Procurement Guidelines for Goods Above €20,000

The Agency procuring equipment or materials must ensure that the following GIZ guidelines are strictly followed while procuring goods above €20,000.

1. Tendering or Solicitation of Proposals with Evaluation

The Procurement Specialist must issue clear and complete technical specifications and quantities of the equipment/material while approaching the market, after obtaining written confirmation from the GIZ Country Office.

An open tender shall be conducted by the agency either by:

- Publishing an advertisement in a newspaper, or
- Publishing and uploading the tender documents on 2–3 different web portals.

The project team also has the option of conducting a shortlisted tender. In such cases, a written inquiry along with complete specifications shall be sent to at least five to seven different suppliers/vendors to obtain bids/quotations. The responsibility for ensuring statutory and legal compliance, as well as non-collusion among shortlisted firms, lies entirely with the Consultancy firm.

The suppliers invited to submit offers must be competent, efficient, and reliable. Suppliers who do not meet these conditions should be excluded to ensure realistic comparisons among vendors.

To ensure effective competition and obtain at least comparable offers, it is recommended that inquiries be sent to a minimum of three suppliers.

The Request for Quotation (RfQ) must include details regarding:

- Delivery and installation
- Warranty or guarantee terms for the supplies

The RfQ must also clearly specify the date, place, and deadline for submission of bids/quotations.

Suppliers/vendors must submit their duly signed bids/quotations, which should be clearly stated in the RfQ. Bids/quotations may be received via email.

A clear submission deadline must be provided. Bids received after the deadline must not be opened or evaluated. They should be retained with a remark indicating the delay (date/time with the signature of the evaluator). Depending on the complexity of the supplies or works, vendors must be given sufficient time to prepare and submit their bids.

Bids/quotations will be assessed to determine whether they:

- Were submitted on time and at the correct address
- Are duly signed
- Are technically compliant with the RfQ

Offers that do not meet the minimum technical requirements specified will be excluded.

Any changes to the RfQ must be communicated in a timely manner to all invited firms simultaneously. The communication must clearly indicate the submission deadline, whether it remains the same or has been extended.

The specifications or quantities of the procurement must not be modified after offers have been received or after the evaluation has been completed, in order to maintain a fair and transparent procurement process.

2. Award Decision and Documentation

The decision to award the Purchase Order must be taken after confirming that the submitted quotations are technically and financially suitable, and that the selected offer fully meets the terms of the RfQ. This decision must be taken in consultation with the GIZ office and after obtaining written confirmation from GIZ.

Among all formally correct, complete, and technically compliant offers, the contract should generally be awarded to the bidder offering the lowest price.

If the award decision is made other than to the lowest bidder, the reasons must be clearly documented with valid justification and shared with the GIZ office.

3. Placing of Orders

The Purchase Order issued must be properly documented and include all relevant information, such as:

- Product/item details
- Technical specifications
- Cost
- Delivery terms
- Payment terms

A penalty clause may be included in the Purchase Order in case of delays in delivery or installation, or if the supplied equipment/material does not meet the specified requirements.

The warranty/guarantee terms must be clearly indicated in the Purchase Order.

If applicable, the Purchase Order must also specify:

- Transportation or freight arrangements

- Transport insurance
- Storage requirements for the equipment or materials

All applicable statutory taxes must be clearly indicated in the Purchase Order/contract as well as on the invoice.

4. Monitoring of Order Processing

After placing the order, the order confirmation must be checked and the delivery schedule must be monitored by the Consultant/Agency.

If the contractor fails to deliver within the agreed timeframe, a reminder should be issued, and contractual penalties may be invoked. If necessary, the order may be terminated, provided that the entire process with the vendor is properly documented in accordance with the conditions specified in the Purchase Order.

If defects or damage to equipment/material are identified during transit or otherwise, the supplier/vendor must be informed immediately to ensure that warranty or guarantee claims remain valid. Prompt and precise documentation of the damage is essential, as it is the purchaser's responsibility to claim compensation from the insurance agency if applicable.

5. Inspection of Goods and Invoicing

Upon receipt of goods at the project site, the supplies must be immediately inspected for:

- Completeness
- Physical condition
- Compliance with the agreed specifications

If necessary, a functional check may also be carried out.

Once the goods are confirmed to have been delivered as per the contract and in proper condition, the Goods Receipt Confirmation must be sent to the relevant office without delay (informally or as agreed with the office).

If the goods are delivered correctly and in accordance with the Purchase Order, the delivery challan must be signed, and a copy retained for records.

The supplier must then submit the final tax invoice.

6. Other Conditions

All equipment/materials purchased by the Consultant/Agency under this contract must be handled and used with due care.

All equipment procured under this contract remains the property of GIZ and must be handed over to the GIZ Project Office.

All equipment/materials must be returned to GIZ in working condition upon completion of the assignment and submission of deliverables as per the Terms of Reference (ToR), or whenever requested by GIZ during the contract period.