

Geothermal Risk Mitigation Facility (GRMF)

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- 1. Key highlights on GRMF Procurement Guidelines***
- 2. Key highlights on GRMF Early Contracting Manual***
- 3. Questions and Answers***
- 4. Closing***

DETAILED PROCEDURES

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

❖ **INELIGIBLE EXPENDITURE**

The following costs are considered 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.

❖ 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.*

- 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.*

- ❖ *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*

- Cut-off dates for the normal GRMF Application Round***

- Cut-off dates for Direct Drilling Programme***

- ❖ *Allowable two exceptions or cut-off dates :*
 - *1st cut-off date for early contracting refers to the submission deadline of the Expression of Interest:*
 - *Costs from contracts signed with any third party before this date will not be eligible;*
 - *Costs from contracts signed after this date will be eligible.*
 - *2nd cut-off date for early contracting refers to the submission deadline of full Application:*
 - *Any activity (and therefore any related costs) that shall be eligible for support by GRMF (= eligible activity) can only start after this date.*
 - *Exception: Activities relating to the preparation of the Environmental & Social documentation that needs to be submitted with the full application may already start after the 1st cut-off date (for further exceptions related to the cut-off dates for E&S reporting please contact the GRMF management).*

- *In case of a “direct DP application” according to section 9.5 of the GRMF Developer Manual, the reference for the two cut-off dates is different, because no official timeline for GRMF application rounds applies. For direct DP applications the following two references must be considered:*
- *1st cut-off date for early contracting for direct DP applications refers to the submission date of the Notification Letter of the beneficiary.*
- *Costs from contracts signed with any third party before this date will not be eligible;*
- *Costs from contracts signed after this date will be eligible.*
- *2nd cut-off date for early contracting for direct DP applications refers to the submission date of the full DP application.*
- *Any activity (and therefore any related costs) that shall be eligible for support by GRMF (= eligible activity) can only start after this date.*
- *Exception: Activities relating to the preparation of the Environmental & Social documentation that needs to be submitted with the full application may already start after the 1st cut-off date (for further exceptions related to the cut-off dates for E&S reporting please contact the GRMF management).*

The Developer takes the full risk for such circumstances as follows:

- When the application does not reach the threshold of 70 points in the Application procedure and therefore will not be considered for a GRMF grant;*
- When there is limited funding even if the developer achieves the threshold of 70 points or more;*

- The GRMF Grant Contract covers only parts of the project that has been applied for; or,*

- The GRMF Grant Contract will or cannot be signed for any other reason.*

- *For “Early Contracting”, the Applicant has to comply with all requirements mentioned in the Request for Application.*
- *Additionally the following special procurement and reporting requirements has to be adhered to as these will be required in case of the conclusion of a Grant Contract.*

Procurement Requirements

- 1. The Developer shall award sub-contracts in line with the “GRMF Developer Procurement Guidelines”.*
- 2. The Developer is required to keep a full written record of the awarding procedure for at least ten years, and to allow the AUC and agents or auditors assigned by AUC or the Oversight Committee at any time full access to any and all documents and records of the awarding procedure.*
- 3. As no import duties may be financed from the Facility account, such import duties, if part of the grant value, shall be stated separately in the Contracts for the goods and services and in the invoices. They will not be borne by the GRMF.*
- 4. The Developer shall request a determination of No Objection from the Contracting Authority, using the model in Annex VI of the Grant Contract, 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.*
- 5. All Goods and Services supplied under the Grant Agreement shall have their origin in eligible countries and territories which are member states of the United Nations and/or African Union, and are not subject to UN, EU or AU sanctions.*

- ***Reporting Requirements***
- ***The Applicant has to comply with all GRMF reporting requirements when appointing contractors and commencing services which are part of the eligible activity applied for GRMF grant. All reports and notices shall be provided to the Facility upon request in case that the Applicant is short-listed for receiving a grant by GRMF. Such reporting requirement are categorized as follows:***
 - ❑ ***Reporting Requirements for Surface Studies***
 - ❑ ***Reporting Requirements for Exploration Drilling***
 - ❑ ***General Reporting Requirements***

- Please visit the website below for additional information .

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www.grmf-eastafrika.org

I thank you for your kind attention and participation