
- Increased thresholds for method of procurement
- Different and higher thresholds for Selection of Consultants
- Increased thresholds for Determination of No Objection
 - US\$ 1,000,000 for works, US\$ 700,000 for goods and US\$ 300,000 for Consultancy Services





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