**Procurement Plan Guiding Notes**

As part of project preparation and before grant negotiation, ACBF requires the grantee to provide an 18 month Procurement Plan for approval. Each Year the grantee must update the procurement plan and submit to ACBF for approval.

The Procurement Plan details the procurement items required, the procurement process, the sequence of actions, the responsible parties and the procurement schedule.

It sets forth description of items to be purchased, cost estimate and procurement methods plus periods the procurement actions will be undertaken.

**What, When, Who, How and When**

What - What to procure

How - Which method will be used to undertake the procurement?

Who - Role allocation, Evaluation vs Review and Approval

When - Time schedule for launching the activities and contract award

Where - Geographical location

**What is contained in a Procurement Plan?**

The PP contains the following sections;

1. Section I – Goods, Works and Non-Consulting Services ; et Section 2 – Consulting Services – **Each activity must be planned under the correct category as each category has specific prescribed methods and thresholds**. Each section of the plan contains a table which underlines the procurement methods, thresholds for the use of each method and thresholds for Prior or Post review for each method.**[[1]](#footnote-1)** These thresholds pertain to the use of the method and the review thresholds which should be applied to all procurement items planned under that particular section.**[[2]](#footnote-2)**
2. Description of the Activities
3. Proposed Method of Procurement / Selection
4. Cost estimates for the activity
5. ACBF Review Requirements (Prior and Post)
6. Time schedule for key procurement / selection processes for each activity.
7. Provision for tracking Plan schedule against Actual

**Procurement Plan Preparation – What is required?**

* Project Appraisal Report
* Grant Agreement
* Procurement Guidelines for ACBF Grantees
* Annual Work Plan & Budget (AWPB) -Understanding of Project Activities, Cost estimates and Timing
* Good understanding of Procurement Methods and the related Procedures
* Proper Classification of Activities into Goods, Works and Consulting Services
* Knowledge of Procurement Thresholds for Procurement Methods
* Knowledge of Prior Review Thresholds

**Categorization of Procurement Activities**

1. Determine what is to be procured i.e. identify the Goods, Works and Service / Consultancy from budget statement.
2. As a general rule, Goods, works and services should be grouped separately from consulting services as each group has its own specific corresponding procurement methods
3. Determine what goods or services (both consulting and no-consulting) are to be procured. Items that will use ACBF internal Administrative procedures will not be part of the procurement plan; i.e. direct payments to service providers for utilities (rentals, electricity, telephone, fuel etc), licensing renewals, subscription renewals, data collectors, maintenance contracts, journal subscriptions etc
4. Combine like items which can be purchased from a sole supplier or service provider together into one package (items like ICT equipment -computers, printers, scanners, etc can be grouped together into one lot and planned as such) to enable to project to realize economies of scale.

**Preparation of the Plan**

1. Determine what goods or services (both consulting and no-consulting) are to be procured. Items that will use Administrative procedures will not be part of the procurement plan; i.e. direct payments to service providers for utilities (rentals, electricity, telephone, fuel etc), licensing renewals, subscription renewals, data collectors, maintenance contracts, journal subscriptions etc.
2. Once the nature of goods or services to be procured has been determined, establish the budget for the actual purchase of the identified goods or services. For consulting services, the planned amount that goes onto the procurement plan is for the consulting fees only. Ancillary expenses such as travel and accommodation should not be included on the planned amount.
3. The procurement plan is split into two sections; the first section is for the procurement of **Goods, Works and Non-Consulting services**, whilst the second part is for **Consulting Services**. Once the nature of the procurement has been identified and defined, insert the description of the related goods or services under the relevant section of the procurement plan with each item on its own line.
4. In order to assist with determining the budget amount and procurement method for the planned procurement, it is useful to draw up the Specifications of the required goods, works, non-consulting services or the Terms of Reference for the consulting services and undertaking some market research on prevailing prices of the goods or services. Draft terms of reference will also assist in determining whether the unit needs to hire a firm or an individual consultant.
5. Once the required goods and services have been entered and the budget established for each item, insert the source of funds for the activity. As this plan is for ACBF funded activities, please insert ACBF under the column marked Source of Funds.
6. Note if the activity is for Post or prior review based on the post and prior review thresholds outlined on the threshold and method tables at the beginning of each section.
7. The project should then consult the work-plan to determine the earliest delivery date when the goods, works and services are required, or the earliest date for launching the consultancy. The project should allow adequate time between the process launch date and the contract signature date taking into account the time schedule to complete all related procurement processes as per the selected method. Once established, please insert relevant dates for columns 10, 11, 12 (Section 1 – Goods, Works and Non-Consulting Services) et columns 8, 9, 10 (Section II – Consulting Services).
8. Once these dates have been inserted, the project may insert any comments they deem relevant for planning purposes or which should be bought to the attention of the approval purposes such as justifications for Direct Contracting or Single Source Selection as these are not competitive processes and their use should be duly justified at this stage.[[3]](#footnote-3)

1. Prior / post review threshold – all procurement items whose budget is higher than the Prior review threshold should be submitted to ACBF for Prior review and No Objection approval at the prescribed steps prior to contract award. However procurement items whose budget is below the Prior review threshold will be for ACBF Post review (ref, attached presentation) [↑](#footnote-ref-1)
2. Threshold for the use of a procurement method – This is the limit set for the use of a particular method. E.g. the threshold for the Shopping method is USD 50,000, therefore this method cannot be used for all planned procurement whose budget is above USD 50,000 [↑](#footnote-ref-2)
3. It should be noted that even after ACBF clearance of the plan, the project should still seek ACBF No Objection for all Direct Contracts or Single Source Selection contracts when launching the processes. These two methods are for prior review as per the thresholds noted on the plan. [↑](#footnote-ref-3)