**Standard Procurement Documents**

**Procurement Plan**

**Agence Française de Développement**



**October 2018**

AFD welcomes any feedback from users on this document. Those wishing to submit comments or questions should do so by writing to the following address:

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# User's Guidance Notes

In compliance with sub-clause 1.6.1 (“Procurement Plan”) of the “Procurement Guidelines for AFD-Financed Contracts in Foreign Countries”, the Contracting Authority is required to prepare a Procurement Plan which identifies the procurement processes and contracts to be financed in whole or in part by AFD.

This plan must be created at a minimum for the first 18 months and thereafter updated on an annual basis if necessary. The initial version and the updates are subject to AFD’s prior No Objection Letter. Numbers and dates specified should be realistic and in accordance with estimated or allocated budgets.

Contracts under retroactive financing (for which the procurement process is ongoing or finalized) should be included in the Procurement Plan.

All terms in the present glossary have the meaning ascribed to them in the “Procurement Guidelines for AFD-Financed Contracts in Foreign Countries”.

1. Definition of procurement processes*[[1]](#footnote-1)*

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| * 1. Direct contracting
 | Means a procedure for awarding a contract to a provider or a consultant without a prior competitive procedure.*This procedure departs from the fundamental principle of competition and may only be used in exceptional cases (refer to clause 1.2.4 of the Guidelines for further details).* |
| * 1. Fixed budget based selection (FBS)
 | A maximum budget is indicated in the Request for Proposals and the highest scored technical proposal is selected, provided that the financial proposal is within the budget. The maximum budget must be determined appropriately (neither overestimated nor underestimated on the basis of a detailed assessment of the man-months required and of market prices). *Subject to this important reservation, his method may be worthwhile, notably in the case of small study and simple consulting services.* |
| * 1. International Procurement Competition
 | Means a competitive selection procedure to procure goods, works, plants, consulting services and non-consulting services where the procurement documents shall include provisions specified in Section 2.1.2 of the Guidelines, for the purpose of attracting foreign candidates to the procurement process. |
| * 1. Invitation for Bids
 | Means a public notice published by the Contracting Authority, inviting any provider of goods, works, plants or non-consulting services that meet the eligibility and qualification criteria of the Bidding Documents, to submit bids. *The Invitation for Bids is the standard procurement procedure for procurement of goods, plant, and works contracts. It may or may not be preceded by prequalification, in which case the qualification process is part of the bidding procedure.* |
| * 1. Least cost based selection (LCS)
 | The contract is awarded to the lowest-priced compliant proposal. The compliant technical proposals are these scored equal to or higher than a minimum technical score.*This selection method may only be envisaged for standard, simple consulting services of limited cost and impact.* |
| * 1. National Procurement Competition
 | Means a competitive selection procedure to procure goods, works, plant, consulting services or non-consulting services as specified in Section 2.1.3 of the Guidelines. This is the appropriate procedure for procurement mainly intended for national candidates, without excluding foreign candidates, provided that the local supply market is adequate, qualified and competitive, making it unlikely that entities that are not-established locally will participate. |
| * 1. Prequalification
 | Means an initial competitive stage (which is optional) for goods, works or plants intended to select, as specified in Article 2.2.1 of the Guidelines, the qualified candidates that will subsequently be invited to submit a bid. |
| * 1. Quality and cost based selection (QCBS)
 | Proposals are submitted in two separate envelopes (technical and financial), in order to carry out the technical evaluation while financial proposal remain sealed. Only compliant technical proposals (scored higher than a minimum technical score specified in the procurement documents) are considered further for evaluation.The proposal selected is the one that obtains the highest technical/financial weighted score. The weightings should be around 80% for the technical score and 20% for the financial score.*This selection method is the recommended method for procurement of consulting services.* |
| * 1. Quality based selection (QBS)
 | The contract is awarded to the highest scored technical proposal. This method may be used (i) for the short-term recruitment of individual consultants[[2]](#footnote-2) or (ii) for complex projects or projects with major impacts. In this case, caution is required as it carries a risk of technical overpricing and requires an extremely good knowledge of market prices on the part of the Contracting Authority in order to conduct the financial negotiations properly. |
| * 1. Request for Expressions of Interest
 | Means a public and open invitation requesting interested consultants to submit their applications. The Request for Expressions of Interest specifies information about the contract and the required qualifications for consultants, and indicates the maximum number of consultants to be included in the Shortlist. |
| * 1. Request for Quotations
 | Means a competitive procurement procedure for potential interested parties identified by the Contracting Authority, without prior advertising (e.g. Request for Quotation for the procurement of goods or works, or Request for Proposals sent to a list of consultants established without a prior Request for Expressions of Interest). This type of procedure is normally only used for the procurement of standard goods, works, consulting services or non-consulting services of limited value where the Contracting Authority is familiar with the existing qualified candidates. *This type of procedure is normally only used for the procurement of standard goods or services of limited value where the Contracting Authority is familiar with the existing qualified candidates.* |

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# PROCUREMENT PLAN

**Contracting Authority: …………… *[Insert the name of the Contracting Authority]***

**Country: *……………. [Insert the name of the country]***

**Project: …………… *[Insert the name and the number of the project]***

**Issued on: ……………….. *[Insert the date of issue of the latest version]***

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| **Versions** | **Submission date by the Contracting Authority** | **Date of AFD’s “No Objection” Letter** |
| *[Initial version]* |  |  |
| *[Update 1]* |  |  |
| *[Update 2]* |  |  |
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**Procurement plan**

Project: Version[[3]](#footnote-3):

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| **Contract name** | **Estimated Contract Amount and Currency(inclusive of tax)** | **Type of contract[[4]](#footnote-4)** | **Type of competition)[[5]](#footnote-5)** | **Procurement procedure[[6]](#footnote-6)** | **Selection method[[7]](#footnote-7)** | **Review by AFD[[8]](#footnote-8)** | **Estimated Specific Procurement Notice Publication date** | **Estimated Bid or Proposal Opening date** | **Estimated Contract signing date** | **Estimated Contract completion date** |
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1. Procurement procedures not described in this document (e.g. performance-based procurement, two-stage bidding process, architectural competitions, competitive dialogue and reverse auctions), rarely used under AFD financing in foreign countries, shall systematically be subject to a prior consultation between the Contracting Authority and AFD. [↑](#footnote-ref-1)
2. Refer to Clause 2.3.6 of the “Procurement Guidelines for AFD-Financed Contracts in Foreign Countries” [↑](#footnote-ref-2)
3. Indicate “Initial Version” for the first version, and then update number for the following ones. [↑](#footnote-ref-3)
4. C for consulting services; IC for individual consultants; W for works; G for goods; P for Plants; NC for non-consulting services. [↑](#footnote-ref-4)
5. NPC: national procurement competition; IPC: international procurement competition. [↑](#footnote-ref-5)
6. For goods, works, plants and non-consulting services: PQL+IB: Prequalification and Invitation for Bids; IB: Invitation for Bids; RQ: Request for Quotations; DC: Direct Contracting.

For consulting services: REOI: Request for Expression of Interest; RQ: Request for Quotations; DC: Direct Contracting. [↑](#footnote-ref-6)
7. For consulting services: QCBS: Quality and Cost Based Selection; QBS: Quality Based Selection; FBS: Fixed Budget Based Selection; LCS: Least Cost Based Selection.

 For goods, works, plants and non-consulting services, the contract should be awarded to the qualified bidder whose bid is technically substantially compliant and is the lowest evaluated bid; other selection method shall require prior approval from AFD. [↑](#footnote-ref-7)
8. 6 Decision to carry out Post reviews requires AFD’s prior approval. [↑](#footnote-ref-8)