



Capacity building of CFCD and NF for management of EU Funds

PRAG IN 5 STEPS

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INTRODUCTION

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The Practical Guide is the first sole working tool, which explains the contracting procedures applying to all EU external aid contracts financed from the European Union's general budget.

Procurement is one of the major components of a project, and following the proper guidelines to establishing a project procurement plan, it will ensure an efficient and productive outcome to your project.

Contracting Authority:

The Central Financing and Contracting Department (CFCD), headed by HOS/PAO, is a Department within the Ministry of Finance responsible for sound financial management of projects financed through the IPA Components I-IV under Decentralised Implementation System (DIS). It acts as a Lead Body in the Operating Structures per IPA Component, as well as a Contracting Authority having sole responsibility for tendering, contracting and payments concerning EU funded projects.

CFCD supervises the overall implementation of the projects and PAO/HOS retains overall responsibility for the projects implementation and ensures the effective supervision of the proper implementation of the tasks delegated to the SPO/ IPA Coordinators in the respective Line Ministries.

Abbreviations:

- BI – Beneficiary Institution
- CFCD – Central Financing and Contracting Department
- EUD – European Union Delegation
- HOS – Head of Operating Structure
- IPA – Instrument for Pre-accession Assistance
- OJ – The Official Journal of the European Union
- PAO – Programme Authorising Officer
- PRAG – Practical Guide to Contract Procedures for EU External Actions
- SPO – Senior Programme Officer

Services Award Procedures

≥€200,000	<€200,000 but >€10,000	≤€10,000
International restricted	Framework contracts	Single tender
	Competitive negotiated	

Services Award Procedures

Other procedures	
Negotiated procedure	Competitive dialogue

Supply Award Procedures

≥€150,000	<€150,000 but ≥€60,000	<€60,000 but >€10,000	≤€10,000
International open	Local open	Competitive negotiated	Single tender

Supply Award Procedures

Other procedures		
Negotiated procedure	Dynamic purchasing system	Competitive dialogue

Works Award Procedures

≥€5,000,000	<€5,000,000 but ≥€300,000	<€300,000 but >€10,000	≤€10,000
International open	Local open	Competitive negotiated	Single tender
Restricted			

Works Award Procedures

Other procedures	
Negotiated procedure	Competitive dialogue

INDIVIDUAL CONTRACT FORECAST

BI	CFCD	EUD	Important Notes
Preparation and submission to CFCD.	<p>Checking, approval and submission to EUD for ex-ante approval.</p> <p>Publication on CFCD web-site on the same date as published in OJ and on the EuropeAid website.</p>	Ex-ante approval and submission for publication in OJ and on EuropeAid website (15 days before intended publication).	<p>Full compliance with the programming documents.</p> <p>Use the latest PRAG templates B1, C1, D1.</p> <p>Must be published at least 30 days before publication of the Procurement Notice.</p>

PROCUREMENT NOTICE

BI	CFCD	EUD	Important Notes
Preparation and submission to CFCD.	<p>Checking, approval and submission to EUD for ex-ante approval.</p> <p>Publication on CFCD web-site on the same date as published in OJ and on the EuropeAid website.</p>	Ex-ante approval and submission for publication in OJ and on EuropeAid website (15 days before intended publication).	<p>Compliance with the programming documents.</p> <p>Use the latest PRAG templates B2, C2, D2.</p> <p>Must be published according to the deadline for submission of tenders of relevant procurement procedure*.</p>

* See also STEP 2 “Timetable - Deadline for submission of tenders”.

IMPORTANT NOTES:

- No individual contract forecast and procurement notice are required for the following procurement procedures: Framework contracts, Competitive negotiated, Single tender, Negotiated procedure. In this case, the invitation to tender must be sent out by the Contracting Authority instead of the publication of the procurement notice.
- Qualification criteria should not discriminate.
- The individual contract forecast does not bind the Contracting Authority to finance the contracts proposed and prospective suppliers are not expected to submit tenders at this stage.
- The procurement notice legally binds the Contracting Authority.
- The finalised Terms of Reference/Technical Specifications must also be submitted to EUD either at this time or in advance to demonstrate that the proposed procurement notice corresponds to the objectives of the contract.

TENDER DOCUMENTS

BI	CFCD	EUD	Important Notes
Preparation and submission to CFCD.	<p>Checking, approval and submission to EUD for ex-ante approval.</p> <p>Publication on CFCD web-site on the same date as published in OJ and on the EuropeAid website.</p>	Ex-ante approval and submission for publication in OJ and on EuropeAid website (15 days before intended publication).	<p>Full compliance with the programming documents.</p> <p>Use the latest PRAG templates B8, C4, D4.</p>

IMPORTANT NOTES:

Timetable:

Questions (additional information before the deadline for submission)	21 days* before tender-opening session.
Answers	11 days* before tender-opening session.
Deadline for submission of tenders	<p>90 days – International open (Works).</p> <p>60 days – International open (Supply), - International restricted (Works), Local open (Works).</p> <p>50 days – International restricted (Services).</p> <p>30 days – Competitive negotiated, Local open (Supply).</p> <p>Appropriate dates set on a case by case basis for other procedures.</p>
Tender-opening session	The same date as the submission date.

* A shorter period is possible on a case by case basis for Competitive negotiated, Single tender and Negotiated procedure.

EVALUATION COMMITTEE

BI	CFCD	EUD	Important Notes
Nomination of voting members for the Evaluation Committee, ensures participation.	Establishment of the Evaluation Committee, nomination of Chairperson and Secretary, submission to EUD for ex-ante approval.	Ex-ante approval and nomination of observer.	It must be approved before the start of the evaluation procedure. An odd number of voting members (minimum of three for Services, Supplies; minimum of five for Works).

EVALUATION REPORT

Evaluation Committee	CFCD	EUD	Important Notes
Evaluation of offers and signature of the Evaluation Report.	Preparation of Evaluation Report by the Secretary, checking, approval and submission to EUD for ex-ante approval.	Ex-ante approval.	Use the latest PRAG templates B5 (shortlist report), B11, C7, D7.

IMPORTANT NOTES:

- Technical and administrative capacities of the Evaluation Committee members must be ensured.
- Good command of English is a pre-requisite for each Evaluation Committee member.
- Timely nomination of Evaluation Committee members on the side of the Line Ministries.
- Impartiality and conflict of interests is observed.
- The identity of the Evaluation Committee members is kept confidential by the Contracting Authority and the relevant Beneficiary Institution.
- Apart from the tender opening session, the proceedings of the Evaluation Committee are conducted in camera and confidential.
- The rules of nationality and origin required in PRAG must be ensured during evaluation.
- No information about the examination, clarification, evaluation or decisions about the contract award can be disclosed before the signature of the contract.
- Evaluation stages (Supply, Works):

Preparatory session	Public tender opening session	Administrative compliance	Technical compliance	Financial evaluation	Conclusion
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- Evaluation stages (Services):

Shortlisting phase	Preparatory session	Tender opening session	Administrative compliance	Technical compliance	Financial evaluation	Conclusion
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Nota Bene:

Any attempt by a tenderer or applicant to influence the process in any way (whether by initiating contact with members of the Evaluation Committee or otherwise) may result in the immediate exclusion of its tender or proposal from further consideration.

CONTRACT DOSSIER

BI	CFCD	EUD	Important Notes
N/A	<p>Preparation of Contract.</p> <p>Submission to EUD for endorsement.</p> <p>Signature of the Contract Dossier upon EUD endorsement.</p>	Endorsement.	<p>Use the draft contract from the tender dossier (the latest PRAG templates B8, C4, D4).</p> <p>EUD approval of the Evaluation Report required.</p>

CONTRACT MODIFICATION

BI	CFCD	EUD	Important Notes
Submission of justification for contract modification to CFCD.	<p>Approval of a proposed Contract modification.</p> <p>Preparation of contract modification.</p> <p>Submission of contract modification to EUD for endorsement.</p> <p>Signature of the Contract modification upon EUD endorsement.</p>	Endorsement.	<p>Compliance with the programming documents.</p> <p>Use the latest PRAG templates B16, C12, D11.</p> <p>A Contract cannot be modified after expiry date.</p>

IMPORTANT NOTES:

- Before preparation of contract dossier the Contracting Authority must request the successful tenderer to correct arithmetical errors (if any) and submit the evidence for declarations.
- A Contract must be signed until the validity of the successful tender. Notification to the successful tenderer implies that the validity of the successful tender is automatically extended for a period of 60 days.
- Contract modifications must be formalised through an administrative order (minor changes) or an addendum to the contract (in case of Substantial modifications – major changes) in accordance with the provisions of the General Conditions of the contract.
- Last minute contracting must be avoided.

IMPLEMENTATION

BI	CFCD	EUD	Important Notes
Supervision of the technical implementation.	Overall administrative supervision of the implementation.	Nomination of observer to the Steering Committee.	Implementation must be observed in accordance with the Contract conditions.
Organising Steering Committee meetings.	Participation in the Steering Committee meetings.	Receiving reports for information purposes.	
Acceptance of the results achieved.	On-the-spot checks.		
Approval of reports and payment requests.	Approval of reports after the approval of the IPA Coordinator/ SPO and the Steering Committee. Verification of payment requests. Making payments.		

IMPORTANT NOTES:

- Close and timely cooperation between BI and Contract parties must be ensured.
- Eligibility rules must be respected.
- Adequate audit trail must be ensured.
- Contract implementation deadlines must be monitored.
- EU visibility guidelines must be observed.
- Payments must be made within the time limits set in the relevant Financing Agreement.

GRANTS

BI (Ministry-IPA Structure)	CFCD	EUD	Important Notes
STEP 1 Launching Call for Proposals			
Preparation of Guidelines for Applicants (GfA) and Standard Grant Contract Dossier.	Approval of GfA, submission to EUD for ex-ante approval; Publication locally and on the CFCD web-site.	Ex-ante approval prior to issue. Publication on the EuropeAid website.	Use the latest PRAG templates Annex E2, E3a, E3b, E3c, E3d, E3f, E3h; ensure compliance with the programming documents. Any derogations from the General Conditions of the Contract must be specified in the Special Conditions.
STEP 2 Evaluation and Selection of Projects			
Nomination of voting members to the Evaluation Committee.	Establishment of the Evaluation Committee, nomination of Chairperson and Secretary, submission of nominated voting, non-voting members and observers to EUD; Chairing of the Evaluation Committee. Preparation of Evaluation Reports and Final list of awards; submission to EUD.	Ex-ante approval of composition. Nomination of observer. Ex-ante approvals on Evaluation report, each stage separately.	Use the latest PRAG templates for Evaluation Report: Proposal Opening session and administrative check E6a, E9a. Concept Note Evaluation (pre-selection) E5a, E6a, E9a. Evaluation of Application Form E5b, E6b, E9b. Eligibility check and Final list of applications for the award of contract E6c, E9c.
Step 3 Grant Contracting			
N/A	Preparation and signature of Grant Contracts. Submission for endorsement to EUD. Signature of Contracts. Publishing notice of award.	Endorsement of Grant Contracts.	Use the Grant Contract template published in the Call for Proposals or that from PRAG E3h. Any derogations from the General Conditions of the Contract must be specified in the Special Conditions. Use the latest PRAG templates E11 for notification and publishing.
STEP 4 Implementation of Projects			
Supervision of modification of Grant Contracts. Supervision of secondary procurements' compliance with procurement rules. Ex-ante approval on tender documents, evaluation reports and contract dossiers. Participation as observer in the tender evaluation process. On-the-spot checks.	Approvals of modification of Grant Contracts. Preparation of Addenda and submission to EUD for endorsement; Signature of Addenda. Sample based ex-post verification on compliance of secondary procurement with the procurement rules. Sample based participation as observer in the tender evaluation process. On-the- spot checks.	Endorsement of Contract Addenda. Ex-post checks on the compliance of grant beneficiaries with procurement rules.	Use the latest PRAG template E10 for addenda. Contracts can only be modified within the implementation period of the contract. Modification to the contract may not alter the award conditions prevailing at the time the contract was awarded. Procurements conducted by grant beneficiary should follow the procurement rules set in PRAG template E3h_3 (Annex IV of Standard Grant Contract). Contracts for procurement of goods/services/ works cannot be concluded prior to the start of the Action's implementation period set in the Grant Contract.
STEP 5 Reporting and Payments			
Complete check, verification and approval of Interim Reports, Final Reports (narrative and financial). Quarterly Reports if applicable, verification reports and Requests for Payments.	Sample based second check of Project Reports. Approval of Narrative and Financial Reports and Requests for Payments. Making payments to Grant Beneficiaries.	Ex-post checks.	Use the latest PRAG templates E3h_4,5,6,7,8,9. All expenses should be incurred during the implementation of the action with the exception of costs relating to final reports, expenditure verification and evaluation. The maximum amount of the Grant indicated in the Grant Contract may not be increased during implementation. Proofs of ownership of equipment and transfer of ownership (where required) must be provided with the reporting documents.

