

**Steps in the procurement process for non-standardized private assets in the  
RELIVE project**

**Preparatory Steps**

- Prepare a list of commodities to be procured in the community, including the intended beneficiary as well as the size of loan to be provided.
- This list should be shared with the community and counter-signed by members of the VDC.

**Stages in the procurement process**

**Preparation of technical specifications**

- For initiating the procurement process, ensure the presence of all the committee members as well as the beneficiaries. (A suitable time should be chosen to ensure the presence of all the members, and if necessary, the entire process should be staggered over a few days.)
- The committee, with the help from the beneficiary, should prepare the “technical” specifications for each commodity to be procured. For instance in the case of livestock, the technical specifications would include a list of

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characteristics of the animal including breed, yield and others. Further, in case of a petty shop, a list of provisions required should be prepared.

- These technical specifications should be countersigned by the VDC and if possible by the individual beneficiary as well.

### **Interactions with potential suppliers**

- A list of (at least) three suppliers should be drawn up for each commodity or commodity group. There are two possibilities for initiating a dialogue with the potential suppliers
  - Potential suppliers join a meeting with the VDC where the technical specifications are explained to them. This option should be followed where the items are not standardized and un-branded. For instance, this option is most suitable for procurement of livestock.
  - Potential suppliers send a direct quotation to the VDC. This option should be followed where the items are standardized and branded.

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For instance, procurement of a tailoring machine or provisions for a general merchant store.

In what follows, further steps for the first options are explained (since the steps for the second option are self explanatory):

- The potential suppliers introduce themselves to the VDC and provide details about their past sales.
- A VDC member then explains the technical specification to all the bidders as well as the other conditions for delivery and evaluation.
- Each bidder then prepares its “technical” and “financial” offer with the help of one of members of the project consortium and in the presence of at least one VDC member.
- All the bids should be placed in an envelope and handed over to a member of the project consortium and VDCs.

### **Evaluation of Bids**

- The bidders should then be asked to wait at a distance from the premises of the meeting.

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- All the committee members should then assemble read out the “technical” offer of each bidder. After the technical offer, each bidder’s financial offer should be read out.
- The committee should deliberate each offer and then make a decision regarding the best offer.
- All the modalities should then be agreed upon and each committee member should sign a resolution regarding the final decision, which would serve as the decision of the evaluation committee.
- A template of a certificate should be prepared and after a successful delivery of the asset to the target beneficiary, this certificate should be signed by the beneficiary and handed over to the supplier. The supplier can then approach the project team for settling the bills.

**Other specific situations**

- If the size of the VDC is large and only one non-standardized good has to be procured, the committee could be split into smaller groups after the “technical” specifications have been designed and agreed upon. Each

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- bidder could then be assigned to a VDC sub-group and assisted by that VDC sub-group and a project consortium member to prepare its bid. This would save time since the committee members would not have to wait for each bidder to prepare its bid – the preparation of bids would go on simultaneously.
- If two or more bids are exactly the same, then a winner-take all should be further organized. In this process, the bidders with the same bid should confidentially write on a piece of paper a revised bid and then submit it to the VDC members. The lowest bid should then be awarded the contract.
  - In case the VDC members have a preference for one of the buyers with the same bid, the contract could potentially be split after a vote. However, competitiveness and transparency should be emphasized throughout the process and no contract should be awarded to a bid which has exactly the same “technical” specifications but a higher “financial” quotation.