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Practical Examples

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Servicing of Vehicles

- ❑ Number of vehicles in your fleet;
- ❑ Age structure & types of vehicles
- ❑ Existence of software for fleet management / xls evidence
- ❑ Costs on account – servicing vehicles for the last 2-3 years
- ❑ Insured damages, structure & analyses
- How to define costs / value of the services for certain time period?
 - Selecting regional service centers, but how to define price per spare part, working hours needed, price of working hour?
 - Price for servicing per km, except certain parts

Procurement of IT products (storage)

- What is the basic model needed?
- Is there a wide range of bidders? Are there at least 3 producers fitting in the required scope?
- How to define estimated value? Budgetary offers or web prices...
- How long is it intended to be used, i.e. LC?
- When is producer's end of life for the product?
- What is the planned growth of needed capacity in the next years?
- Define basic product, capacity increase, hardware & software increase on annual level

Procurement of IT products (storage)

- ❑ Request for spare parts, working hours of engineers etc...
- ❑ What about support, service level agreement per year? Is it needed, which levels are needed, are they essential for the normal working of the system...?
- ❑ Needed training, education of staff & to which level?
- ❑ Travel & accommodation costs included or not for the trainers or commissioning staff?
- ❑ Commissioning included or not included in the price...
- Summarizing of all these aspect provides estimated value of the procurement





Procurement of transformers for the network

- ❑ How to define needed quantity & capacity?
- ❑ Use previous experience, information from chambers, municipalities, development & investments, new projects
- ❑ Historical data from previous years
- ❑ Qualification system is a solution for fast conclusion of contracts
- ❑ Shall power losses be considered in the price determination?
- ❑ If yes, do you have mechanisms to measure during usage declared losses by the producers? Are they justifying price increase?
- ❑ Selection criteria - lowest price or “best offer” (to be defined!)?
- ❑ If “best offer”, how will you evaluate technical staff or technical equipment of the producer? Factory acceptance test – do you plan it...





Procurement of Mobile Telephony Services

- What kind of GSM services are needed? Voice, data, mail services etc...
- Which are the available providers?
- What would be the effects of changes, in terms of number portability, data cards replacing, changes of terminal units/phones, internal working hours for the change ...
- Which are the expected benefits from the tender?
- Are there license requirements for mobile service providers?
- Availability/access/coverage of the territory- how it is defined, can it be controlled?





Procurement of Mobile Telephony Services

- What is the pricing interval of different bidders?
- Collect historical data for different services for evaluation purposes
- Qualification System is a possible solution
- Framework Agreement is also a possible solution
- What in case of significant market price change FWA validity?
- Selection criteria - lowest price or “best offer”?
- Are the contracting authorities better experts than the regulator providing the license...?





Construction & electrical installation works

- High frequency of usage
- Can the quantities for certain periods be defined as a frame?
- Use plans from technical departments, historical ERP data for 2-3 years & needed quantity is in a middle (more on ERP data); add a contingency quantity?
- If so, a framework agreement with wide specification of items could be a solution
- Specification of items could also include general items to cover works not included in the basic specification – but a too general specification may be challenged
- Recommendable is also Qualification System, allows quick replacement in case the selected vendor does not deliver





Construction & electrical installation works

- Qualification criteria are very important
- Professional requirements should be strong enough, but not discriminating
- Decisions to be made before tender notice: single sourcing or multi sourcing per region, turn key solutions with materials procurement or materials provided by the utility ...
- Visit of the company is the real qualification but may be challenged if risk of bias or lack of transparency; site visits for tenders may be useful
- Strong control on site of the works performed & quantities delivered
- Award criteria – “best offer” or lowest price?!

