**National Procurement Guidelines – Category 1**

The National Procurement Guidelines apply where the award of total public funding (from LEADER and public matching funds) is more than 50% of the project costs.

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| **National Procurement Thresholds** |
| **Contract Type** | **Amount (excl. VAT)** | **Procedure** |
| Supplies & Services | Less than €5,000 | Seek verbal quotations from one or more interested and competent suppliers/service providers - these can be sought verbally but responses must be obtained in writing.(Best Practice – Seek a minimum of 3 written quotes; a record of verbal requests must be placed on file). |
|  | €5,000 - €25,000 | Seek written quotations from a minimum of 3 suppliers on the basis of responses to written specifications. |
|  | €25,000 EU Threshold\* (currently €221,000) | Publish Contract Notice on eTenders www.etenders.gov.ie – Open Procedure |
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| Works Related Services | Less than €50,000 | Seek written quotations from at least 5 firms on the basis of responses to written specifications, or follow the eTenders process – Open Procedure |
|  | €50,000 EU Threshold\* (currently €221,000) | Publish Contract Notice on eTenders www.etenders.gov.ie – Open Procedure |
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| Works | Less than €50,000 | Seek written quotations from at least 5 firms on the basis of responses to written specifications, or follow the eTenders process – Open Procedure |
|  | €50,000 – €250,000 | Publish Contract Notice on eTenders www.etenders.gov.ie – Open Procedure |
|  | €250,000 EU Threshold\* (currently €5,548,000) | Publish Contract Notice on eTenders www.etenders.gov.ie – Open or Restricted Procedure |

\* Where a project exceeds the EU threshold, the LAG must agree the appropriate procurement requirements with the Department.

Key Issues

Project promoters are advised, where necessary, to obtain legal or specialist advice and to pay particular attention to the following tendering requirements:

a) Projects involving construction works must adhere to the requirements of the Capital Works Management Framework (CWMF) which is published under the Construction Procurement Reform website. The CWMF is a suite of template tender and contract documents for the procurement of public works and works-related service contracts.

b) Promoters should consider the nature, scale and complexity of the particular project and consult with the guidance material published under the CWMF before determining which procurement and contracting strategy to follow.

c) Project promoters are advised to use the following suite of documents as being most suited to LEADER funded works projects;

* Works Declaration LEADER (WDL)
* Tender & Schedule for Works FTS6
* Instruction to Tenderers (ITT W4 or ITT W5)
* Short Public Works Contract (PW-CF6)

d) Promoters may use alternative documents from the CWMF, however the Short Public Works Contract (PW-CF6) should be suitable for the majority of LEADER works projects given the nature of these investments. Where using the PW-CF6, the winning tender must be selected solely on the basis of the lowest price tendered. For more technically complex works projects, and where the promoter wishes to select on the basis of MEAT, the promoters are advised to use PW-CF5 (Minor works form of contract).

e) For Works above €50,000, it is recommended, but not mandatory, that project promoters use the prequalification document circulated by the Department (Works Declaration LEADER (WDL)).

f) Promoters should be aware of the National Health and Safety requirements that apply for Works – these are referred to in the pre-qualification document (WDL).

g) For Works-Related Services, the winning tender must be identified on the basis of Most Economically Advantageous Tender (MEAT).

h) For Supplies and Services Contracts, project promoters may award contracts on the basis of either lowest price tendered or MEAT.

i) The correct Common Procurement Vocabulary (CPV) code must be assigned.

j) A minimum of 21 calendar days must be allowed for responses following the publication date of the advertising notice.

k) Email responses to requests for quotations are acceptable where accompanied by clearly identifiable date and source information.

l) Where a tender amount is considered to be abnormally low in relation to the pre-tender estimate or with respect to the extent of works, services or supply required, written evidence should be sought from the tendering contractors to demonstrate that the price is sustainable.

m) Post-tender negotiations are not permitted i.e. any dialogue that could be construed as "post tender negotiation" on price or that might result in significant changes to the published tender request.

n) For tenders obtained through eTenders, Framework Agreements and Newspaper Advertisements, successful and unsuccessful tenderer(s) must be notified in writing of the result of the tender process; these notification letters must be placed on file. It is also recommended that, where feasible, all other unsuccessful suppliers/service providers & contractors who submit tenders/quotations are notified in writing of the outcome of the competition.

The above requirements outline the procurement procedures to be followed; however in addition, the LAG must satisfy itself in relation to the reasonableness of costs submitted for each project. In this regard, the following must be adhered to;

**Reasonableness of Costs**

All projects should be assessed for reasonableness of costs. In the main, a comparison of the tenders/quotations received provides assurances as to the level of cost incurred. However, where the procurement process results in less than 3 responses/tenders being obtained, either through advertising on eTenders or seeking direct quotations, the Evaluation Committee and the LAG must demonstrate the additional steps taken to ensure that the project costs are reasonable. As an example, the LAG/Evaluation Committee could consider the costs based on its existing knowledge and a comparison of the costs of similar projects/activity in the same geographical region.

In addition, for all direct invitation procedures where less than 3 quotations are obtained, it is advisable to review the list of firms/suppliers from whom quotations were sought. This provides extra assurance that the project promoter had legitimate grounds for expecting a response e.g. for construction works, check that the project promoter has contacted contractors that operate in the geographic area concerned.

**LEADER Procurement Requirements – Category 2**

Specific LEADER procurement rules apply in respect of project promoters who are in receipt of 50% or less total public funding for a project and are not required to follow the National Procurement guidelines. These promoters must comply with the procedures outlined in the table below.

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| **LEADER Specific Tendering Thresholds** |
| **Contract Type** | **Amount (excl. VAT)** | **Procedure** |
| Supplies & Services | Less than €10,000 | Seek verbal quotations from one or more interested and competent suppliers/service providers - these can be sought verbally but responses must be obtained in writing.(Best Practice – Seek a minimum of 3 written quotes; a record of verbal requests must be placed on file). |
|  | €10,000 - €50,000 | Seek written quotations from at least 3 suppliers on the basis of responses to written specifications. |
|  | Above €50,000 | Seek written quotations from at least 5 suppliers on the basis of responses to written specifications and place notice on local or National Newspaper.Alternatively publish Contract Notice on eTenders. |
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| Works & Works Related Services | Less than €10,000 | Seek written quotations from at least 2 firms (these can be sought verbally but responses must be obtained in writing). |
|  | €10,000 - €100,000 | Seek written quotations from at least 3 firms on the basis of responses to written specifications. |
|  | Above €100,000 | Seek written quotations from at least 5 firms on the basis of responses to written specifications and place notice in local or National Newspaper. Alternatively, publish Contract Notice on eTenders.It is recommended that tenderers should complete pre-qualification document – Works Declaration LEADER (WDL) – as circulated by the Department. |

Key Issues:

a) For all contracts, the winning tender may be selected on the basis of the lowest price tendered or the Most Economically Advantageous Tender (MEAT); however the following is advised:

* Works Contracts - project promoters should select the winning tender on the basis of the lowest price tendered.
* Works-Related Services Contracts - project promoters should select the winning tender on the basis of MEAT.

b) It is recommended that tender respondents should be afforded a reasonable period of time to submit their responses (e.g. 21 calendar days); the time period should reflect the nature and complexity of the proposed project.

c) Where a notice is required to be placed in a local or national newspaper, it should refer to the essential details of the contract together with relevant contact details for further information regarding requirements.

d) Email responses are acceptable where accompanied by clearly identifiable date and source information.

e) Promoters should be aware of the National Health and Safety requirements that apply for Works projects – these are referred to in the pre-qualification document (WDL).

f) For tenders obtained through eTenders, Framework Agreements and Newspaper Advertisements, successful and unsuccessful tenderer(s) must be notified in writing of the result of the tender process; these notification letters must be placed on file. It is also recommended that, where feasible, all other unsuccessful suppliers/service providers & contractors who submit tenders/quotations are notified in writing of the outcome of the competition.

The above requirements outline the procurement procedures to be followed; however in addition, the LAG must satisfy itself in relation to the reasonableness of costs submitted for each project. In this regard, the following must be adhered to;

Reasonableness of Costs

All projects should be assessed for reasonableness of costs. In the main, a comparison of the tenders/quotations received provides assurances as to the level of cost incurred. However, where the procurement process results in less than 3 responses/tenders being obtained, either through advertising on eTenders or seeking direct quotations, the Evaluation Committee and the LAG must demonstrate the additional steps taken to ensure that the project costs are reasonable. As an example, the LAG/Evaluation Committee could consider the costs based on its existing knowledge and a comparison of the costs of similar projects/activity in the same geographical region.

In addition, for all direct invitation procedures where less than 3 quotations are obtained, it is advisable to review the list of firms/suppliers from whom quotations were sought. This provides extra assurance that the project promoter had legitimate grounds for expecting a response e.g. for construction works, check that the project promoter has contacted contractors that operate in the geographic area concerned.

**The Quotations Process**

This is a less formal process than tendering but must be fully documented.

**The key rules of quotation are:**

1. The suppliers involved to submit can be known to the contracting authority but must be capable of providing a competitive quotation to ensure value for money.
2. There must be legitimate grounds for expecting a response e.g. that contractors in the correct line of business and geographic area have been contacted.
3. The suppliers must not have been involved in preparing the tender specification
4. Invites and responses should be in writing (email is sufficient, or via Quick Quotes on etenders).
5. The Invitation to Quote document must include
	* 1. Specification of requirements
		2. Award decision criteria
		3. Closing date (21 days minimum)
		4. Method for submission
		5. Confirmation of general terms such as tax and insurance or statutory requirements.
6. Full records should be kept of quotations sought
7. A formal evaluation should be carried out and documented
8. Successful and Unsuccessful bidders should be notified of the outcome (subject to LEADER funding)
9. Records should be kept for the auditors at each stage of the process.

**Essential Requirements of a valid Quote**

**Quotation:** The document must be titled a quotation and not an order, an invoice, a proforma or any other name. It should have a quote number or reference if relevant.

**From:**  The name, address and contact details of the person, organisation, business or company providing the quote should appear on the quote. This must include the VAT registration number of the provider if registered for VAT.

**To:** The quote should be addressed to the person, organisation or company which is making the application to the RDP LEADER 2014 - 2020 and this should include their address.

**Date:** The date on which the quotation is issued should be clear.

**Details:** The details of the individual items and individual aspects to which the quote refers should be clearly specified and set out in the quote. This specification should include the number of items or the number of hours, etc. and their unit cost. A total for each item or element should then be given.

**NET Cost:** The cost of all the individual elements / items should then be added to give a total net cost. Costs in the quote should be clearly identified in the correct currency Euro (€) or pound sterling (£) as applicable.

**VAT:** The VAT rate and the VAT amount should be clearly identified should be calculated and included clearly and separately on the quote.

**Total Cost:** The total cost (which includes the VAT) on the quotation should also appear.

*Email quotations are acceptable provided they meet all the above requirements.*

*Quotations must have a verifiable an audit trail for received quotes e.g. email trail/date stamp/handwritten note “received by hand/received by post” signed & dated.*

**Quotation**

Quotation No.

[Supplier Name]

[Address]

 VAT No.

To: [Promoter Name]

 Address

Date:

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| **Item/Goods Description****Include unit cost & No. Items** | **Net Cost** | **VAT %** | **VAT** **Amount** | **Total** |
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Signed: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_