

Partnerships for Forests (P4F)

Summary of Procurement Guidelines:

1. Purpose of the Guidelines

- 1.1. P4F requires competition in all procurements of goods and services that will be paid for with P4F grant funds to the maximum extent practical to ensure that value for money is achieved, to ensure that the procurements are fair and transparent, and to mitigate the risk that any one supplier obtains an unfair advantage.
- 1.2. The Procurement Policies of recipients of P4F grant funds will be compared against these P4F Procurement Guidelines. Where it is felt that a recipient's Procurement Policies are less robust (including but not limited to having less stringent value thresholds relating to competition), the recipient will be asked to undertake project procurements in compliance with these P4F Procurement Guidelines.

2. Process

- 2.1. These P4F Procurement Guidelines require that certain procurement methods are followed depending on the size of the procurement being undertaken. The procurement method is chosen according to the value of the procurement and the complexity/risk associated with that procurement.
- 2.2. A procurement must not be split into parts to fit within a lower procurement threshold and the estimated value of a procurement must:
 - 2.2.1. Include all forms of remuneration including fees, commissions, expenses, etc.
 - 2.2.2. Include the maximum value of all parts of a contract over the duration of a contract.
- 2.3. In rare circumstances, procurement without full and open competition may be justified. Sole Source Procurement is only considered in cases where there is clear evidence that the goods or services are so specialized in nature that there is only one Supplier able to deliver them.
 - 2.3.1. Any proposal for a Sole Source Procurement must provide clear written justification documenting the process and efforts used for determining that there are no other qualified suppliers.
- 2.4. To promote competition, all indefinite quantity procurements should be re-competed periodically to ensure that P4F continues to receive the best value for money and ensure that no Supplier gains an unfair advantage.
- 2.5. The normal maximum duration of a contract is one year, or more frequently in cases where the price for the goods or services concerned is volatile.
 - 2.5.1. Exceptionally, Procurement Contracts for services may extend for a period of more than a year when the scope of work includes long-term programmatic objectives. In such cases, a written justification is required.
- 2.6. The use of procurement committees is required for decision making related to procurements where the value is above £6,000, as defined in the thresholds below, or procurements of considerable risk.
 - 2.6.1. The committee should have at least three members, preferably representing technical, procurement/administrative, and finance functions.
 - 2.6.2. No member of the procurement committee shall be the final approving authority for the procurement.

- 2.7. P4F defines a procurement conflict of interest as any situation where a supplier may be perceived to be shown favouritism (or be given an unfair advantage).
- 2.7.1. In the case where a conflict exists between an employee of the procuring entity and the supplier, it is the individual and non-delegable responsibility of every employee to disclose potential or actual conflicts of interest. Where possible, potential and actual conflicts of interest will be mitigated by exclusion of the relevant employee from the procurement process.
- 2.7.2. Unless P4F provides approval in writing that the mitigation's proposed are sufficient is received, a supplier shall be excluded from a procurement when it is the case that:
- 2.7.2.1. The supplier or another organization controlled by the supplier has provided design or implementation consulting services for the project;
- 2.7.2.2. The supplier or its personnel have a close business or family relationship with the staff of the project who are directly or indirectly involved in the procurement process or in the management or implementation of any resulting procurement contract;
- 2.7.2.3. The supplier submits more than one offer either individually or in joint venture, except where alternative bids are permitted;
- 2.7.2.4. The supplier is deemed to have a conflict of interest under any other rule of the Clients/funder's procurement rules or guidelines.
- 2.8. Procurement documents (Requests for Quotations, Request for Proposals, Invitations to Tender etc.) are expected to include (but not be limited to):
- 2.8.1. A reference to the relevant Contract Notice.
- 2.8.2. A Cover Letter and background or overview of the project, programme and procurement exercise.
- 2.8.3. Instructions on completing the procurement– e.g. the procurement timeline and submission deadline, method of submission, the language of submission etc.
- 2.8.4. Technical & Financial Specifications (scope of work, objectives/deliverables, duration etc.) and Submission Requirements (technical questions, price information, etc.).
- 2.8.5. Scoring Methodology and Technical & Financial Evaluation Criteria.
- 2.8.6. The form of the contract to be used.
- 2.8.7. The form and/or conditions of tender.
- 2.9. Evidence of each procurement undertaken must be retained by the procuring organisation for the Records Retention length stated in the relevant Agreement for P4F grant funds.
- 2.10. All goods or services procured using P4F grant funds must be eligible according to the P4F Guidelines for Using Grant Funds.

3. Thresholds and Methods

Procurement method	Maximum value per procurement or group of related procurements in GBP equivalent	
	Procurement of goods	Procurement of services
Level 1 – Petty cash purchase	0 – 299	0 – 299
Level 2 – Prudent shopping	300 – 5,999	300 – 5,999
Level 3 – Three or more quotes	6,000 – 60,000	6,000 – 60,000
Level 4 – One and two stage open tender	More than 60,000	More than 60,000

- 3.1. **Petty cash purchase (up to £299)** - used for cash purchases of goods and services without the need for a comparison of quotations (e.g. the purchase of food, short distance domestic travel etc.).
- 3.2. **Prudent shopping (£300 to £5,999)** - used for purchases of goods and services above the financial limit for petty cash purchase (e.g. airline tickets, internet providers, website designers etc.).
- 3.2.1. **For goods** – (including booking airfare, accommodation etc.) this requires that multiple quotations (three or more) are sourced from the open market and compared. Due Diligence must be carried out on the preferred supplier if entering into a contract or agreement (not necessary for one-off cash or card purchases).
- 3.2.1.1. E.g. use airline websites or travel agents for flight cost quotations, then evaluate the quotes and choose the one offering best value for money.
- 3.2.2. **For services** (e.g. technical assistance consultancy, website designer etc.) - this requires that three or more technical and financial quotations are sourced from the open market using the P4F Request for Quotations for Services (**RFQS**) and then evaluated against the evaluation criteria. Due Diligence must be carried out on the preferred supplier if entering into a contract or agreement (not necessary for one-off cash or card purchases).
- 3.2.2.1. E.g. contact suppliers and ask for quotations based on the RFQS, and then choose the one that provides the most confidence in the supplier's ability to undertake the services and that offers the best value for money.
- 3.3. **Three or more quotes (£6,000 - £60,000)** - used for purchases of goods and services above the financial limit for prudent shopping (e.g. courier or web design service contracts, technical assistance consultancies etc.).
- 3.3.1. **For goods** - this requires that three or more technical and financial quotations are sourced from preferred suppliers, (who have been previously identified and shortlisted through market scoping) using the Request for Quotations for Goods (**RFQG**).
- 3.3.1.1. A procurement committee must then evaluate the quotes received against the evaluation criteria.
- 3.3.1.2. Due Diligence must be carried out on the preferred supplier.
- 3.3.2. **For services** - this requires that three or more written technical and financial bids are sourced from preferred suppliers (who have been previously identified and shortlisted through market scoping) using the Invitation to Tender (**ITT**).
- 3.3.2.1. A procurement committee must then evaluate all bids received against the evaluation criteria.
- 3.3.2.2. Due Diligence must be carried out on all potential suppliers as part of the ITT.
- 3.4. **One stage open tender (above £60,000)** - used for purchases of goods and services above the financial limit for three or more quotes.
- 3.4.1. This requires publically advertising the opportunity on local and international media using the Invitation to Tender (**ITT**).
- 3.4.2. A procurement committee must then evaluate all bids received against the evaluation criteria.
- 3.4.3. Due Diligence must be carried out on all potential suppliers as part of the ITT.

- 3.5. **Two stage open tender (above £60,000)** - used for purchases of goods and services above the financial limit for three or more quotes where there is uncertainty about the market or a large number of interested parties are expected.
- 3.5.1. This requires publically advertising the opportunity on local and international media and receiving initial expressions of interest (**EOI**) or pre-qualification questionnaires (**PQQ**).
 - 3.5.2. A procurement committee must then evaluate EOIs or PQQs against the evaluation criteria and shortlist the best six interested parties.
 - 3.5.3. Those interested parties that are shortlisted using the EOI or PQQ are then invited to submit written sealed bids using the Invitation to Tender (**ITT**).
 - 3.5.4. A procurement committee must then evaluate all bids received against the evaluation criteria.
 - 3.5.5. Due Diligence must be carried out on all potential suppliers as part of the ITT.
- 3.6. Subject to All procurements with a value **above £106,047** must be advertised on The Official Journal of the European Union (OJEU) alongside other relevant local and international media.

4. Procurement Thresholds and Methods Process Map

