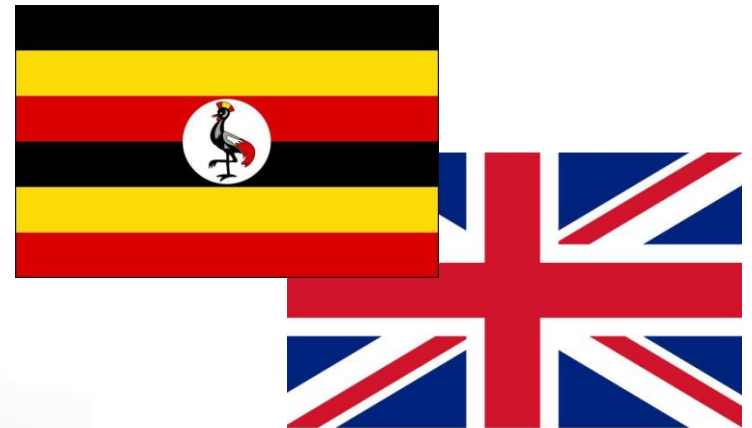




# A Briefing Seminar

## Working with DFID Uganda



19 March 2015, Kampala, Uganda

# Introductions

Name	Role	DFID Base
Daniel Graymore	Head of Office	Kampala
Agnes Ndamata	Programmes Manager	Kampala
Patrick Hynes	Third Party Sourcing	Glasgow
Paul Gaffney	Programme Sourcing	Glasgow
Maureen Katende	Procurement Officer	Kampala
Lydia Babinaga	Commercial Adviser, DFID Uganda	Kampala

Welcome attendees – commercial and NGO suppliers

# Objectives of Session

- To provide an understanding of DFID
- To provide an overview of DFID Uganda Programmes and opportunities to work with DFID
- To provide an overview of the procurement cycle at DFID
- High value procurement (>£111k contracts)
- DFID expectations from Suppliers
- Q&A from Suppliers



# **PART 1**

## **About DFID in Uganda**

# What is DFID?

- UK Department for International Development – a ministry in the UK Government
- Leads the UK's work to end poverty in poor countries
- HQ offices in London and Scotland and country offices in priority countries
- Working in Uganda since Independence
- DFID is one of the largest donors to Uganda. We also have an influential role on development policy and analytical issues
- DFID Uganda - office of around 30 staff, UK and Ugandan
- Part of the British High Commission
- 3 Programme teams: MDGs, G&R, GS&H plus the Performance and Effective Team

# Why Uganda?



- ❑ Uganda is **one of the world's poor economies**, with low development statistics for a non-conflict country.
- ❑ **19.7% of the population is below the national poverty line**
- ❑ Making **progress in reducing income poverty**. Population below the poverty line has been steadily decreasing since 1993 to-date.
- ❑ High population growth and pressure on natural resources. The **population is estimated to increase** from 34.9 million in 2014 to 47.4 million by 2025.
- ❑ Although not receiving budget support from DFID, Uganda continues to benefit from programmes directly UK funded

## Three priorities (for 2011-2015) underpin our work:

### Millennium Development Goals

- Gender (preventing violence against women and girls, empowerment)
- Health (malaria, reproductive health)
- Social Protection
- Nutrition
- Reducing violence against Girls and Women

### Growth and Resilience

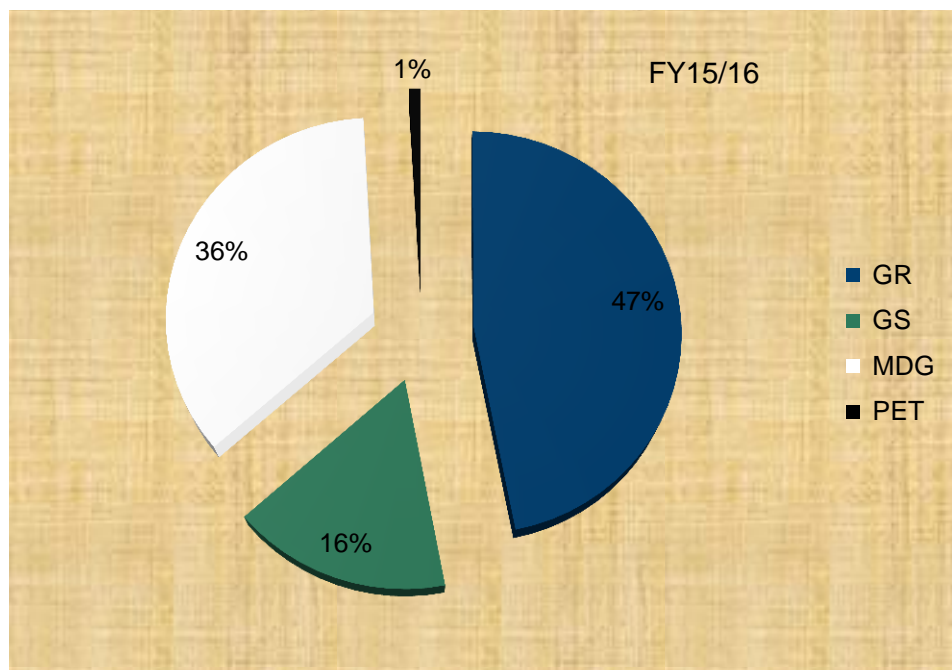
- Economic Growth
- Infrastructure – Roads, Dams
- Agribusiness
- Livelihoods
- Climate change
- Food Security

### Governance, Security and Humanitarian

- Accountability
- Empowering citizens to realise their right
- Increase access to justice, safety and security
- Fight against corruption

# DFID Uganda Budget 2015/16

- Total budget approx £100M





# What's Changing in DFID?

- Focus on **Value for Money** – Economy, Efficiency, Effectiveness
- **Commercial Improvement** – including this event
- Commitment to **transparency** – all payments over £500 published on public website; Development Tracker
- **New Operational Plan** post-2015
- More work on **private sector development; girls & women**
- UK Government alignment - **1HMG**



# PART 2

## DFID Uganda Programmes



## **In the pipeline:**

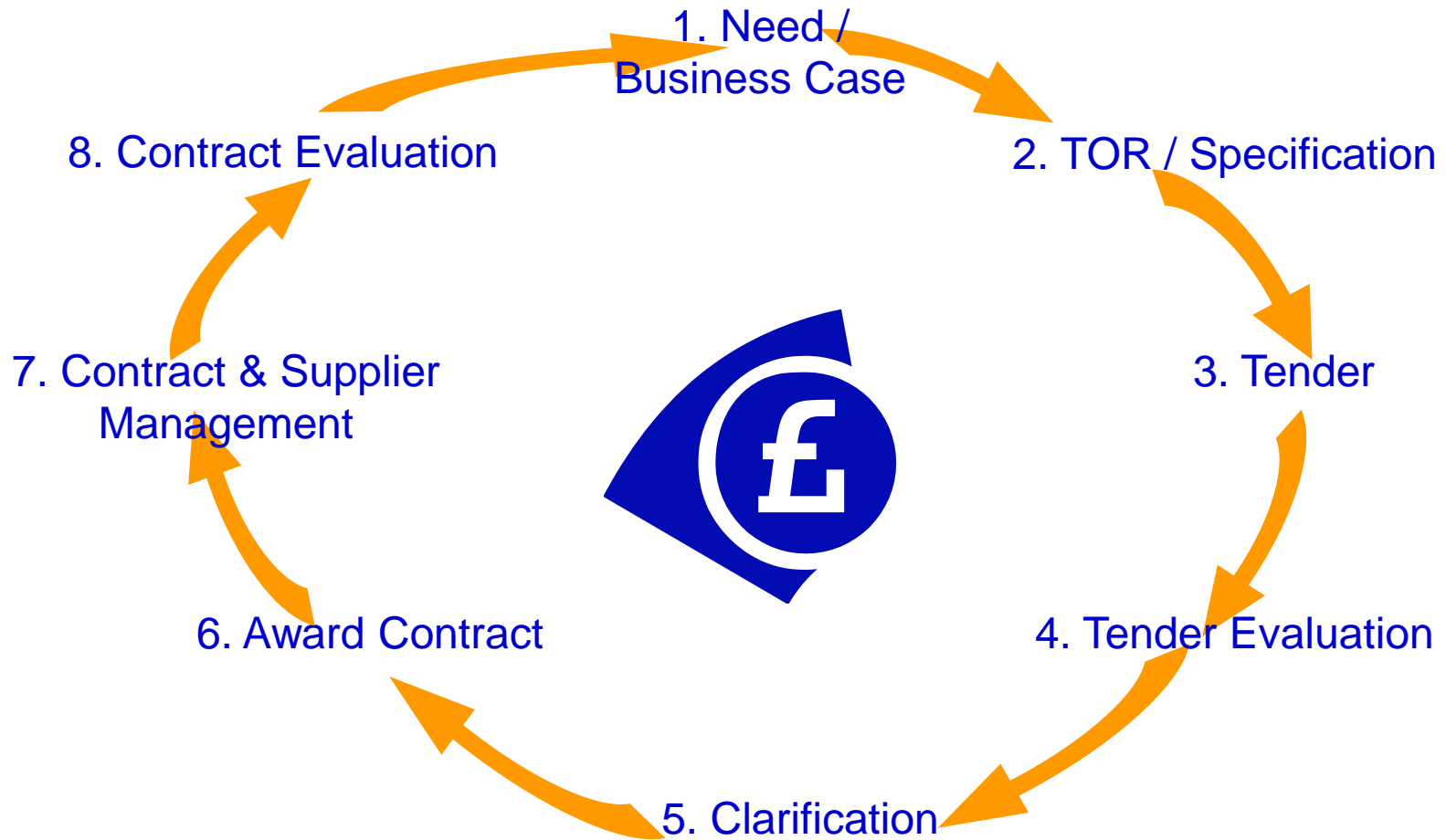
- Expanding Social Protection (phase 2)
- Strengthening Evidence Based Decision Making Project; progress on the National Statistics System
- Northern Uganda: Transforming the Economy through Climate Smart Agribusiness; M&E
- Northern Uganda: Transforming the Economy through Climate Smart Agribusiness; Medium Term Credit Facility
- Accelerating the rise in contraceptive prevalence rate in Uganda; a study to assess impact of DFID Uganda's family planning investment



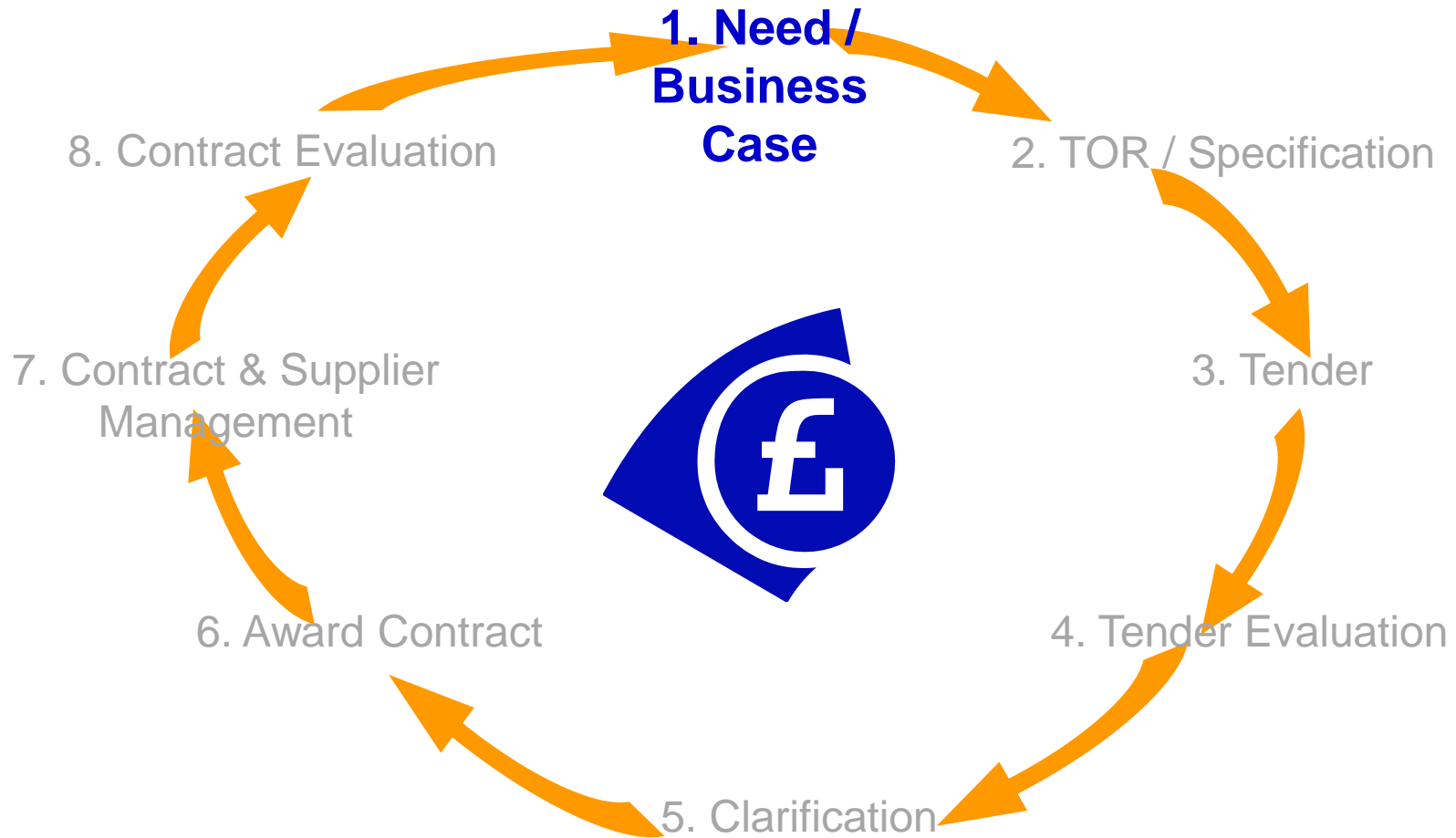
# **PART 3**

## **Procurement within DFID**

# The DFID Procurement Cycle



# The DFID Procurement Cycle

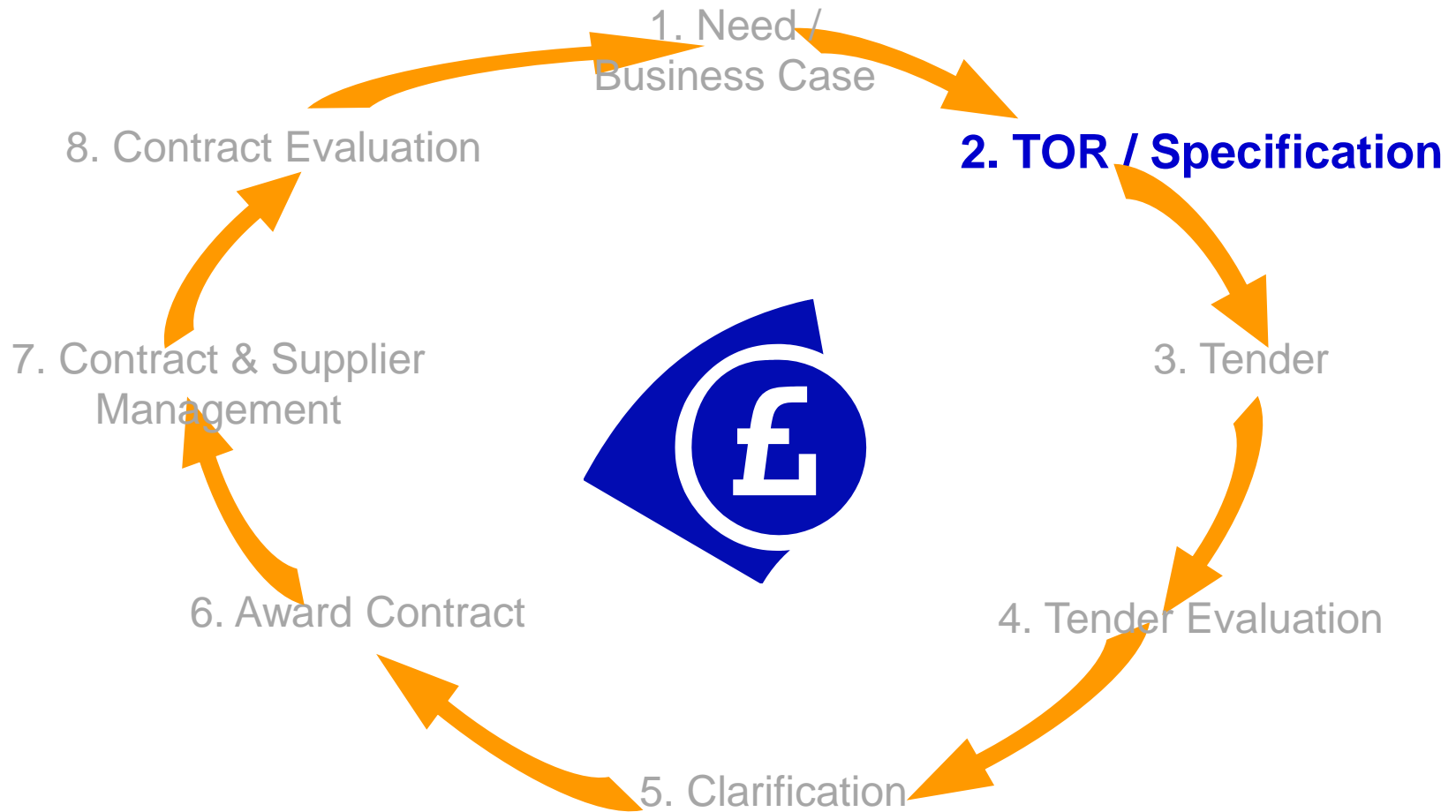




# The Business Case

- ❑ Sets out the rationale for choosing a project, programme, or approach to funding
- ❑ Aims to provide a consistent approach to the choices and design of DFID interventions
- ❑ Sets out the need, justification and affordability of the intervention – making a sound case for the commitment of public funds
- ❑ Ensures that DFID's approach to investment decisions is consistent across its own portfolio and with other UK government departments

# The DFID Procurement Cycle





# Terms of Reference (TOR)

## Input-Based TOR:

- Exactly what we need **and** how – **specify** ‘the how’ to the Supplier / Service Provider

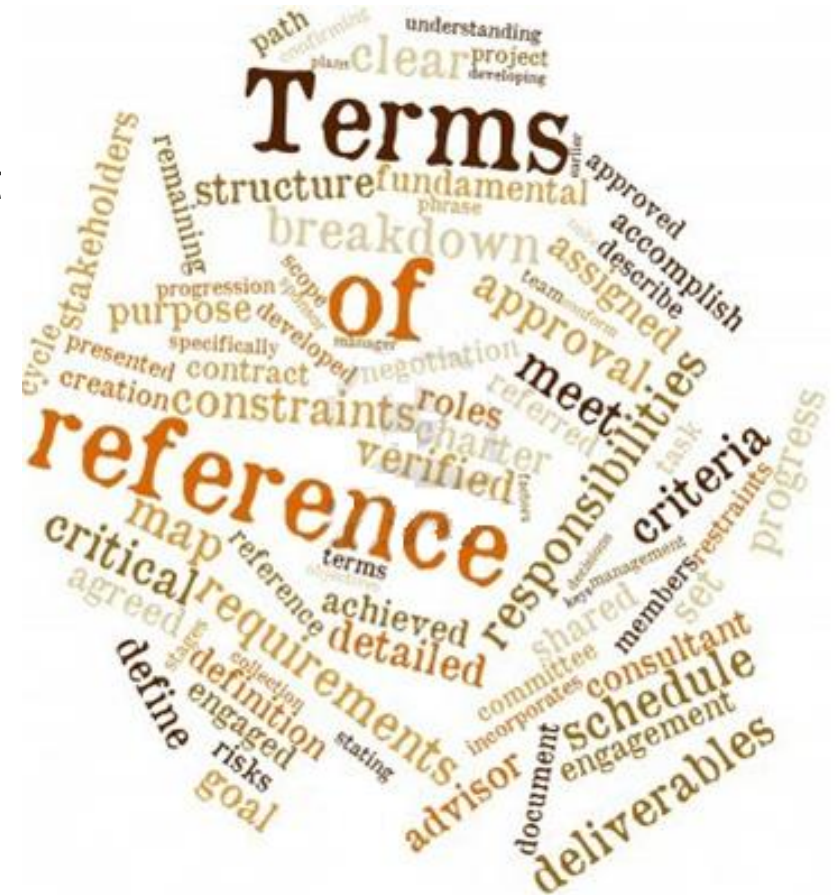
## Output-Based TOR:

- What we need **but not** how - **delegate** ‘the how’ to Supplier / Service Provider

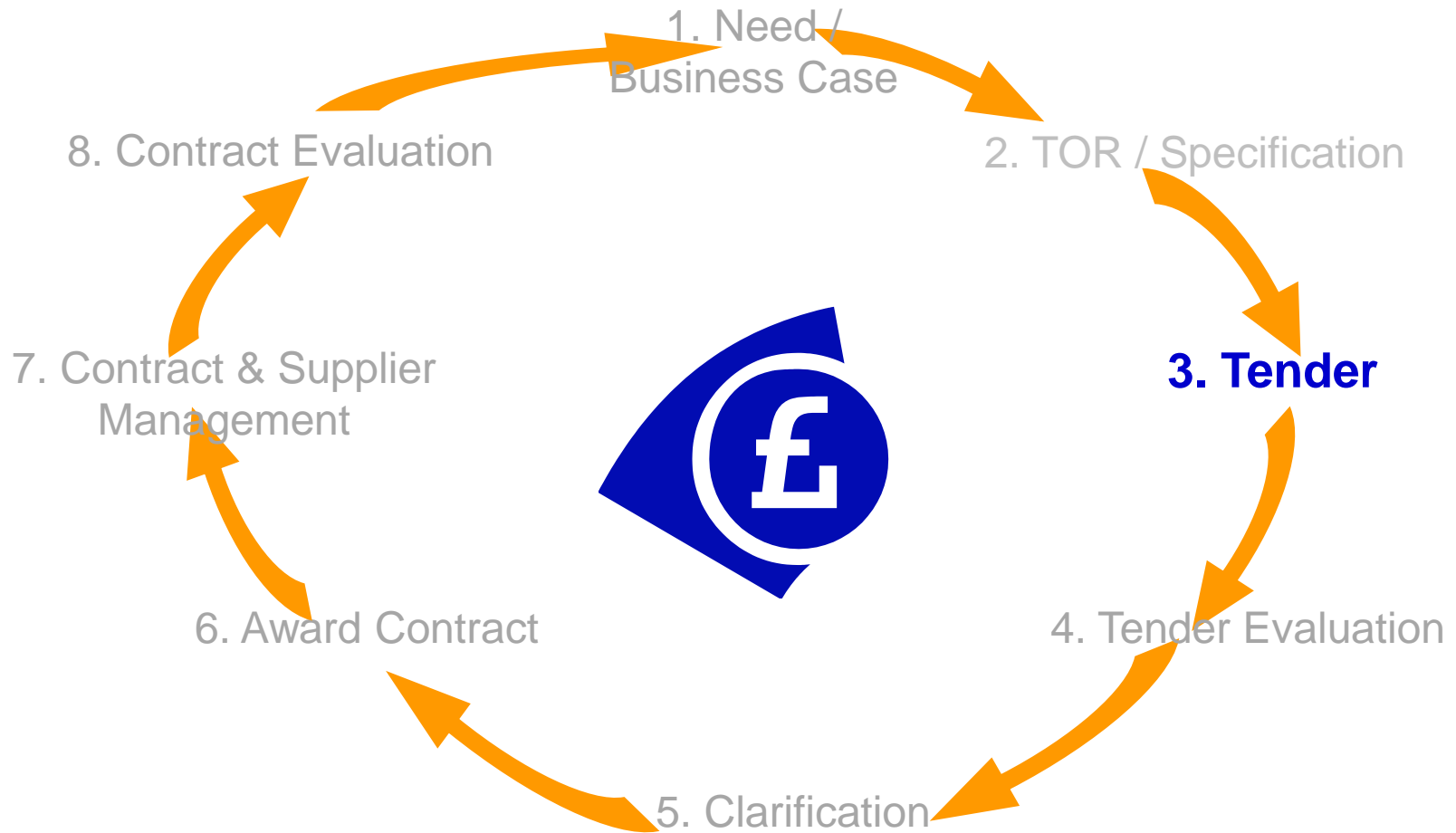


# Typical DFID TOR Format

1. Introduction – about DFID
2. The Objective – aim of requirement
3. The Recipient – for whom
4. The Scope – areas to address
5. The Requirement
6. Constraints and Dependencies
7. Reporting
8. Timeframe
9. DFID Co-ordination
10. Background - Award stage criteria, Performance Requirements



# The DFID Procurement Cycle



# Tender Considerations



## Do

Complete the tender submission in full

Ensure your bid has structure – heading and a clear reference to each criterion

Ensure your bid adheres to the rules of the tender – i.e. Word count

Clarify anything that you are unsure of 5 days before the tender deadline

Plan your bid team and your contract team

## Don't

Wait until the last minute to upload documents

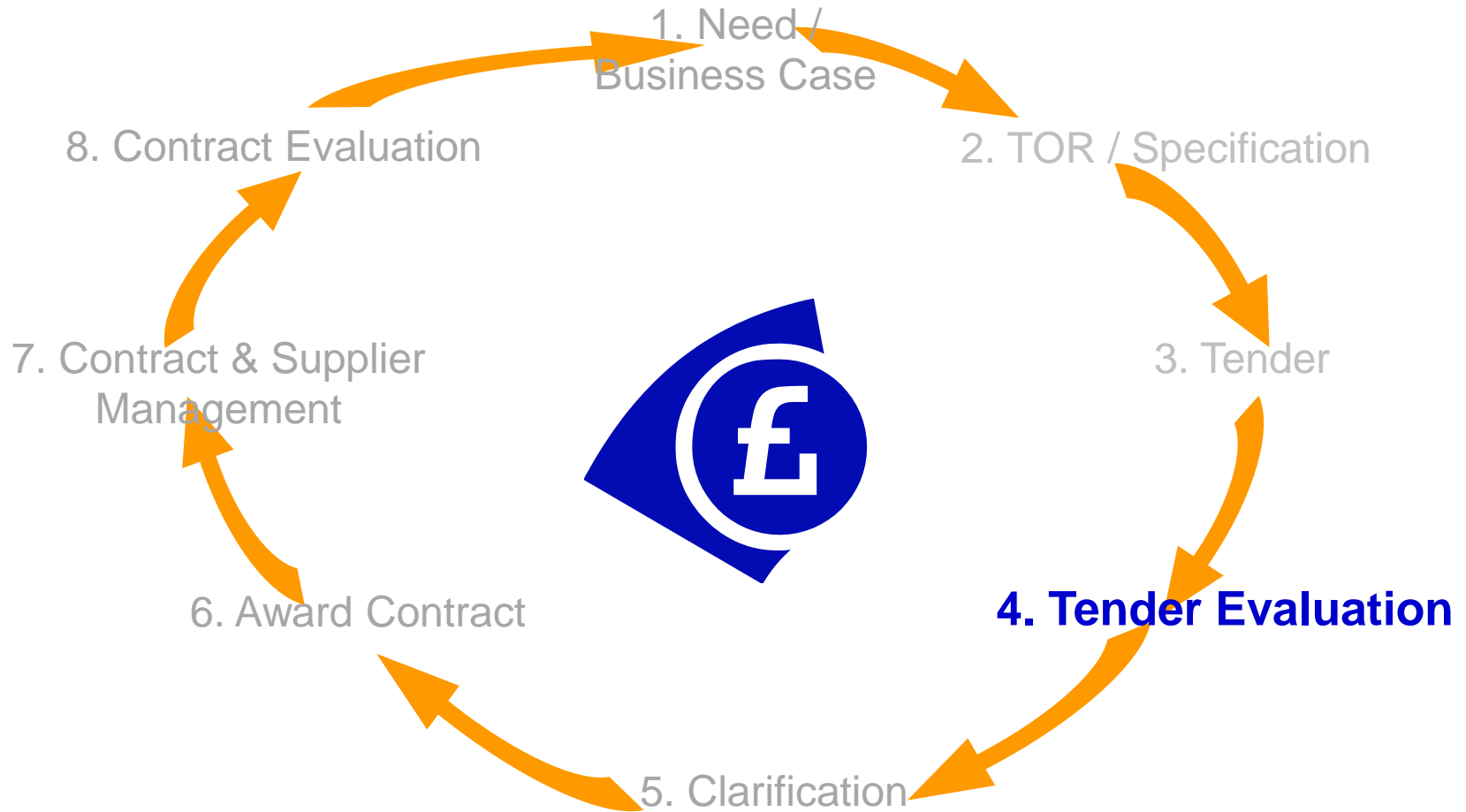
Write information that is not relevant – information should be concise

Rush your response to the ITT

Request clarification 5 days or less before scheduled tender return

Include any sales material – i.e brochures

# The DFID Procurement Cycle



# Tender Evaluation at DFID

- ❑ Means by which DFID identifies the supplier **offering the most appropriate Value for Money solution**
- ❑ Consists of but not limited to
  - quality
  - time
  - performance
  - risk
  - cost

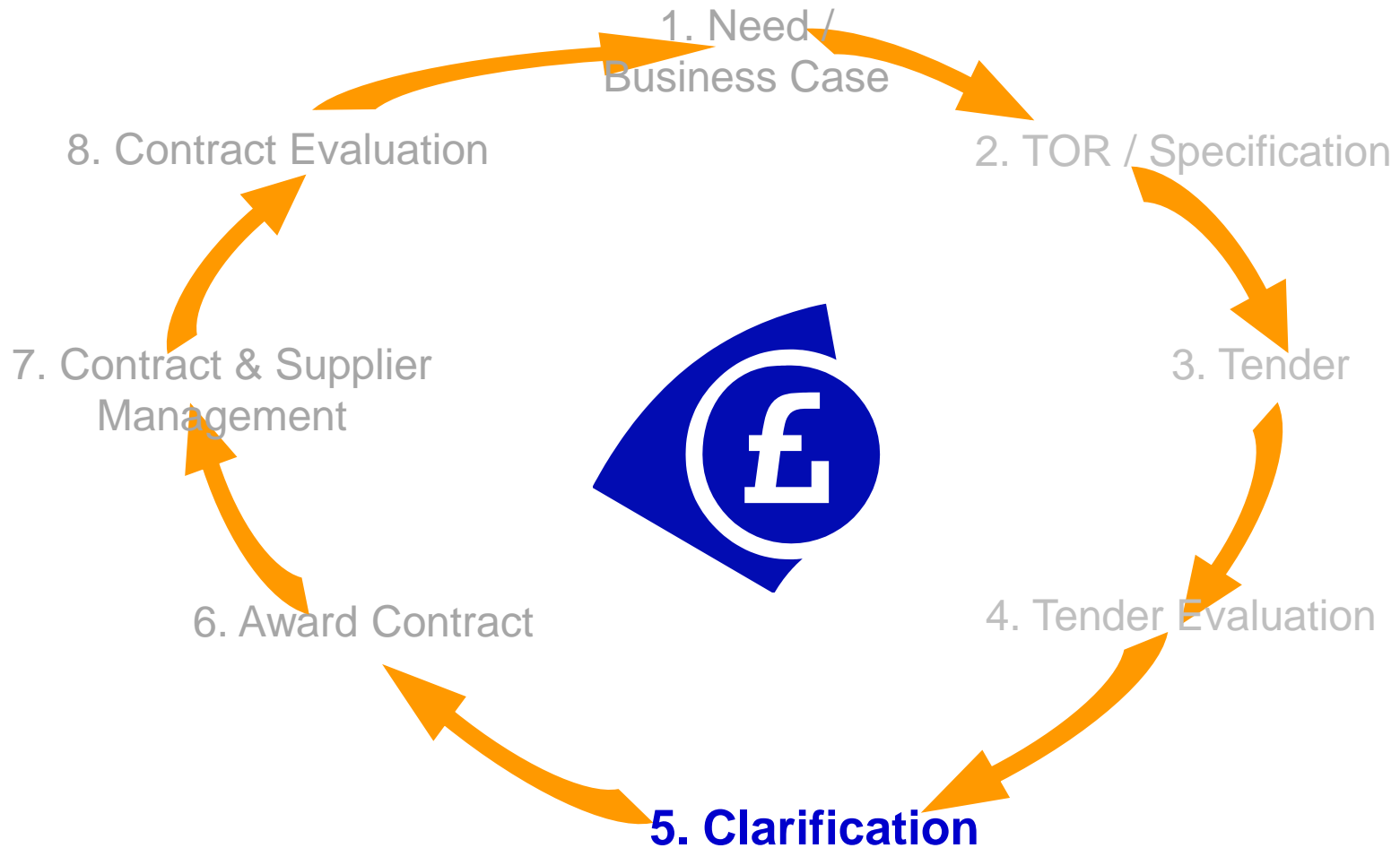


# Typical Evaluation Criteria

## Score Key

<b>6</b>	<b>Excellent</b>	Provides stronger responses and adds value to the department with clear additional benefits and improves on targeted outcomes and commercial benefits
<b>5</b>	<b>Strong</b>	Clear and unambiguous response demonstrating deep understanding of the requirement with significant and achievable quantifiable benefits.
<b>4</b>	<b>Good</b>	Relevant response demonstrating understanding of all the issues of the requirement with some achievable quantifiable benefits.
<b>3</b>	<b>Acceptable</b>	Acceptable response demonstrating a broad understanding of the requirement but lacks some detail on how the requirement will be fully met.
<b>2</b>	<b>Weak</b>	Partially relevant response addressing some aspects of the requirement but lacks detail on how the requirement will be met.
<b>1</b>	<b>Poor</b>	Response has little relevance addressing very few aspects of the requirement.
<b>0</b>	<b>Unacceptable</b>	No response or response completely fails to meet the requirement.

# The DFID Procurement Cycle



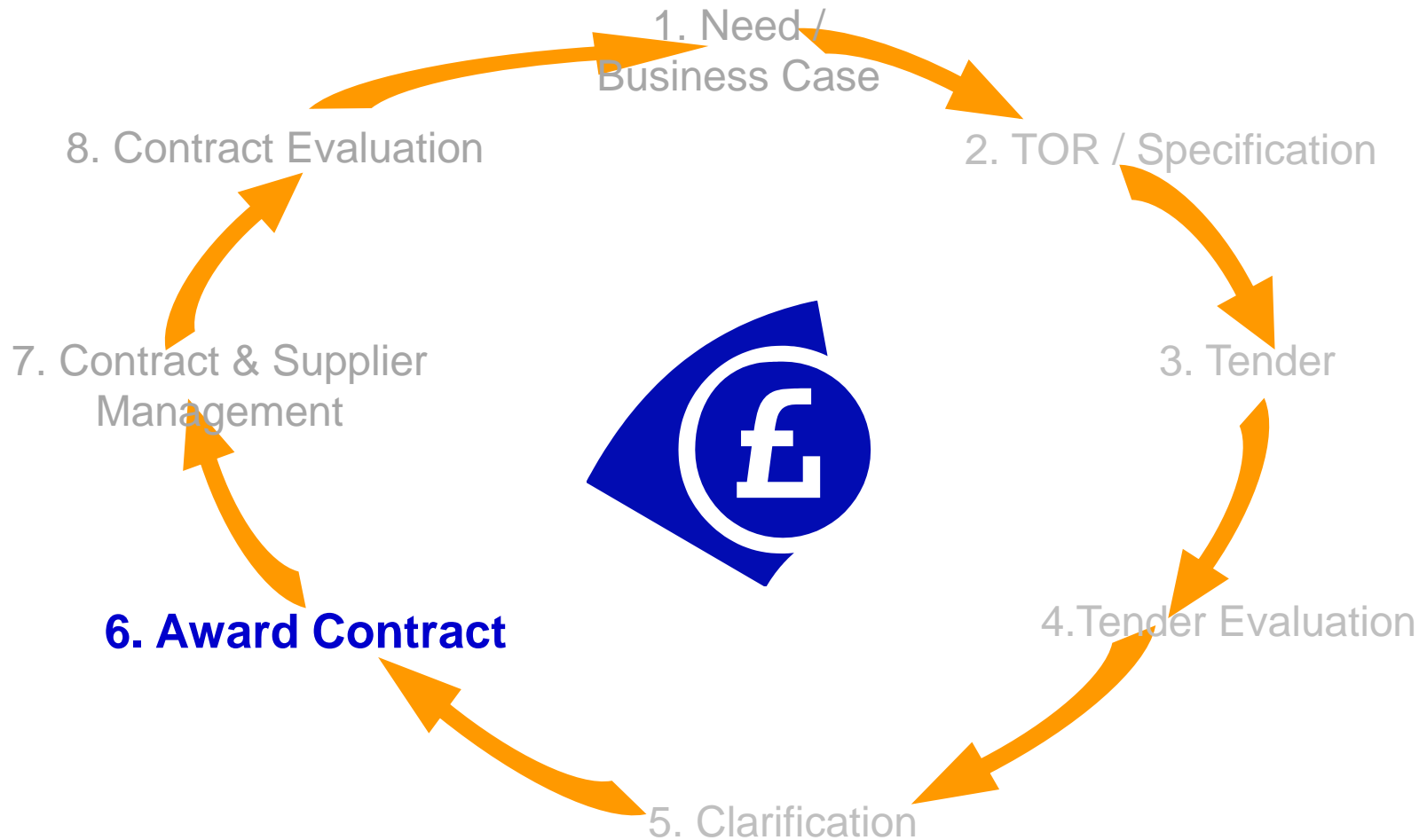


# Clarification Stage

- An opportunity during tender evaluation for the DFID team to clarify aspects of your submission



# The DFID Procurement Cycle

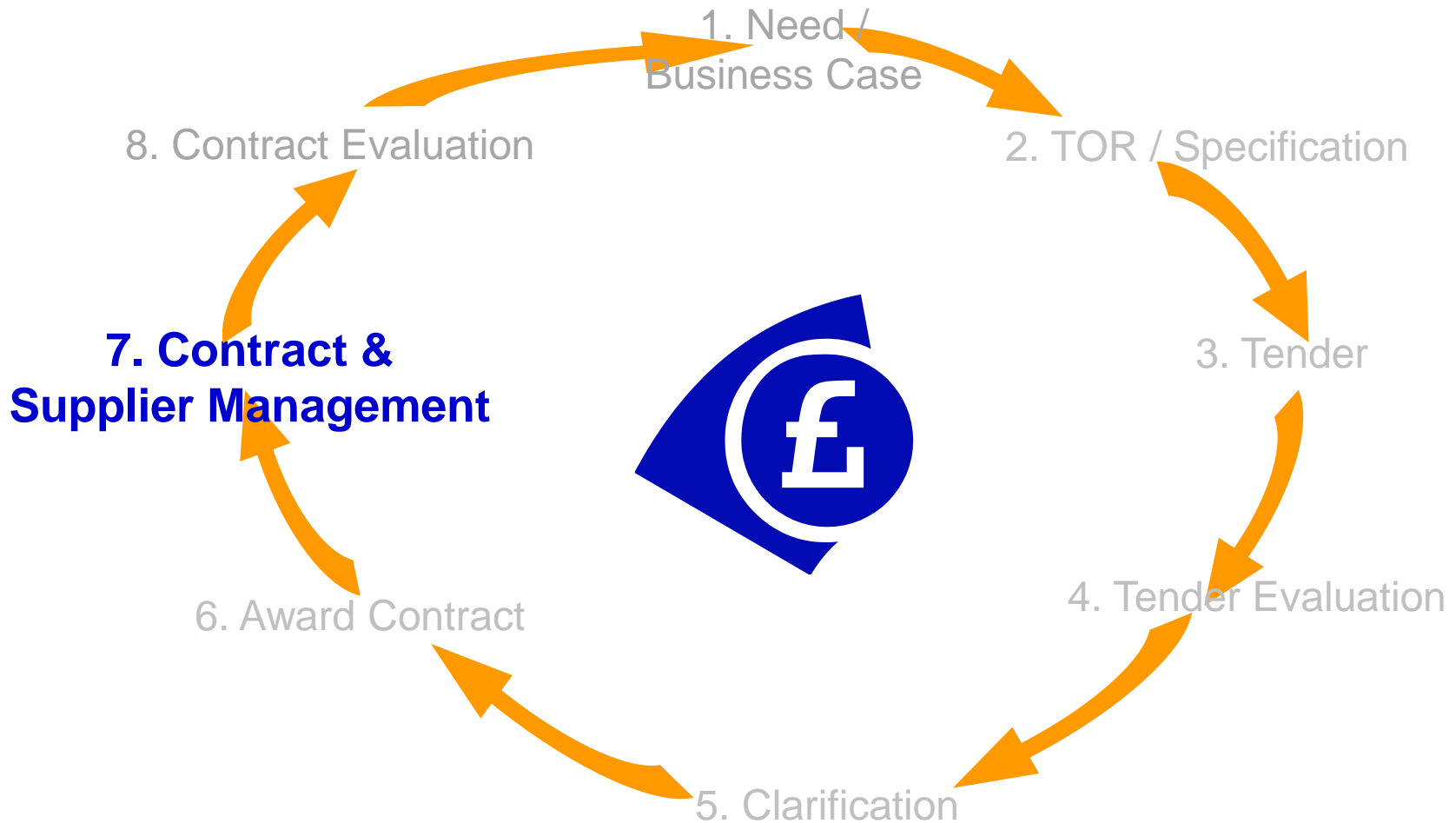


# Contract Award

- Following finalisation of clarification stage, DFID can then award a contract
- Includes contract signatures from both parties



# The DFID Procurement Cycle



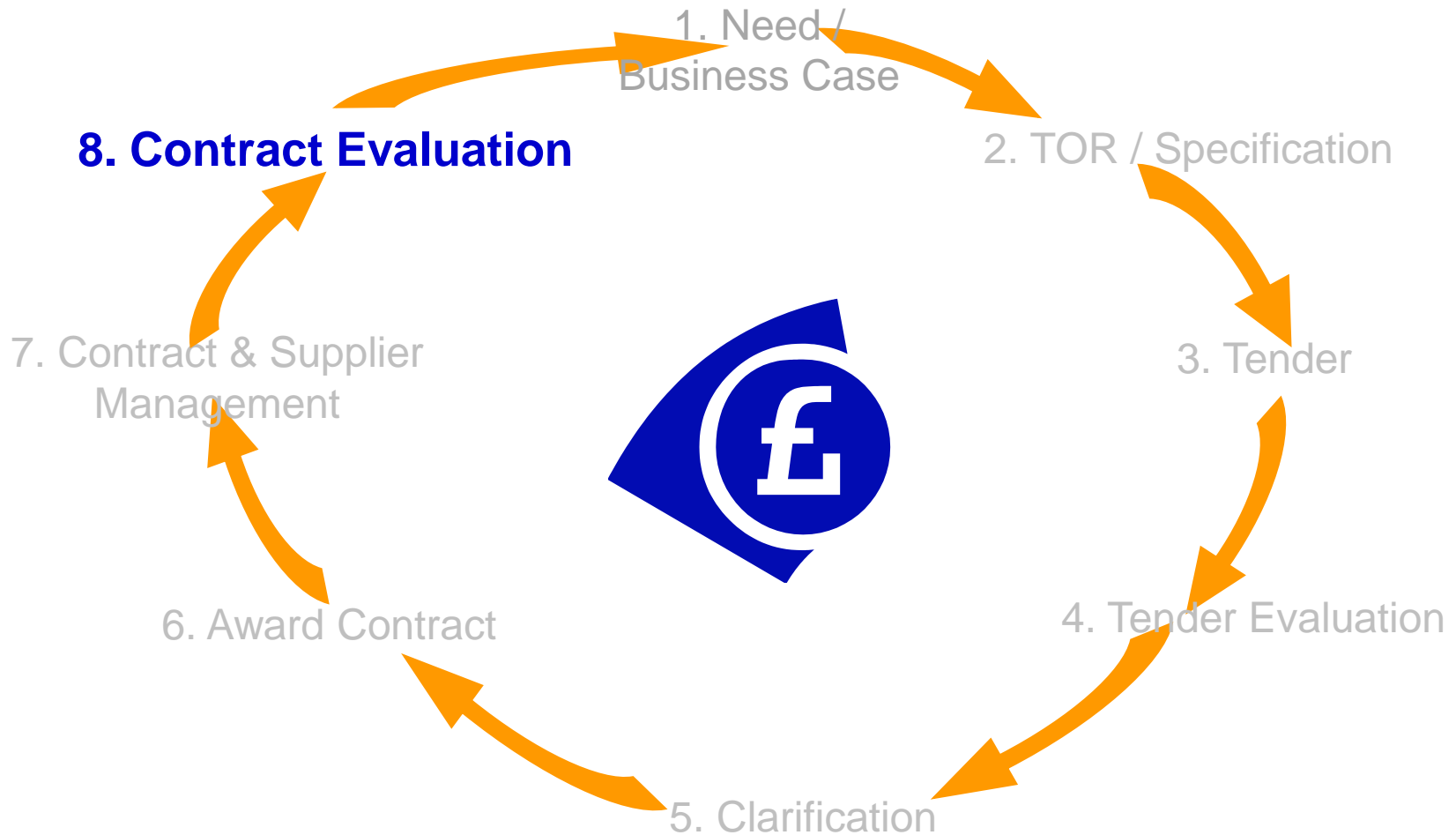
# Managing the Contract

In order to successfully manage any contract it is important to address three main themes:

- **QUALITY**
- **COST**
- **ON TIME DELIVERY**



# The DFID Procurement Cycle



# Contract Evaluation

- Ensuring aims and objectives of the programme have been delivered on time and to budget and outcomes / outputs have been achieved.
- Formal process, e.g. Project Completion Review or Evaluation



# How we Procure Services

Contract Value	Responsibility	Procurement Method
<b>Up to £ 25,000</b>	<ul style="list-style-type: none"> <li>Local Country Office</li> </ul>	<ul style="list-style-type: none"> <li>Can be Single Source (negotiated) with Head of Office waiver</li> <li>Competition strongly recommended for contracts &gt;£10K (at least 3nr Quotations)</li> </ul>
<b>£25,000 to £111,000</b>	<ul style="list-style-type: none"> <li>Local Country Office</li> </ul>	<ul style="list-style-type: none"> <li>Limited / Restricted tender (5 – 6nr Quotations)</li> <li>Call off contracts from existing Frameworks</li> </ul>
<b>&gt; £111,000 (Goods &amp; Services)</b> <b>&gt; £4.3m (Works)</b>	<ul style="list-style-type: none"> <li>HQ - Scotland</li> </ul>	<ul style="list-style-type: none"> <li>OJEU (Official Journal of the European Union) tender process:               <ul style="list-style-type: none"> <li>➤ Restricted</li> <li>➤ Open</li> <li>➤ Competitive Dialogue</li> <li>➤ Negotiated</li> </ul> </li> </ul>



# How we Procure Goods

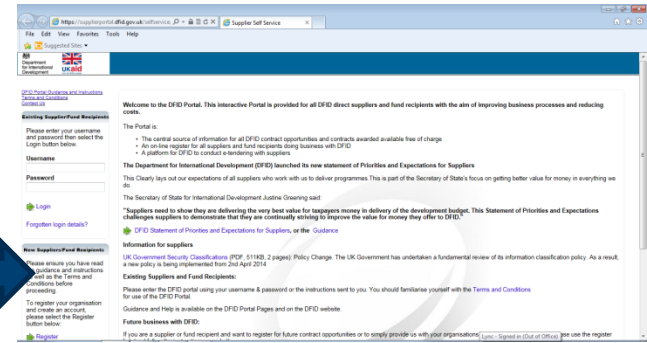
Contract Value	Responsibility	Procurement Method
<b>£250 - £1000</b>	<ul style="list-style-type: none"> <li>Local Country Office</li> </ul>	Quotations may be sought by telephone or fax. A simple record of quotations received should be kept
<b>Purchases over £1,000</b>	<ul style="list-style-type: none"> <li>Local Country Office</li> </ul>	At least 3nr Quotations must be obtained by means of a standard request for Quotations
<b>Single item over £5,000</b>	<ul style="list-style-type: none"> <li>Local Country Office</li> </ul>	Must be purchased through Procurement Agents
<b>Total of all items over £25,000</b>	<ul style="list-style-type: none"> <li>Local Country Office</li> </ul>	Must be purchased through Procurement Agents
<b>Goods available from only one supplier</b>	<ul style="list-style-type: none"> <li>Local Country Office</li> </ul>	Sole source - written justification with approval

# Where we advertise

## HIGH-VALUE PROCUREMENT (HQ, UK):

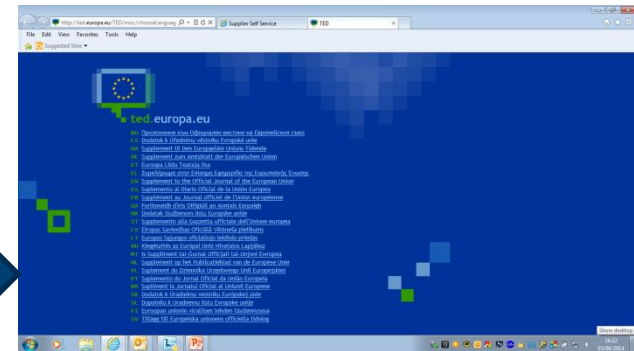
Once the document pack is completed they will be issued via the DFID portal;

- <https://supplierportal.dfid.gov.uk/selfservice/>



The requirement will also appear on the OJEU website;

- <http://ted.europa.eu/TED/main/HomePage.do>



Learn about opportunities to work with us at:

- <http://www.dfid.gov.uk/work-with-us/dfid-portal/>



# Where we advertise

## LOW-VALUE PROCUREMENT (DFID Uganda):

- Use existing supplier list / database



- Think Value for Money!!
- For high value tenders, ensure you are registered on the DFID portal and select the appropriate codes relevant to your organisation and what it can deliver
- Keep your contact details up to date to ensure you receive all the latest tender requirements

# Opportunities within DFID

**Project Management**

**Project Supervisory & Monitoring**

**Project Evaluation**

**Financial Administration**

**Due Diligence**

**Audit**

**Business Development**

**Private Sector Development Experts**

**Business Process Engineering**

**Public Performance Management experts**

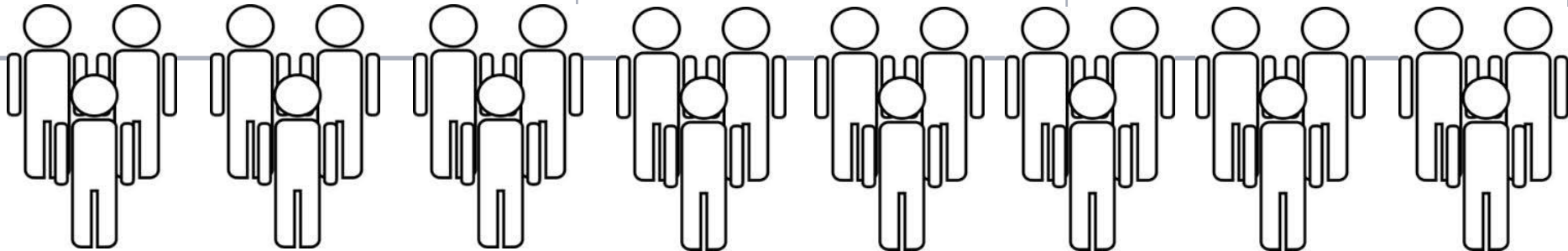
**Software Development**

**Capacity Building**

**Technical Assistance**

**Governance experts**

**Research & Studies**





## **PART 4**

### **Procurement of High-Value (>£111K) contracts**



# High Value Procurement

- ❑ High value procurements of services include all projects above the EU threshold value of £111K
- ❑ All high value procurements must be advertised through the Official Journal of the European Union (OJEU) and competed in line with the EU Directives
- ❑ All high value procurements must be managed through DFID's Procurement team in the UK

## Some changes to Directives summarised below:

- Simpler process for assessing supplier credentials
- Exclusion of suppliers who have a poor track record
- Ability to take into account skills and experience
- Min. yearly turnover required of suppliers cannot exceed 2 x est. contract value
- Improved rules on taking into account social aspects
- Reduced red-tape on supplier response times
- Some scope to negotiate with suppliers
- 2 new procedures:
  - a) Competitive Procedure with Negotiation
  - b) Innovation Partnership
- Introduction of Lots or justification for not using lots



# New EU Directives

Current Position	Change	DFID Impact
Open – min 52 days from Notice, and 30 if PIN used (with scope to further reduce)	35 days min from Notice, and 15 if PIN used (less electronic deductions) • Can now examine tenders before checking compliance	Can make use of reduced timescales, and examine technical capacity before financial standing (being careful not to shoehorn!)
Restricted – min 37 days for PQQ and 40 days ITT( 36 with PIN)	30 days for PQQ and ITT • New option to let bidders decide time! • State of urgency no longer 'outwith our control' – so long as we can substantiate, 15days PQQ, 10 ITT	Reduced timescales
Negotiated without Advert – can revert to this when 'no suitable tender' from Open/ Restricted	Regs now define 'not suitable' as a submission that would require significant change to meet our need	More clarity/ certainty when reverting to this process

## New Procedures

Competitive Procedure with Negotiation	<ul style="list-style-type: none"> <li>• 30 day PQQ &amp; ITT</li> <li>• All tenders shall be basis for subsequent negotiation</li> <li>• Can limit number invited to negotiate, and do not need to make use if tenders acceptable</li> </ul>	Hybrid of Restricted (2 stages) and Competitive Dialogue (scope to influence subsequent versions of proposal)
Innovation Partnership	The required service does not already exist in the market • Set qualitative stage with min requirements to be met • 30 days for 'PQQ' stage	Encourages innovation, developing sector, driving SME participation for unique solutions



# OJEU Requirements

The EU Directives offer 4 main options for the procurement of goods and services:

- Restricted Procedure
  - Open Procedure
  - Competitive Dialogue Process
  - Negotiated Procedure
  - Competitive Procedure with Negotiation
  - Innovation Partnership
- } New  
Directives

# Restricted Procedure

A two stage process:

PQQ  ITT





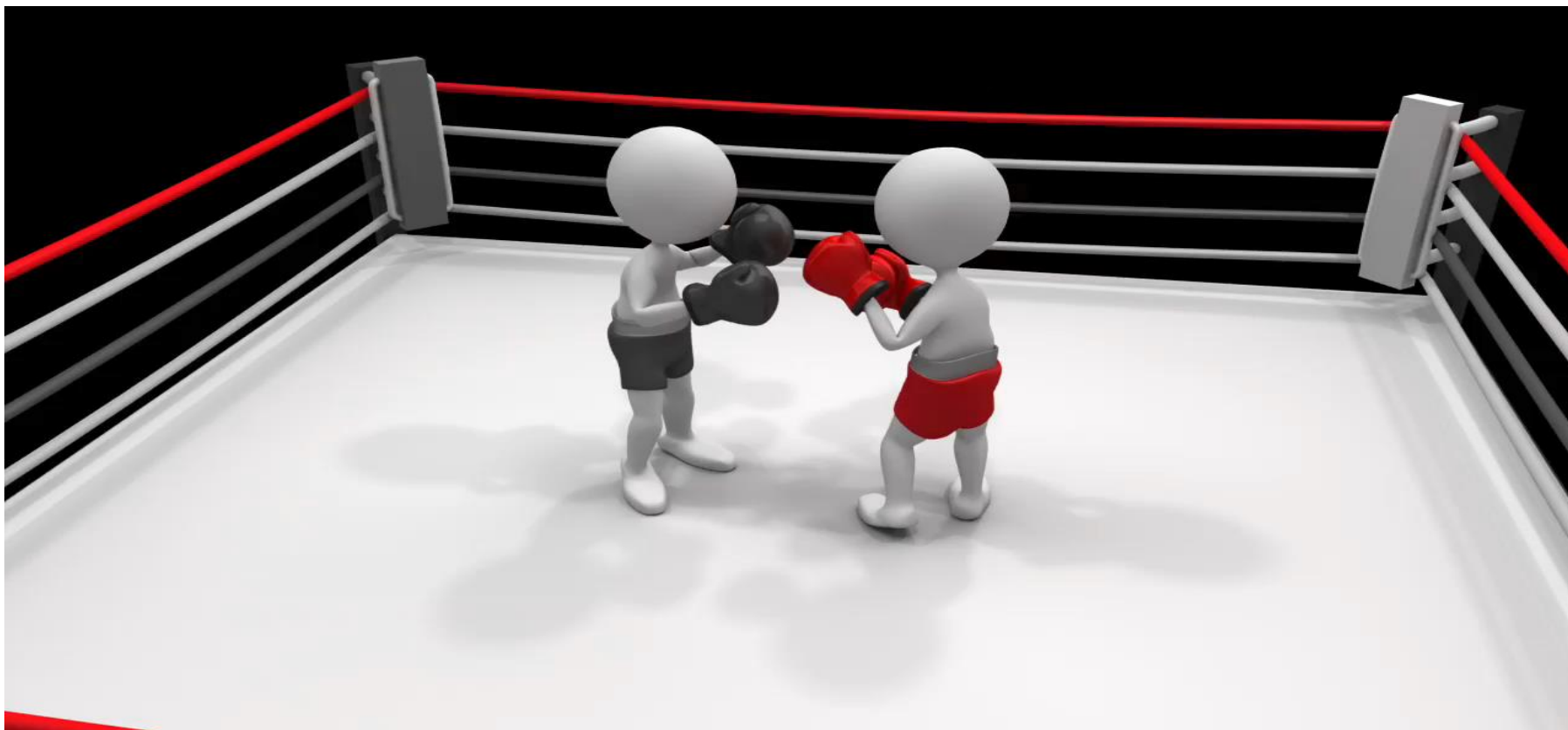
# Open Procedure

A single stage process:

*The Open Procedure cordially  
invites **everyone** to tender!*

# Competitive Dialogue

For use in extremely complex procurements this has multiple stages depending on the nature of the requirement:

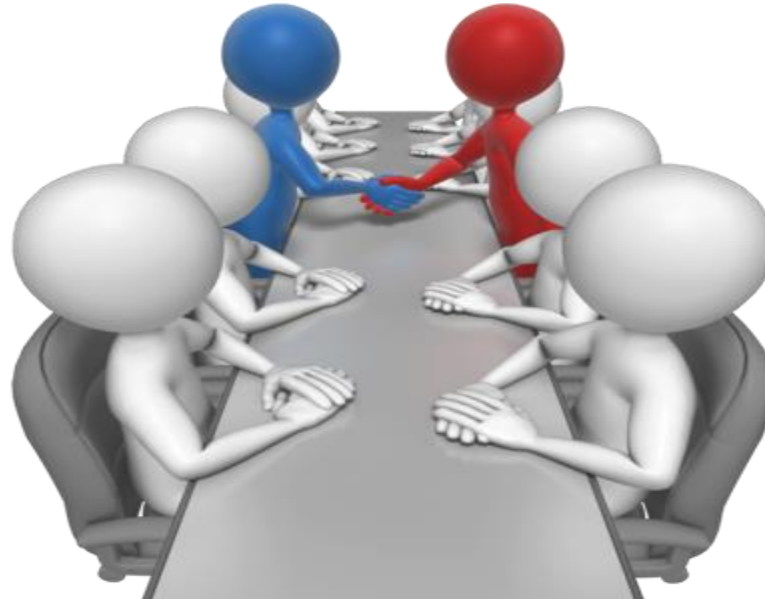


# Negotiated Procedure

This is used for more complex requirements and can only be used in exceptional circumstances. Buyers must be in a position to justify the decision to use this procedure.

There are 2 types of Negotiated Procedure:

- Negotiated Procedure with publication of contract notice (2 stage process)
- Negotiated Procedure without publication of contract notice (Single stage process)





- Minimum - 30 day PQQ & ITT
- All tenders shall be basis for subsequent negotiation
- Can limit number invited to negotiate, and do not need to make use if tenders acceptable

## *Why is this different?*

- Hybrid of Restricted (2 stages) and Competitive Dialogue (scope to influence subsequent versions of proposal)



- The required service does not already exist in the market
- Set qualitative stage with min requirements to be met
- 30 days for 'PQQ' stage

## *Why is this important?*

- Encourages innovation, developing sector, driving SME participation for unique solutions.

# Standstill Period

- ❑ For each of the EU procedures, at the conclusion of the competitive process all bidders should be issued with a feedback letter
- ❑ It is a legal requirement to honour a standstill period of 10 days before a contract can be issued
- ❑ This is to allow unsuccessful Tenderers to request additional feedback and/or raise a legal challenge







# **PART 5**

## **DFID Expectations from Suppliers**

# What we expect from you.....



## Improved Value for Money

- Demonstrate and continually strive to improve value for money in all that you do



## Act with Professionalism and Integrity

- Operate and behave responsibly in conducting business



## Deliver Transparency

- Implement an open book approach, allowing and using scrutiny to learn and drive improvement



## Be Accountable

- Take responsibility for ensuring the consistent delivery of high performance



## Align with DFID

- Recognise DFID priorities and proactively reflect and support these in your work

# DFID Statement of Priorities and Expectations for Suppliers

## DFID Statement of Priorities and Expectations for Suppliers

### Department for International Development

#### Statement of Priorities and Expectations for Suppliers

This Statement sets out the expectations that DFID has of its suppliers. Standard elements of good business practice should also be applied. This Statement focuses on expectations that are particularly relevant to DFID and is intended to reach and be applied by all members of the supply chain.

DFID expects its suppliers to:

- 1) **Improve Value for Money** – demonstrate and continually strive to improve value for money in all that they do. This means:
  - a. Actively seeking to demonstrate and maximise results, and reduce costs through the life of the contract.
  - b. Pricing appropriately and honestly to reflect programme requirements and risks.
  - c. Proactively pursuing continuous improvement to reduce waste and improve efficiency across their organisation and the wider supply chain.
  - d. Earning fair but not excessive rewards.
  
- 2) **Act with Professionalism and Integrity** – operate and behave responsibly in conducting business. This means:
  - a. Being honest and realistic about capacity and capability when bidding.
  - b. Engaging sub-contractors in a way that is consistent with DFID's treatment of its own suppliers not only when bidding but also in subsequent contract delivery, and demonstrating this to DFID where required.
  - c. Applying a zero tolerance approach to corruption and fraud, with top-quality risk management.
  - d. Working collaboratively to build professional business relationships, including with DFID staff.
  - e. Acting in a manner which supports the development of a mature business relationship with DFID.
  - f. Demonstrating clear, active commitment to Corporate Social Responsibility.

- 3) **Deliver Transparency** – implement an open book approach, allowing and using scrutiny to learn and drive improvement. This means:
  - a. Being transparent about costs to enable better decision making on value for money choices.
  - b. Publishing information to show how and where DFID funding is being used and the results achieved.
  
- 4) **Be Accountable** – take responsibility for ensuring the consistent delivery of high performance. This means:
  - a. Applying pricing structures that align payments to results and reflect a more balanced sharing of performance risk.
  - b. Expecting to be held to account for delivery and accepting responsibility for their role, including being honest when things go wrong so that lessons can be learned.
  
- 5) **Align with DFID** – recognise DFID priorities and proactively reflect and support these in their work. This means:
  - a. Applying a strong emphasis on building local capacity by proactively seeking ways to develop local markets and institutions and avoiding the use of restrictive exclusivity agreements.
  - b. Being able to operate widely across DFID priority countries, including in fragile and conflict affected states.
  - c. Openly sharing and transferring innovation and knowledge of what works to maximise overall development impact.
  - d. Accepting we work in challenging environments and acting to manage uncertainty and change in a way which protects value for money.
  - e. Reflecting DFID's International development goals and tangibly demonstrating their commitment to poverty reduction.
  - f. Proactively supporting and implementing wider HM Government policy initiatives e.g. SMEs, Apprenticeships, prompt payment, supporting economic growth.

# DFID Statement of Priorities and Expectations for Suppliers

This Statement sets out the expectations that DFID has of its suppliers :

- 1. Improve Value for Money**
- 2. Act with Professionalism and Integrity**
- 3. Deliver Transparency**
- 4. Be Accountable**
- 5. Align with DFID**

<https://www.gov.uk/government/publications/dfid-statement-of-priorities-and-expectations-for-suppliers>

# Key Priorities

**1. Improve Value for Money** – demonstrate and continually strive to improve value for money in all that they do. This means:

- a. ***Actively seeking to demonstrate and maximise results, and reduce costs through the life of the contract.***
- b. Pricing appropriately and honestly to reflect programme requirements and risks.
- c. Proactively pursuing continuous improvement to reduce waste and improve efficiency across their organisation and the wider supply chain.
- d. Earning fair but not excessive rewards.

**2. Act with Professionalism and Integrity** – operate and behave responsibly in conducting business.

This means:

- a. Being honest and realistic about capacity and capability when bidding.
- b. Engaging sub-contractors in a way that is consistent with DFID's treatment of its own suppliers not only when bidding but also in subsequent contract delivery, and demonstrating this to DFID where required.
- c. Applying a zero tolerance approach to corruption and fraud, with top-quality risk management.
- d. Working collaboratively to build professional business relationships, including with DFID staff.
- e. Acting in a manner which supports the development of a mature business relationship with DFID.
- f. Demonstrating clear, active commitment to Corporate Social Responsibility.



# Key Priorities

**3. Deliver Transparency** – implement an open book approach, allowing and using scrutiny to learn and drive improvement. This means:

- a. Being transparent about costs to enable better decision making on value for money choices.
- b. Publishing information to show how and where DFID funding is being used and the results achieved.

**4. Be Accountable** – take responsibility for ensuring the consistent delivery of high performance. This means:

- a. Applying pricing structures that align payments to results and reflect a more balanced sharing of performance risk.
- b. Expecting to be held to account for delivery and accepting responsibility for their role, including being honest when things go wrong so that lessons can be learned.

# Key Priorities

**5. Align with DFID** – recognise DFID priorities and proactively reflect and support these in their work. This means:

- a. Applying a strong emphasis on building local capacity by proactively seeking ways to develop local markets and institutions and avoiding the use of restrictive exclusivity agreements.
- b. Being able to operate widely across DFID priority countries, including in fragile and conflict affected states.
- c. Openly sharing and transferring innovation and knowledge of what works to maximise overall development impact.
- d. Accepting we work in challenging environments and acting to manage uncertainty and change in a way which protects value for money.
- e. Reflecting DFID's international development goals and tangibly demonstrating their commitment to poverty reduction.
- f. Proactively supporting and implementing wider HM Government policy initiatives e.g. SMEs, Apprenticeships, prompt payment, supporting economic growth.

**Note: DFID encourages its multilateral partners to consider how they can build capacity of, and support, local supply bases.**







**THANK YOU**