

**Tools for Facilitating the Procurement for the Officials
in the Local Self-Government in Macedonia**

September 2004

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Introduction

This manual is an addition to the Manual for Public Procurement intended for the local self-government units in Macedonia¹. The Manual has been prepared in order to introduce the basic tools that they can encounter in the course of the public procurement procedures. The tools that are given match the phases of a regular process of procurement, starting from reporting about the needs for procurement in the municipalities, up to informing the selected provider.

The intention of this Manual is to help the local officials in composing various documents, acts, decisions and similar issues that are the obligatory accompanying documentation in the procurement process. The annexes to it are not the final versions and the local officials can use them as examples in their work. We would like to mention that the Law on Public Procurement stipulates that the Bureau for Public Procurement at the Ministry of Finance prepare the standard tender documentation and the standard forms for the procedures of public procurement in an open and limited call and the procedure for negotiating. Therefore, the annexes to this Manual that refer to this documentation meet the standard forms applied in the international procedures for public procurement. We expect that these annexes will be changed with the establishment of the Bureau for Public Procurement based on the final proposals of the Bureau.

¹ The Manual was published by “ASSOCIATION OF THE UNITS OF LOCAL SELF-GOVERNMENT OF MACEDONIA” under the original title of “PROCUREMENT TOOL KIT FOR LOCAL GOVERNMENT OFFICIALS OF MACEDONIA” in June 2003.

Annex 1: Request/Information about the Needs for Procurement within the Municipality

To: Procurement Department
Municipality _____

From (department at the municipality)
Place _____, date _____

Subject: Request for procurement

Procurement of the following items is needed.

Previous or possible suppliers are:

Company 1. _____ 2. _____ 3. _____
Address _____

Date of issuing
Requested date
Account number
Approved

I confirm that the items given in this request are necessary for this department.

Requested by HEAD OF THE DEPARTMENT

Quantity	Unit	Description	Calculated amount in denars	
			Unit price	Total

Annex 2: Standard Decision for Public Procurement

Based on Article 12 Paragraph 1 and 2 of the Law on Public Procurement published in the Official Gazette of Macedonia no. 19/04, _____ of the municipality of _____ made the following

DECISION FOR PUBLIC PROCUREMENT²

1. The procurement of (subject of procurement) is approved for the needs of the municipality of _____, department _____, in a total amount of (amount of the funds is given in denars and also includes the accompanying expenses).
2. The procurement will be done in the following quantities: (the exact quantity of the subject of purchase given in the appropriate unit is defined).
3. The funds for the procurement are provided from (the source of funds is defined).
4. The procurement includes the following expenses: (all expenses are given, including the expenses for taxes, duties and other public expenditures).
5. The procurement will be done via (the procurement procedure is defined).
6. The most favorable supplier will be selected according to the following criteria: (the criteria for selection according to the Law on Public Procurement and the needs of the municipality).
7. The procurement will be done by the Procurement Commission made of*:
 - President of the Commission: _____
 - Members of the Commission: _____
 - Deputy members of the Commission: _____
8. The procurement will be done in an international tender (if the conditions for announcing an international tender that are in Paragraphs 3 and 4 of Article 12 of the Law on Public Procurement are fulfilled).
9. The ad for the procurement will be published in the Official Gazette of Macedonia, in at least one local daily and in the Official Gazette of the European Union (if it is an international tender) within ____ days of the day this decision takes effect.
10. This decision takes effect immediately after it is made.

**Note:* According to Paragraph 2 of Article 12 of the Law on Public Procurement, the Decision about Public Procurement defines the body, that is, person in charge of conducting the procedure.

² According to Article 12 of the Law on Public Procurement, there is a decision made by the person who is in charge, that is, the body that is in charge of deciding on the distribution and usage of the funds of the purchaser, that is, the municipality. The Annex contains the obligatory elements of this Decision according to the Law on Public Procurement.

Annex 3: Open Call Ad

Based on Article 20 Paragraph 1 and Article 56 and 57 of the Law on Public Procurement (Official Gazette of RM, no. 19/04), the Commission for Public Procurement at the municipality of _____ announces a

PUBLIC CALL³ number _____
For collecting offers for public procurement for (subject of the procurement)

1. Supplier

- Name, address and seat of the municipality that is procuring, telephone and fax number

2. Subject of the procurement

- Description of the subject of the procurement
- Quantity of the procurement
- Place of delivery, conducting of the work or providing services
- Other data that refer to the subject of procurement
- If it is possible, the procurement can be divided into parts depending on the type of goods, equipment and service

3. Tender documentation

- Place and conditions for issuing the tender documentation, as well as the amount and way of payment of the amount that was supposed to be paid to obtain the documentation, if it has been determined like that

4. Contents of the offer

- Description of the way of preparation of the offer, form and contents of the offer
- Proofs and documentation that are necessary for the supplier to prove the economic-financial and technical ability according to the Law on Public Procurement
- Request for submitting a guarantee for implementation of the agreement
- Period of validity of the offers

5. Submitting the offers

- Description of the way the offers are submitted according to Article 78, 79 and 80 of the Law on Public Procurement
- Deadline for receiving the offers
- Address to which the offers are sent

6. Criteria for selection of the most favorable supplier

- The criteria for selection of the most favorable supplier are given, according to Article 50 of the Law on Public Procurement

7. Opening the offers

- Date, hour and place of opening of the offers
- Persons authorized to participate at the opening of the offers

Commission for Public Procurement

³ The Annex contains the obligatory (basic) elements of the ad in the procedure for procurement with an open call, according to Article 57 of the Law on Public Procurement. Depending on the specific needs, the municipality can insert other elements as well.

Annex 4: Ad with a Limited Call

Based on Article 20 Paragraph 1 and Article 59, Article 60 Paragraph 2 Line 1 and Article 61 of the Law on Public Procurement (Official Gazette of RM, no. 19/04), the Commission for Public Procurement at the municipality of _____ announces a

LIMITED CALL⁴ number _____
For collecting requests for participation in the procurement procedure

1. Supplier

- Name, address and seat of the municipality that is procuring, telephone and fax number

2. Subject of the procurement

- The intention of the municipality to have a certain kind of procurement is presented
- Place of conducting the procurement

3. Way of conducting the procurement procedure

- Explaining the procurement process of the procedure with a limited call:
 - a) First phase – collecting requests for participation in the procurement procedure, and
 - b) Second phase – Sending invitations to the qualified candidates to submit their procurement offers, without a public announcement, followed by a selection of the most favorable supplier

4. Contents of the requests

- Proofs and documentation that are necessary to the candidate in order to prove the economic and financial ability according to the Law on Public Procurement:
 - a) Documents and proofs on the economic and financial ability of the candidates according to Article 40 of the Law on Public Procurement; and
 - b) Documents and proofs of the technical ability of the candidates according to Article 41 of the Law on Public Procurement

5. Submitting the offers

- Deadline for receiving the offers
- Address to which the offers are sent

6. Criteria for selection of candidates to whom there will be invitations sent to submit offers for the public procurement

- The criteria for selection of the most favorable supplier are given, according to Articles 59-62 of the Law on Public Procurement

7. Deadline for reaching a decision for qualification of the candidates who applied

Commission for Public Procurement

⁴ The Annex contains the obligatory (basic) elements of the ad in the procedure for procurement with a limited call, according to Article 61 of the Law on Public Procurement. Depending on the specific needs, the municipality can insert other elements as well.

Annex 5: Form for the Potential Suppliers and Overview of Prices (Open and Limited Call)

FORM FOR THE POTENTIAL SUPPLIERS AND OVERVIEW OF PRICES⁵

Date: _____
Place: _____

To: (title and address of the supplier)

Dear Sirs,

After reviewing the documents for submitting offers, including the Annex no ____, and confirming their receiving, we, the undersigned, are submitting an offer for delivery of (description of the goods and/or services), in accordance with the mentioned documents of the call, to the amount of (the total amount in words and figures given in denars), or another amount in a way determined in accordance with the submitted overview of prices that is part of this offer.

If our offer is accepted, we are obliged to deliver the goods in accordance with the delivery schedule given in the schedule of requests.

If our offer is accepted, the appropriate bank will approve a bank guarantee amounting to _____ of the requested percentage of the value of the agreement in order to fulfill the agreement, in a way determined by the supplier.

We confirm that we will follow this offer for a period of (number) of days since the day determined for opening the call according to Article ____ of the Manual for Submitting Offers and it is binding and acceptable for us at any time before the end of this period.

Until there is a formal agreement made and signed, this offer, along with your written acceptance and information on the selection will be a binding agreement between us.

We understand that you are not obliged to accept the lowest or any other offer.

Made by _____ on _____ 2004.

Signature

(function)

With a full authorization to sign this offer on behalf of _____

⁵ According to Article 28 Paragraph 1 Line 5 of the Law on Public Procurement, the Bureau for Public Procurement prepares the standard tender documentation and the standard forms for the procedures with an open and limited call. According to this, we expect the final solution for this annex to be given by the Bureau.

Annex 6: Request to the Suppliers to Submit Offers for Procurement with Direct Negotiations

REQUEST FOR SUBMITTING OFFERS⁶

LSGU or Municipality
Commission for Procurement
Address

Place, date _____

To: Name and address of the supplier

Subject: REQUEST FOR SUBMITTING AN OFFER

Dear Sirs,

We ask you to submit an offer for delivery of machines, supplies, materials, equipment and/or services for the needs of our municipalities (put the specific subject of procurement). The subject of procurement should fulfill the following conditions: (give a complete description of the subject, including the dimensions, materials, scope, etc. Another page can be annexed, but, if it is done, it should be stated).

Your offer should contain the following elements:

- Description of the subject of the offer;
- Conditions and price of the offer;
- Deadline of validity of the offer;
- If the subject of the offer is providing consultants services – the names and short CV-s of the contractors (consultants, etc);
- References to the company that is giving the offer concerning the subject of the offer for the last three years.

Please note that the subject of your offer should correspond to our demands. Please submit your offer to the Commission for Public Procurement of the municipality, by mail to the following address _____ or by fax _____ no later than _____, that is, the time and hour of opening the offers.

The opening of the offers will be done in the municipal hall on _____ starting at _____ hrs. The Commission for Public Procurement maintains the right to exclude some offers and refrain from some formalities.

If you decide not to submit your offer, please inform us in writing stating the reasons for this. Otherwise, you can be excluded from our list.

You will be informed in writing about any possible changes in the specifications of our demands.

If there is a need for additional information or explanation, please contact us at the phone number _____ (contact person: _____).

Sincerely,
President of the Commission for Public Procurement

⁶ According to Article 28 Paragraph 1 Line 5 of the Law on Public Procurement, the Bureau for Public Procurement prepares the standard tender documentation and the standard forms for the negotiation procedure. Therefore, we expect that the final solution on this annex will be given by the bureau.

Annex 7: Form for Submitting Offers for Simple Procurement or Procurement of Small Value

FORM FOR SUBMITTING AN OFFER⁷

LSGU or Municipality
Commission for Procurement
Address

Place, date _____

From: Name of the supplier _____
Address: _____
Person and phone for contact

Dear Sirs,

With respect to your invitation number _____ for submitting an offer for procurement of (the subject of procurement is added), we hereby submit our offer for providing the requested goods/services. The offer has been prepared according to your directions given in the invitation, strictly according to the specifications given by the municipality for the purpose of the call. Any exceptions or deviations from these specifications are clearly stated and given below.

We also confirm the reception of the additional annex issued for the needs of this call.

Annex no _____ Date _____

Our company/I (name of the company or the individual who submits the offer), agrees to make a delivery of the materials/services given in the above listed invitation for submitting offers at the price of _____ (price is given in denars) per _____ (unit price) for the following quantity _____, in a total amount of (the total amount in denars).

Here there are explanations given about the possible deviations from the specifications.

Name and signature of the authorized person of the supplier

⁷ The procurement of small value is regulated in Article 72 of the Law on Public Procurement. According to Paragraph 3 of this Article, the municipalities regulate the ways of procurement of small value with this internal act.

Annex 8: Standard Directions to the Suppliers

INVITATION FOR SUBMITTING OFFERS
DIRECTION AND SPECIFICATIONS
IN ANNEX TO THE OFFER NUMBER _____

- 1.1. **Goal:** The goal of this document is to provide general information for the suppliers when they submit offers to the municipalities for providing deliveries of machines, supplies, materials and equipment and/or services listed below.
- 1.2. **How is the Form for Submitting Offers prepared:** All the offers a) are prepared on the submitted forms unless stipulated differently; b) are filled in electronically, on a typewriter or in black ink and should be signed.
Note: The suppliers carefully review all regulations and annexes contained in this document before starting to fill it in. Every view is an offer and it can not be withdrawn, unless stipulated differently. The prices also remain unchanged in the given period.
- 1.3. **How are the offers submitted:** All the offers:
 - a) Are submitted in a closed non-transparent envelope where the number of the offer is written to the following address: (address to which the offers are sent)
 - b) Are sent no later than (deadline for sending the offers)
 - c) Offers that will not be received by the time and date given in the invitation for submitting offers will not be reviewed, unless the delay is due to municipal carelessness
- 1.4. **How are the objections submitted:** The objections concerning the call and/or certain specifications are submitted to the person in charge of procurement for the municipality by sending a written objection at least five (5) days before the day the call is open.
The objection concerns the contents and the form of the documents. Unless there is an objection submitted according to the previously given procedures, it is considered that the supplier has not used the right to do so.
- 1.5. **When is an offer not submitted:** If there is no offer submitted, the supplier returns the forms, giving the reasons for this. At the same time, it is stated whether the firm will stay or withdraw from the list of the municipality.
- 1.6. **Mistakes in the offers:** It is expected that the suppliers or their authorized representatives are fully informed about the conditions, demands and specifications before they submit their offers. Otherwise, they bear the full risk. In case of wrong prices in the offers, the unit price is given.
- 1.7. **Standards for accepting:** The municipality has the right to exclude some offer and deviate from certain irregularities or technical details contained in the offers, if it is in the best interest of the municipality. The criteria for selection of the most favorable offer include (description of criteria for selection).
- 1.8. **Potential Supplier:** When the term potential supplier is used, it includes the „party in agreement”, “supplier” or other party that asks for an agreement with the municipality or already has an agreement made.
- 1.9. **Adjustment with the laws:** The supplier provides all the necessary licenses and permits that are requested by the municipality or determined by law and he/she will work in accordance with all standards, rules, laws and statute of the municipality.

GENERAL CONDITIONS

- 2.1. **Specifications:** If there is a certain mistake or something that was missed in the specifications, the supplier should inform the municipality on this and ask for additional information. Any member, material or service mentioned in this document that should be in accordance with the laws and regulations and codes will be considered as a minimum request of the specifications.
- 2.2. **Place of delivery:** All files are submitted to the given address of the municipality, unless determined differently.
- 2.3. **Discounts for payment in cash (conditions):** When the prices are determined, the discounts for timely payment in cash are taken into consideration. At least 15 days for he offered timely payment

are allowed. The standard payments are 30 days after they have been accepted, that is, after the issuing of the invoice.

- 2.4. Deadline for deliver:** The deadline for the delivery or the start of certain service is given in the offer and it has to be according to the parameters of the specifications.
- 2.5. Preparations for delivery:**
- a) Packing – Packing is done in accordance with the accepted commercial practice for local delivery, unless differently determined by the agreement for supplies. The supplier is responsible for the proper packing of the object and its safe arrival to the final destination, undamaged.
 - b) Marking: All the packages are identified according to the order for procurement for the municipality.
- 2.6. Multiplied offers:** The potential suppliers do not have the right to submit more than one offer, unless differently determined by the municipality.
- 2.7. Complete or partial offer:** Unless determined differently by the municipality or the potential supplier, the municipality maintains the right to fully grant the work to the potential supplier or some parts only, in accordance with the interests of the municipality. The potential supplier, although he/she does not have to give the total value, has to give the unit price in denars.
- 2.8. Description of the materials:** The proposals for materials, supplies, vehicles and/or equipment have to be accompanied by the detailed factory specifications, technical data, including the exact description of the material, supplies, vehicles and/or equipment for which the offer is given.
- 2.9. Completeness:** All information that is requested in the call has to be complete and submitted with an aim to have a valid offer.
- 2.10. Unchangeable prices:** The potential supplier guarantees for the un-changeability of the process, deadlines and conditions given in the offer for at least 90 days of the day the call has been open.
- 2.10. Quality:** All the materials that are used for the production or construction of any supply, materials or equipment covered by this call are new, most recent model, best quality and highest degree of quality manufacturing. All the materials have to be in accordance with the demands of the municipality.
- 2.12. Acceptance:** The materials delivered according to this proposal remain property of the seller until there is a complete take-over and it is accepted by the person in charge at the municipality.
- 2.13. Guarantee:** The potential supplier guarantees for the materials and the preparation of all materials and/or services for the time period given in all specifications, unless differently determined by the municipality. In case of a defect caused by irregular material and/or preparation, occurring during the guarantee deadline, the potential supplier conducts the fixing of the defect free of charge or replaces the object upon the request of the municipality.
- 2.14. Confirmation of the quality:** The potential supplier has to prove the municipality himself that every object meets the class and quality of the material indicated. The potential supplier clearly states the object for which he applies to the call and provides samples and detailed data in order to compare the specific product or the producers given. If the requested data are not submitted, there can be exclusion from the procurement procedure. **The municipality is the only one that can decide on the quality of the submitted offer.**
- 2.15. Protection of the environment:** The potential supplier or party in agreement agrees with all applicable standards, orders, demands and laws of the country.
- 2.16. Audit and inspections:** The party in agreement or the supplier agree that the municipality or its authorized representatives, whenever it is possible, review the documentation of the supplier or the party in agreement (or authorized institutions – State Audit Office).
- 2.17. Date of the start of the agreement:** When there is an agreement for providing services made, the agreement starts with the municipality signing the agreement. The municipality informs the selected supplier in writing.
- 2.18. Informing about the start:** The selected supplier does not start the work on this call until he has been fully informed about it by receiving a signed agreement by the municipality or the person in charge of procurement. Otherwise, the supplier works on his own risk.
- 2.19. Protection and insurance:** The supplier and the part in agreement agree that the municipality or its employees bear no responsibility for any damages, expenses or obligations caused by accident that has as a consequence a bodily injury, death or sickness of any person or damages and destruction of

the property caused directly or indirectly by the work, products or services used or recommended by this agreement.

Upon the request of the municipality, the suppliers have to submit a proof of the responsibility for the damages caused by the party in agreement or the supplier or the materials used that have been sold to the municipality by the party in agreement or the supplier. Upon the request of the municipality, the supplier submits a proof of insurance from damages caused by the party in agreement or the supplier.

- 2.20. Changes in the request for offers:** The municipality can make changes in any part of the request for offers at any time before concluding the agreement. The municipality makes changes in solely by sending a written annex. The annexes are given numbers in subsequent order⁸.

⁸ The municipality can add other specifications to this list, if it thinks it is necessary. The above given list, although it is considered comprehensive, is still not fully complete.

Annex 9: Overview of Prices for Local Products and Services

OVERVIEW OF PRICES FOR LOCAL PRODUCTS AND SERVICES⁹

Name of the supplier _____ no. _____ page _____ of _____

1	2	3	4	5	6	7	8	9
Object	Description	Land of Origin	Quantity	Unit price of the product	Price of the local labor, raw materials and components	Total price of the subject of procurement (4+5)	Unit price of the subject to the final destination and unit price for other unforeseen services	Sales tax and other taxes unless the agreement is accepted

Signature of the supplier _____

Note: In case of price difference between the unit price and the total price, the unit price is given priority.

⁹ According to Article 50 Paragraph 1 of the Law on Public Procurement, one of the criteria, and sometimes the only one, for selection of the most favorable offer, depending on the type of procurement, can be the lowest price. The overviews in Annexes 9 and 10 can ease the work of the local officials in this direction.

Annex 10: Overview of the Prices of Products and Services Offered from Abroad

OVERVIEW OF THE PRICES OF PRODUCTS AND SERVICES OFFERED FROM ABROAD

Name of the supplier _____ no. _____ page _____ of _____

1	2	3	4	5	6	7	8	9
Object	Description	Land of Origin	Quantity	Unit price of the product (give the place of loading of the product)	Unit price of the product (give the border crossing or the place of arrival of the product)	Total price of the subject of procurement	Unit price of the subject for internal delivery to the final destination	Unit price for other planned or unplanned services

Signature of the supplier _____

Note: In case of price difference between the unit price and the total price, the unit price is given priority.

Annex 11: Bank Guarantee

BANK GUARANTEE¹⁰

(Name of the supplier) (hereinafter: „Supplier”) has submitted his offer on (date of submitting the offer) for delivery of (title and/or description of the goods) (hereinafter: „Offer”).

All the parties present are informed that WE (name of the bank) of (country of the bank), with a seat registered at (address of the bank) (hereinafter: „Bank”), are obliged to pay (name of the supplier) (hereinafter: „Supplier”) the given amount _____.

Sealed on _____ 200 ____.

The supplier has the right to ask for a payment of this guarantee if:

1. The supplier is called to make an agreement after there has been a selection of the most favorable supplier, and he refuses to do this; and
2. If the supplier withdraws the offer in the procedure after the opening.

In case one of these two conditions occurs, we will pay the Supplier the above mentioned amount after receiving the first written request from him, without verifying the truthfulness of the request only if the Supplier states that the requested amount is due to the occurrence of one or the two conditions, clearly stating the case.

This guarantee is in force no longer than thirty (30) days after the end of the validity of the call, and every request if submitted to the bank no later than the day given above.

(Signature of the authorized person of the bank)

¹⁰ The cases of application and collection of the guarantee in the procedure of public procurement is regulated with the Articles 81, 82 and 83 of the Law on Public Procurement. Besides the bank guarantee, the suppliers can also give a guarantee for participation in kind to the stored funds.

Annex 12: Agreement (for Big Procurement)

AGREEMENT

This Agreement is made on ____200__ between (name of purchaser) from (place of purchaser) with a seat on (seat of the purchaser) (hereinafter: „Purchaser”), on one side and (name of the Supplier) from (place of the Supplier) with a seat on (seat of the Supplier) (hereinafter: „Supplier”), on the other side, that agreed on the following:

After the published call, by the Purchaser for procurement of the following goods and services (short description of the goods and services), there was a selection made of a supplier of the given goods and services amounting to (agreed price is given in words and numbers, expressed in denars) (hereinafter: „Agreed Price”).

1. In this Agreement, the words and expressions have the same meaning with those defined in the conditions of the Agreement.
2. The documents that are part of this Agreement as annexes are:
 - a) Form for submitting offers and schedule of prices submitted by the Supplier;
 - b) Schedule of requirements;
 - c) Technical specifications;
 - d) General conditions of the Agreement;
 - e) Special conditions of the Agreement; and
 - f) Information for selection of the Supplier.
3. With respect to the payments that the Purchaser should transfer to the Supplier, the Supplier is obliged to deliver the goods and services to the Purchaser, as well as the possible fixing of the possible defects, in accordance with the regulations of the Agreement.
4. The Purchaser is obliged to pay the Supplier for the provided goods and services and for the possibly done fixing, according to the agreed price or other amount if it is in agreement with the regulations of this Agreement according to the given time and way determined by the Agreement.

The parties confirm that they conclude this Agreement and that it will be implemented in accordance with the laws, from the day and year of conclusion.

In case of a dispute, the court _____ is in charge.

This agreement is made in two identical samples in Macedonian, one for each of the parties.

For the Purchaser,

For the Supplier,

(Name and signature of the representative)

(Name and signature of the representative)

Place and date _____

Place and date _____

Annex 13: Form for Confirming Guarantee (for Big Projects)

FORM FOR CONFIRMING THE GUARANTEE

To: (name of the supplier)

(Name of the supplier) (hereinafter: „Supplier”) in accordance with the Agreement number _____ made on _____ 200_____ for conducting delivery of (description of the goods and services) (hereinafter” „Agreement”).

In the Agreement mentioned you are stating that you will request the Supplier for a bank guarantee from a respected bank amounting to the above mentioned amount as a guarantee for fulfillment of the obligations by the Supplier according to the Agreement.

We agree to provide the Purchaser (Supplier) the guarantee.

We confirm that as guarantors and responsible to you, on behalf of the Purchaser (Supplier), amounting to (amount of the guarantee in words and numbers) to undertake the obligations following your first written request in which you state that the Supplier has not fulfilled the obligation according to the Agreement, without arguments, to pay you any amount within (the amount of the guarantee) mentioned previously, without having to mention the reasons or submit proofs for your request or the stated amount.

This guarantee is valid from _____ to _____ 200_____.

Signature and stamp of the guarantor.

Date: _____

Address: _____

Annex 14: Bank Guarantee for Advance Payment (Big Projects – Work and Construction)

BANK GUARANTEE (for the Supplier)

To: (name of the Purchaser) (hereinafter: „Purchaser”)

Referring to: Agreement number _____ made on ____200____ for conducting the delivery of (description of goods and services) (hereinafter: „Agreement”).

Dear Sirs,

With reference to the regulation for payment contained in the part of the special conditions of the Agreement that changes the Article ___ of the part of the general conditions of the Agreement for providing advance payment (name and address of the Supplier) (hereinafter: „Supplier”) provides the Purchaser with a bank guarantee in order to guarantee appropriate fulfillment according to the mentioned Article of the Agreement amounting to (amount of the guarantee with numbers and words).

We, (the bank or the financial institutions), upon the request of the Supplier, agree to unconditionally and without delay guarantee, as the first debtor, that there will be payment made to the Purchaser upon his first request, without any right to objection on our side, to the amount not higher (amount of the guarantee in numbers and words).

Further on, we agree that no change, addition or modification of the deadline in the Agreement or any other documents that the Purchaser and the Supplier will made will not exempt us from the responsibility of this guarantee.

This guarantee is valid and takes effect since the day when the advance payment has been received by the Purchaser and is valid until _____.

Sincerely,

Signature and stamp of the guarantee issuer: _____

(Name of the bank or the financial institution)

(Address)

(Date)

Annex 15: Minutes of the Public Opening of the Offers

MINUTES OF THE PUBLIC OPENING OF THE OFFERS¹¹

I. General data:

1. Purchaser:	
2. Number of the open call:	
3. Subject of the procurement:	
4. Date and place of the public opening:	
5. Place of the public opening:	
6. Composition of the Procurement Commission:	Name and surname:
6.1. President:	
6.2. Members:	
6.3. Deputies:	
7. Number of received offers:	

II. Data on the potential suppliers*

Number	Name/tile/code	Address	Name and surname of the authorized representatives of the potential supplier	Price offered and the discount	Notes of the supplier

* *Note:* The names of the potential suppliers should be written down according to the order of submitting the offers.

Signature of the President of the Procurement Commission: _____

Signatures of the members of the Procurement Commission: _____

¹¹ According to Article 46 of the Law on Public Procurement, the Commission for Public Procurement has to keep minutes of the procedure of public opening of the offers. The Annex contains the obligatory elements of the minutes as they are listed in the Article 46. According to Paragraph 4 of this Article, the procedure for opening the offers at the open call and the limited call and the form for keeping minutes for the opening of the offers are given by the Minister of Finance. The Annex is given only as a sample, while the final version of the form for keeping minutes should be provided from the Ministry of Finances for the municipalities.

Annex 16: Register of the Procedures for Public Procurement

REGISTER OF THE PROCEDURES FOR PUBLIC PROCUREMENT¹²

1. Procurement number:	
2. Number of the procurement decision:	
3. Date of the procurement decision:	
4. Subject of the procurement;	
5. Value of the procurement:	
6. Procedure of the procurement followed;	
7. Number of submitted offers:	
8. Value of each submitted offer:	
9. Lowest price of submitted offers:	
10. Highest price of submitted offers:	
11. Number of acceptable offers:	
12. Criteria applied for the selection of the most favorable offer:	
13. Number of the decision for selection of the most favorable supplier:	
14. Price of the selected offer:	
15. Data on the selected supplier:	
15.1. Name and surname/title:	
15.2. Address:	
16. Submitted complaints of the suppliers:	
17. Results of the submitted complaints:	
18. Data on the procurement agreement concluded:	
18.1. Number of the agreement:	
18.2. Date of signing of the agreement:	
18.3. Value of the agreement:	
18.4. Annexes to the agreement:	

¹² According to Article 17 of the Law on Public Procurement, the purchaser keeps a register on the procedures for public procurement, which is later entered in the unique register and sub-registers at the level of the Republic maintained by the Bureau on Public Procurement. The contents of the register given in this Annex is determined by Paragraph 2 of the above given article. According to Paragraph 4 of this Article the form and the contents of the register of procurement made with the Purchaser is given by the Minister of Finance. The Annex is given as an example only, while the final version of the register of municipalities should be provided by the Minister of Finance.

Annex 17: Informing about the Selection of the Most Favorable Offer (in an Open Call Procedure)

INFORMING ABOUT THE SELECTION OF THE MOST FAVORABLE OFFER¹³

From: Municipality: _____
Address: _____

Date: _____
Place: _____

To; Name of the supplier
Address: _____

Open call number: _____

Subject: **Informing about the selection of the most favorable offer**

Dear Sirs,

Thank you for your participation in the procurement procedure for (short description of the subject of the procurement) on the open call (number of the call). After the review, evaluation and comparison of the offers received, the most favorable offer selected was the one of _____.

The selection of the most favorable offer was made according to the criteria that were announced in the above mentioned open call. According to these criteria your offer won the following number of points, which was lower than the total number of points won by the selected offer:

<i>Criterion</i> ¹⁴	<i>Maximum possible number of points</i>	<i>Points won</i>
1. Economic and financial and technical ability of the supplier		
2. Price		
3. Discounts		
4. Ways of payment		

¹³ According to Article 55 of the Law on Public Procurement, the Purchaser, immediately after the selection of the most favorable offer informs in writing every eliminated supplier or candidate about the reasons for not selecting his offer, as well as for the one whose offer was selected as the most favorable. Therefore, this Annex is an example for possible information. The information will be different in accordance with the specific conditions for each procedure.

¹⁴ These criteria are given as an example of the goals of this Annex.

Annex 18: Tabular Overview of the Process of Public Procurement

The information given below will give a big contribution in the implementation of the process of public procurement for the persons who are in charge, that is, included in the process itself. One should always keep in mind that that you are the Purchaser, as representatives of the local self-government (including the funds that have the status of a legal entity) and the public enterprises and societies established by the units of local self-government.

Number	Description of procedures	Basis from the Law on Public Procurement
A.	General regulations	
1.	Exceptions from the application of the Law on Public Procurement	Articles 3, 4 and 5
2.	Any negotiations between the Purchaser and the supplier concerning the prices and changing the offer submitted are forbidden	Article 8
B.	Planning and determining the needs for procurement	
1.	The Purchaser should have previously provided funds for procurement.	Article 10
2.	The Purchaser should have a prepared plan of procurement with a dynamics of its implementation and it should be made by an authorized person, that is, a body that is in charge of deciding on the distribution and usage of the funds of the Purchaser.	Article 11
3.	The Purchaser should adopt the plan for procurement no later by the end of January and submit it to the Bureau within 5 days.	Article 11
4.	The Purchaser makes a decision on the need for certain procurement and gives the subject (type) and quantity of the procurement, amount and the source of funds needed for the implementation of the procurement, criteria for the selection of the most favorable supplier, the body, that is, the authorized person for the implementation of the procedure.	Article 12
5.	Obligatory implementation of the procedure for procurement via an international tender.	Article 12
6.	The suppliers should prove their competency.	Article 15
7.	The Purchaser keeps a register on the procurement, and among other things, it includes: number and date of the decision for procurement, type of the procedure, number of submitted offers and their value, number of acceptable offers, decision on the selection of the most favorable supplier, submitted complaints by the suppliers, etc.	Article 17
8.	The data are put in the register within 10 days after the signing of the agreement and they are submitted to the Bureau within 30 days after the agreement has been signed.	Article 17
9.	The data from the register are entered in the unique register and sub-registers at the level of the republic, which are kept by the Bureau for Public Procurement.	Article 18
10.	The value of the offer is given in denars.	Article 19

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Number	Description of procedures	Basis from the Law on Public Procurement
C.	Body for implementation of the procurement procedure	
1.	The person in charge with the procurement party establishes a standing committee that implements the procedure for public procurement	Article 20
2.	The Committee can also include other experts, depending on the nature and specific issues related to the procurement.	Article 20
3.	The Purchaser can establish one or more committees depending on the scope, character and specific issues related to the procurement.	Article 20
4.	The members of the committees are changed every two years, that is, they have no more than two mandates of 2 years each.	Article 20
5.	The supplier can not be the members and experts of the Procurement Commission, persons in charge and the managing persons of the purchaser in the cases determined by law.	Article 21
D.	Bureau for Public Procurement	
1.	The Bureau for Public Procurement is a body of the government administration that is part of the Ministry of Finance.	Article 24
2.	The Director of the Bureau is appointed and dismissed by the Government of the RM for a period of four years.	Article 26
3.	The activities of the Bureau also cover: providing advice and giving assistance to the subjects for procurement, preparing the standard tender documentation and forms for open and limited call and the negotiating procedure, giving instruction, detecting irregularities, etc.	Article 28
E.	Way of implementation of the procurement	
1.	The procurement can be done by: a) open call; b) limited call; c) negotiating procedure; d) ad for preparation of projects; and e) limited call for consulting services.	Article 29
2.	The call for procurement is obligatorily published in the „Official Gazette of Macedonia” by the Purchaser.	Article 30
3.	The Purchaser has to determine the technical specifications of the subject of the procurement, before the call is published.	Article 31
4.	The technical specifications are an obligatory part of the tender documentation and they should be defined in accordance with the technical regulations and standards that are valid in Macedonia and the European Union.	Article 32
5.	The tender documentation should be accessible to all interested suppliers. The obligatory elements of the tender documentation are given by the Minister of Finance.	Article 36
6.	The interested suppliers can be allowed to have an insight in the tender documentation.	Article 37
7.	The supplier provides and submits appropriate documents for his financial, economic and technical ability together with the offer.	Articles 40 and 41
8.	The opening of the offers with the open call and in the second phase of the limited call is public.	Article 43

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Number	Description of procedures	Basis from the Law on Public Procurement
9.	Participants in the public opening are the members of the commission in its full composition and the representatives of the suppliers.	Article 44
10.	The Commission has to keep minutes of the procedure for public opening of the offers.	Article 46
11.	The Commission reviews, evaluates and compares the offers.	Article 47
12.	The criterion for the most favorable offer can be only the lowest price or the economically most favorable offer with respect to the price, deadline for delivery, way of payment, operational expenses, efficiency, quality, etc.	Article 50
13.	The Purchaser must not dismiss the offer with an unusually low price before asking the Purchaser for written information on the reasons for the price.	Article 52
14.	The Purchaser makes a written report on each procurement.	Article 53
15.	The decision to select or not select the most favorable offer is made by the person in charge with the purchaser in a written way.	Article 54
16.	The Purchaser informs all the candidates in writing immediately after the selection.	Article 55
E.1.	Open call	
1.	An open call is the procurement procedure where each interested supplier can submit an offer in accordance with the previously defined requests of the Purchaser.	Article 56
2.	The ad for the open call should contain the data given in accordance with the Article 57.	Article 57
3.	The deadline for receiving the offer can not be shorter than 52 days of the day the call has been sent to be published. In case of an accelerated procedure, the deadline can not be shorter than 36 days.	Article 58
E.2.	Limited call	
1.	The Purchaser implements a procedure for limited call based on the published call for economic, financial and technical ability of the candidates who applied and based on determined criteria makes a selection of a certain number of candidates, who, according to his evaluation would be able and qualified to conduct the procurement with a certainty.	Article 59
2.	The procurement by a limited call is done in two phases.	Article 60
3.	The ad for the limited call should contain the data that are given in accordance with Article 61.	Article 61
4.	The deadline for submitting the requests in the limited call can not be shorter than 37 days of the day the call has been sent.	Article 61
5.	The commission decides on the ability of the candidate based on criteria published in the call. The Purchaser informs all the candidates about the decision made with an explanation of it within 10 days.	Article 62
6.	The decision for submitting a written invitation is sent no later than three months of the day the requests have been submitted.	Article 62
7.	In the second phase, the Purchaser sends a written invitation for submitting offers to the selected candidates.	Article 63

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Number	Description of procedures	Basis from the Law on Public Procurement
8.	The deadline for receiving the offers can not be less than 40 days of the day the written invitation has been sent. In case of urgency, the deadline can not be shorter than 30 days.	Article 64
E.3.	Procedure for procurement by negotiating	
1.	The procedure for public procurement by negotiating is an exceptional procedure and it can be applied only in limited cases stated by this law, after a previous agreement of the Bureau.	Article 66
2.	The Bureau will answer the Purchaser that asks for a procedure of procurement by negotiating within 8 days of the day the request has been received.	Article 66
3.	The procurement procedure with previous negotiation is applied only in cases given in Article 67. These cases are: 1. when the previously implemented two procedures of open or limited call there was not enough number of offers or appropriate offers, providing the contents of the tender documentation of these calls is not essentially changed; 2. when, because of technical, intellectual or performance reasons or because of reasons related to the protection of the exclusive rights registered in the Ministry of Economy or the Chamber of Commerce of Macedonia, the procurement can be done only by a certain supplier of survive or works or goods; 3. because of ultimate urgency caused by events that the Purchaser could not predict, or can not be qualified as his shortcoming or events (natural disasters, epidemics, contagious diseases, or events caused by <i>force majeure</i>), because of which the deadline given for the open or limited call can not be met; 4. when the Purchaser has to conduct additional deliveries by the original supplier because of a partial replacement of the usual goods or installations or expanding the existing goods or installations where the change of the supplier would oblige the procurement party to buy materials that have different technical characteristics, which would result in incompatibility to inappropriate technical difficulties in the functioning or maintenance; 5. when because of unforeseen circumstances it is necessary to conduct necessary additional works that were not included in the agreement that is reviewed or made, providing that: a) the additional works can not be technically or economically separate from the basic agreement without bigger problems for the purchaser, and b) additional works, although they can be separate from the implementation of the basic agreement, are necessary for its later phases, that is, for its implementation. The total amount of the procurement for the additional works under the last two cases (4 and 5), must not be more than 20% of the amount of the basic agreement, and the length of these procurement and the prolonged procurement, must not be longer than three years.	Article 67
E.4.	Competition for preparation of projects	
1.	The procurement of a project design or plan from the area of spatial and urban planning, architecture, civil engineering and data processing, is done by the procurement party based on a competition.	Article 68

Number	Description of procedures	Basis from the Law on Public Procurement
2.	The competition for a project will have to be announced by the Purchaser according to Article 30 of the Law on Public Procurement, that is, the ad should be published in the „Official Gazette of Macedonia”, and if this is an international tender, also in the official gazette of the EU.	Article 68
3.	The number of candidates that apply must not be less than three.	Article 68
4.	The project or plan are selected by an independent commission made of individuals who can not participate in the competition and that are independent from the participants in the competition.	Article 68
E.5.	Limited call for consulting services	
1.	The limited call for consulting services refers to intellectual services that lead to selection of a capable candidate in the appropriate area.	Article 69
2.	The limited call for consulting services is conducted according to the procedures for limited call according to this law.	Article 69
3.	The offers for consulting services are reviewed by a commission determined by the Purchaser. The commission prepares minutes with an explained opinion that are submitted to the Purchaser.	Article 71
F.	Procurement of small value	
1.	The procurement of small value can be done for procurement of goods, services and works of smaller scope and value, amounting to 3,000 EUR in denar counter-value, and there should be at least three offers provided, out of which the most favorable will be selected.	Article 72
2.	The procurement of small value can be done by the Purchaser only once in the course of the year for certain type or group of goods, services or works.	Article 72
3.	The procurement of food articles, gardening goods at the market, office materials or other small procurement can be done only via an invoice, that is, a bill, whose amount can not be more than 100 EUR per month in denar counter-value.	Article 73
G.	Way of submitting offers for procurement	
1.	The submitting of offers for procurement is done via mail, by handing them to the archives of the Purchaser or handing them to the commission on the spot.	Article 78
2.	The offer and the related documentation is placed in a closed envelope, and the envelope must not have any mark that could identify the sender or the supplier.	Article 79
3.	The offer should contain all the data listed in the call.	Article 80
4.	The price of the offered goods and services from abroad should also contain the amount of the duties and other taxes.	Article 80
H.	Guarantee	
1.	For the procurement with an open and limited call and the negotiating procedure whose value is more than 150,000 EUR in denar counter-value, the Purchaser also determines a guarantee amount that must not be less than 3% and more than 5% of the total value of the procurement.	Article 81

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Number	Description of procedures	Basis from the Law on Public Procurement
2.	The Purchaser, after the closing of the agreement with the most favorable supplier, has to return the stored amount of the guarantee to the other suppliers within 7 days.	Article 82
I.	Closing agreements	
1.	Within 5 days of the day the decision has been made for the most favorable supplier, the Purchaser has to submit a written request to the Ministry of Finance for receiving a confirmation on provided finances and agreement to start closing the agreement.	Article 84
2.	The Ministry of Finance has to act upon the request within 7 days after it has received it.	Article 84
3.	The Purchaser has to inform the supplier whose offer has been selected within 7 days of the day the decision for selection has been made, as well as the other suppliers.	Article 85
4.	Within 7 days of the day the appeal deadline has ended, that is, of the day the decision is final, there is an agreement signed.	Article 85
5.	The agreement is signed by the person in charge on the side of the Purchaser, and the authorized signatory on the side of the supplier.	Article 85
6.	For the purpose of a unique record keeping by the Bureau, the purchasers have to submit a copy of the agreement made whose value is more than 3,000 EUR in denar counter-value within 15 days of the day it has been closed.	Article 86
7.	The agreement stipulates giving a bank guarantee as a means with which the Purchaser provides that the supplier will provide the procurement in a timely, quality fashion, according to the conditions.	Article 88
8.	The court in charge will proclaim null and void the agreements that are made without a previous procedure for public procurement; if the municipality as a Purchaser has conducted a procedure for procurement against the conditions that are determined by this law or made an agreement with the supplier who was not selected to conduct the procurement; if the municipality conducts procurement or has authorized a third party or a person who is not a supplier according to this law, in order to avoid its implementation; and if the municipality has made an agreement as a Purchaser without previously providing a statement for provided finances and agreement to start the closing of the agreement.	Article 89
J.	Legal protection of the procedures for public procurement	
1.	The dissatisfied suppliers can submit appeals during the whole procedure to the Commission on Public Procurement within two days of the day they find out about the violation that they object upon.	Article 91
2.	The response on the objection is given within three days of the day it has been submitted, that is, sent to the Appeal Commission.	Article 91
3.	Until there is a decision made on the objection, the Commission for Public Procurement stops its work.	Article 91
4.	The dissatisfied participant can send an appeal to the Appeal Commission within 7 days of the day the information has been received.	Article 92

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Number	Description of procedures	Basis from the Law on Public Procurement
5.	The submitting of the appeal stops the execution of the decision for selection of a supplier, until the decision on the appeal becomes valid.	Article 92
6.	When there is a procedure of public procurement higher than 30,000 EUR, upon the request of the supplier, the Bureau appoints an expert to check the regularity of the procedure.	Article 93
7.	The expert has to submit a written opinion on the claims in the complaint within 8 days of the day it has been submitted.	Article 93
8.	If the expert does not prepare an opinion, the Commission for Appeals decides without such an opinion.	Article 93
9.	The Commission for Appeals has to give its opinion on the appeal within 15 days of the day it has been received.	Article 94
10.	The Commission informs the party that submitted the appeal and the commission that was implementing the second degree procedure about its decision.	Article 98
11.	The decision of the Commission for Appeals is final.	Article 98

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