

# Procurement for LEADER grant aided Projects

## Introduction

As LEADER grant aid comes from EU and Irish Public funds, the selection of a supplier must be fully transparent and represent value for money. Depending on the value and type of project, this may involve seeking quotations directly from suppliers, advertising the works in a newspaper, putting the project out to public tender on <http://www.e-tenders.ie> etc. This is known as the procurement process.

Following the correct procurement process is essential for any project seeking grant aid from LEADER. This document is indicated as a guide only and is not a substitute for reading the full regulations at <https://www.ogp.ie> **We strongly advise that you speak to one of our Development Officers before commencing procurement / tendering.**

## Terms of Reference / Specification

No matter what size or type the project is – the first thing which must be done is to draw up a detailed terms of reference listing exactly what services or products you require, how you want them delivered. This document will be used to seek quotations or tenders for the work. It must also include the closing date for tenders (at least 3 weeks) and how you will select the preferred supplier eg lowest price or scored. If you are going to score the quotations, you must include the criteria and weighting. We suggest that you also seek tax clearance, relevant insurance and information about previous work from any potential supplier. We recommend that you receive quotations by email.

For complex projects or construction works, or if E-Tenders is required, it is recommended to consult an engineer, architect or other relevant professional.

## Procuring your Supplier (direct quotations)

- Identify credible potential suppliers for your project. If possible send to more than the minimum required.
- Email them the specification and quotation requirements (Copies required with application)
- If any queries arise, copy all potential suppliers with any new information
- Receive Quotations (Copies required with application)
- Assess them according to lowest price or scoring
- Inform the successful and unsuccessful candidates (Emails required with application)
- Complete a short tender report (Required with application)

## LEADER Operating Rules

Below is an extract from the LEADER Operating rules giving full details of the requirements. It should be passed on to any professional (engineer, architect etc) who is dealing with your project.

### Brief Glossary of terms

**LAG** – This stands for Local Action Group. In our case it is the Tipperary Local Community Development Committee who holds the LEADER contract.

**IP** - Implementing Partners – This refers to the organisations who manage the programme on behalf of the LCDC. In our case South Tipperary Development Clg is the IP.

**Evaluation Committee** - an independent group with expertise across the areas of Business, Community and Environmental issues. This group assess each project in detail and make recommendations for grant aid approval to the LAG / LCDC.

## 16.3 Promoter Categories

There are two procurement categories which are applicable to project promoters:

### 16.3.1 Category 1

Project promoters that may be awarded total funding of more than 50% of the project costs (from LEADER and/or other public sources), and LAGs / Implementing Partners / Animating Partners regardless of the levels of support from LEADER, must follow the National Public Procurement Guidelines.

### 16.3.2 Category 2

Project promoters that may be awarded total funding of 50% or less of the project costs (from LEADER and/or other public sources) may choose not to follow the National Procurement Guidelines. In that instance they must follow the LEADER Specific Procurement Guidelines.

## 16.4 EU Thresholds

In the main, LEADER does not provide funding for activities above the EU thresholds.

The current EU thresholds are €221,000 (exclusive of VAT) for Goods & Services and Works-related Services and €5,538,000 (exclusive of VAT) for Works. These thresholds are revised every two years and LAGs should consult <http://simap.ted.europa.eu/web/simap/european-public-procurement> for the most recent thresholds. The current thresholds remain valid until 31<sup>st</sup> December 2025. For project activity above the EU threshold LAGs should consult with the OGP with regard to the correct procedure to be followed.

## 16.5 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. These guidelines are also applicable to LAGs / Implementing Partners / Animating Partners, regardless of the levels of support from LEADER. An outline of the threshold requirements is set out in the table below:

National Procurement Thresholds		
Contract Type	Amount (excl. VAT)	Procedure
Supplies & Services	Less than €5,000	<b>Seek</b> 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 uploaded to the LEADER IT System document repository).

	€5,000 - €50,000	<b>Seek</b> written quotations from a minimum of 3 suppliers on the basis of responses to written specifications.
	€50,000 - EU Threshold (currently €221,000)	Publish Contract Notice on eTenders <a href="http://www.etenders.gov.ie">www.etenders.gov.ie</a> – Open Procedure.
Works Related Services	Less than €50,000	<b>Seek</b> written quotations from at least 5 firms on the basis of responses to written specifications, or follow the eTenders process
	€50,000 – EU Threshold (currently €221,000)	Publish Contract Notice on eTenders <a href="http://www.etenders.gov.ie">www.etenders.gov.ie</a>
Works	Less than €200,000	<b>Seek</b> written quotations from at least 5 firms on the basis of responses to written specifications, or follow the eTenders process
	€200,000 - EU Threshold (currently €5,538,000)	Publish Contract Notice on eTenders <a href="http://www.etenders.gov.ie">www.etenders.gov.ie</a> – Open or Restricted Procedure*

**\*Open Procedure** - In an open procedure, anyone may submit a full tender. This procedure is used most frequently.

**Restricted Procedure** - Anyone may ask to participate in a restricted procedure, but only those who are pre-selected may submit tenders. It is a 2-stage process, firstly, seek EOI to shortlist candidates on a qualitative assessment and then invite the specified number (typically 5) to tender, e.g. for conservation works to buildings, need to be able to select competent contractors.

### 16.5.1 Key Issues - Category 1

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) Project 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) – (Appendix 23)
  - Tender & Schedule for Works FTS6
  - Instruction to Tenderers (ITT W4 or ITT W5)
  - Short Public Works Contract (PW-CF6)

It should also be noted that the Witness signatory to these documents must not be the project promoter or a person acting on the project promoter's behalf.

Where the procurement requirement is to seek quotations from written specifications for works projects, there is no requirement to use the ITT or WDL template documents referred to under *Key issues - Sections (c)*. These CMWF documents are only applicable to works projects, which are advertised on eTenders. PW-CF6 and FTS 6 should continue to be used since it is good practice to set out up front the payment terms, insurance requirements and measures to adjust the price and time for completion for any construction project.

- d) Project promoters may use alternative documents from the suite of contracts published under 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 project promoter wishes to select on the basis of MEAT, the project promoters are advised to use PW-CF5 (Minor works form of contract).
- e) For Works above €200,000, it is recommended, but not mandatory, that project promoters use the prequalification document circulated by the Department (Works Declaration LEADER (WDL)).
- f) Project 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) E-mail 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 uploaded to the LEADER IT System document repository.

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.

- o) Per Article 49(3) of EU Regulation 2021/1060, in the case of public procurement, the managing authority shall make the contractors name available on its website. All project promoters should inform their contractors of this requirement.

## 16.6 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 project promoters must comply with the procedures outlined in the table below:

LEADER Specific Tendering Thresholds		
Contract Type	Amount (ex VAT)	Procedure
Supplies & Services	Less than €10,000	<b>Seek</b> 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 uploaded to the LEADER IT System document repository).
	€10,000 - €50,000	<b>Seek</b> written quotations from at least 3 suppliers on the basis of responses to written specifications.
	Above €50,000	<b>Seek</b> 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.
Works & Works Related Services	Less than €10,000	<b>Seek</b> written quotations from at least 2 firms (these can be sought verbally but responses must be obtained in writing).
	€10,000 - €100,000	<b>Seek</b> written quotations from at least 3 firms on the basis of responses to written specifications.

	Above €100,000	<p><b>Seek</b> 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.</p> <p><i>It is recommended that tenderers should complete pre-qualification document – Works Declaration LEADER (WDL) – as circulated by the Department.</i></p>
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### 16.6.1 Key Issues - Category 2

- 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) E-mail responses are acceptable where accompanied by clearly identifiable date and source information.
- e) Project 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 uploaded to the LEADER IT System document repository. 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.
- g) Per Article 49(3) of EU Regulation 2021/1060, in the case of public procurement, the managing authority shall make the contractors name available on its website. All project promoters should inform their contractors of this requirement.

### 16.7 Tender/quoter withdrawal from the process

Where the preferred tender/quoter withdraws from the process, e.g. is not in a position to honour the tender/quote they provided, the project promoter is permitted to go to the next successful tender/quoter

and use them. If their costs are higher, the amount of grant aid approved by the LAG must not be increased. In such a scenarios, there is no need for an addendum to the contract between the LAG and the project promoter.

<b>Summary of selection process to be used for each contract type</b>	
<b>Contract Type</b>	<b>Selection process to be used</b>
Supplies & Services	MEAT or Lowest Price tendered can be used
Works Related Services	MEAT must be used not Lowest Price tendered. This is because the quality of the service is critical
Works	MEAT can be used, but where the project promoter uses the Short Public Works Contract (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 project promoter wishes to select on the basis of MEAT, the project promoters are advised to use PW-CF5 (Minor works form of contract).

## **16.8 Notifying tender applicants**

For the purpose Category 1 and Category 2 procurement requirements, successful and unsuccessful tender letters must issue notifying the participants of the outcome of the competition, and there should be no unnecessary delay in issuing them.

The letters should not be withheld until a LEADER contract has been awarded and signed. LEADER contracts may take weeks/months to reach final approval stage, therefore It would be unfair and unreasonable to withhold the result of a tender competition under these circumstances. For LEADER projects, the letter to the successful tenderer would normally advise that any commitment to a contract will only exist if the project promoter obtains approval for a LEADER grant. It should also be noted that under National Procurement Guidelines, both the successful and unsuccessful letters should issue at the same time.

## **16.9 Framework Agreements**

It is Government policy, as stated in the OGP ‘Public Procurement Guidelines for Goods and Services’, that public bodies, where possible, should make use of Framework Agreements put in place by the OGP or other Central Purchasing Bodies (CPBs).<sup>21</sup> The definition of public bodies in this regard is

<sup>21</sup> ‘Public Procurement Guidelines for Goods and Services’:  
<https://www.gov.ie/pdf/?file=https://assets.gov.ie/135773/d186ba93-dd70-45fe-83d3-8d9c3bb9d4a6.pdf#page=null>