

Millennium Challenge Corporation  
Program Procurement Guidance

# Guidance on Procurement Plans, Amendments and General Procurement Notices

August 2007



## MCC Guidance on Procurement Plans, Amendments and General Procurement Notices

This paper provides guidance to the MCA Entity<sup>1</sup> on the function and content of the Procurement Plan, amending the Procurement Plan,<sup>2</sup> and developing the General Procurement Notice in accordance with the applicable provisions<sup>3</sup> of the MCC Program Procurement Guidelines<sup>4</sup>:

### Procurement Plan

The Procurement Plan is a key program planning and implementation document prepared by the MCA Entity. The primary function of the Procurement Plan is to serve as a managing tool by which the MCA Entity oversees the procurement activities of the Procurement Agent<sup>5</sup> and by which MCC monitors the MCA Entity's approach to implementation and choice of procurement methods and selection procedures. Once developed by the MCA Entity, each Procurement Plan must be adopted by the governing body of the MCA Entity and approved by MCC.

The MCC Program Procurement Guidelines require that the Procurement Plan 1) identify the anticipated Compact procurement needs, 2) name the proposed method of procurement to be used (such as Competitive Bidding or Shopping) or the proposed selection procedure for consultant services (such as QCBS,<sup>6</sup> QBS,<sup>7</sup> FBS,<sup>8</sup> LCS<sup>9</sup> and CQS<sup>10</sup>) for each procurement action, and 3) set forth the estimated value of each procurement action. The MCA Entity *may* submit multiple Procurement Plans throughout the year whenever new procurements are planned. But each Procurement Plan *must* be updated at least every six months to reflect new needs for goods, works, consultant and non-consultant services.

The organization of the Procurement Plan shall be as follows: each procurement action shall be categorized under Goods, Works, Consultant Services or Non-Consultant Services. Each procurement action shall then be

---

1 The MCA Entity is the entity designated by the government of the country receiving assistance from the Millennium Challenge Account as responsible for the oversight and management of implementation of the Compact on behalf of the government.

2 MCC Program Procurement Guidelines Part 1, Section 1.A, Paragraph 1.16.1-1.16.3; MCC Program Procurement Guidelines Part 1, Section 1.B, Paragraph 1.24.1-1.24.3.

3 MCC Program Procurement Guidelines at Section 1.A, Paragraph 1.16.1; Section 1.B, Paragraph 1.24.1.

4 The Millennium Challenge Corporation ("MCC") provides funding to foreign governments under the authority of Section 605 of the Millennium Challenge Act of 2003 (the "MCA") (each a "Compact") or under Section 609(g) of the MCA (each a "609g Grant Agreement"). The MCC Program Procurement Guidelines are set out in supplemental agreements between the MCC and foreign governments and apply to MCC-funded contracts between the MCA Entity and contractors, suppliers and consultants. Contracts entered into directly by MCC are governed by the Federal Acquisition Regulations, not the MCC Program Procurement Guidelines.

5 MCC Program Procurement Guidelines Part 1, Section 1.A, Paragraph 3.10; MCC Program Procurement Guidelines Part 1, Section 1.B, Paragraph 3.17.

6 Quality and Cost-Based Selection

7 Quality Based Selection

8 Fixed Budget Selection

9 Least Cost Selection

10 Selection Based on Consultants Qualifications

linked to the project for which it is being procured using a numbering system or other system of identification.<sup>11</sup> There shall be a column for procurement action descriptions, prices and procurement methods.<sup>12</sup>

If the MCA Entity wishes to use Direct Contracting<sup>13</sup> or Single-Source Selection<sup>14</sup>, it must submit a justification for it at the time of submission of the Procurement Plan. If the MCA Entity does not submit the justification, MCC may, at its discretion, approve the plan conditionally, subject to receipt of adequate justification, or MCC may require that the procurement method be changed to competitive.

The MCA Entity must maintain and submit a quarterly Procurement Performance Report<sup>15</sup> on the nature and status of all procurement activity undertaken that quarter.<sup>16</sup> It must include explanations of any deviations from the Procurement Plan.

### **Amending the Procurement Plan**

If the MCA Entity determines that a deviation from the approved Procurement Plan is necessary or appropriate, it must amend<sup>17</sup> the plan and submit an amended plan to MCC. Additionally, if the change is substantial, the amended plan must be approved by MCC and adopted by the MCA Entity's governing body *before* the MCA Entity may move forward with the new or changed procurement action.<sup>18</sup> A change is considered substantial if it adds a procurement action or actions that have a cumulative value of \$10,000 or more, changes the procurement method, significantly increases or decreases the budget, or increases the budget allocations above the threshold for the designated method of procurement or selection procedure. If approval of the amended Procurement Plan is obtained, the MCA Entity shall comply with any instructions contained in the approval, including any publication requirements.

### **General Procurement Notice**

Once the Procurement Plan has been approved by MCC and adopted by the governing body of the MCA Entity, the MCA Entity shall publish a General Procurement Notice (GPN)<sup>19</sup>. This is done in some cases also when there is an amendment to the Procurement Plan. The GPN serves to generally apprise the public of government procurement activities, but primarily to alert potential bidders of the upcoming procurement opportunities. It therefore must be published in a manner which provides reasonable notice of the upcoming opportunities. The GPN is distinguished from the Procurement Plan in that it provides only a general description of the type of

<sup>11</sup> For example, for a Finance Project, the numbering system FIN001 and FIN002 may be used for the first two procurement actions.

<sup>12</sup> See attached sample Procurement Plan.

<sup>13</sup> MCC Program Procurement Guidelines Part 1, Section 1A, Paragraph 3.6-3.7.

<sup>14</sup> MCC Program Procurement Guidelines Part 1, Section 1B, Paragraph 3.9-3.13.

<sup>15</sup> See MCC Guidance on Preparing the Procurement Performance Report.

<sup>16</sup> MCC Program Procurement Guidelines at Part 2.

<sup>17</sup> See the attached Sample Amendment Form.

<sup>18</sup> MCC Program Procurement Guidelines at Part 1, Section 1.A, Paragraph 1.16.3; Section 1.B, Paragraph 1.24.3.

<sup>19</sup> MCC Program Procurement Guidelines at Part 1, Section 1.A, Paragraph 2.7; MCC Guidance on Advertising Procurement Opportunities, Awards and Cancellations; attached sample General Procurement Notice.

procurements. Additionally, at the discretion of the MCA Entity, the estimated value of the anticipated procurements may be stated, either separately or aggregately. This may be done when the dollar amount is critical in describing the scope of the requested services, but the MCA Entity should consider the nature of the procurements and the local market conditions when determining the wisdom of including the dollar amount. Procurements anticipated to be conducted by Direct Contracting or Single-Source Selection should be included in the GPN. Smaller similar procurements can be consolidated into one listing in a GPN.<sup>20</sup>

---

<sup>20</sup> MCC Program Procurement Guidelines at Part 1, Section 1.A, Paragraph 2.10.

## Sample Procurement Plan

ID	Description	Planned Procurement	Procurement Procedure
		(Q1-Q2)	
	<b>GRAND TOTAL</b>	<b>GRAND TOTAL</b>	
<b>1</b>	<b>Procurement of Goods</b>	<b>CATEGORY TOTAL</b>	
<b>1.2</b>	<b>IT EQUIPMENT</b>	<b>Sub-Total</b>	
	<b>Project A</b>		
	Desktop Computers, Laptops, Software, and Peripherals	price	CB
<b>1.3</b>	<b>OFFICE EQUIPMENT, SUPPLIES AND FURNITURE</b>	<b>Sub-Total</b>	
	<b>Program Administration</b>		
	Office Furniture	price	DC
<b>2</b>	<b>Procurement of Field Activities, Designs, Feasibility and Environmental Studies, and Consultants</b>	<b>CATEGORY TOTAL</b>	
<b>2.1</b>	<b>FIRMS</b>	<b>Sub-Total</b>	
	<b>Project A</b>		
	Supervision of Rural and urban zones Cadastral Survey	price	QCBS
	Radio and Television Campaign for Communication Strategy	price	CQS
<b>2.2</b>	<b>INDIVIDUALS</b>	<b>Sub-Total</b>	
	<b>Project A</b>		
	<b>Capacity Building</b>		
	Design of TOR for "Construction of multi-office complex"	price	CQS
	Member of Evaluation Panel	price	SSS
<b>3</b>	<b>Procurement of works/construction</b>	<b>CATEGORY TOTAL</b>	
	<b>Project B</b>	<b>Sub-Total</b>	

ID	Description	Planned Procurement	Procurement Procedure
	Infrastructure for Demonstration Farms	price	CB
	<b>Program Administration</b>	<b>Sub-Total</b>	
	Office Building, Conditioning/ Remodeling	price	S
<b>4</b>	<b>Non-Consultant Services</b>	<b>CATEGORY TOTAL</b>	
	<b>Project A</b>	<b>Sub-Total</b>	
	Demarcation and Sign Installation of Protected Areas	price	S
	<b>Project B</b>	<b>Sub-Total</b>	
	Non Consultant Services for Planting True Forest Plantations	price	CB

CB Competitive bidding

CQS Selection based on consultant qualification

QCBS Quality & Cost based selection

S Shopping

SSS Single-Source Selection

DC Direct Contracting

## Sample Amendment Form

Amendment to Procurement Plan Request Form*		
Procurement # and Description	Amendment Request	Estimated Total Change (\$)
<i>Procurement identification number (if necessary) and description</i>	<i>Description of what is being requested in terms of change to the Procurement Plan (ie, additional procurement, change in procurement method, change in estimated value, etc).</i>	<i>Value, in USD, of procurement change being requested. Used to determine overall, estimated cost impact of requested amendment</i>
Justification		
<i>1) First justification for amending the Procurement Plan</i>		
<i>2) Second justification for amending the Procurement Plan (if applicable)</i>		

\*This form must be submitted as an attachment to the amended Procurement Plan.

## Sample General Procurement Notice

### Government of [Country]

#### [Millennium Challenge Account Entity]

The Government of [Country] has received grant funding of [Dollar Amount] from the Millennium Challenge Corporation (MCC) of the United States Government to enable the Government of [Country] to implement this program and achieve the objectives of the MCC Grant (Compact), and it intends to apply parts of the proceeds of the funds to payments for Contracts for Goods, Works and Services.

The procurement program for the next six months will include the following:

<b>Procurements for [Specify] Half of [Year]</b>
Estimated Value – [Dollar Amount]
<b>Procurement of Goods</b> in the Land Tenure, Finance, Agricultural Business Investment Project (ABIP) and general [MCA Entity] Administration sectors to include:
* IT hardware, data transmission systems and software
* Imagery for cadastral mapping
* Office Furniture and general office supplies
* Motorbikes
* Other assorted vehicles
* Equipping credit bureaus, risk analysis and rating agencies
<b>Procurement of Works</b> in the Land Tenure, Finance, Agricultural Business Investment Project (ABIP) and general [MCA Entity] Administration sectors to include:
* Rehabilitation of existing office building structures
* Site layout and construction of new administrative buildings of various sizes
* Archival system
* Installation of satellite data transmission system.
<b>Procurement of Services (to include Consultant Services)</b> in the Land Tenure, Finance, Monitoring and Evaluation, and Agricultural Business Investment Project (ABIP) sectors to include:
* Services to modernize and decentralize land management, including creation of relevant information systems and software.



* Agricultural training program on raising and maintaining dairy livestock.
* Technical assistance organizing strategic communication and information campaigns for promotion of objectives in all sectors.
* Short and long term legal consulting.
* Short term feasibility study of National Land Tenure Funds.
* Technical studies on land management operations and facilities.
* Technical assistance to [Country's] financial institutions.
* Consultants for general finance sector capacity building.
* Architectural design, site design and environmental assessment work.
* Technical assistance for agricultural business plan development.
* Agricultural market, value chain and investment studies.
* Capacity building in preparation for, and technical assistance in implementing, Monitoring and Evaluation data collection and survey work.
* Training on Monitoring and Evaluation procedures manual.
* Design and implementation of Monitoring and Evaluation database software and MIS.
* Organization of agricultural fairs and trade shows.
* Technical assistance in [local crop] production.

Contracts for Goods, Works and Services financed under the program will be implemented according to the principles, rules and procedures set out in the MCC Program Procurement Guidelines.

Procurements are generally open to all bidders from eligible source countries as defined in the MCC Program Procurement Guidelines, which can be downloaded at [MCA Entity]'s website.

Specific procurement notices for contracts to be awarded under the competitive bidding procedures and for consultant contracts will be announced, as they become available, on the [MCA Entity]'s website, United Nations Development Business Online (UNDB Online: <http://www.devbusiness.com/>), Development Gateway Market (dgMarket: <http://www.dgmarket.com/>), in local newspapers, and other media outlets as appropriate.

Interested eligible contractors and consultants who wish to be included on the mailing list to receive a copy of advertisements, or those requiring additional information, should contact:

Procurement Agent  
c/o MCA Entity  
Address  
Telephone/Email