



Questions & answers from Helpdesk

Implementation of Grant contracts by GBs “Collaborative grant scheme for innovative project ideas”

EuropeAid/162457/ID/ACT/ME

DATE: 1 April 2020

We are in the process of preparing tender documentation for a simplified supply procedure. We have used proposed documentation from the TOOL 5 (Simplified supply) and have some questions which we have stated below:

1. Question

Article 18 of the Contract Notice for Simplified Supply procedure states:

The tender dossier is available from the following Internet address: <https://webgate.ec.europa.eu/europeaid/online-services/index.cfm?do=publi.welcome...>

...and...

Eventual clarifications or minor changes to the tender dossier shall be published at the latest 11 days before the submission deadline on the website of DG International Cooperation and Development at <https://webgate.ec.europa.eu/europeaid/online-services/index.cfm?do=publi.welcome...>

As we know, when simplified supply procedure is followed, it is not necessary to public tender clarification and dossier online. Should we delete these two parts of article 18, since we are following simplified procedure?

Reply: Yes, you may delete the proposed paragraphs which are related to publishing the tender dossier/clarifications, which is not relevant for your procedure.

2. Question

In the template of Contract notice it is stated that submission of tender deadline for the international procedures is 60 days and for local procedures is 30 days. We are following simplified procedure where we will invite tenderers from Slovenia, Croatia and Germany. Is it enough to set the 30 days deadline in this case? 60 days deadline would jeopardize our activity workflow plan.

Reply: Please note that according to PRAG point 4.5. *Simplified procedure for contracts under EUR 100 000 – supplies* the minimum deadline is 30 days (“The chosen candidates must be allowed at least 30 days from the dispatch of the letter of invitation to tender. Experience shows that too short a period prevents candidates from tendering or causes them to submit incomplete or ill-prepared tenders. The deadline for submissions must fall on a working day in the country of the contracting authority.”). For



further information, please consult applicable version of PRAG (ver. 2018) that you can find on the following link: <https://ec.europa.eu/europeaid/prag/previousVersions.do>.

3. Question

In the article 22. of the Contract notice it is stated as follows:

Grant contract no XX.

What should we state instead of XX?

Reply: Under the article 22. of the Contract notice, instead of XX state the number of your Grant Contract signed with the Contracting Authority (CFCU).

4. Question

Do we need to have Special condition document if we think it is not necessary or General Condition document is enough?

Can we use it but only keep articles which are necessary for our case?

Reply: The articles in Special conditions amplify and supplement, if necessary, the general conditions governing the contract and present specifics related to your future supply contract, for which reason they should be prepared as part of the tender dossier according to the needs of your procurement (you can adjust text of articles and exclude the ones that are not applicable) and used as template for the Supply contract with the successful tenderer.

5. Question

Where can we find form A.14 (DECLARATION OF HONOUR ON EXCLUSION AND SELECTION CRITERIA)?

Where can we find documents c401_fif_en and c402_lefind_en and do they need to be part of tender dossier?

Reply: All Annexes to Practical Guide to procurement procedures (PRAG) are available on the following link: <https://ec.europa.eu/europeaid/prag/annexes.do>. For downloading FIF (Financial identification form) Template please visit this link: https://ec.europa.eu/info/sites/info/files/about_the_european_commission/eu_budget/fich_sign_ba_gb_en_0.pdf. Templates that should be submitted by the tenderers should be a part of the tender dossier.



DATE: 2 April 2020

1. Taking into consideration that the names of external experts including their expertise in the fields of relevance for the implementation of our Project are mentioned in *Main means for the implementation of the action (part of Project documentation)* and the fact that they were consulted during the preparatory phase of our Project, we would kindly ask for answers on the following questions:

- Do these experts have any advantage in the tender evaluation process. We would very much appreciate any advice, instruction on this subject?

Reply: Due to the principle of equal treatment and non-discrimination (one of the basic principles for procurement from PRAG), no physical or legal entity should have an advantage or access to tender documentation prior to any procedure – you should ensure equal opportunities under the same conditions. Experts that you have consulted during project preparation can be invited to submit their offers on the same conditions as other possible candidates ensuring the equal treatment principle.

- Should all external experts on our Project which will be engaged for the purpose of scientific analysis (2 experts) and statistics (1 expert) – the different scope of activities (budget line 5.2 Studies, Research) be subject of one tender procedure or two procedures?

Reply: Procurement of experts under the same tender procedure should be done if the expertise requested can be done/offered by the same experts. If a different type of expertise is required for each expert (scientific analysis and statistics), the procurement can be done separately or divided in lots, to have several key experts under one contract. In any case, to be on the safe side, before the start of the procurement procedure we advise you to wait for comments on the Procurement plan from the Contracting Authority (CFCU).

2. Are there any templates for *the Outputs - Reports* for different Project activities that need to be delivered during the Project implementation, or recommended number of pages, the structure of these reports...

Reply: There are no specific templates for Outputs – Reports from external experts, but they should be in line with the best practices on the market. If you already have your own templates, you can use them as well. Regarding the number of pages, structure and quality of outputs produced by external experts, they should be in line with your needs and must be in proportion to the price. It is advised that the min level of quality is described in the contract (sub-contract with the service provider), namely in the ToR (as part of the Tender documentation with details about the requested services) which will be part of the contract, as well.

DATE: 7 April 2020

We have a question regarding the cost of salaries in case the employee has increased salary in relation to the amount stated when budgeting was done. It is not a matter of requesting a refund or a budget change, but on how we can present the cost in this case?

Reply: While preparing the Grant contract (during the Budget clearing process), the unit cost for salaries was calculated on the basis of the last 3 payslips for each employee. In general, the increase



of salaries (the unit cost from the Budget of the Contract) is not allowed, namely the cost above the budgeted unit cost for salaries will not be eligible, but only in exceptional cases which should be justified and verified by the CFCU on case by case basis, such as salary increase according to national legislation (for public institutions), an increase due to the years of working experience/seniority or based on internal regulations.

The indication of the salaries (unit values under Budget heading 1 – Budget line 1.1) is only an estimated calculation of the salary costs for each team member. While preparing financial reports the actual cost of each team member working on the project should be presented. Of course, the actual cost should not exceed the budgeted cost calculated at the end of the project, if there were no budget amendments/reallocations.

Namely, for each project team member, you will provide monthly timesheet proving the actual time worked on the project and monthly payslip for each individual with defined gross 2 salary for total work engagement, not only for the project (among other supporting documents). The actual salary cost will be calculated according to the formula:

$$\text{LABOR COST} = \text{Gross II} * \text{Percentage of project work (for each month under the reporting period)}.$$

Also, it is necessary to follow the number of units from the budget. Namely, if you have planned, for example, to engage the person for 10 month, full time engagement, with a salary of 500 €, it is not possible to approve the change that now you need the engagement of this person for only 5 months, full time engagement, with salary of 1.000,00 €. If there is any alteration from the firstly envisaged number of units, then it is crucially important to inform the Contracting Authority, because mentioned changes are not allowed.

For a more detailed explanation, please consult the Tool 9 – Guidelines on Financial reporting, available on the link: <http://eesp.me/tools-inovacije>, together with other tools as part of Guidelines for project implementation by Grant Beneficiaries, available on the link of this Grant Scheme: <http://eesp.me/inovacije/>.

DATE: 7 April 2020

- a) I would ask you to look at this procurement plan before sending it to the CFCU team. We are doing it this way for the first time, so any suggestions are welcome. We stated all amounts from the Budget, including the smallest, for those over € 2,500.00 a single tender is foreseen, in other cases invoice only procedure will apply. I'm unclear about the cost of the fuel type because one part would go now and the rest next year, so I don't know if that should be specifically mentioned in the table.
- b) We're going to have some changes because of the current situation, so I suppose we should officially contact the CFCU via that notification letter?
- c) And just to ask, maybe it was explained at the workshop and I missed it and it concerns the payment, whether the remaining 20% of the grant goes after accepting the final report since it is not clearly defined in the contract. Or should we directly ask the CFCU?



Reply:

- a) Procurement plan will be commented in details by the Contracting Authority (CFCU), some basic inputs are as follows. The logic behind the Procurement plan is that it should be presented by the type of items/services that can be procured together (and can be provided by the same supplier/service provider, or divided in lots to ensure participation of different suppliers/service providers), and not by activities or events. Examples of procurements that should be procured together: IT equipment; performing services regarding studies, researches, projects or elaboration; marketing and visibility services (design, preparation for printing/graphics, printing of visibility materials); catering services; travel costs and procurement of other similar services/items etc.
- b) If the current situation has delayed the implementation of the projects, hindered the realization of some of the planned activities, or led to the need to prolong the current activities, or in any other way affected the realization of the activities of your projects - we advise to make modifications to the contract using Tool 1 of the Implementation Package (Notification letter), contact the CFCU for a request to modify the activity / timetable.
- c) Yes, payment of the remaining 20% of the grant part of the total eligible costs will be done by the Contracting Authority after approval of the final report. Reporting and payment arrangements are defined in Article 4 of Special conditions of the Grant Contract and under article 15 of General Conditions (GC) — Payment and interest on late payment, where among other provisions it is stated that payments of the balance shall be made within 90 days of receipt of the payment request by the contracting authority. The payment request shall be drafted using the model in Annex V and shall be accompanied by a narrative and financial report in line with Article 2 of GC - Obligation to provide financial and narrative reports.

DATE: 8 April 2020

The threshold of 2.500,00 euros for the supplies procurement is considered as a price with or without VAT?

Reply: Thresholds for all procurement procedures (including purchase based on the invoice only) applies to the estimated value of procurement without VAT, since VAT is not eligible cost, as it was already envisaged in the Project Budget (unit values of items to be procured/purchased).

DATE: 8 April 2020

1. One of the members in the project team was hired at the level of 33% of engagement. In the period from submission of the project documentation to the signing of the contract, the salary was increased to that person. What (and is there anything) that needs to be done to adjust the documentation to the factual situation (e.g. adjust percentage of engagement)? The project team does not want to increase the amount defined for this budget line.

Reply: While preparing the Grant contract (during the Budget clearing process), the unit cost for salaries was calculated on the basis of the last 3 payslips for each employee. In general, the increase of salaries (the unit cost from the Budget of the Contract) is not allowed, namely the cost above the budgeted unit cost for salaries will not be eligible, but only in exceptional cases which should be



justified and verified by the CFCU on case by case basis, such as salary increase according to national legislation (for public institutions), an increase due to the years of working experience/seniority or based on internal regulations.

In addition, it is not justifiable to reduce the percentage of work on the project without proper justification, and only because the salary was increased.

For further details please look at the reply on the previous question from 7 April.

2. During the implementation workshop, it was suggested that the best option to keep the finances easy for both internal and external control is to open a subaccount in the bank. In case the employee hired through budget head 1 is not hired on 100% of the engagement, how is his / her salary paid. Is it acceptable to pay it in two parts – one as the project part of the salary from the subaccount and the rest of the salary from the company's primary account?

Reply: The salaries for project team members can be excluded from payment through the separate project account, since the amount eligible for financing from the project budget will be calculated on the basis of each timesheet and the actual salary paid from the payslip, as described in the reply to the previous question. In that sense, the costs of salaries are traceable and can be easily verified; on the other hand, it allows the grant beneficiaries to follow the usual practice with regards to payment of salaries to the employees (members of the project team).

3. Two of the budget lines we have are related to service contracts with experts in communication and experimental design (PhD students, budget line 6., "Other"). The amount to be paid is not determined on a monthly basis (per month) but for the entire contract (per contract). The contract itself will determine the number and amount of cash tranches. We have entered in the budget that the entire amount of the work contract is calculated in the accounting period Year 1, although the experts would also be engaged in the last six months of the project, between the 12th and 18th months. Can the budget remain in its current state (Table 1) and the contract itself would specify the terms of payment or should it be modified (e.g. as in Table 2)? The amount of funds allocated remains the same (the numbers in the table only illustrates an example).

Table 1

Costs	All years				Year 1			
	Unit	# of units	Unit value	Total cost	Unit	# of units	Unit value	Total cost
Experiment administrator	Per contract	1	5000	5000	Per contract	1	5000	5000

Table 2

Costs	All years				Year 1			
	Unit	# of units	Unit value	Total cost	Unit	# of units	Unit value	Total cost
Experiment administrator	Per contract	1	5000	5000	Per contract	1	2000	2000



Reply: Engaging external experts (in your case under Budget heading 6) is regulated following the applicable procurement procedure. The procurement procedure ends by signing the service contract in which detailed provisions determine the number and amount of cash tranches to be paid to the expert. For the Contracting Authority, only the amount of the signed contract is relevant and eligible for financing under the condition that all rules for procurement are followed. Namely, the budget can remain in its current state (Table 1) and the contract itself will specify the terms of payment.

DATE: 15 April 2020

1. Considering that certain procurement is foreseen to be performed by coordinator, and certain procurement by a project partner, should we prepare the Procurement Plan as a single document or separately for the coordinator and the project partner? Also, if a single plan is submitted, should it indicate who is responsible for which procurement?

Reply: Procurement Plan is based on the activity plan and the budget approved for the Action and comprises of procurement procedures to be launched both by Grant Beneficiary and its Project Partners. In that sense, similar procurements (supplies/services) should be procured together on the project level. It is advisable to indicate who is responsible for which procurement.

2. Whether at this point or later during the project implementation, should the following columns from the Procurement plan be filled in:

Tender launch date / Tender Evaluation Date / Contract signature date by second party Completion of the contract (services) / acceptance of goods (supply)

This concern has arisen to us given the information on page 86 of the Implementation of Grant contracts by GBs online workshop we observed that stated that all the columns in question should be completed (slide 86 - Procurement Plan rules and basic principles - bullet 4: The planned launch dates of the procurement, as well as the dates for contract signing and duration of implementation/delivery, are realistic and consistent with the project implementation period) or we may be misinterpreting?

We particularly mention this, since in our plan we have two purchases of supplies (server and laptops) which are between 4,000 € and 5,000 € and procurement of expert services 6,400 € (2x3,200 €) which we will perform through three offers procedure, and everything else is subject to direct procurement and payment by invoice. At this moment we can fill in the column Tender launch date (date from sending invitations/date of publication) with an estimate up to the level of month or quarter, but other columns are not able to predict to that extent precisely now.

Reply: For invoice based/contract based procurements, columns „tender launch date“ and „tender evaluation date“ should state N/A, while the remaining columns should be filled in, at least indicatively, in line with the activity plan from the Description of the Action (quarter/month and year). With regards to the calculation of dates, please take into account the minimum deadlines:

- for Single tender procedure - at least 10 days are given between the invitation and the deadline for submission of the tenders; and
- for Simplified procedure - at least 30 days are given between the invitation and the deadline for submission of the tenders.



Please also note that the Procurement Plan is a live document and the dates may be updated throughout the implementation period, if needed and justified.

DATE: 5 May 2020

We have some questions regarding the implementation of our project. As we understand it, the date of the first quarterly report is slowly approaching. It is not clear to us how the "quarter" is calculated, whether from the start date of the project (March 10) the 3 months are added, or is viewed by calendar year (April-June). We would not like to miss the deadline, so it would mean to us if we had accurate information by the time the first quarterly report is submitted, and all other reports, therefore, we are interested in the dynamics of sending the reports.

In addition, which documents should we attach to the quarterly report (is it only Tool 7?) and which to the Interim report (The narrative and financial report-Tool 8? Together with Tool 7?) We have reviewed the Tool Options, but it is not clear to us what to attach to the quarterly report and the Interim(semi-annual) report.

Reply: Quarterly reports should be submitted fulfilling the template provided under Tool 7 for each reporting period, which is calculated from the start date of the implementation of your Grant contract according to Article 2.2 of the Special Conditions. The quarterly report should be submitted within one week after the expiry of the reporting period. Namely, in your example (10 March) the deadline for submission of the quarterly report should be 17 June (10 June + one week). There is no need to submit any annexes to the quarterly report, except the ones indicated at the end of the Template for quarterly reporting (Tool 7, under point 11. Annexes (if applicable): updated Action Plan, updated Procurement Plan, updated Communication Strategy/Plan or other). In addition, the quarterly report does not have to be submitted when Interim reports (6-month reports) are to be submitted (except for the monitoring indicators table – Point 4. Contribution to SOPEES overall results of Tool 7).

On the other hand, Interim reports are to be submitted fulfilling the template provided under Tool 8 (Annex VI financial report and Annex VI interim narrative report) in the period within one month after the expiry of the 6-month reporting period, together with all relevant supporting documents. All supporting documents per each Budget Heading of the financial report are provided under Tool 9 – Guidelines for Financial Reporting. No Interim narrative and financial reports should be submitted if they are due within the last two months of the period of implementation.

Only the Final report should be accompanied by the payment request (Annex V – standard request for payment of Tool 7) which should be submitted to the contracting authority no later than three months after the expiry of the implementation period of the contract as defined in Article 2 of the special conditions (according to Article 15.2 of the General Conditions).