This project is co-financed by the European Union
and the Republic of Turkey

MANUAL OF PROCEDURES

Tendering in EU-funded Projects

Guidelines for Lead Institutions
and End Beneficiaries

CFCU
Step IPA

DISCLAIMER

This document contains an outline of procurement principles and guidance on how to effectively develop technical and tender documents that are frequently used in public procurement for projects co-financed by the Instrument of Pre-Accession Assistance. It is intended to facilitate the implementation of programmes and projects and encourage effectiveness and efficiency. It is not legally binding but rather aims to provide practical recommendations and to reflect best practice.

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ACRONYMS

AAP	Annual Action Programme
AC	Alternating Current
AD	Action Document
ARC	Architectural Works
BoQ	Bill of Quantity
BS	British Standards
CA	Contracting Authority
CAC	Codex Alimentarius Commission
CAD	Computer-Aided Drawing/Design
CE	European Conformity
CFCU	Central Finance and Contracts Unit
CHP	Combined Heat and Power
CIP	Carriage and Insurance Paid
COTS	Commercially Off-the-Shelf
CPU	Central Processing Unit
CW	Civil Works
CSO	Civil Society Organisation
DEUA	Directorate for EU Affairs
DG	Directorate General (of the European Commission)
DIN	German Institute for Standardisation
EB	End Beneficiary
EC	European Commission
EN	European Norm (Standard)
ENV	Environment
EU	European Union
EUD	Delegation of the European Union to Turkey
FDR	Final Design Report
FIDIC	International Federation of Consulting Engineers
GMP	Good Manufacturing Structure
GSP	Good Storage Practice
HS	Harmonised Commodity Description and Coding Systems
HVAC	Heating, Ventilation and Air Conditioning
IEC	International Electrotechnical Commission
IPA	Instrument for Pre-Accession Assistance
ISO	International Organisation for Standardisation
IT	Information Technologies
JNKE	Junior Non-Key Expert
KE	Key Expert
KIK	Kamu İhale Kanunu (Public Procurement Law)
LFA	Logical Framework Approach
LI	Lead Institution
MoEU	Ministry of Environment and Urbanisation
NB	Nota Bene
NGO	Non-governmental Organisation
NIPAC	National IPA Coordinator
NKE	Non-Key Expert
OECD	Organisation for Economic Cooperation and Development
OG	Official Gazette
OVI	Objectively Verifiable Indicators
PADOR	Potential Applicant On-Line Registration
PCM	Project Cycle Management
PDR	Preliminary Design Report
PL	Project Leader
PLC	Power Line Communication
PRAG	Procurement and Grants for European Union External Actions – A Practical Guide
QA	Quality Assurance
QC	Quality Control
RoHS	Restriction of Hazardous Substances
ROM	Result-Oriented Monitoring
RTA	Resident Twinning Advisor
SCADA	Supervisory Control and Data Acquisition
SI	International System of Units
SIEA	Services for the Implementation of External Aid
SNKE	Senior Non-Key Expert
TA	Technical Assistance
T-G	Tender-Grant
TL	Team Leader
ToR	Terms of Reference
TS	Technical Specifications
TS	Turkish Standards
TSE	Turkish Standards Institute
VAT	Value-Added Tax
VDE	Association for Electrical, Electronic & Information Technologies (Germany)
WEE	Waste Electrical & Electronic Equipment

FOREWORD

Public procurement is a key aspect of public investment which stimulates economic development and at the same time represents an important element in boosting the Single Market and co-operation with countries benefiting from pre-accession assistance. Public administrations purchase services and goods for their citizens and for projects stimulating socio-economic growth and this must be done in an efficient manner.

Procurement principles used within the framework of the Instrument for Pre-Accession Assistance follow Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement (repealing Directive 2004/18/EC), combined with the provisions of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union. This amends Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU, and repeals Regulation (EU, Euratom) No 966/2012. These two Regulations are the key legal sources which comprise "PRAG - A Practical Guide for Procurement and Grants for European Union External Actions" which is the main rulebook describing procedures concerning the delivery of the entire IPA financial envelope.

Transparency of public procurement reflected in the relevant procedures is essential for maintaining citizens' and organisations' trust in using EU funds. Therefore, the application of specific standards and procedures set out by the legislative acts and reflected in the PRAG is a requirement. This is, however, not an easy task.

The aim of this document is to provide guidance to public officials and other stakeholders benefitting from IPA funds on how to speed up preparation of the relevant technical, tender and grant documents, avoid errors and, thus, make the process of management of pre-accession assistance more effective and efficient. The guidance provided here is meant for beneficiaries who are involved in tendering on an intermittent basis rather than public professionals managing financial assistance in every-day work. Although it does not provide legal interpretation of the EU legislation or of the PRAG, it represents a useful tool that can steer beneficiaries through the areas where mistakes and delays most commonly happen and giving practical tips on how to avoid them.

This guidance has been prepared by an IPA co-financed project **Technical Assistance for Supporting Public Institutions for Tendering Preparations** which seeks to improve the institutional capacity of public institutions in Turkey, to ensure optimal and efficient use of IPA funds, and to achieve more effective and stronger public administration.

The authors of this Manual focus on specific topics, good practices, examples and explanations rather than providing a theoretical framework that governs procurement and the award of grants, which here has ancillary character serving only one purpose being the introduction of the context.

The Manual includes guidance on:

:: General procurement modalities;
:: Programming and planning;
:: Preparation and planning for service contracts;
:: Preparation and planning for works contracts;
:: Preparation and planning for supply contracts;
:: Design and development of grant schemes; and
:: Preparation and planning for twinning contracts.

It should be noted that each contracting authority has its own ways of organising project and contract procurement and management, and there may be slight differences between the Central Finance and Contracts Unit that is responsible for the management of contracts under Annual Action Programmes and various Operating Structures mandated to manage Multi-Annual Programmes with split commitments. This Manual serves as a guideline for the Lead Institutions (LI) and End Beneficiaries (EB) of the Annual Action Programmes and its content is confined to the actual mandate, tasks and responsibilities concerning LI's and EB's.

Ministry of Foreign Affairs
Directorate for EU Affairs


CONTRACT

1 Procurement Rules and Principles

Contracts under procurement and grants co-financed from EU funds are awarded according to strict rules provided in the PRAG document. The use of public procurement law applied in the Republic of Turkey (KIK) is not allowed for the subject contracts. The latest version of the Practical Guide (as of the date this Manual was published) was issued in August 2020 and its full version, with annexes, is available on the following website: http://ec.europa.eu/europeaid/prag. Therefore, it is not only the procedures and processes described in the PRAG that must be complied with but also all templates and standard documents must be used throughout the entire tendering procedure (and later during contract implementation). Kindly note that PRAG changes and for that, always try to use its latest version.

Procurement Modalities

Currently, most of the contracts in Turkey are tendered and implemented under indirect management where the European Commission entrusts budget implementation tasks to bodies designated by the Government of the Republic of Turkey. One of them is the CFCU in charge of the award and implementation of contracts within the remit of Annual Action Programmes. There are two modalities under indirect management:

:: Indirect management with ex-ante controls where the decisions on the procurement and award of contracts are made by the CFCU acting as contracting authority and subject to the prior approval of the European Commission of each step described in the Practical Guide; and

:: Indirect management with ex-post controls where the European Commission limits its controls to checks that are exercised after award and contract signature by the CFCU. Currently, this modality is not in use and all contracts co-financed from IPA funds are managed through ex-ante controls.

Direct management is a modality in which contracts are concluded directly by the European Commission services.

Basic Procurement Principles

Several basic, horizontal procurement principles are laid down both, in the Procurement Directive and Financial Regulation. Failure to comply with them may lead to the cancellation of the tender procedures or the annulment of the award decision. These principles are, namely:

Transparency: This principle requires that the contracting authority should ensure openness and clarity on procurement policy, grant award and their delivery. This obligation ensures a degree of advertising sufficient to enable the market to be opened up to competition and the impartiality of procurement procedures to be reviewed for the benefit of any potential tenderer.

Equal treatment and non-discrimination: All interested parties should be treated in the same way, meaning that all tenderers and applicants must be given equal opportunities when formulating their tenders and proposals, which therefore implies that the tenderers and applicants must be subject to the same conditions.

Competition: Procurement should be carried out by competition, unless there are justified reasons to the contrary; this obligation also means that the estimated value of a contract may not be established in a way that circumvents competitive tendering or the rules which apply to certain procurement procedures or above a certain threshold. Also, a contract must not be split for that purpose.

Proportionality: Means that measures adopted by the EC are commensurate to what is appropriate and necessary in order to achieve the objectives pursued and that where there is a choice between several appropriate measures, recourse must be had to the least onerous.

Sound financial management: All procurement must be carried out respecting the principle of economy, effectiveness and efficiency, meaning that allocated financial resources are necessary, that the planned results refer to clear and qualitative outputs or outcomes at the best price and that the achievement of the specific objectives and results is feasible at reasonable cost.

Visibility: Unless otherwise requested or agreed, all contractors and grant beneficiaries must ensure the visibility of EU financing.

Conflict of interest: Shall be avoided. Such conflict may occur across four dimensions: i) conflict of interest for the contracting authority where any authorisation must not be compromised for reasons involving family, emotional life, political or national affinity, economic interest or any other direct or indirect personal interest; ii) grave professional misconduct where wrongful conduct, a wrongful intent or gross negligence take place meaning that violation of applicable laws, regulations or ethical standards that distort competition (including attempt to obtain confidential information or use of such information); iii) involvement in drafting tender specification that distorts competition, giving an economic operator an undue advantage over other operators when bidding and iv) professional conflict of interest that negatively affects the capacity of an operator to perform a contract in an objective manner, e.g. when an economic undertaking participates to audit accounts that it has earlier certified, which on top of that may have preferential treatment at the selection phase.

Rule of nationality limits the participation of legal and natural persons in procurement and grant award procedures (and other proceedings) to those effectively established in an EU Member State or in a country eligible for the respective external financing instrument under which the specific project is financed. Participation is also open to international organisations.

Rule of origin sets restrictions for goods supplied under a procurement procedure or a grant contract - such goods must originate from an eligible country as designated by the relevant external financing instrument (IPA in case of Turkey). Derogation from this rule can be granted only in exceptional case. Also, there is exemption from the rule of origin for goods if their value is below €100,000. Where the procurement is divided into lots, the rule applies per lot and the division into lots must be legitimate and not be artificial. Rule of origin does not apply to purchase of goods to carry out works where the contractor keeps the purchased items at the end of the contract.

Procurement Procedures

There are several procurement procedures, each allowing a different degree of competition depending on the type of contract. PRAG allows the following procedures depending on the estimated contract value threshold:

<table>
<tr><td>Service Contracts</td><td>≥ €300,000:

International restricted or open* tender procedure</td><td colspan="2">< €999,999:

Framework contract SIEA 2018
or
< €300,000:
1. Framework contract (SIEA 2018, Audit, Commission, ...) or
2. Simplified procedure</td><td rowspan="3">≤€20,000:

Single tender

A payment may be made against invoice without prior acceptance of a tender if the expenditure is ≤ €2,500</td></tr>
<tr><td>Supply Contracts</td><td>≥ €300,000:

International restricted or open tender procedure</td><td>< €300,000 but ≥ €100,000:

Local open tender procedure</td><td>< €100,000 but > €20,000:

Simplified procedure</td></tr>
<tr><td>Works Contracts</td><td>≥ €5,000,000:

International open tender procedure
or
International restricted procedure</td><td>< €5,000,000 but ≥ €300,000:

Local open tender procedure</td><td>< €300,000 but > €20,000:

Simplified procedure</td></tr>
</table>

* Although open tender procedure is allowed under EU Procurement Directive, it is not used in practice in procurement of EuropeAid projects.

Kindly note that projects must not be artificially split to circumvent the procurement thresholds. This must be respected starting from the programming stage.

Please, contact the CFCU for the selection of the procedure of your choice and other questions or issues. Also, kindly note that the use of Framework contract facility can be restricted.

The most prevalent type of contract under IPA is a Technical Assistance service contract that requires international restricted procedure, which has a phased character. Since it includes a short-listing phase followed by the subsequent submission of tenders, the duration of such procedure may take between 7 and 9 months on average. Beneficiaries should take this into account when preparing their projects. In general, all restricted tender procedures take much longer than open tender procedures.

Confidentiality

Confidentiality during the preparation of technical and tender documents is of utmost importance for all the parties to the tender procedure. Compromised confidentiality may be considered to be an irregularity and lead to suspension, cancellation of a tender procedure or rejection of the particular tenderer.

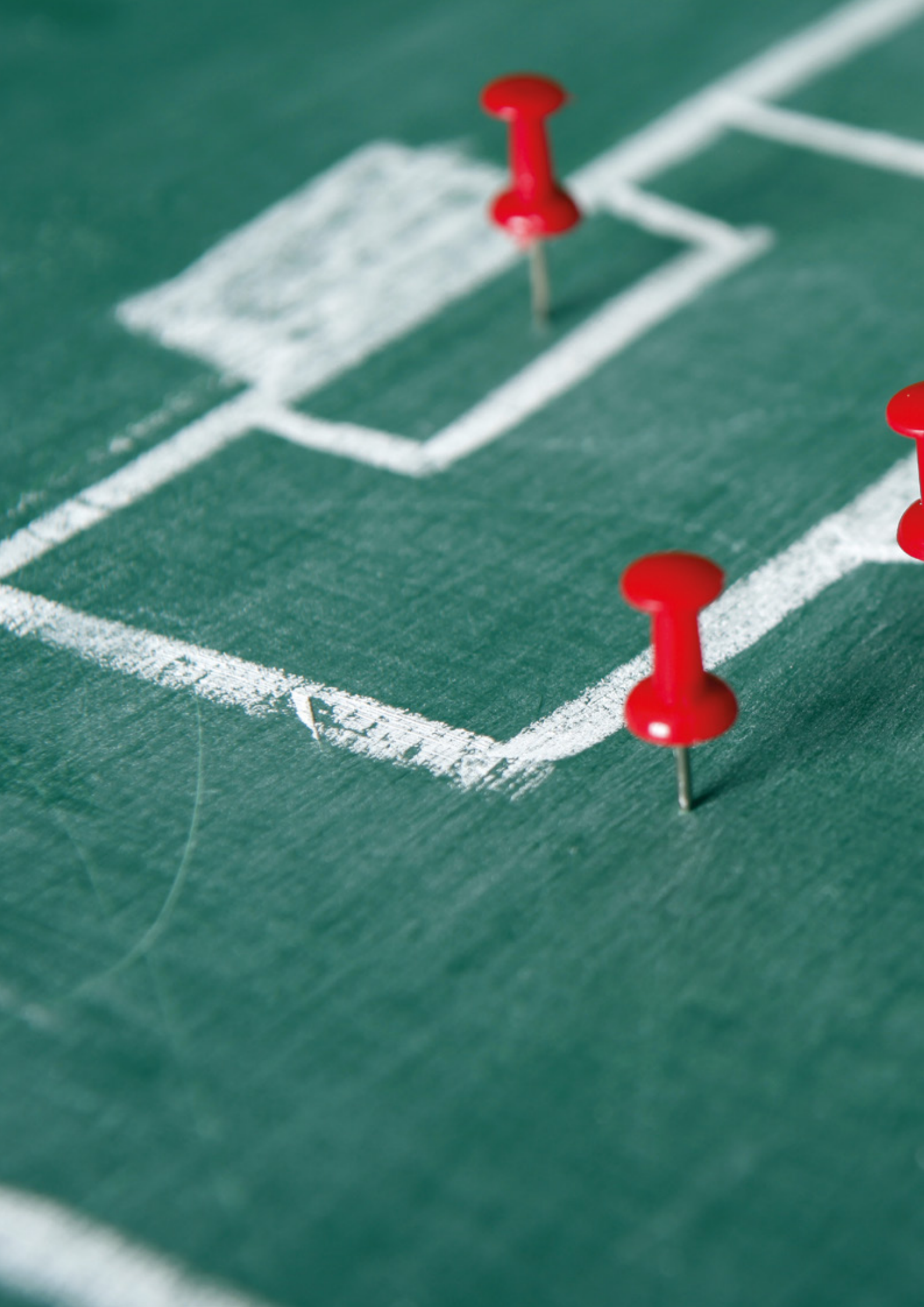
All Lead Institutions and End Beneficiaries should have policies that prevent the disclosure of restricted or confidential information, which includes but is not limited to technical specifications, terms of reference, project and contract budgets, etc. Confidentiality may also be compromised during the tender evaluation stage. All individuals having access to any information or data regarding the procurement procedures, especially those working or accessing tender specifications must sign declaration of objectivity and confidentiality and further respect that.

Good practices to address confidentiality and conflict of interest issues include:

Code of conduct in public administration that is publicised and clearly communicated to civil servants. Those taking part in the preparation of technical and tender documents and the evaluation process should be reminded of the content of such a Code.

Systems, checks and briefings can be put in place to make sure that all key stakeholders capable of influencing decisions about the scope of tenders or award of contracts are aware of their responsibilities to act impartially and with integrity. LI's and EB's must be informed beforehand.


TENDER



2 Programming and Planning for Tendering

This section outlines linkages between programming and planning for tender document preparation. It also includes hints as to how to go about preparatory work before starting drafting of technical and tender-grant documents. It does not cover the broader programme (or Action) lifecycle, where feed-back from implementation provides information and lessons learned to improve future planning and programming documents. More on this can be found in DG Near Guidelines on linking planning/programming, monitoring and evaluation at the following website: https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/pdf/financial_assistance/phare/evaluation/2016/20160831-dg-near-guidelines-on-linking-planning-progrming-vol-1-v-0.4.pdf

2.1 Programming

Programming is a link between strategy preparation and actual implementation. The programming process translates the priorities identified and agreed in the Country Strategy Papers and Multi-Country Strategy Paper into Actions which will be carried out on the ground.[1]

Although the programming process is not covered by this Manual, it should be carefully noted that actions and activities identified in the relevant Action Document are the point of departure for the actual projects and contracts. Proper objective setting and formulation of the expected results are the most essential foundations of a good project (see Annex 1 for objective setting in Terms of Reference). Experience demonstrates that the more detailed the Action Document, the less room for flexibility during preparation of technical and tender documents. Excessive levels of detail can take two forms:

1. **Long, itemised breakdown** of project components translated into work packages, activities and then tasks; or
2. **Short but itemised description** of specific activities and tasks that leave no room for revisiting the scope of the project sometime after the adoption of the Action Document.

In the most ideal case, the narrative of an action or activity in the AD should be limited to objectives and work packages (with indicative examples of tasks and methods) allowing for the description of more detailed project activities in the future during planning for tender. But that does not mean that the level of detail should not be considered during programming. Indeed, it should be the case that in order to prepare an evidence-driven budget, details should be taken into consideration but then left out for future flexibility as it takes time from the AD approval till tender documents are elaborated and the original business case may have evolved, e.g.: some activities are no longer needed and there may be a need to carry out other tasks.

NB: Deviation from the activity description in the AD when compared to that in tender document is not allowed. Obviously, it is possible to amend an Action Document through negotiations with the Commission (which may take a few months) and then continue with the new or revised content for tendering purpose but it is a major loss of time. Also, kindly note that intervention logic in AD 'imposed' by the EC has a major flaw. AD Logframe requires that the section with results must be illustrated populated with tangible outputs, which indeed creates confusion. While results are immediate or intermediate outcomes of an intervention, outputs are its deliverables. Please, note that the Logframe template may change - most recent meaning of results includes both outputs and outcomes.

Definition and setting of project activities in the AD in the form of work packages is highly appropriate not only because the needs may evolve over time but also due to the fact that there may be instances that the individuals who drafted inputs to the Action Document are not likely to partake in the elaboration of the future technical and tender documents. Frequently, observations of such occurrences lead to questions like: What did the drafter mean? How can we know what they had wanted to achieve? How was the budget calculated and why? It should also be noted that actions are described in a broad framework while tender documents are very specific and detailed (or at least should be).

For works and supply contracts, a preliminary feasibility analysis or study should be conducted in order to identify specific needs, requirements and constraints, as it may be too late to do that during tender preparation. Analyses or studies could relate to the selection of sites, investigation of ground conditions, dimension of buildings, specific parameters that affect the price, etc.

Regarding administrative capacity building: complex projects in this domain would inclusively cover the three strands described below:

1. **Structures and processes:** Public sector organisations should operate in a clear and stable institutional and regulatory framework, have been assigned clear responsibilities and tasks, and have put in place an organisational chart that can deliver these tasks in an efficient way.

[1] Terminology regarding strategic planning and programming documents changes through EU financial perspective, e.g. Multi-Annual Indicative Financial Framework and Multi-Annual Indicative Planning Document used in IPA I 2007-2013 period are replaced in IPA II with Country Strategy Paper and Sector Planning Document, both of strategic planning nature. Action Document (of more technical and operational programming character) is a term used in IPA II perspective while in IPA I its equivalent was Standard Summary Project Fiche (Project Fiche). Kindly note that in IPA III the names and hierarchy of the documents may change again.

2. **Human resources:** The concerned institutions should have the ability to break down overall objectives and responsibilities into tasks and job descriptions, to estimate the number and qualifications of staff, to develop the competencies of staff, and to fulfil recruitment needs and retain qualified personnel. Securing the timely availability of skilled and motivated staff is a key success factor in the management of public policies.

3. **Systems and tools:** The concerned institutions should have appropriate instruments such as methods, guidelines, manuals, procedures, forms, IT systems, etc. Systems and tools enable organisations to transform tacit and implicit knowledge into explicit knowledge that can be shared across the organisation.

The above-mentioned strands are normally considered during formulation of the project purpose for capacity building actions.

2.2 Planning

The purpose of this stage is to design a robust process for the delivery of the required services, supplies or works. This first stage is critical as it will influence all activity of the future contract. If this part of a tender is done correctly then the rest of the tender should flow without major difficulty (although the reverse can also be true).

It is often the case that stakeholders will either underestimate the planning phase of the process or not carry it out at all. Depending on the size and complexity of the contract, this stage might take months before the contract notice is published. Sound planning can minimise the risk of future contract modification or variation and influence better quality proposals from tenderers. Good planning and structuring can eliminate problems and issues associated with technical and tender documents such as: poor quality of information, missing information, late information, wrong information, insufficient detail, impracticable designs, inappropriate information, unclear information, provisional information, poorly arranged information, uncoordinated information, conflicting information and many other deficiencies.

Planning for the preparation of technical and tender documents should be considered from the outset and should be targeted to have a mature draft by the time the AD is formally approved. The elements of planning should ideally include the following (please note that these are not ranked by priority or importance):

Engage with stakeholders: It should be noted that programmes are delivered in a complex environment: there is a Lead Institution in charge of the sector, there is an End Beneficiary of the Action, there is the NIPAC office responsible for monitoring of the programme and the CFCU that will execute the tender process. All these bodies may have different understanding of the project scope and the change sought after, which should not be the case. Consultation with the ultimate target groups may also be required (e.g. civil society organisations, cooperatives,

individuals, etc., whenever they are likely to benefit). Stakeholders can help validate the needs and help in planning. Also, triangulation and validation of the original project scope is essential, especially when time elapsed since the AD approval is longer than a year. Also, LI's and EB's should take note of the fact that the CFCU is responsible for legality and regularity of expenditure and that there is also the EUD that approves technical and tender documents through ex-ante controls. Both, the CFCU and EUD may question content that is not in line with the AD and approve only the expenditure that is required and necessary to achieve the objectives and results of the project.

Assess future needs: The first thing that the stakeholders should do before launching a procurement procedure is to examine the need that the whole process and project is supposed to satisfy. This is because the subject matter of the future contract may be decided too quickly without properly defining why the contract is going to be executed and what it is for. At some point the CFCU must be briefed about those needs. There may be a risk that the project is disconnected from the real need, which may result in inefficient use of public funds and poor value for money, often noticed only during the monitoring or evaluation phase.

The following questions may help identify, update or validate the needs: What is being procured and why? Which features are essential, and which are optional? What is the real change sought? What are the critical success factors? Who says we need this and that? Are there possible options? Do we understand technicalities, irrespective of the type of contract? Can we do it ourselves or rather need technical expertise from outside to help us procure? These example questions should ideally be answered by the entire group of stakeholders.

NB: Not involving the right people from the very outset may cost time and money later.

Review the market: LI's and EB's should NOT assume that the market can deliver a contract without consulting the market on a possible proposal. Procurement procedures can fail because no economic operator has submitted a tender or no tender was acceptable. That could be, for example, on account of insufficient budget, non-feasibility, difficult technical or economic conditions of the contract that increase contractor's risk. IPA stakeholders (and sometimes contracting authorities worldwide) sometimes assume that market conditions remain stable for a longer time, which may not be the case. While market research is frequently required for supplies, costing of works is exercised against industry's default standards which are often insufficient for infrastructure co-financed from IPA funds. That is due to very specific and unique requirements under EU tenders (including language of communication) and the fact that the entire contract is governed through FIDIC Conditions of Contract. Also, analysis of fee rates should take into consideration the conditions of hiring the required expertise.

While reviewing the market, particular care must be taken in order NOT to distort competition by providing some economic operators with early knowledge of the planned procurement procedure and its technical parameters.

More on market research can be found in the relevant section of this Manual that relates to the specific type of contract requiring this type of market test (i.e. Section 5.6).

Set up realistic timetable: Only profound experience in the subject matter, understanding of the circumstances, assumptions and risks can inform a feasible timetable for a project. In Turkey many contracts undergo extension, especially for services and works. That means that the original project scope has NOT been adequately designed or circumstances have changed during the implementation.

Value for money is not only about accurate cost estimation. Stakeholders often forget about the resources required on their side to contribute to the project. That may concern human and financial resources, sometimes going beyond the contract duration, e.g. licences, maintenance, and operational cost.

Choice of the right contract specifications: Tenders feature various types of specifications based on input, output or outcome. They are used for various types of contract and the right approach should be agreed before or shortly after the work on technical/Tender-Grant document has commenced:

:: An input-based specification is a series of instructions on how to do the job. It is largely used in fee-based service contracts and works contracts with a detailed bill of quantity. For fee-based service contracts such specifications are somehow inflexible and do not allow the tenderer to innovate much. More specific methodology on how to deliver the job is usually discussed only during contract implementation.

:: An output-based specification focuses on the expected outputs or deliverables in business terms rather than detailed terms of how the service should be provided. This allows the bidder to propose innovative solutions that might not have occurred to the procurement team. On the other hand, output-based specification for supplies is very detailed.

:: An outcome-based specification is arguably the easiest of all to elaborate, but the hardest to evaluate and then monitor. Chiefly, it is a statement of benefits to be achieved rather than the contractor's inputs or deliverables. Also, a design-build works contract is pretty much outcome-based.

Establishing benchmarks: Certain predetermined benchmarks are recommended to be established to demonstrate what would be "a model acceptable offer" i.e. an optimum theoretical tender prepared beforehand by the contracting authority (CFCU in the case of decentralised system for Annual Programming in Turkey). This is useful in case abnormally low-priced tenders are received - as there is an obligation to request that such tenderers provide explanation of those parts of the tender that are found abnormally low. Such tenders may be rejected if the tenderer is not in the position to document its price in such a way that the contracting authority is convinced that the contract can be delivered according to the standards and specifications provided in the tender dossier. Aspects of abnormally low tender prices may pertain to compliance with employment legislation and working conditions in the location of the contract, technical solution chosen, the economics of the product, the manufacturing process, construction method, exceptionally favourable conditions available to the tenderer, originality of the tender, etc.

After planning, LI's and EB's are recommended to reflect on the technical and tender documents. This is because LI/EB would take months to prepare their specifications, but tenderers are given much less time to produce their proposals (and only just a few weeks in case of significant number of questions and answers during tendering should technical specifications be not clear enough). On top of that the LI/EB know the subject matter since the AD was drafted while bidders have always very limited time to get to comprehend the problem and propose solution. And they are in an even worse position if the tender dossier is not clear enough. Therefore, respecting the following simple yet practical recommendations may help the addressees of this Manual to increase the quality of tender documents:

:: Know what you want;
:: Be sure that this is what has been agreed within the scope of the Action Document;
:: Describe it very clearly;
:: Do not assume that the other person knows what you want;
:: Tell them what you want;
:: Know your capacity and availability;
:: Do not change your mind;
:: Again, tell them what you want, presenting it in a clear and structured fashion;
:: Allow a sensible tender period (PRAG gives only minima which can be extended, if required for specific sophisticated assignments);
:: Be sensible about risk sharing.

TIPS

:: Sound planning is essential to get to know how to achieve the purpose of a contract
:: Start planning for tendering soon after reaching consensus on the AD
:: Putting yourself in the shoes of the tenderer helps understand how they would react
:: Contractor's risk is the relationship between quality and consistency of information provided in the tender dossier and the method of doing the required work
:: The higher the risk, the higher the price
:: PRAG is not KIK and very detailed specifications are required to estimate the budget, especially for works
:: Elaboration of tender documents requires not only technical knowledge, but also adequate drafting skills (and these skills require proficiency in the English language)

2.3 Preparatory Work Before Drafting Technical / T-G Document

Preparatory work before the commencement of the elaboration of any future technical, tender or grant document should be integrated with the planning process outlined in the previous section of this Manual. The main objective of the preparation phase is building sound ownership of the future project. For that a Task Force should be formed comprising individuals from the relevant LI, EB, DEUA and CFCU. There may be instances where representatives of the ultimate target group that will directly benefit from a project should also be involved (e.g. municipality, provincial administration or other bodies or designated legal entity).

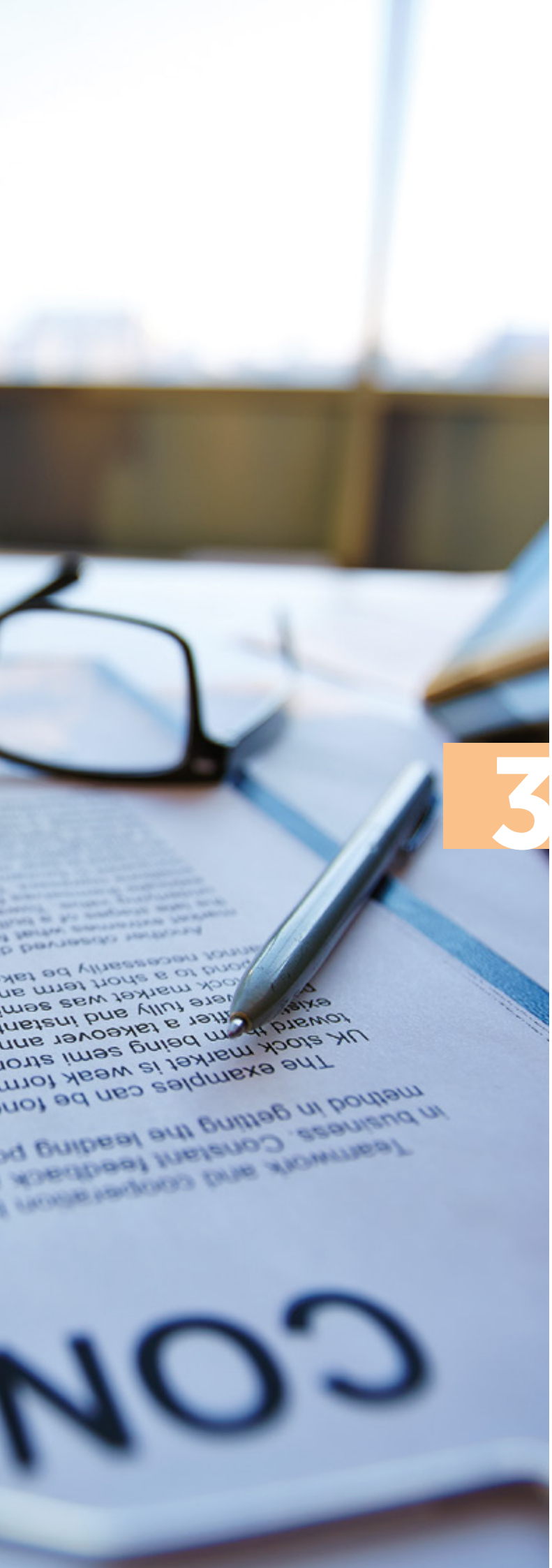
Subsequently, the Task Force should review changes in the situation applicable to the project at hand that occurred between the time when the Action Document was drafted and the present situation (as sometimes the gap in time between both may be a year or longer). Clear division of the roles and responsibilities should be decided, e.g. who is the main drafter, co-drafter, who provides technical inputs, who reviews and who does proof-read. The Task Force may outsource the drafting process; however, they should always retain overall control over the approval of the ultimate document.

The Task Force should apply Project Cycle Management standards and tools when working on a technical/T-G document. Through this approach the team will be able to move from the identification phase of the project (Action Document) to the formulation phase (technical/T-G document) examining issues such as:

:: Confusion between objectives, results, activities and outputs (especially between results and outputs due to the inherent flaw in AD Logframe);
:: Misconception among different stakeholders concerning the content of the objectives;
:: Unrealistic or obsolete objectives and activities;
:: Objectives and targets that have not been structured around problems and needs of the target group;
:: Non-specific objectives;
:: Insufficient indicators for recording progress and measuring the achievement of the implementation objectives;
:: Validation of risks and assumptions (the latter especially for works and supply contracts);
:: Potential overlaps or repetition with previous interventions or other projects running in parallel.

IMPORTANT

:: Preparation is not about the actual drafting or elaboration - these will come later
:: Formulation is not about pre-feasibility or feasibility analysis - these should have been carried out in the programming phase, covering aspects such as: location, size, technology, and permit requirements.



3 Technical and Tender Documents for Service Contracts

This Section presents the most recommended approach to the elaboration of Terms of Reference for a Technical Assistance project supporting any phase of project lifecycle except for evaluation.[2] It outlines ToR definition, purpose, criteria to choose between fee-based and global price modality and methodological approach to the development and drafting of Terms of Reference technical contents and budget.

Please, carefully follow the below recommendations as they aim to ease or shorten your later effort during the evaluation of tender proposals. Unarguably, the most important parts in this context are Key Expert requirements, scope of work and your project budget - as they form main tender selection criteria.

3.1 Terms of Reference: Meaning and Purpose

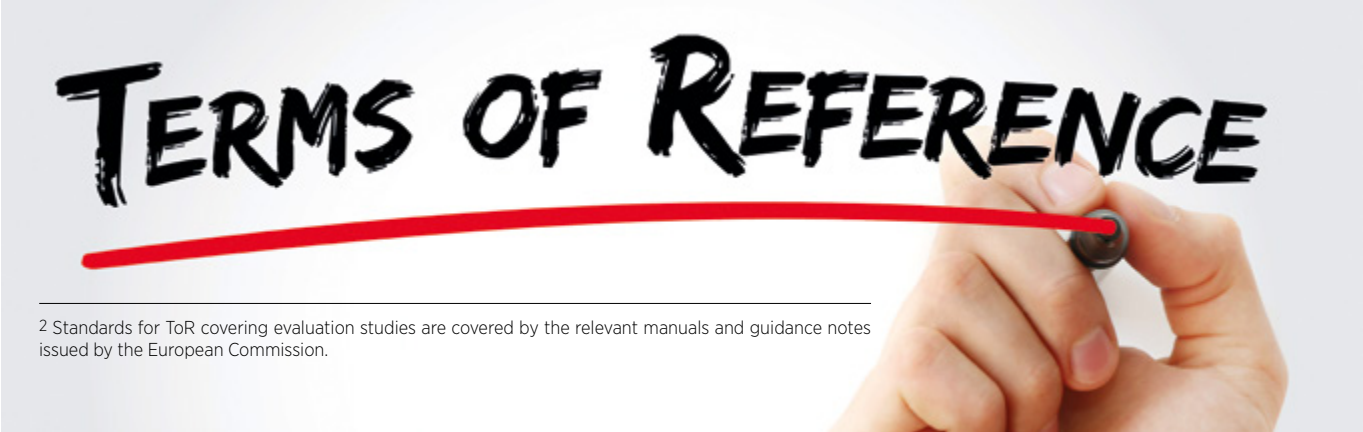
The phrase "Terms of Reference" has evolved to embrace many topics and subjects. In the English language terms of reference means scope allowed to persons or organisations to conduct an enquiry of any kind. Other similar expressions that can be used with the same or similar meaning are "scope of work", "mandate" or "tender specifications". Terms of Reference is a term used within the framework of service contracts governed by PRAG meaning a written document setting out its requirements and/or objectives in respect of the provision of services, specifying, where relevant, the methods and resources to be used and results to be achieved. It also outlines the rationale for undertaking a project, assignment or study, its performance standards, assumptions underlying future workplan, and personnel requirements alongside reporting requirements.

Terms of Reference provides all project technical and administrative requirements, instructions and guidance to contractors (PRAG, Section 2.8) and its aim is to inform potential tenderers about the scope of work, enabling them to decide whether they want to submit tender (bid) in the light of the request and requirements set out therein. For that, it is a tool that connects the contracting authority, Lead Institutions and End Beneficiaries (expressing demand) with the service provider (technical and financial proposal) as ToR is always annexed to the contract.

Terms of Reference may define scope of work of any project at any project lifecycle phase, starting from identification through formulation, implementation to monitoring and evaluation phase. Ultimately, the ToR is the key contractual document and for that all the parties to the contract should have good understanding of the Terms of Reference.

3.2 Contract Modality: Fee-Based vs. Global Price

For many years, service contracts had been implemented in IPA context chiefly through fee-based approach though recently the situation is changing, especially in Turkey. The fee-based modality assumes that specific activities will be carried out against estimated inputs or means being time spent by experts executing and delivering those activities while expenses that relate to traveling, cost of organisation of workshops, trips, catering, translation, etc. would be covered from the Incidental Expenditure budget. The use of the Incidental Expenditure budget is frequently subject to approval by the contracting authority. Time spent by experts working on the project is reported in time sheets, which are also approved by the contracting authority over the contract implementation period. In a fee-based contract, the contractor is responsible for the delivery of specific tasks as described by the Terms of Reference and ensuring the quality of services provided.



[2] Standards for ToR covering evaluation studies are covered by the relevant manuals and guidance notes issued by the European Commission.

Fee-based modality evolved and later the lump-sum payment function against specific types of deliverable or output was introduced (with PRAG 2013) such as publication, event organisation, promotional or visibility materials. The use of lump-sum payment is appropriate where the project beneficiaries can define procured items describing their specific features, standards, parameters and numbers in which they should be delivered. In this way, what had been normally financed through the Incidental Budget (which would normally include generic types of cost), was made very specific in the context of a particular contract.

In a global price contract, the contractor is required to deliver services that will result in specific, clearly defined deliverables, which must meet standards defined in the Terms of Reference. In such a contract there are no time sheets, Incidental Expenditure budget in most cases is not defined and it is up to the contractor to estimate inputs (and thus price) for the provision of the required deliverables, which are also called outputs, products or deliverables. Several outputs of the same category, standard and estimated workload may sometimes be required. Whereas a single output requires the achievement of several milestones (e.g. a single report requires desk research, organisation of a seminar, analysis and drafting, or feasibility study requires several site visits for inspection), then those milestones should be adequately described as they are cost centres of such an activity.

A single service contract may be fee-based, global price (with or without KEs and with or without Incidental Expenditure) or a combination of both (fee-based with lumps sums). In case of the latter, each item or section of the project should have a clear method of delivery and allow for measurement.

The Commission encourages the use of global price contracts and they are becoming increasingly popular. They require less bureaucracy for the contracting authority and contractor when compared with the fee-based modality, which means less workload associated with the administration and implementation of the contract. By default, a global price contract does not require Key Experts; the contractor will only need to demonstrate that it has access to the desired expertise in order to deliver the requested outputs. Key Expert requirements are optional and if these are intended to be used, they must be justified, e.g. when specific sectorial experience, soft skills or a good understanding of the local context are required.

The fee-based modality is justified where the output of the contract is difficult or impossible to define in advance or/and the main objective is to provide support to the beneficiary on continuous basis.

The advantages of the global price approach do not mean that such contracts are indeed easier to implement. While some output definitions may have changed since the time when the Terms of Reference was drafted there may also be instances where some outputs are no longer needed. Amendment of such a contract is often hardly possible (while in the case of the fee-based approach activities may be reshuffled based on evolving needs).

The following are some tips that may help take an informed decision as to when a global price contract is suitable: close-ended, clearly defined and standardised single or multiple deliverables, such as technical study, feasibility study, conference, training session, audit, evaluation, standardised visibility materials, market study, business plan and similar. The list of examples may be extended on case-by-case basis provided that the single output cost can be clearly measured. It shall be remembered that, although some types of outputs are generic in nature, the workload associated with e.g. feasibility study for a bus terminal or airport is much higher than for a school or border crossing, and then the price per output should be differentiated.

Albeit not restricted, global price contracts are in practice some-what unsuitable for long-term projects (over 2 years in duration) due to uncertainty of the original business case and the actual number of outputs to be delivered or where there are many requirements regarding logistical arrangements or where extensive field work is needed. In such cases a fee-based contract is more advantageous.

Global price in Technical Assistance projects aiming at capacity building or administrative strengthening assignments are frequently subject to unforeseen events. And, more risk means a higher contract price as there is more risk on the side of the contractor due to complexity of such tasks and difficulty to assess the ultimate number of participants. In such case a fee-based contract makes more sense.

It is always reasonable to thoroughly assess the project at the beginning - what it aims to achieve and what objectively verifiable indicators at the output level can be delivered, how many individuals will benefit, discuss those issues with the CFCU, decide on the contract modality and carry out the work on Terms of Reference development and drafting.

NB: Sometimes, a project may at first glance appear to perfectly fit in the global price modality but while the work on the ToR progresses and the stakeholders tend to add activities, e.g. through more extensive field work of an open-ended character, then there may be a need to switch into fee-based contract.

3.3 Forms and Templates

When drafting Terms of References, please use the relevant template attached to the PRAG document. These are:

:: Annex b8e - ToR template for fee-based contract
:: Annex b8f - ToR template for global price contract

The main difference between the two templates is that Section 6.5 (Incidental Expenditure), 6.6 (Lump sums) and 6.7 (Expenditure verification) do not feature in the form meant for global price contracts. Also, Sections 6.1.1 and 6.1.2 outlining KE and NKE requirements are slightly different. In addition to those, some guidance regarding the content, instructions and reporting requirements is different in both documents.

Both templates are rather easy to use. The guidance therein is also clear: the requested information should be inserted between < > angle brackets highlighted in yellow. Parts highlighted in grey with [ ] square brackets give options to choose from when applicable or relevant.

Kindly note that there is no specific PRAG form or template for cost estimation. Recommendations on the content of such estimates is provided in Section 4 (for works) and 5 (for supplies) of this Guideline document. Cost estimation for service contracts must be activity and input-based (considering reasonable time spent by the suitable experts to carry out each activity and task and all other direct and indirect cost associated with that, e.g. logistical arrangements, production of all necessary items, etc.).

3.4 Undertaking the Work on Terms of Reference

Once the Task Force referred to in Section 2.3 (or any other team with similar disposition) has been formed, group work on the elaboration of the Terms of Reference can commence. Such work normally features interactive and iterative character. Members of the team should not be discouraged if it occurs to them that sometimes they make steps forward and then steps back. It is a normal situation when working on a technical document that is used for tendering as thoughts and ideas are written down, then reflected on or reconsidered. The contents of the ToR must be clear, precise, up to date and correct as otherwise wrong or missing information will lead to substantial revision or clarifications during tendering.

Assuming that all the members of the Task Force have common understanding of the Action Document and the scope of the relevant project, it is preferable if work on the Terms of Reference starts with the development of a Logical Framework Matrix[4] for the assignment. The Logframe will constitute a project map summarising the assignment in just 2-3 pages. Key elements of the Logframe will be directly transferred into the Terms of Reference (objectives, purpose, activity headings, etc). Then the work follows the structure required by PRAG ToR template:

1. Background Information

This part of the ToR should provide an overview of the events behind the assignment and its full rationale. It should give the potential contractor reasonable information and knowledge of all the topics that had shaped the project and its context and how these are going to feed into the planned assignment.

Section 1.1 Partner country
In this section we only mention the name of the beneficiary country being the Republic of Turkey.

Section 1.2 Contracting authority
Currently, the Central Finance and Contracts Unit is the contracting authority for all service contracts implemented within the framework of Annual Action Programmes under indirect management.

Section 1.3 Country background
Before developing this part, a proper structuring of the information flow, their balance and distribution should be considered between this and Section 1.4 on the current situation in the sector concerned in order to avoid repetition and ensure consistency and coherence of data, statistics and facts. Structuring is important since the PRAG template recommends that Section 1.4 should not be longer than half a page (which is questionable as complex projects in some sectors would normally require a longer content and description).

This section could vary in length and could take up just a few paragraphs or up to 2-3 pages depending on the sector, nature of the assignment and its scope. The content should place the assignment in the context of the sector, theme, topic and related issues and problems that will be addressed by the project. It should not be limited to global or national economic and social factors only; on the contrary - those factors should ideally be a suitable, initial building block for the introduction of the assignment's rationale. This section must also introduce Turkey's relevant strategic institutional and policy framework

[3] Though highly recommended, the CFCU representatives do not take part in the early stages of ToR development - they normally join the effort after mature draft has been elaborated.

[4] It must be noted that the Logframe in the AD is a summary of the entire Action usually consisting of several assignments and not only of the specific project being subject of the Terms of Reference (unless it is a standalone Action). The Logframe for the project may be a more extended version of that in the AD. Please note that under PRAG 2019 the Logframe is no longer mandatory to be submitted by the tenderer (though if required, may be a useful tool for project monitoring at a later stage).

pertaining to the project and state the role of the government and stakeholders in undertaking the assignment. A reference may be made to policy papers, programmes in the context of EU agenda and priorities. Clear link to the key background papers should be provided or such documents can be annexed to the ToR, if they remain within public domain. There may also be instances where there exist restricted documents that are necessary for the sound implementation of the project. Such documents can be shared only with the contractor who was awarded the contract following signature of an individual non-disclosure agreement. Alternatively, the contracting authority may impose on economic operators' requirements aimed at protecting the confidential information which it makes available throughout the procurement process in line with national legislation. As a rule, all potential tenderers must be given access to the same documented information (please, see also Section 1.5 for additional information).

Key elements of this section would include but not be limited to:
:: Basic data on the region, sector and topic, signalling the problems to be solved;
:: Explanation of the reasons behind the project;
:: Geographical aspects concerning challenges to be addressed - positioning, localities;
:: Socio-cultural aspects: minorities, disadvantaged individuals, etc.;
:: Main actors concerned: central, regional and local administration, public technical departments, beneficiaries and ultimate target groups which could include NGO's and organisations at grassroot level;
:: Comparison to other countries or regions.

This section should provide answers to the following questions, e.g. in what context will the project be implemented, providing justification for the assignment activities. Will the project involve many or just a few stakeholders? Are all the problems identified? Is there a relevant existing policy? What is the size of the problem?

Section 1.3 should not be just a copy of the relevant information from the Action Document, which is frequently of general character; it must be further enriched and structured.

Section 1.4 Current situation in the sector
This part of the Terms of Reference should be short - instruction in the document template suggests that its length is approx. half a page, which sometimes may be insufficient to cover more complex projects.

In this section the information provided should focus on the description of legal, institutional aspects of the proposed project and the environment in which it will operate. There should be clear provisions regarding relevant policies, pieces of legislation, organisational structures involved, institutions, operational framework in the sector or institutional area covered by the assignment. Needs and problems should be identified from the qualitative and quantitative perspectives in the context of institutions, priority and target groups, their mandates and responsibilities, human resources and challenges, infrastructures (including IT), market, information systems, flows, finances and decision making, etc.

This part should flow from the content of the previous section and outline the existing initiatives to solve the problem, opinion of stakeholders on the problem and solutions, most recent data, current capacities, etc. Overall, it should ideally explain the status quo with logically and clearly grouped problems and needs which later (in part 2) should be translated into project objectives (needs → solution proposal).

Section 1.4 should not be a simple copy of the relevant information from the Action Document, which is frequently of general character; it must be further enriched and structured.

Section 1.5 Related programmes and other donor activities
This section ought to provide a brief history or build-up to the assignment to-date. It should identify and describe the link between the proposed contract and the work and interventions carried out previously in the same sector or institution, which were financed either through donor funding or from national resources. Information on the previous actions should be sequenced in terms of time so that the potential contractor could understand the overall duration of the account of events leading to the project. Not only should the description provide information on what the objectives were but also what has been done and what has been achieved, and why the continuation is necessary - this should allow the reader to understand what important prior work has been carried out, by whom, what formal approvals, agreements and milestones have been reached in order to position the current status quo of the project in its lifecycle.

The same level of detail should be presented about each previous, current or upcoming project or activity listed in this section, preferably in the same sequence and structure. Links to the outputs of former projects should be provided to ensure equal treatment of all tender candidates.

Please, remember that this section is not just to be filled out. It is expected to provide important information to ensure equal treatment of all tender candidates as some of them may have been involved in those projects in the past. In this context it should be adequately examined if the involvement of an economic operator in a previous assignment may cause any conflict of interest or unfair competition.

2. Objectives, Purpose and Expected Results

This part of each Terms of Reference is the shortest but at the same time it plays the most important role with regard to the project intervention logic that should be clear, consistent and coherent across objectives, purpose, results, activities and outputs. It should stem directly from the Action Document where the original assignment objectives are set.

Section 2.1 Overall objective
Overall objective is the broader long-term change sought after through the project at country, region, sector or institution level in the political, social economic, environmental or organisational context stemming from the project and other interventions of all relevant actors and stakeholders.

The overall objective for each individual project is established in the AD Logical Framework Matrix and should just be pasted from there into the Terms of Reference. There may, however, be instances when the objective is not properly formulated since it does NOT describe the actual change that the project is expected to achieve. Quite frequently, instead of the desired change the objective describes an activity. Examples of wrongly set objectives may include wording such as "ensure", "execute", "implement", "support", "provide", "describe", "assist", "prepare", "set up", "stimulate", "create", "promote", etc. Properly set objectives would start with "enhance", "increase", "contribute", "strengthen", "improve", "boost" or similar.

We cannot change the original objective set in the Action Document; therefore, it is important that the main goal is correctly set at the programming phase. Repetition of an imperfectly established objective makes the future evaluation of the project ambiguous.

The Overall objective in the AD may refer to a set of activities or projects and for that it should be repeated in each individual Terms of Reference or Twinning Fiche.

Section 2.2 Purpose
Project purpose (also referred to as specific objective, especially in the Action Document) describes the main short-term (sometimes medium-term) effect of the intervention focusing on behavioural and institutional changes addressed by the intervention. In terms of wording, it should be formulated in a similar manner to the overall objective emphasising the change expected after project interventions are completed.

In general, it is a good practice to have one project specific objective only. Some Actions, however, may comprise several projects. In such case each activity (or project) would have its own individual specific objective in the Action Document, which should be just pasted from there into the ToR. In practice, there are frequently instances where a single project described in the AD may have several specific objectives as they may just reflect prescribed project components or result areas.

There may also be situations in which the specific objective in the AD is somewhat broad or abstract referring to the broader sector rather than to an individual project. Should that be the case, LI/EB is expected to formulate a project purpose that concerns the assignment, keeping in mind that it should ideally describe the expected short-term effects of the interventions. More than one purpose may be formulated only in case of complex administrative capacity strengthening projects.

NB: project purpose is directly related to expected results. For that, there should always be correspondence and consistency between the purpose described in this section and the results demonstrated in Section 2.3. This should be born in mind by the LI/EB during the formulation phase of the project, whilst drafting the AD.

Section 2.3 Results
Results (also result areas or intermediate outcomes) are ideally immediate project effects or outcomes that can be measurable once the intervention has been completed. In the same way as the objectives and purpose, the results are also defined in the relevant Action Document, however, their formulation may sometimes cause confusion. This is because results may be formulated on a strategic and operational level which do not have a short-term perspective. In such cases it is recommended that the original AD results framework is referred to and additional "more technical" results are defined in the ToR document.

Results may be presented either in order of importance or chronologically, as appropriate.

On a strategic level, it is a good practice for a single project purpose to be reflected in one result. However, on an operational level there may be instances where several results are formulated. It is also recommended that results are defined in a way that can be directly translated later into result indicators (Objectively Verifiable Indicators on the result level). Results and OVIs should be responsive to policy and closely linked to interventions supported. They should capture the essence of project activities, they should be normative with a clear normative interpretation that a movement in a particular direction or trend is favourable, e.g. increase or decrease, they should be robust (reliable and quantitatively or qualitatively validated) and collection of data for their computation should be feasible when needed.

NB: results should be ideally reflected through specific wording such as "decreased rates in ...", "capacity increased", "networks strengthened", etc. Results must not be confused with outputs which are direct deliverables produced by a project or its milestones that will feature further in the Terms of Reference - in activity description or in Section 8.1 (Definition of indicators).

Appropriate, quantifiable results defined for the project in the Action Document must be simply pasted into the Terms of Reference document. Each result should be ideally reflected in one up to two indicators, which will be used for monitoring and then evaluation purpose.

3. Assumptions and Risks

Assumptions and risks are often misunderstood, misinterpreted and sometimes confused with constraints. They will also vary depending on the level of project intervention logic - starting with the overall objective and ending with the project activity level.

Assumptions: The ToR template provides an instruction "to insert (here) information from the Logical Framework prepared for the project" as part of the AD but they may be insufficient for sound project planning and preparation of technical proposal by tender candidates and their list may be now elongated.

According to PRAG Logframe template assumptions are basically factors outside project management's control that may influence on the impact-outcome, result-outcome linkage or any other causal relationship within the project. However, internationally used project management standards point at a different meaning of the word, e.g. PRINCE2®[5] standard defines assumption as a statement that is taken as being true for the purposes of planning, but which could change later. An assumption is made where some facts are not yet known or decided and is usually reserved for matters of such significance that, if they change or turn out not to be true, there will be a need for significant re-planning. It is recommended to study carefully how to define assumptions.

Risks: A similar instruction like for assumptions is provided in the ToR template but again, the risks the way they are defined in the AD may be insufficient for sound project planning and preparation of technical proposal by tender candidates and their list may be now extended.

Risk as a term is not clearly defined by PRAG and, therefore, it is recommended that internationally recognised standards or definitions should be used. According to PRINCE2® risk is an uncertain event or set of events that, should it occur, will have an effect on the achievement of objectives. A risk is measured by a combination of the probability of a perceived threat or opportunity occurring, and the magnitude of its impact on objectives. ISO 31000 standard on risk management defines risk in a simple way as "effect of uncertainty on objectives" that can stem from the internal or external environment in which a project operates.

The difference between assumptions and risks is not that assumptions concern only external factors. All projects are based upon some assumptions and these could be demonstrated by examples such as: "raw materials prices are stable over the next 12 months", "new legislation on the topic will be adopted in 6 months" or "negotiations with an organisation will progress by specific date". Some assumptions may become risks if the project management is in the position to come up with a controlled response to an event. An example that illustrates that is "more personnel will be required from the organisation to start production". If unavailable, then the production start will be delayed. An action to mitigate that would be "external consultants will be contracted". However, if there are no funds for that, the assumption will remain outside anybody's control.

Assumptions and risks shall be clearly defined. They must not repeat. Statements like "proper ownership of the project" or "further commitment of Turkey as a candidate country" shall be refrained from. Also, it is not appropriate to formulate risks and assumptions that refer to the contracting authority, beneficiary and contractor. Examples of model formulations for assumptions and risks are given in Annex 2.

[5] PRINCE2 - (PRojects IN Controlled Environments) is a project-based method for effective project management.

4. Scope of the Work

This is the most extensive and most important part of the Terms of Reference as it describes the actual mandate given to the contractor and their responsibilities. The content of this section should describe what should be done and how the assignment will be carried out - key methods to be used to collect data, undertake preparatory activities, field work, analysis, provide feedback, how to engage with stakeholders, etc. Activities and tasks should be sequenced in time and grouped into components, if relevant. Activities should ideally be categorised to reflect project purpose and/or result or result areas.

Section 4.1 General
This part provides a summary of the project and should be treated as such.

Section 4.1.1 Project description: this part should not be longer than 2 pages and is expected to outline condensed information about the assignment - starting from the project rationale and policy context, description of needs to requested interventions, also highlighting key issues that need to be taken into account by the contractor. It is a good practice also to highlight project structure, its components (sometimes also components/activities of the broader Action) and their interrelation (if any, e.g. with supplies, works or twinning). It is better if the project summary is drafted AFTER part 4.2 on specific work has been completed.

Section 4.1.2 Geographical area to be covered: as appropriate, geographical area where project activities will be executed must be defined, combined (where relevant) with the description of the area where impact is expected. Please, note that geographical area covered by the project is not the base of operation which must be identified in Section 5.1.

Section 4.1.3 Target groups: this section provides an account of who the main beneficiary or recipient is, and who are the other clients and stakeholders that will directly and indirectly participate in project activities. All groups mentioned in the AD must feature here. Extended information may be given to the geographical location of various target groups on a national and sub-national level.

Section 4.2 Specific work
This section should provide a clear, consistent, coherent and detailed list of activities and tasks to be undertaken in order

to achieve the objectives of the project and/or contractor's assignment description. The work to be carried out must strictly follow that outlined in the Action Document. There must be no deviation from what had been agreed during programming process. Any modification may require AD amendment.

Normally, project activities are only outlined in the AD and here is the place where they can be further detailed. There are several ways in which such information can be presented:

:: In the order of task importance, which is suitable for unsophisticated or short-term assignments with one specific objective and/or result;
:: In chronological order, which is appropriate for short-term assignments that feature a limited number of results or result areas;
:: Through functional description of the assignment where activities are broken down into groups of tasks (components) mirroring each specific objective or result area.

Irrespective of the approach undertaken, a clear distinction should be made with regard to key phases of the project being: inception, implementation and closure.

Any task to be paid on the basis of a lump sum (global price) must be clearly specified, including standards and minimum required method to be followed in order to deliver an output.

In case of fee-based contracts: if the delivery of an output requires the use of Incidental Budget, it should be clearly mentioned in the context of the corresponding task and bulleted in section 6.5.

The list of tasks should ideally include the requested milestones and deliverables and any reports that the contractor must prepare in addition to the standard reporting requirements referred to in Section 7.1 of the Terms of Reference. Those milestones and deliverables should be linked to the required list of project activities and tasks.

Any task requiring specific expertise should be clearly identified and described (e.g. work to be done by a chartered accountant, auditor, etc.). The time schedule should also be stipulated here, if appropriate (e.g. Inception Phase up to 2 months, needs assessment before the end of month 4 of the project, and specialised training 1 month after other specific activity). Standards could relate to, e.g.: length, structure and qualitative features of a technical report, venue for an event, duration of a mission, training or study visit, and number of participants.

This section should contain major managerial, economic, institutional and technical or legal requirements (with criteria) regarding the project activities based on summary in the AD. It should not be too prescriptive (but broader and more detailed than in the Action Document) as it is expected that the tenderers must prepare their organisation and methodology and technical proposals to fulfil the requirements set out in the ToR. They must know what to, what to deliver, who is going to that and how. An example on how to produce a sectoral study can provide some insights as to how such output can be achieved:

The Consultant will elaborate a study on the state of play in the sector. The study must provide all relevant statistical data on the sector for the last 3 years and qualitative feedback on the needs and development opportunities which will be captured through a questionnaire disseminated to at least 100 entities. Other qualitative feedback will be collected through a series of workshops and discussion forums organised in at least 3 locations where sectoral clusters are established. Their number, indicative number of participants, specific location, venue and its characteristics alongside required facilities to be provided must also be specified so that the contractor is fully aware of the associated cost of the activity.

Also, it is good practice to summarise the required deliverables/outputs at the end of each activity or component description.

Specific requirements may be added as to how the contractor recommends ensuring sustainability and adequate dissemination of project results.

In this part, compliance requirements regarding communication and visibility rules applicable to the project may be referred to (in the context of the organisation of events, etc.), which are further illustrated in Section 9.

Section 4.3 Project management

Section 4.3.1 Responsible body: Here there should be information about who is the contracting authority and who is the main beneficiary and recipient of the project activities. In the case of Annual Action Programmes, the CFCU is the contracting authority for service contracts and is responsible for tendering, contracting, administration, overall project supervision, review and final approval of the reports. Beneficiaries are normally responsible for the overall project technical coordination, implementation, supervision, assessment, execution, management and sustainability. In principle, the CFCU acts for and on behalf of the beneficiaries who do not have powers to sign contracts co-financed from IPA funds.

Section 4.3.2 Management structure: a team of the main beneficiary institution is normally the key responsible body for the management of the project. They may work in close collaboration with other stakeholders, but these do not always need to be involved in management unless strategic coordination is required, i.e. in a situation where e.g. several entities benefit from the project in a similar way through activities or outputs. The Management function is usually exercised by a Steering Committee that usually meets every 3 or 6 months to discuss the progress of the project, verify the achievement of the outputs and mandatory results and discuss actions to be undertaken for the successful implementation of the project.

A senior official of the main beneficiary institution is usually appointed as the chair of the Committee which makes strategic recommendations concerning the project implementation and progress, reviews the contractor's works, makes recommendations

as appropriate, and ensures coordination and co-operation between relevant stakeholders. Ad hoc meetings of the Committee may also be convened, if deemed necessary. The contractor should provide secretarial support (organisation of the meetings, preparing minutes, etc.) to the Committee. It is good practice that the meeting venue is provided by the main beneficiary. The contractor is frequently responsible for the preparation of an agenda for the meeting and inviting all participants (though the latter may also be exercised by the beneficiary institution). The contractor prepares minutes of the meetings subject to the approval of the beneficiary organisation and distributes to the participants within specific time period after the meetings via e-mail. If any comments are received, the contractor should incorporate the comments and circulate the revised version.

Section 4.3.3 Facilities to be provided by the contracting authority and/or other parties: This is about explaining coordination between various stakeholders, which should be exercised by the beneficiary in close collaboration with the CFCU. Also, there can be reference made to the human resources that key stakeholders are going to provide to work with the project or to the issuance of specific permissions/authorisation if e.g. a project is implemented in the area with restricted access. Sometimes stakeholders may make office space available to project experts on permanent or temporary basis (which should be further detailed in Section 6.2).

5. Logistics and Timing

Section 5.1 Location
Project base of operation must be clearly identified here (city or town). Requirements pertaining to site visits should also be defined (these may also be included in Section 4.2). Please note that the location of the project activities does not necessarily need to be the same as the geographical area covered by the assignment, which may be broader if impacts are considered.

Section 5.2 Start date & period of implementation
Please outline the intended (indicative) start date of the assignment (month, year) and the duration in months from that date. Since the indicated start date is indicative, reference must be made to Articles 19.1 and 19.2 of the Special Conditions for the actual start date and period of implementation. The ToR template in PRAG already makes this reference so the template shall remain unchanged.

If the intention is to award a contract for additional services depending on the outcome (e.g. satisfactory performance) of the initial contract, such as for the second phase of a study or operation, this must be stated here. If it is possible to procure additional services by negotiated procedure, this must be clearly indicated, with their estimated cost and likely duration.

6. Requirements

This part is about requirements pertaining to human resources, office accommodation and facilities or equipment to be provided by the contractor. In case of fee-based contracts issues concerning Incidental Expenditure, lump sums and provisions for expenditure verification must also be included.

Section 6.1 Staff
The purpose of this section is to specify the professional requirements of the individual and/or team who will undertake the assignment. There is a mandatory paragraph here, which should remain unchanged: "Note that civil servants and other staff of the public administration, of the partner country or of international/regional organisations based in the country, shall only be approved to work as experts if well justified. The justification should be submitted with the tender and shall include information on the added value the expert will bring as well as proof that the expert is seconded or on personal leave."

Section 6.1.1 Key experts: All fee-based contracts require a minimum of 1 key expert (and maximum 4). Global price contracts may or may not require key experts as it is not obligatory. It is however recommended that the project requires a KE position in case specific skills, experience or knowledge of the local context are essential to ensure proper implementation of the future contract. Therefore, when drafting this part of the Terms of Reference, you have two options to choose from: i) the situation where no KE is required and ii) when key expert(s) is required. Please, always keep the number of KEs to absolute minimum.

NB: it is assumed that global price contracts with no KE requirements are delivered by the contractor who will predominantly use its own internal resource rather than deploy external expertise to deliver the project.

Key experts have a fundamental role in project implementation and this section should outline the required key experts' profiles. CVs of key expert candidates are submitted in the technical proposals together with their statements of exclusivity and availability.

There are three categories of requirements for key experts: i) qualifications and skills (educational background and language skills), ii) general professional experience (experience in general, in the sector, managerial experience, etc.) and iii) specific professional experience (in specific area pertaining to the assignment, tasks performed, certificates, experience in specific countries, etc.) and they constitute a part of selection criteria of future tender proposals; for that reason, they should not be discriminatory, at the same time allowing a fair technical evaluation. Also, criteria should not overlap or be inconsistent.

Complementary text before presenting the requirements may describe the expected role of each key expert and their desired time input. The KE profile should take into consideration the character of activities to be carried out; in other words, there must be a causal association between specific experience required from a KE and the specificity of the project activities.

Quantifiable criteria should be drafted with vigilance, both in terms of the desired education background and experience. The ToR document template recommends defining the length of experience 'preferably e.g. 10 years' experience ... but a minimum of e.g. 5 years required'. In IPA implementation practice in Turkey however, frequently, only minimum requirements are defined. The required experience should be decided with due care and not inflated. If an expert does not meet the minimum requirements, he/she must be rejected. This means that the entire tender is rejected.

Consider carefully the possible consequences of the drafting of the profiles as the more precise and challenging the profiles are, the fewer experts will meet the minimum requirements and the result is that competition will be restricted. Do not demand a profile which is not justified by the nature of activity to be carried out. An example below illustrates requirements under specific professional experience that are far too rigid and unnecessary:[6]

:: At least 5 years of proven experience in supporting national institutions in designing integrated territorial development policies under the EU "Regional/Cohesion policy financing";
:: 12 years of experience working in foreign donor-funded projects linked to strengthening local or regional governance and/or addressing issues of multi-level governance and participatory decision making;
:: At least 3 years of working experience as a team leader in donor-funded project(s) in the field of Public Administration Reform, Local/Regional Governance or Decentralisation;
:: At least 3 years of proven experience of building institutional and human resource capacities of regional and local governments;
:: Experience in at least 2 EU-funded projects for minimum 150 working days dealing with regional and territorial development policies;
:: At least 3 years of experience of working in the public administration of an EU Member State or an international organisation devoted to local governance issues;
:: Experience in transitional economies providing policy advice and technical assistance to national authorities on the design and implementation of decentralisation policies will be considered as an advantage;
:: Extensive knowledge of Project Cycle Management, programming and decision-making processes of EU support programmes will be considered as an advantage;
:: Experience in the Eastern Partnership and/or EU Enlargement countries will be considered as an advantage.

Any definitions used should be sufficiently clear or explained to avoid any ambiguity - these should refer to international standards rather than local.

The precise time inputs of the experts should be left to the discretion of tenderers as part of their technical proposal. However, it may be useful to identify a minimum time input for the contribution of key experts. Also, the minimum percentage of overall time input, which each key expert should work in Turkey could be specified (e.g. minimum 75%).

In fee-based contracts everything is based on working days to avoid difficulties in identifying working weeks, national holidays, etc. in the partner country of a given contract. Experts fill out time sheets and their time input are approved by the contracting authority. On the contrary, time sheets will not be required in global price contracts - the contractor must deliver satisfactory outputs irrespective of the actual time spent to produce them (albeit such work-load must be appropriately costed before the tender is launched).

Section 6.1.2 Non-key experts: Non-key experts are expected to provide the majority of technical expertise to implement the contract. NKEs may be senior or junior with the main difference being the length of their working experience in a particular area. Since no minimum time input shall be defined for the contribution by Non-Key Experts, potential contractors must be able to clearly understand from the requirements given in Section 4 if the job can be done only by senior experts, junior experts or a combination of both, and in what sectors the expertise is required. Junior experts may be required to have e.g. minimum 5 years of relevant working experience while senior experts e.g. minimum 10 years of the relevant experience. The ToR templates provides clear guidance regarding NKE profiles, which should correspond to the scope of work. Frequent NKE profiles may relate to the sector (e.g. civil society, human rights, border surveillance, organised crime, etc.) or to the specific task performed (e.g. visibility and communication, monitoring and evaluation, statistics, audit, etc.)

There may be instances where in complex assignments some NKEs may be required to work on mid- or long-term basis to do the work e.g. of repetitive character and, if that is the case, the ToR may suggest that a long-term non-key expert with specific profile will be required.

Section 6.1.3 Support staff & backstopping: These are all administrative staff member of the project, including secretariat support, daily interpretation, logistical support, remuneration of project directors, etc.

Fee rates of all experts are deemed to be "gross". The template provides clear guidance on that. These "gross" fees include remuneration of the particular expert and other costs such as (but not limited to): mobilisation and demobilisation of experts (including flight to/from Turkey, relocation and repatriation cost), accommodation, leave, medical insurance and other benefits, all administrative cost of managing and supporting the project, backstopping, office rent (where required), utilities, insurances taken by the contractor and its margin/profit. In fee-based contracts fee rates do not include cost items other than expert remuneration when travelling, organising events, etc. If the experts go on a mission outside the base of operation of the project, then the perdiems and travel costs of the experts should be taken into consideration in the incidental budget.

Section 6.2 Office accommodation

Office accommodation of "reasonable standard" with approx. 10 m2 for each expert is normally required. The template for the Terms of Reference suggests 3 options to choose from when it comes to office accommodation for the assignment. The most prevalent requirement is that the entire project office must be provided by the contractor (and thus be included in fees of experts, i.e. the office rent and other office running expenses could not be included in the incidental budget). There are however instances when office accommodation for all or some project experts are provided by project beneficiary(ies), which is helpful when working with counterparts through hands-on approach or on daily basis.

6 This specific example considers a TA project under public sector reform targeting local governments and multilevel territorial governance.

Working together with experts in the same office environment builds trust and enhances skills and knowledge sharing. It also allows control to be "exercised" over experts' work and its progress, especially in complex projects building new capacities and competences.

It does not automatically mean that making office space available for experts by the beneficiary releases the contractor from the requirement that it shall provide office accommodation of reasonable standard for its other staff members and to make sure that project documents, files and archives are properly stored.

Section 6.3 Facilities to be provided by the contractor
This section is about requirements that the contractor should meet before the experts are mobilised and deployed regarding administrative, secretarial and backstopping support for them to be able to concentrate on work and not to spend time on non-value-added tasks. It also requires that the project office is sufficiently provided with funds to run the project (utilities, printing, photocopying, etc.). The ToR template provide a standard text (not to be changed) in that regard. Optionally, there is a possibility to provide complementary requirements such as quality assurance function (in case of large studies, development of procedures or workflows, IT tasks, etc.) and inform the tender candidates that all such expenses must be included in the fee rate of the experts.

Should any other requirements be identified, these must be detailed in this section since any other facilities are at the contractor's cost and as such must be included in fee rates of the experts.

There may be provisions regarding flexibility of arrangements between the partners of a consortium. In some countries contracting authorities warn the tender candidates that they should not offer a fixed percentage of the contract to the consortium members.

In each case there must be a clear demarcation line between all the expenses which are included in the fees and those that will become a part of Section 6.5 (in case of fee-based contracts).

Section 6.4 Equipment
Almost all technical assistance contracts do not require purchase of equipment. A standard clause provided in the Terms of Reference template document must be inserted here in case no equipment is to be purchased.

Section 6.5 Incidental expenditure
This section concerns fee-based contracts only.

Provision for incidental expenditure covers "ancillary" and exceptional expenditure that is not related to expert remuneration and functioning of the project office. Also, cost items listed in Section 6.3 must not be duplicated here.

It normally covers travel costs and subsistence allowances for missions outside the normal place of posting that are project related. Other costs can include visibility costs, organisation of workshops, conferences, study visits, field missions with counterparts, printing of training materials, etc. Adequate costing must be carried out to estimate the budget for incidental expenditure.

Some time must be spent to properly cost the Incidental Budget. Here, it is important to be able to accurately forecast all deliverables, their number and understand all cost centres related with those. One needs to itemise the organisation cost of all workshops, conferences, study visits, including travel expenses of the participants and/or interpretation (where relevant), all incountry trips for costing air or bus tickets and corresponding per diems, expenses related to the production of visibility materials, etc. Also, kindly note that the policy towards per diem being daily subsistence allowances has changed and now full amount can be paid only for mission exceeding 24 hrs.

Section 6.6 Lump sums
This section applies to fee-based contracts only.

A contract may or may not include lump-sum facility. In case you choose the option to include lump-sums, a proper demarcation line must be established between this Section and Sections 6.3 and 6.5. Costs already included in those Sections must not be duplicated here.

Lump-sums refer to what would normally be a standard output, e.g. visibility material items, organisation of an event, needs assessment, development of training materials (or both, preparation of training materials and training delivery), etc. Also, production of video or film can be taken into consideration as lump-sum, especially when it cannot be divided into unit cost. A single lump-sum may cover expenses that what would normally be covered from the Incidental Expenditure or both, the Incidental Expenditure combined with fees (where expert time input is required).

The use of lump-sum reduces administrative workload of beneficiaries and contracting authority which are not required to handle approval requests for specific, easy to cost activities combined with deliverables.

Section 6.7 Expenditure verification
This section applies to fee-based contracts only.

The provision for expenditure verification covers the fees of the auditor responsible for verifying all the expenditure incurred under the contract. The cost of expenditure verification depends on several factors, e.g. the number of actual verifications deriving from the contract duration and the associated number of reports, contractor's country of origin and (sometimes) reputation of the auditor. Auditor's remuneration is not paid against time sheets but against the workload the auditor invests in his/her work, which may vary across the reporting periods. Based on market research, a single verification may cost between 5 and 20 thousand euro.

7. Reports

Reporting interval requirements and standards are defined in this section, which are slightly different for fee-based and global price contract. The ToR template provides clear guidance as to how to adapt the reporting requirements and standards to each type of contract.

Section 7.1 Reporting requirements
Reporting requirements defined in this Section relate to the account of project status and its progress (project steering and monitoring aspects) while all technical reports must be covered in Section 4.2. There is always an Inception Report, draft Final Report and Final Report. Interim reporting requirements depend on contract duration and its type. Contractors implementing fee-based projects longer than 12 months are required to report in 6-monthly intervals. Interim report for shorter projects is optional. Global price contractors are required to submit their reports on annual basis provided that their project is at least 2 years in duration and has identifiable outputs.

While the required report content is outlined by the ToR template, the CFCU may have its own reporting standards pertaining to the length of each report, structure, annexes, etc. In case of global price projects, the expected length (defined by the ToR template) of Inception/Interim Report is 12 pages excluding annexes.

Please, consult the contracting authority to define exact reporting requirements that will be ultimately provided in your Terms of Reference.

Section 7.2 Submission & approval or reports
This Section defines modalities pertaining to the submission, review, commenting cycles by the contracting authority and stakeholders and the number of hard copies that must be submitted. The ToR template provides flexibility regarding such arrangements and the stakeholders can define their standards (especially those concerning commenting cycles) depending on the nature of the project, its complexity and their estimated workload or internal reporting lines.

8. Monitoring and evaluation

Section 8.1 Definition of indicators
This section is of delicate character. The main aim of its content and provisions is to set the scene for project performance measurement. Although the guidance in the Terms of Reference template refers to the expected results, monitoring and evaluation theory and practice call on measuring each project progress against indicators established on various levels of the intervention logic such as output, result, outcome, impact. Milestones being visible results leading to outputs or results can also be included, if necessary.

Indicators may have a quantitative or qualitative disposition. The former relates to statistics and other quantifiable achievements while the latter concerns perception, judgment, view, feeling, etc.

The indicators included in this section must be linked to and illustrate the project intervention logic contemplated in Section 2.1 (Overall objective), 2.2 (Purpose), 2.3 (Results). They may also demonstrate only results. Sometimes outputs defined in Section 4.2 (Specific work) can be included here, especially in case of global price projects. Sometimes, also milestones leading to outputs can be considered as indicators.

NB: Please, remember about confused intervention logic arising from the Action Document, which requires that the actual results are measured by tangible outputs of a project or Action (which must be limited).

It is therefore advisable to include here a mix of the relevant indicators from the AD and enrich them with other indicators that can be established when all details of the project are clear and concise.

Overall, the measurement of the achievements of each project will depend on its character and how tangible the expected results are.

Section 8.2 Special requirements
The content of this Section in the template document is not defined and in Turkey, in most cases, it is left blank, marked "Not applicable". However, depending on the assignment character it may cover conflict of interest, tax and customs arrangements, visa requirements, list of documents that must be studied beforehand, compliance with specific standards that may pertain to the assignment, etc.

9. Visibility

This is an extra Section which does not feature in the standard template. The CFCU will provide customary content for this part of Terms of Reference, depending on the type of project, source of financing and the actual content of Visibility Guidelines for European Commission Projects in Turkey in force at the time of the development of the Terms of Reference document.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4 Technical and Tender Documents for Works

‘Works’ means the outcome of building or civil engineering activities taken as a whole, which is sufficient of itself to fulfil an economic, social or technical function. In the case of mixed contracts, which combine works and supplies in a single contract, the principle is that the relevant threshold for works and supplies should be determined based on the main purpose of the contract or its subject matter (so called “principal object”; value of the main component is not the main criterion) and not because it is convenient (see point 48 of the Case C-145/08, Hotel Loutraki and points 23 to 26 of Case C-331/92 Gestión Hotelera Internacional).

This Section covers good practices concerning preparation of Technical and Tender Documents for works contracts to help design feasible infrastructure projects, formulate reliable proposals during tendering, and minimise risks during the implementation phase. The following aspects are covered in this Section: contract types, guidance regarding project design and drawings, preparation of Technical Specifications, budget and working with templates.

Works component tendered as per PRAG rules are composed of five main parts, which are called volumes. In order to be in line with this document structure, above-mentioned guidance is provided under these volumes. Although the LI/EB’s are chiefly responsible for preparation of Volumes 3, 4, and 5, other volumes are also briefly noted for information.

4.1 Volume 1 Tender Forms

This first volume includes; letter of invitation to tender, instructions to tenderers, tender form, tender guarantee, technical offer questionnaire and forms, legal entity forms for tenderers, administrative compliance and evaluation grids. Since these documents are mainly prepared by the Contracting Authority, details of the documents are not provided here. The LI/EB's input is very limited in this volume and required only during the drafting of selection criteria and determination of time for completion of works.

4.2 Volume 2 Contract Forms and Guarantees

Volume 2 includes documents such as; draft contract (general, and special conditions of contract), guarantee forms (pre-financing, performance, retention), and tax and customs arrangements. Despite as in the case of Volume 1, these documents are to be prepared by the Contracting Authority, selection of contract form (type) where allocation of risks and responsibilities differs significantly is a critical issue to be considered for successful tendering and realization of a works project.

The implementation of infrastructure projects under the Instrument for Pre-Accession Assistance is generally based on FIDIC conditions of contract. This is achieved by means of a derogation allowing the use of FIDIC conditions of contract (instead of those of PRAG) integrated under the related Financial Agreement.

There are always 3 parties in each works contract governed by FIDIC: The Employer (contracting authority), the contractor (an entity responsible for the execution of work), and the Engineer (an entity who performs the role of supervisor). The function of the latter is to facilitate proper and fair execution of works through management and supervision responsibilities. It must be kept in mind that the Engineer acts for the Employer (contracting authority), but with limited authority. The contracting authority acts for and on behalf of the beneficiary who is responsible for the future operations, maintenance, durability, and sustainability.

FIDIC Contracts

Most works contracts co-financed from IPA funds are implemented through the FIDIC Red Book and FIDIC Yellow Book (edition agreed with the EUD). The two modalities come with different approach to designs, risk management and terms of payment. Both have advantages and disadvantages.

FIDIC Red Book - in this type of contract the Employer carries out design and engineering and provides it to the contractor as part of the tender and then, a contract. The contractor carries out only the shop drawings and other minor detail drawings as necessary during implementation. All other technical issues are addressed in Technical Specifications. Another main feature of this type of contract is that payments to the contractor are in most cases calculated through unit prices multiplied by the ACTUAL quantities of related work items measured on site or on approved drawings rather than through lump sums.

As implied by the above distribution of tasks, and thus risks, under the FIDIC Red Book the Employer takes all the design risk and is thus responsible for any errors or omissions in the design. Also, since the payments are based on actual quantities, major deviations from the original foreseen quantities trigger the risk of cost overruns and overrun of the budget approved in the relevant Action Document. For this reason, an adequate amount of time and high-quality resources must be committed to carry out design and prepare design documents and related quantity surveys.

Likewise, since tenderers know that they do not have any significant design responsibility and they already have detailed drawings during tendering, they tend to include lower profit margins and thus it is likely that the contracting authority obtains lower tender prices when compared to FIDIC Yellow Book.

Overall, considering the risk distribution as explained above, it is recommended to use the FIDIC Red Book where the building/structure is not an industrial building/facility but more of a business type such as offices, workshop, administrative building, etc. for which design does not require integration of any process/production and, thus, is not complex.

FIDIC Yellow Book (Plant and Design-Build) - contrary to the FIDIC Red Book, here it is the contractor who is responsible for carrying out the design and engineering works. Under the FIDIC Yellow Book the Employer provides only a preliminary design of the building/facility and instead of Technical Specifications, performance parameters and all technical requirements are specified through the document called Employer's Requirements. Also, unlike the FIDIC Red Book, there are no specific work items, unit prices or quantities. Payments to the contractor are calculated based on completed percentages of sections and/or work disciplines.

Even though the design risk is transferred to the contractor, clear and careful planning and study of requirements are critical in the case of the FIDIC Yellow Book. Also, the complexity of design and thus the construction requires more specific supervision/management skills for successful implementation of the works.

The main advantages of the FIDIC Yellow Book when compared to the FIDIC Red Book are that the risk of cost and time overruns are avoided to a significant degree as payments are not based on partial volume of works completed but against the completed percentage of the whole building/facility, and that the tenderers are encouraged to provide more efficient solutions to meet the expected requirements.

With regards to the tender prices, as the design risk is now fully transferred to the contractor, tenderers reflect such risk in their

prices, resulting in higher margins and thus relatively higher tender prices when compared to the FIDIC Red Book.

Considering the inherent features outlined above, the FIDIC Yellow Book should be used where the building design includes integration of a process/production and thus is complex so that the design and cost overrun risk can be avoided. In turn, the cost of supervision is also higher.

The decision whether to use the FIDIC Red Book or Yellow Book must be made during the programming phase as it has direct implications for the budget of the works component.

Please note that in using the FIDIC Yellow Book, the risk of cost and time overruns are avoided only to a significant degree, not completely. It should also be borne in mind that any major change request by the Employer during implementation will have a higher effect on the project budget when compared to the FIDIC Red Book. Although it might seem an easier type of contract at first glance, insufficient care and thought given to the preparation of the tender document can easily backfire during implementation.

NB: The scope of supervision exercised through FIDIC conditions of contract is normally more extensive than supervision carried out under national practices and standards.

As a brief summary, in case of FIDIC Red Book the beneficiary must provide detailed design that can be applied on site together with detailed Bill of Quantity and complete TS describing each aspect of work in detail while in case of FIDIC Yellow Book only preliminary design with price breakdown (price schedule) and Employer's Requirements suffice. This is further explained in Volumes 3, 4, and 5 below.

4.3 Volume 3 Technical Specifications & Employer's Requirements

Technical Specification (Employer's Requirements for FIDIC Yellow Book) is one of the major documents that must be prepared or have prepared by the beneficiary and submitted along with other tendering documents. Technical Specifications define and specify what is required from the contractor technically and how it must be done. Technical Specifications document is the main technical reference of the project together with the design documents & drawings.

Since TS define the requirements, they set the rules in a sense and once the contract is signed, it is not possible to amend this document except in very rare cases. In this context, it must be dealt with utmost care and demonstrate consistency with other tender documents, especially with drawings and must be constantly checked. Failing to do so could eventually result in major problems and delays during the construction phase, if not before - during tendering.

Although there is no template for Technical Specifications, there is a commonly accepted structure that can be followed to ensure that all the required aspects are covered. This structure is explained in detail in the subsections below.

Although the Technical Specification and the Employer's Requirements serve the same purpose, they have different approaches due to different contract types. These differences are pointed out through the subsections below as they arise, and sections that apply to Employer's Requirements only are noted. Sections without such a note apply both to Technical Specifications and Employer's Requirements.

1. General Requirements for Execution and Completion of Works

These general requirements form the part of Technical Specification and outline the project scope, its rationale, assumptions, general requirements and other considerations.

Project Information
In this section, project information such as purpose and significance of the building(s), location, climate, site and expected impact is given along with background data that may relate the Technical Specification to the broader project context as outlined e.g. in the Action Document.

General Provisions
This section specifies that the tender price includes all possible costs and expenses such as: all labour, material, transport, assembly, erection, disassembly, wastes, all type of minor works and secondary works, all preparatory works, all protection/ safety measures to be taken at the site, all insurances, letters of guarantee, preparation of all required documents/drawings etc.

Here, it is important to note that the main idea is not to leave room for any extra costs that might be requested by the contractor during construction. It is suggested to consider such costs as direct (directly and/or visibly affects the construction) and indirect (not directly affecting the construction and not visible) cost during preparation of Technical Specification. It might be easier to cover all direct costs, but experience shows that generally indirect costs/expenses cause disagreements and disputes. The relevant information on such indirect expenses must be provided here, e.g. cost of provision of natural gas tank, security, deposit/guarantee, etc. to avoid future disputes on this matter.

Scope of Works
This part should specify the extent of work expected from the contractor. Although it might seem easy to draft the scope of

work in general, studies suggest that unclear scope of works is the leading cause of construction disputes. Keeping this in mind, the project must be considered as a whole, and responsibilities of each party must be determined to provide the tenderers with a clear scope. While drafting this section, along with the primary scope related to building work, secondary scope such as commissioning and testing, approvals from other parties, licences, certifications, accreditations that might affect the completion of works, and operationality must be considered.

Permits and Approvals

Any permits or approvals that must be sought for or applied to by the contractor prior to proceeding with or initiating works on the site should be noted in this section. These approvals/permits might include (but not be limited to):

:: Construction permit (must be obtained to begin works on site);
:: Occupancy/building use permits (must be obtained so that building can be legally occupied/used by people after completion);
:: Permits for infrastructure connections (electricity, gas, water, sewer, telephone, internet, etc.);
:: Approvals by other parties (Municipalities, Ministries, Board of Preservations, etc.).

If the beneficiary or any other party is to provide the contractor with certain documentation to apply for a permit, then responsibilities of the parties must also be clearly stated and explained here.

Health & Safety Measures

The nature of construction works makes health & safety a top priority to ensure effective work at the site and safe working conditions. In this respect, careful consideration should be given to specifying the requirements regarding health & safety conditions.

While drafting this section, make sure that the general considerations such as protection measures against accidents such as fall from heights, electric shock, open edges/holes, operation of machinery and cranes, use of personal protective equipment, etc. are covered. All such matters shall be referenced as per safety rules of the Turkish Ministry in charge of labour and social security, and Ministry of Health, along with related international standards. If the contractor is to provide protective equipment to Engineer's (Supervisor's) personnel/staff on site, that must also be noted.

Once the general considerations are covered, measures for the project should be drafted. Among those, requiring the contractor to prepare and submit a Health & Safety Manual for the approval of the Engineer that will be strictly followed on site is common good practice and strongly recommended. Besides, the contractor should have personnel dedicated only to such issues who will also serve as a first on-site contact point. Lastly, considering the specific nature of the works involved, critical cases/issues must be noted. If, for instance, works involve handling/removal of hazardous materials, then special measures required for that must be noted.

Quality Assurance & Quality Controls (QA/QC)

The contractor must prepare and implement a quality assurance system first to demonstrate compliance with the requirements of the contract and then to implement it as a guideline for project quality control. The organisation and management of quality assurance procedures and the responsibility for their implementation must be set out in a written quality assurance plan (including full quality plans and manuals) which the contractor must submit to the Engineer for approval within a certain time period after the commencement date.

Content of the Quality Assurance plan must be specified such as to demonstrate compliance with all the requirements of the Contract and it must cover all aspects and states of the whole of the works from design through procurement and construction to testing and remedying of defects. The contractor must ensure that all his staff, employees, labour on site, consultants, subcontractors and suppliers and all others providing work, services or goods for the works are familiar with the quality assurance plan and all must comply with it throughout the duration of works. It must also be specified that compliance with the approved quality assurance system and the quality assurance plan does not relieve the contractor from any of his duties, obligations, or responsibilities under the contract.

Quality Controls, on the other hand must be in line with the Quality Assurance Plan and it should further include the quality control measures that will be applied on site for the whole duration of the works. Quality Controls must define how the quality of works shall be checked for each work specifying the following aspects:

:: List of staff (and their experience) to be engaged in quality control and testing of materials;
:: List of facilities which will be inspected and tested together with inspection procedures and test types;
:: Standard(s) to be referred to (e.g. certificates of materials);
:: Approvals required before initiating a work or moving on to the next one;
:: At which point(s) of execution the checks (inspections) will be done;
:: Checklists for all installations;
:: Method of inspection & testing;
:: How the results will be recorded (Inspection & Testing Sheets);
:: Type of remedial works that will be applied in the case of any defective work.

Tests on completion, which cover the overall testing of the whole building and equipment at completion as explained in detail under "Tests on Completion" title in this section, should also be addressed within the Quality Assurance & Quality Control plans.

It is good practice to specify that the contractor must employ a QA/QC Engineer/Manager who has significant previous experience and will constantly be on site to follow all issues related to QA/QC. This can be done through the Form 4.6.1.2 of the tender documents.

Documentation on Completion of Works

Documents that must be prepared and submitted by the contractor upon completion of works should be specified in this section. These documents must be in line with FIDIC conditions of contract and should be comprised of the following, as a minimum:

:: As-built drawings;
:: Operation and Maintenance manuals (both in English and Turkish);
:: Material certificates/specifications;
:: Check list for the inspection and tests of works performed on building(s).

Method of Construction

Here it must be specified that prior to the initiation of any specific works on site, the contractor must prepare and submit a document called Method Statement covering how that specific work shall be carried out on site. Method statements must include the materials and equipment/tools to be used together with their accurate quantities if a mixture is to be used, methods of application, safety measures, a brief risk assessment, inspection & testing, and shop drawings whenever possible. This document should serve as an agreement between the contractor and the Engineer on how the specific work shall be done and then checked, so it must be approved by the Engineer prior to the use.

Contractor's Administrative Arrangements & Staff

This section should include administrative requirements for the contractor in terms of project and financial management for the successful completion of works. Specifics of such project and financial management systems and teams, and their interaction with the Engineer's staff must be explained in detail. Document template "Form 4.6.1.2 - Staff to be Employed on the Contract" serves this purpose for only the project management team. All other requirements must be noted in this section.

While drafting this section, it is important to be specific about the personnel that is considered as essential, such as a site accountant, survey engineer, foremen, draftsmen etc. Any personnel that is required to be constantly on site should also be specified.

Facilities for Engineer (Supervisor)

Together with the contractor, Engineer's staff must also be mobilised on site for the proper management and supervision of works. As a common practice such facilities for Engineer on site must be provided by the contractor of which costs should already be included in the tender price.

Facilities should include prefabricated site offices with certain number of rooms with a certain minimum area including toilets, showers, etc. The actual size of the facility will obviously depend on the range of works but a 10 m2 area per expert is a generally accepted minimum standard.

Facilities must also be equipped with necessary heating & cooling, electricity, lighting, internet, hot and cold-water supply, washroom connected to sewer and phone connections. Bills of such utilities must be paid by the Engineer himself. Depending on the scope of the related supervision tender, fax machines, photocopy machines, drafting tables, computer and printers should also be included in this section. A certain amount of time should also be specified for the contractor to provide and complete such facilities so that the Engineer's staff can be mobilised on site in a timely manner.

Documents & Archive on Site

A well-planned documenting and archiving system are one of the crucial elements during execution of the works on site, it must be specified that the contractor must establish an on-site filing and archive system that is always up-to-date and accessible by the Engineer, Employer (contacting authority), and EUD whenever requested. Among other documents such as contract and its appendices, drawings, contractual correspondence etc., health & safety log, and site register (also called as Daily Log of Works) where the daily works, conditions, and issues are recorded must also be kept on site.

Work Schedules

Work schedules are simply the timelines where the time planning and progress of works can be tracked. Before starting any works on site, contractors must prepare and submit a work schedule for approval by the Engineer. As a principle, scheduling of the work items must be carried out using Critical Path Methodology where the effect of any delay of an activity on the execution of other activities can be calculated. As a common practice, the preferred type of the chart would be a GANNT chart. Obviously, the schedule has to be in line with Time for Completion specified in the contract. Any revision to this schedule must again be approved by the Engineer. Also, it is important to specify that the schedule must be updated (preferably) bi-weekly.

The type of and time input by the contractor's daily labour on site is recommended to be integrated with the schedule using certain software. This allows the Engineer to track whether the quantity of labour on site is adequate to complete works or any acceleration of works is needed.

Works schedules are directly related to Time for Completion of works and form a crucial part of construction execution. With respect to that; to avoid any misinterpretations and contractor's claims for additional time for completion, it must also be clearly specified that Engineer's approval for a schedule WILL NOT relieve the contractor from any of his obligations and such an approval itself only WILL NOT be considered as an extension of time for completion by any means.

Progress Reports

Progress and current status of construction must be communicated to all related parties in a written report format. This report must be prepared by the contractor every month and a specific number of days must be given as a deadline for the submission to the Engineer starting from the beginning of month. This is usually specified as "within seven (7) days of the month following the month during which the works are carried out" prior to the monthly progress meeting.

Being one of the major communication tools used in construction, the content, and quality of Progress Reports must be clearly and

directly specified within the Technical Specifications ensuring that all major issues are covered. These can be listed as follows:

:: Materials bought and brought on site. (Quantities of materials must also be given);
:: Machinery and equipment available/used on site;
:: Amount and type of contractor's labour and staff for each day (preferably in the form of a chart);
:: Deviations from approved works schedule (together with causes);
:: Anticipated delays (if any) on time for completion;
:: Measures that the contractor plans to take for any such delays;
:: List of activities showing the start and completion (actual or planned) dates and current progress rates;
:: Major problems encountered on site and related actions planned/taken;
:: List showing the submission and approval status of contractor's Documents with submission, approval, response dates. These documents must include Quality Assurance and Quality Control Manuals, Health & Safety Manuals, Method Statements, Material Approvals etc.;
:: Site photographs showing the recent progress and situation on site. Photographs must also display the related building/section and the date it was taken.

Please note that Progress Reports are also considered as evidence of contractor's progress on site so it should be specified that the contractor must submit the Progress Report for the month prior to issuing a payment certificate for that month.

Evaluation and Inspection Findings Report

! This section applies to works that includes restoration/renovation of an existing building(s) only.

Restoration and renovation projects are highly likely to involve works on items that are either not readily accessible/visible, or concealed under finishes/coatings, or simply obstructed by other elements within the existing building envelope. For that, there is a high risk that they might not be accurately included in the design documents and Bill of Quantities as some elements may have simply been omitted or unnoticed, causing the risk of future variations to the scope and quantity of works which affects, both the budget and time for completion.

Hidden/concealed works must be identified at the very beginning of construction works. With this respect, an "Evaluation and Inspection Findings Report" must be required from the contractor. This report must be submitted after the erection of scaffolding and carrying out a close inspection on site prior to the commencement of works on relevant buildings (at least a week before). Type, nature, description, location/positioning, pictures, quantity, and on-site drawing (if applicable) of any such works must be included in the report together with proposed actions explained in detail. The Engineer should also attend these inspections and verify the findings. In the end, the report should point out deviations from the original scope and quantity of works to assist parties handling such deviations.

It must be noted that depending on the significance and importance of the building(s) non-destructive methods should be specified as methods of inspections and interferences.

Contractor's Drawings

In addition to the drawings provided to the contractor as part of tender documents, the contractor must prepare and submit other detailed drawings necessary for the execution of works on site and after completion. These drawings can be summarised in basically two categories as follows.

Shop Drawings are the drawings prepared by the contractor as an output to his study on how to execute a particular work on site. These are detailed drawings that must be based on project (tender) drawings with precise measurements, materials, and other details. For example, one can provide necessary plans, sections, layouts of a steel structure as part of tender documents but connection and weld details must be studied in detail at a later phase prior to manufacturing of elements (in terms of type, dimension, thickness, etc.) to ensure that all pieces and connections smoothly fit in their place, and that the structure can safely be constructed.

If the project involves such major work items that require intensive shop drawing study, then it must be specified so that time periods for preparation and submission by the contractor and approval by the Engineer (Supervisor) can be properly estimated. Those time periods can be specified in TS and/or in the relevant article of Particular Conditions.

As-Built Drawings show the final actual situation of the executed work. The idea behind as-built drawings are that despite the detailed and shop drawings, execution on site might still slightly differ (to an extent that does not affect quality and use) due to actual conditions encountered on site. In this respect as-built drawings aim to take into account such deviations and provide the final situation as it is actually built on site.

Due to its purpose, as-built drawings must be submitted by the contractor after completion of works and prior to taking over of works. However, it is strongly recommended that the contractor prepares as-built drawings immediately after the related section is completed and they are ready for Engineer's inspection and use at any time.

Drawings must be submitted for each work discipline (civil, architectural, electrical, mechanical etc.) in a separate folder accompanied by soft versions of the drawings in CD format. For the format of drawings, universally accepted CAD format should be specified.

As-built drawings must be reviewed and approved by the Engineer. A specific time period must be given both for Engineer's review and contractor's revisions and resubmission. This time period can range between 7 to 15 days depending on the size and complexity of the project and must be included either in the TS and/or Particular Conditions.

Tests on Completion

In addition to the general requirements given in related articles of FIDIC forms of contract, tests that must be carried out at the completion of works must be specified within Technical Specifications and Employer's Requirements. The main difference between the Technical Specifications and the Employer's Requirements in terms of tests on completion arises from the fact that the FIDIC Yellow Book (and thus

Employer's Requirements) is usually used for works that involve construction of a facility or a plant where tests are more complex, iterative, and repetitive. This results in specification of a multi-stage testing for such works, while the tests on completion are relatively straightforward and single stage for the works carried out under the FIDIC Red Book.

FIDIC Red Book (Technical Specifications)

In this section it is important to specify the scope of tests that must be carried out by the contractor upon completion of works. Tests should include tests of electrical equipment, tests of mechanical equipment and other devices, tests for roads, pavements, drainage, and other piping as necessary. At this point, only an overall scope should be given together with responsibilities of parties. Technical requirements and test criteria must be given at the end of each work discipline (especially for electrical and mechanical works) as explained in section "4. Technical Specifications of Works" below.

For the purpose of tests on completion, the contractor must prepare a Testing Plan including the types and methods of each test required, and record sheets for test results, along with a time schedule. The Testing Plan must be agreed with the Engineer prior to the start of tests. If deemed necessary, the Engineer may request additional tests or re-tests.

It must also be specified that all equipment, devices, material, staff, and labour required for the tests must be provided by the contractor and such costs must be already included in the tender price so that the contractor cannot request any extra payment for any tests on completion, additional tests, or retests that might be reasonably requested by the Engineer.

If a test is successful, then the related result record sheet must be signed off both by the contractor and the Engineer and later included in Quality Assurance Dossier with other test results.

FIDIC Yellow Book (Employer's Requirements)

As in the case of Technical Specifications, scope of tests that must be carried out by the contractor upon completion of works should be specified first. These tests must include tests of electrical equipment, tests of mechanical equipment and other devices, tests for roads, pavements, drainage, and other piping as necessary. At this point of Employer's Requirements, only an overall scope should be given together with responsibilities of parties. Technical requirements and test criteria must be given at the end of each work discipline (especially for electrical and mechanical works).

For the purpose of tests on completion, the contractor must prepare a Testing Plan including the types and methods of each test required, and record sheets for test results, along with a time schedule. The Testing Plan must be agreed with the Engineer prior to the start of tests. If deemed necessary, the Engineer may request additional tests or re-tests.

It must also be specified that all equipment, devices, material, staff, and labour required for the tests must be provided by the contractor and such costs must be already included in the tender price so that the contractor cannot request any extra payment for any tests on completion, additional tests, or re-tests that might be reasonably requested by the Engineer.

If a test is successful, then the related result record sheet must be signed off both by the contractor and the Engineer and later included in Quality Assurance Dossier with other test results.

It must be noted, however, that while the procedures for tests explained above remain the same both for Technical Specifications and the Employer's Requirements, a two-stage testing is followed in Employer's Requirements. First series of tests that needs to be specified within Employer's Requirements are Cold Tests. Cold tests include simply the running and testing of each piece of equipment separately without any loading or actual production/process. Aim of these tests should simply be to determine whether the installed machinery/equipment is in working condition or not.

If no major problems are observed during the cold tests, then the hot tests (also known as Trial Operation) must be conducted. In case of major failures, Engineer might request remedy actions are taken and cold tests are repeated. Hot tests must include the testing of the whole process covering each element on the process line(s) with actual raw materials. During hot tests, performance of each unit is measured, along with the performance of the whole facility against requirements given in Employer's Requirements. Since the equipment on the process line(s) may need to be adjusted to maximize their efficiency or response to the needs, also note that hot tests might also need to be repeated as per Engineer's requests.

Here, the quantity(ies) of raw material(s) that is necessary for the tests to be able to actually test against requested capacity/performance must also be specified. While determining this amount please refer to the capacity/performance parameters explained in Section 2 "Design Basis" below.

In addition to these two stages, depending on the type of facility Tests After Completion might also be specified. Tests after completion should be the same as Hot Tests, except for any addition or omission of a line or an equipment after completion. Reasons for Tests After Completion can be varying raw materials depending on season, expected/natural major changes in performance of the equipment in time, major adjustments necessary during operation, existence of equipment or process line(s) that is not taken over at time of completion due to failure or delay.

It is important to be alert that although the contractor must provide all materials, equipment, devices, and labour for the tests (like in supply contracts), FIDIC terms of contract stipulate that all materials and products produced as the result of tests are Employer's (contracting authority's) property. With this respect when you request a significant amount of raw material for tests on completion that will have a major cost to the contractor (let's say 10 tons of X raw material of which price is around 10 EUR/kg, yielding a total of EUR 100,000), the contractor has to include such a cost in his tender price and the contracting authority together with the beneficiary must have sufficient room to store those materials or by-products.

It may also be specified that raw materials will be provided by the beneficiary, who must be prepared to make it on time. Any delay in the provision of those raw materials will affect the deadlines set and may entitle the contractor to claim additional time and payment for his losses.

In light of the above warning, careful and thorough consideration should be given to the amount of raw material required for tests on completion and by whom it should be provided.

Training

Once construction is completed, the works (building(s)/facility) will be handed over to the contracting authority and thus to the beneficiary who will be responsible for its operation. In order to enable for the smooth and proper operation of the building itself and the machinery/equipment within the building by the beneficiary, it must be specified that the contractor will provide training for a number of the beneficiary's staff. The duration and scope of the training will vary depending on the building and equipment type, it will also be important to consider the number of personnel who will be employed in the operation after the completion of works (backup trainees are strongly suggested), and the time period they need to get familiar with the equipment/machinery/devices. As a general approach, specifications related to training requirements must consider the overall purpose of the training which should enable the staff to:

:: Understand the process in the facility;
:: Understand various expectations (hygiene, safety, etc.) of the facility;
:: Install the mechanical and electrical equipment as might be necessary during operation;
:: Operate the equipment in an optimal way;
:: Carry out necessary adjustments and corrections;
:: Undertake corrective preventative and normal maintenance;
:: Undertake troubleshooting and repair of all equipment and auxiliaries installed;
:: Operate and understand the automation system (if any);
:: Select necessary spare parts;
:: Intervene in case of any emergency or disturbance.

It will also be essential to determine if there is any special training needed for the operation that cannot be conducted on site but requires visits to other institutions and/or if certification is needed.

2. Design Basis

! This section applies to Employer's Requirements (FIDIC Yellow Book) only.

As explained above, engineering and design works are carried out by the contractor as per the FIDIC Yellow Book. However, certain performance, quality, dimension, and endurance parameters must still be defined by the Employer, and thus the beneficiary. All such requirements must form the base upon which the contractor is to carry out his design and engineering works. Both for clarity and thoroughness, this design basis is explained in related headings below.

Purpose and Function

Although providing an overall cover of the idea behind the project, a well-defined purpose and function makes it easier not only for the tenderers but for everyone to understand the main objective that must be met with the completion of works. Here, the main purpose and function of the building (facility) and who it will serve should be clearly and succinctly specified.

While defining the purpose and function, any certification, accreditation, licensing, or similar requirements need to be considered. For instance:

:: Food production: specify related regulation(s) and codex it must comply with.
:: Testing Facility: specify what type of accreditation and scope is required.
:: Warehouse: specify what type of license(s) it must receive.

Description of Buildings

Once the purpose and function are clearly specified, describe the building(s) and other sections within the scope of the works. Please make sure the following are clearly included:

:: Gross (landing) area (in square metres);
:: Minimum clear height (in metres);
:: Sections/rooms of the building (Including their areas and purposes);
:: Insulation requirements;
:: Heating & Cooling Requirements;
:: Phone/fax/internet connections;
:: Other fittings (for kitchens, or other sanitary rooms);
:: Width, drainage, type (for roads and parking lots);
:: Others (requirements for landscaping, hardscaping, environmental lighting, infrastructure etc.).

Expected Lifetime

As obvious from the title, the expected lifetime of the facility must be specified here in years. To provide an insight, structural elements are generally designed to serve for 50 years without major maintenance, while equipment within a facility are designed for 15-25 years depending on their technology and complexity. Another major point here is to specify that the expected lifetime applies for 24 hours continuous operation per day and for continuous operation under all local climatic conditions.

Capacity

Among other parameters, capacity has a direct major impact on the performance of the facility and thus on the outcome of the project. While specifying the capacity, the first thing to consider is whether the requirement is in line with the specific objective(s) of the project given in related sections of the Action Document. Based on this, clearly state the capacity as a rate such as output/per time. For instance, if it is a production facility it can be kilograms per hour (kg/h), tons per hour (tons/h), tons per day (tons/day), litres per second (l/s), etc.

If the facility includes various production lines or process lines, please also consider specifying a capacity for each of these separate lines as appropriate.

While specifying capacity, please make sure the parameter can actually be objectively measured or accurately calculated after the completion of works. Parameters that cannot be measured or calculated, i.e. debatable, will cause confusions and lead to disputes.

Raw Material

In this part, chemical and physical features of any raw materials must be specified in detail. Among these; size, dimensions, shape, weight, colour, thickness, moisture, acidity should be especially considered. While it might be easier to refer to international standards for non-food industries, for the food industry a readily available appropriate standard for a raw material might not be possible in some cases. This is one of the points that should be carefully considered by experts of the related sector to carefully specify and categorise raw materials.

One of the key points in specifying raw material is avoiding unnecessary restrictions. A very strict specification may not only hinder the efficiency of the facility but can also easily backfire and affect operationality. Instead, try to specify ranges that work best for the project and enable tenderers to technically maximise their offers.

Facility Description

In addition to the brief description of the buildings explained above, this section will outline how the facility will work, together with operational requirements. To begin with, a Process Diagram showing the process steps and different process lines should be prepared. Following this, expected outputs, performance, and connection of each step with the rest of the process must be clearly explained. For this analysis, it is strongly recommended that the whole process starting from the arrival of raw materials to the facility to storage and handling of outputs (final product) is considered thoroughly.

Once the requirements for the process line(s) are determined, interaction of the process with the facility building and other operational requirements must be assessed. Such major considerations should specify, as a minimum, the following requirements:

:: Safety of workers and staff within the facility (during operation);
:: Daily needs of the labour and staff;
:: Safety of the products during process and handling (especially for food production);
:: Safety of building materials (for instance; avoiding glass material in certain areas or using non-gas-emitting paints);
:: Cleaning/hygiene of the materials/finishes (dust-proof or easy-to-clean materials might be required);
:: Handling & storage;
:: Lighting;
:: Heating & Cooling;
:: Air ventilation;
:: Removal of process wastes.

Regulations, Norms, and Standards

While specifying the design basis, as well as other expected quality and performance, all the information/requirements given within the design basis as the expected performance and output must be specified with a reference to international, (or local, whenever applicable) regulations, norms, and standards. For instance, one cannot simply require the facility to be "very clean" or "very hygienic", or the quality of a product/equipment to be "high quality", "very good quality" etc, as these are all subjective and vague definitions without any objective, measurable, clear guidance on what is actually required from the contractor. Similarly, for the entire facility where a production process is involved, these production methods and the end-product must be specified with reference to related standards (and codex for foods).

Regulations, norms, and standards that will be referred to must be related to Turkish Standards & Regulations, EU Directives & Regulations, and whenever applicable, other international regulations. To avoid any discrepancies between these regulations and standards, it is strongly recommended to obtain an expert opinion and review particular to this issue. Attention should also be paid to making sure the regulation/standard/norms being referred to are currently in use. If they are superseded by a recent version, then the latest one in use must be referred to.

A basic list of such regulations and norms involving food production is given below (in the order of precedence) to provide an insight.

:: Turkish Food Codex;
:: Turkish Standards Institute's Standards (TSE);
:: Good Manufacturing Practice (GMP), Good Storage Practice (GSP);
:: Codex Alimentarius Codes and Standards;
:: European Commission Regulations and Directives;
:: ISO, DIN, EN;
:: Other International Regulations, Standards, Norms.

Please, note that the above list must be further elaborated to determine specific regulation/standard/directive number/code that the contractor must comply with. Some of these are given below as an example.

:: Turkish Food Codex Regulation on Food Hygiene (Official Gazette Date 17.12.2011, Issue:28145);
:: Turkish Standard TS EN 1528-2 "Fats Food-Determination of Pesticides and Polychlorinated Biphenyls (PCBs) – Part 2 – Extraction of Fat, Pesticides, and PCBs and Determination of Fat Content", 15.04.1998;
:: Codex Alimentarius (CAC/GL-2-1985), Guidelines on Nutrition Labelling, 2013;
:: Regulation (EC) No 178/2002 of the European Parliament and the Council of 28 January 2002 laying down the general principles and requirements of food law establishing the European Safety Authority and laying down procedures in matters of food safety.

Websites set out below can be used for reference or purchase of related standards & regulations:

Turkish Laws & Regulations: http://www.mevzuat.gov.tr, http://www.resmigazete.gov.tr,
Turkish Standards: www.tse.org.tr
European Norms: www.cen.eu, www.en-standard.eu
European Directives & Regulations: www.eur-lex.europa.eu

Other websites where international standards can be obtained and purchased online can be easily accessed by simply typing their number and title in an internet search engine.

3. Contractor's Design

! This section applies to Employer's Requirements (FIDIC Yellow Book) only.

When the works are to be designed by the contractor, this design process is carried out in two main steps as explained below.

Preliminary Design Deliverables

This first step's main focus is forming a basic concept and methodology for the design along with determination of materials and their classes. The contractor should provide these deliverables in a report format which must generally include the following information:

:: Main Design Conditions (electrical voltage, soil conditions, meteorological conditions, noise levels, odour requirement, HVAC requirement for each building, effluent standards)
:: List of Standards and Codes to be used in design and execution of the Works
:: Environmental Management Plan
:: Structural and Civil Design
- Method Statement for Civil Works
- Software to be used for the structural design
- Design approach for using the software
- Concrete and steel classes to be used for each specific type of structure
- Principle solutions for concrete slab and wall design for the main process units such as aeration tanks, final sedimentation tanks and anaerobic digesters with brief description and typical principle drawings
- Principle drawings for roads, pavements, and parking areas
- Method for site drainage
- Fence and gate details

:: Architectural Design
- Method Statement for architectural works
- Materials to be used for each building (ideally in the form of a Site List)
- Principle drawings of architectural details (such as floor, masonry, window, door, roof, rain gutter, etc.)

:: Mechanical Design
- Method Statement for Mechanical Works
- Basic design & calculation report for Heating, Cooling, Ventilation.
- Typical anchoring details for each different type of equipment (blowers, mixers, diffusers, etc.) with material specifications
- Pipe connection methods for each different type of pipe material
- Wall crossing details
- Schematic illustrations of pipework connection for each different type of equipment and media. Each individual illustration shall demonstrate type of fittings and valves needed for installation, dismantling and operation & maintenance

:: Electrical, Instrumentation, Control and Automation Design
- Method Statement
- Vendor List with all relevant information
- Single Line Diagrams
- Calculations (transformer, diesel generator, CHP, voltage drop, lighting, earthing, lightning, etc.)
- Principle drawings for earthing and lightning
- Cable List with specifications
- Material List with specifications to be used for lighting, cable tray, etc.
- Information on devices to be placed on each specific panel
- Overall Control Block Diagram
- Instrument loop diagrams
- Specifications for main equipment (transformer, generator, CHP, panels, PLC, SCADA, etc.)
- Mode of operation with brief description
- Method and schematic illustration showing energy connection and management

:: Drawings
- General (Site) Layout
- Layout and Sections of Building(s)
- Functional drawings of each individual structure showing the basic dimensions and electromechanical requirements. The drawings do not need to include the architectural details at this stage but show the basic requirements.

If any soil investigations and tests such as vertical test borings, disturbed & undisturbed sampling and laboratory tests, penetration tests, plate bearing tests, permeability tests, ground water table and ground water quality determinations, geophysical investigations must be carried out by the contractor, then they should also be specified here.

These preliminary design deliverables, also called as Preliminary Design Report (PDR), must be prepared and submitted by the contractor in 2 hard copies (minimum) and one soft copy for the review of the Engineer within a certain time period after the commencement date. Depending on the size and complexity of design, a time period ranging between 6-10 weeks can be specified. After this submission, the Engineer should review and provide comments. Again, a specific time period should be given for this review to avoid any delays. This duration should be minimum 2 weeks and maximum 4 weeks. Following the revision as per comments given by the Engineer, the PDR shall be submitted in 5 hard copies and 2 soft copies to the Engineer, and if required, to other parties of which approval is sought.

The time duration for the submissions and reviews/approvals need to be carefully considered to allow for sufficient time. Any time duration that is either shorter or longer than appropriate will cause delays and disagreements between the parties.

All drawings and documents must use SI (metric) system and must be prepared and submitted in English, with Turkish translations or briefs as necessary for other parties' (governmental bodies and other authorities) review and comments.

It is also a good practice to establish and agree on a numbering (labelling) system for documents and drawings at this first stage of design process to enable easy follow up of documents and their revisions both, during reviews and approvals, and later during construction.

Final Design Deliverables

Final design deliverables simply cover the detailed design documents and drawings based on the approved preliminary design deliverables. This time, the drawings include all details so that they can be used for construction on site. Design reports accompanying the drawings are now also detailed and reflect the site applications.

The contractor must prepare and submit these final design deliverables, also called Final Design Report (FDR), within a certain time period after the approval of the Preliminary Design Report. Although there is no definitive time as the size and complexity of the project would drastically change it, previous experience shows that it can be between 8-12 weeks. As for the Preliminary Design Report, clear time periods for the review by the Engineer need to be specified and allowed for, as well as revisions by the contractor as per Engineer's comments, and final comments/approval.

4. General Technical Specifications of Works

Once the drafting of the sections related to the overall requirements is finished, the work on technical specifications including direct technical description of the works and their quality can be undertaken. In the beginning of this section, please refer to the specifications published by governmental bodies or institutions of the country. For Turkey, these should be as follows, as a minimum:

:: Ministry of Environment and Urbanization – General Specification for Construction Works
:: General Directorate of Turkish Highways – Technical Specification for Highways and Roads
:: Turkish Electrical Distribution Corporation (TEDAŞ) – Specifications for Electrical Works

The second step should be the determination of different work disciplines involved in the project and divide this section according to those disciplines. These are generally as follows:

:: Earthworks (if a significant amount of excavation, fill, soil improvement is involved);
:: Civil Works (Structural Concrete and/or Structural Steel works);
:: Architectural Works (can also include restoration works);
:: Electrical Works;
:: Mechanical Works;
:: Roads & Pavement (if applicable);
:: Landscaping & Fencing (if applicable).

As a general note, while drafting this section, make it is always clearly described how it will be verified that the requirements are met during the implementation. Consider such checks as:
:: by whom;
:: when;
:: how often;
:: where;
:: with what method;
:: against what standards.
It should also be kept in mind that each requirement specified will constitute a cost to the contractor, which will be reflected in the tender price.

Earthworks

This part refers to the excavation and filling works. Here, the properties of the existing soil, required methods for excavation and fills, load bearing capacity of filled sections, piping works, pile foundations (if any), stripping of topsoil, drainage and de-watering should be specified in detail. For the requirements and tolerances, please refer to "BS EN 16907-1:2018 Earthworks. Principles and general rules", "BS 3882:2015 Specification for topsoil" as appropriate for the soil type and applications.

The contractor should be required to prepare and submit an excavation and fill plan showing the excavation area both in plan and in sections. The contractor must also ensure that all necessary safety measures are taken before starting any earthworks.

Civil Works

Albeit design details are provided in the drawings, some technical requirements concerning the quality, preparation and installation may not feature there (e.g. for formwork, concrete, rebars, structural steel) and must be explained in Technical Specifications. For example, current construction practices involve mostly either reinforced concrete or structural steel as the load bearing system. Depending on the load bearing system of the project, please proceed with the appropriate type.

Also specify walls (blockwork) and other structural elements in this section as necessary. Among these, insulation and waterproofing of the entire building is of utmost importance as this would directly affect structural performance and lifetime.

Reinforced Concrete

Reinforced concrete can be used in various sections/parts of the works from pavements, screeds to walls, columns, slabs, etc. for all of which there should be a specific strength class usually given in Megapascals (MPa) varying from C8/10 up to C40/50. This information should also be readily available on related structural drawings but for any future reference they must also be noted here.

Concrete must be supplied from licensed concrete plants with proper mixer trucks and concrete pumps must be used at all times unless it is not possible in practice. In specifying, reference should be made to the related TS EN 206 and TS 13515 standards for production and TS 500, and TS 1247 for handling, casting, and curing of concrete.

Other points related to reinforced concrete must also include specifications of the following:

:: Formworks (as per TS EN 1090-1/AC, TS EN 12810): materials for formwork, fixing of formwork, coating to prevent adhesion, tolerances, access holes, cleaning and re-using of formwork, removal of formworks, finish to concrete surfaces,
:: Reinforcing Bars (as per TS 500, TS 706 EN 12620, TS 4559, DIN 488, 708:2010, EN 10080): types, quality, storage, bending and cutting schedules, protection and cleaning, cutting of wire meshes, overlapping of bars and wire meshes, fixing of reinforcement, thickness of cover, tolerance, approvals and inspections prior to concreting.

Structural Steel

Structural steel is preferred as the load bearing system due to its rapid erection and superior flexibility in design. However, as the yielding of structure is relatively easy and faster when compared to the concrete, special attention must be given to fire protection of the structure either through coatings or firefighting or both.

Requirements specified for the structural steel must refer to and be in accordance with TS 498, TS648, TS EN 1993-1, TS 3357, TS 4561, EN 10025 and the regulations governing the structures to be built in seismic zones. For structures composed of both concrete and steel please refer to TS EN 1994-1-1. For the lightweight structures S ENV 1993-1-3 (Eurocode-3) and TS 11372 must be used as reference.

Critical points to consider while describing requirements related to structural steel include corrosion protection, constructability, availability of the section and grades of the materials on the market, erection method/sequence, and displacements of the structure (both temporary and permanent). Keeping these aspects always in mind, requirements for fabrication, welding, bolt assemblies, erection, inspection and testing, protective coating system, preparation for painting, and painting must be clearly described for structural steel works.

Architectural Works

Architectural works include the overall form of a structure and the arrangement and composition of spaces and elements. In case of a building these are the complementary works including doors, windows, façade, interior walls, floor finishes, paints, etc.; they are the works other than electrical and mechanical works, roads & pavement and landscaping carried out after the civil works in order to complete the building in a manner in which it can be occupied and used by people. All architectural details must be described in this section.

As the type of materials are quite exhaustive in architectural works, a standard or norm for each can not be provided here but a list of standards to be considered for certain elements is given below.

:: Doors and windows: TS EN 14351-1:2006+A2
:: Exterior paints and plasters: TS 7847, EN 1062-1:2004
:: Interior paints for walls and ceilings: TS 5808, EN 13300:2001
:: Partition walls made of gypsum plasterboards: TS 1475-1, TS EN 520+A1:2010, DIN 18180
:: Ironmongery: BS EN 1935:2002
:: Wood floorings: TS EN 14342
:: Resilient floor coverings: TS EN ISO 10581
:: Suspended ceilings: TS 1475-3, DIN 18180
:: Glazing: TS EN 13022-2

The main considerations in describing these specifications should focus on ensuring that each aspect of the required work is covered, and nothing left to be determined on site during execution as the Engineer has no authority to enforce any requirement that is not written in the Technical Specification of Employer's Requirements. Also, since different standards might have an overlapping scope, it is important to make sure that no specification is contradictory to any other.

A common, and strongly suggested practice for architectural works is to require the contractor to provide samples or mock-ups while submitting a material or a system composed of different materials for the approval of the Engineer. Mock-ups enable both the Engineer and the beneficiary to observe what the materials will look like at the end and how it will be built. Such mock-ups can be requested for cladding, glazing, facades, windows, doors, and roofing.

Electrical & Mechanical Works

Although Electrical and Mechanical works are two different disciplines placed separately within Technical Specifications of Employer's Requirements, they are explained in the same section of this Manual due to the similar nature of the processes involved.

For Electrical and Mechanical works, before going into the details of requirements for specific parts/elements of works, consideration related to overall performance and quality must be determined and drafted to serve as the main guidelines. These must include the description and features of electrical and mechanical systems that will be installed such as high-voltage, middle voltage, low voltage, fire detection and firefighting, phone & data systems, camera systems, heating & cooling, ventilation.

In this part the submission and approval processes specific to electrical and mechanical works also need to be described. If there are any capacity or loading calculations, or any diagrams that must be provided by the contractor as a means of verification or evidence of performance, they also need to be noted clearly. Once these are determined and drafted, it is then possible to move on to describe requirements for elements composing these systems. A basic list of such elements common to many project types is given below together with related standards.

Electrical Works

Transformers	: IEC 60076, IEC
Circuit breakers	: IEC 60265, IEC 60420
Fuses	: IEC 60282-1
Electrical Panels	: TS EN 61439-6
Isolating Switches	: TS EN 60947-2
Lighting & Luminaries	: also provide required light intensities for each room or section along with a protection (IP) factor. Emergency lighting must also be addressed under this title.
Earthing System	: IEC 60364-1
Lightning Protection	: External IEC 61024 – Internal DIN VDE 0185
Power Cables	: TS EN 60702-2, IEC 60502, IEC 60227, IEC 60228, IEC 60245
Signal Cables	: TS EN 50174-2, BS EN 50288-1
Cable Trays	: TS EN 61537

Mechanical Works

Steel pipes	: DIN 1626
Stainless Steel Pipes	: EN 10217-7, EN 10204
Ductile iron pipes	: ISO 2531
PVC Pipes	: TS EN 1452
Bolts, Nuts, Washers and Jointing Materials	: EN 2088-1, EN 20898-2, ISO 3506-1
Corrosion protection	: TS EN ISO 12944-4
Galvanizing	: TS EN ISO 1461
Welding	: TS EN ISO 15614-1
Motors	: IEC 60034-1,-5,-6,-8, and -9
Gate Valves	: TS EN 12288, TS EN 1984
Butterfly Valves	: TS EN 593
Ball Valves	: TS EN 1983
Pumps	: TS EN ISO 9905, TS EN 809+A1,

Note that any complementary elements must also be covered. In addition to the specification of the materials themselves, the installation and quality control methods required for each work should also be described.

At the end of both disciplines, include a section dedicated to the requirements for Tests on Completion where such requirements are explained in detail.

Roads, Pavements & other Infrastructure

Using this section, e.g. for roads, please identify different components/layers such as bedding, foundation, sub-base, base, road base, and surface (wearing) course and explain detailed requirements for each layer including their thicknesses (ideally as a minimum or maximum), and their properties such as load bearing capacity, maximum deformation, local deformations, expected lifetime, etc.

Surface drainage is generally skipped/omitted during design, but it is an essential requirement especially for roads and pavements. In this respect, even if it is not shown on drawings, necessary provisions for surface drainage system should be included in the budget while details can be submitted by the contractor.

Two critical points to consider for roads, pavements and other infrastructure are their interference with any existing utility/infrastructure lines and surface drainage. Please, specify that the contractor must avoid damages to any existing lines, and it will be responsible for all repairs and reinstatement works in case of any damage done. If relevant, the contractor must be required to displace all such lines including obtaining of any related permits. It must be clearly noted that the contractor shall not request any additional payment for such displacement or repair/reinstatement works.

Note that all requirements defined for roads, pavements and other infrastructure must be in line with the Technical Specification of General Directorate of Highways.

Landscaping & Fencing

Works within landscaping and fencing generally include planting, vegetation, germination, watering, drainage, piping, and topsoil works along with possibly construction of a fencing on the perimeter of the building/facility.

Within this scope, the requirements related to the following should be specified:

:: Ground preparation;
:: Cultivation of ground;
:: Time for planting (proper seasons for various plants);
:: Topsoil dressing;
:: Supply of plants;
:: Planting trees and shrubs;
:: Irrigation;
:: Maintenance;
:: Necessary action/measures for the existing plants/trees.

5. Special Technical Specifications

! This section applies to FIDIC Red Book (Unit Price Contracts) only

In the previous sections, first, general requirements for overall execution and completion of works were given and then technical requirements for works were described.

In this final section of Technical Specification, the requirements specific to each work item in the Bill of Quantity should be explained. This explanation must clearly describe the specifics of each of the work items to be covered and how that work should be executed and completed (step by step whenever possible), including necessary paperwork and other means of application (material, labour, equipment, tools) necessary for the execution.

Here, in addition to the standards already referred to in TS, one must specify which section and which part of a particular standard must be considered for each item. It should be noted that whenever possible, the related Turkish and/or European standards must be referred to. Special technical specification must also cover dimensions and measurement method(s) to be used for the quantity calculations. A sample special technical specification for the work item “New wooden window joinery” is set out below to provide a better indication of what is expected to be specified at this final stage.

EXAMPLE
NEW WOODEN WINDOW JOINERY

New joinery (including outer sills) as indicated on the Drawing (drawing number) should be made in Grade 1 Softwood to the dimensions, shape, profile, and detail based on Generic Detail Drawings referenced. The overall dimensions will be adapted to the dimensions of the specific opening as indicated in the Windows and Doors Charts.

Joinery shall be fixed in place, brought to working order, and prepared ready for painting. The window frame shall be fitted into exterior render on either side and sealed with mastic on the outer edge. Interior plaster disturbed during fitting must be made good and left clean as found.
Fixings and ironmongery should be fitted and left in working order.

Materials:
Grade 1 Softwood (preferred origin and kind: Dursunbey Pine) as approved by the Engineer
Approved Preservative as per BS EN 927-1: 1997.
Brass fittings, screws, and nails.
Ironmongery: as above
Glazing should be as indicated on referenced Detail Drawings.

Measurement:
The joinery should be measured by surface area (m2) of the joinery as fixed in place, all accessories (ironmongery, fixings, seals, glazing, preservative treatment etc.) included.

A critical issue here is the establishment of the measurement method. This is because payments to the contractor are made against the measured quantities of the work items.

Major works items such as excavations, fills, reinforced concrete, structural steel make up significant part of the budget and for that careful consideration needs to be given to determine whether the actual measurements will be done through approved shop drawings or on-site measurements (as there will be inevitable differences between the two).

Also consider noting whether any waste is included or excluded in the work items.

6. Rule of Origin

The rule of origin also governs works contracts likewise supplies. It applies to the goods that at the end of the construction process are transferred to the beneficiary. Examples normally include items that are inherently linked to the structure, e.g. conveyer belts, elevators, hydraulic systems, etc.

Goods and equipment purchased by the contractor for use during the execution of the contract (e.g. trucks, excavators, loaders, asphalt pavers, etc.) are not subject to the rule of origin.

Please see Article 2.3.5 Origin of goods of PRAG for further details.

4.4 Volume 4 Financial Offer and Budget Study

Financial Offer

Financial Offer is simply the part of tender documents where tenderers provide their prices, either in the form of a Bill of Quantity (for re-measured unit price contracts under FIDIC Red Book) or just as a total Lump Sum price (FIDIC Yellow Book). For financial offers, templates given in PRAG website (http://ec.europa.eu/europeaid/prag/document.do?nodeNumber=5.8) under volume 4 must be used. Templates to be used for financial offers also differ according to the type of contract. These two types are explained in detail below.

When using this document, it should be noted that it is not allowed to make any changes in the format or in any information in the document, except for the information expected be entered by the users. These are areas highlighted in yellow and the tables you are expected to fill in.

FIDIC Red Book (re-measured unit price contracts)

For the works tendered through FIDIC Red Book, the template "Financial offer unit price contracts" (usually named as "d4x_finoffer_4dot3_en.doc") must be used.

VOLUME 4.3.1 INTRODUCTION

This section is modified by the contracting authority according to the subject works. It describes the consideration to be given to the prices in Financial Offer covering both general issues and issues specific to Volumes, 4.3.2, 4.3.3, and 4.3.4. As this part of the document is generic, the user is not expected to provide any information here, except in Article 2.5 of this section. Any measurement units used for work items but not listed there, together with the meaning of measurement unit must be added to the list.

VOLUME 4.3.2 BILL OF QUANTITIES

First part of the series of information that should be provided in this document is the Bill of Quantity (BoQ) given as a table under Volume 4.3.2, where each specific work item must be covered. In this table, it is necessary to enter a price number for the specific work item in column (a). This numbering is left to the user, but it should follow a certain order and labelling for different work disciplines. For instance, CW-001, CW-002, and so on can be used for civil works, and ARC-001,002, and so on for architectural works.

After the Price No, the title in column (b) needs to be entered. The title should describe the work item very briefly but clearly so that it cannot be confused with any other work item. In the next column of the table (column c) the measurement unit needs to be added. This unit must be in the same format given in Article 2.5 of the document. The unit price column (column d) must be left as the unit prices will be entered by the tenderers. In column (e), the accurate quantity of the work item needs to be inserted. The last column (f) of the table must also be left blank as the amount will be determined as per the unit prices to be inserted by the tenderers.

One of the two critical points to consider here is that the quantities entered in the table must have two decimal points exactly to avoid differences in calculations. The other point is to have subtotals throughout the table for different work disciplines (civil, architectural, electrical, mechanical, etc.).

It is a common practice to add a summary table before the BoQ table showing these subtotals, total for works, related contingency, and total amount, which is the tender price.

To avoid any discrepancies or typing errors between the budget study and the Financial Offer, it is strongly recommended that the budget study is prepared in the same format as the Bill of Quantities table. Once the budget study is completed, all related information on the budget study can be copied and pasted from there.

VOLUME 4.3.3 PRICE SCHEDULE

Price schedules are the second series of information we need to provide in this document template. They must be completed for each work item where the detailed scope of the work is clearly explained. It should be remembered that no technical requirements or descriptions are necessary in this section. We need to focus on what the price includes in terms of the specific work item. This should include the provision of all material, wastes, staff, labour, tools, equipment, all transportation from/to/within the site, tests, contractor's overhead, expenses, profit, etc. Other information that needs to be entered here is the Price No, Title, and unit of measurement for price, which should be the same as those used in the Bill of Quantities.

VOLUME 4.3.4 DAYWORKS SCHEDULE

In addition to the work items determined during budget study, it is also possible to use the "day-works" to include execution of a task through provision of certain labour, materials, equipment, etc. on site for a certain period of time. Although it may appear to be useful, it is a very rarely used application. For this, we need to determine the specifics of the needs and enter them into the table provided in this section. For instance, we can specify that a Water Tank with a capacity of 20 ton to be provided on the site for 120 days, or we can simply request that a bulldozer (with a defined kW power) to be provided on the site for 20 days. Please note that for the work items given in the Bill of Quantity, contractor's unit prices already include all equipment, material, labour, staff, etc. necessary for the execution and completion of that work and the items given in dayworks schedule are paid separately to the contractor.

VOLUME 4.3.5 DETAILED BREAKDOWN OF PRICES

This section covers the detailed breakdown of prices such as Labour, Supply of Basic Materials, Hourly Prices of Equipment, Unit Prices in the Price Schedule, Site Costs, and General Costs. As all these tables must be completed by the tenderers, users are not expected to provide any information here, except for very specific project needs that must be included.

The purpose of this section is twofold: i) to be able to check any unreasonable price given by the contractor and ii) to form a base for price calculations that might be needed during execution of any extra work, increase/decrease in scope of works, claims, variations, etc.

FIDIC Yellow Book (Lump Sum contracts)

For the works tendered through the FIDIC Yellow Book, the template "Financial offer lump sum contracts" (usually named as "d4x_finoffer_4dot2_en.doc") must be used.

VOLUME 4.2.1 INTRODUCTION

Similar to the Volume 4.2.1 in FIDIC Red Book, this section describes the consideration of prices given in Financial Offer covering both general issues and issues specific to Volumes, 4.3.2, 4.3.3, and 4.3.4. However, in Article 1.1, it is necessary to specify the basis of measurement for payments to the contractor. For this purpose, as also noted in the document, it is possible to specify that the payments should be calculated as a percentage of completion based on the firm quantities of each item of the breakdown of the lump-sum price and applying that percentage to the lump-sum price of the related item.

VOLUME 4.2.2 SUMMARY

Unlike the FIDIC Red Book, this section of the Financial Offer template for lump sum contracts includes only a summary table where only a total lump-sum price and total of dayworks is given. However, it is common practice to provide a basic table showing major work items such as:

:: Design & Survey
:: Earthworks
:: Civil (Structural) Works
:: Mechanical Works
:: Electrical Works
:: Roads, Landscaping and Fences,
:: Tests and Commissioning

If needed, the table can also be broken down to divide the total price over buildings first and then into work disciplines.

Note that a contingency amount (as in the case of unit price re-measured contracts / FIDIC Red Book) must also be shown on the summary table as a provisional sum and the tender price must be the total of works + contingency amount.

VOLUME 4.2.3 BREAKDOWN OF THE LUMP SUM PRICE

This section can be used to request the contractor to provide a breakdown of the total lump-sum price providing firm quantities for each. As explained above in "VOLUME 4.2.1 — INTRODUCTION", quantities given here cannot be re-measured and directly used for payment purposes as in the case of unit prices. Instead, they will be used to measure the completion as a percentage which will then be reflected in the payments.

VOLUME 4.2.4 DAYWORK SCHEDULE

Please refer to above section on "VOLUME 4.3.4 – DAYWORKS SCHEDULE" for re-measured contracts (FIDIC Red Book).

VOLUME 4.2.5 DETAILED BREAKDOWN OF PRICES

Please refer to above section on "VOLUME 4.3.5 — DETAILED BREAKDOWN OF PRICES" for re-measured contracts (FIDIC Red Book).

Budget Study

This subsection explains the fundamental issues and critical points to be considered for accuracy and correctness of the budget study.

Two main inputs for this study are the unit prices for work items and corresponding quantities. The main idea here is to simply multiply the quantity of the work item with its unit price to come up with a cost. When we add up all costs for all work items, we reach the total project cost. This sounds simple, but it should be noted that obtaining accurate quantities and proper prices is a lengthy process that must be treated with great care. A simple table showing a basic cost calculation is given below as an example

No	Price No. (BoQ)	Reference Unit Price Institution	Reference Unit Price Code	Title	Unit	Quantity	Unit Price (TL)	TOTAL (TL)
1	CW-01	MoEU	14.010	Excavating extremely hard rock without the use of explosives (manually or by compressor)	m3	201.64	180.11	23,815.70
2	CW-02	MoEU	15.140/1	Manual laying crushed stone, sand gravel and similar materials	m3	193.19	41.29	7,976.81
3	CW-03	MoEU	18.198/03	Dismantling, collecting, cleaning and stacking of all kinds of tile roof cover	m3	840.89	4.96	4,170.81

There are 4 (four) options for the prices to be used in the budget study as indicated below:

1. Published Unit Prices: these are the unit prices published and updated yearly by several governmental bodies or non-governmental institutions/foundations. These prices are referenced with a number and they include explanation of the scope of the works within that unit price along with the unit of measurement and measurement method. Among those, most widely referenced unit price books are those published by the:

:: Ministry of Environment and Urbanization;
:: Ministry of Culture and Tourism;
:: General Directorate of State Highways;
:: Ilbank (Bank of Provinces);
:: Ministry of National Defence;
:: General Directorate of Foundations.

This source of price is the most commonly used as it is readily available for purchase either online or printed versions. However, as the unit prices differ significantly even with a slight scope or material or size change, it is important to make sure that the unit price used in fact meets the requirements of the work item. It should be noted that using a lower or a higher rate than the correct one decreases the accuracy and reliability of the budget study.

2. Unit Price Analysis: if a unit price corresponding to the work item is not readily available, then one can use the published rates to carry out a unit price analysis and calculate a corresponding unit price. To be able to conduct such analysis, all inputs, and resources together with their quantity necessary for the execution of the work must be known. For instance, if you need to carry out a unit price analysis for masonry work, then you should know; what type of labour should be used and for how many hours, what type(s) of material(s) should be used and how much should be used, what type(s) of equipment should be working for how many hours for the execution, etc. All such information required for the analysis, makes this option complex and highly risky.

Note that while tendering using FIDIC Yellow Book, there is no detailed design during tendering, hence there are no quantities or detailed work items. For this reason, unit price and unit price analysis are not practical for budget studies of works tendered using FIDIC Yellow Book.

3. Proforma Invoices: if a unit price is not readily available and there is no chance of conducting a proper unit price analysis, then proforma invoices (price quotations) can be collected from the market to obtain a price for the work. The following must be clearly included in proforma invoices:

:: Title(s) of work item(s) as given in Bill of Quantity;
:: Units and quantities of work items;
:: Currency of the price (either TL, EUR or USD);
:: Description of the scope of proposed work items (workmanship, installation, secondary materials necessary for installation etc.);
:: Specifications (and drawings, if applicable) of the proposed work/material.

In addition to the FIDIC Red Book, proforma invoices can also be used for budget studies of works tendered through FIDIC Yellow Book. In this case, work disciplines (structural, architectural, electrical, mechanical, etc.) or sub-disciplines (heating & cooling, ventilation, reinforced concrete, façade works, etc.) can be used as work items in proforma invoices. Common practice with proforma invoices is to obtain at least 3 proforma invoices for a work item from different firms all of which act in the business line that is related to the work item.

While using proforma invoices as source of prices, do not forget to add a margin for contractor's overhead & profits on top of the obtained price. This is generally considered as 25%, and thus the obtained price must be simply multiplied by 1.25 before it is inserted into budget study.

4. Published Rates for Building Types: like the unit prices published by different institutions, there are also rates of construction for different building types published each year by the Ministry of Treasury and Finance and Ministry of Environment and Urbanisation. These rates are publicly announced and can be accessed through the website www.gib.gov.tr.

When you access the rates, you will see that there are costs of construction per square metre for different types of buildings. Among these, you can simply select the type of building(s) that suits the project and multiply it by the gross floor area of the building(s) to be constructed.

As an example; if the building type is selected to be IV. Class Type A Buildings (Admin buildings), then its rate is given as 1,270.00 TL/m2. With a construction area of 1,000.00 m2 the total cost is 1,270.00 x 1,000.00 = 1,270,000.00 TL.

Though being the easiest and fastest, this type of a cost calculation is not an accepted method for tender preparations and can only be used as a budget approximation during programming phase.

Contingency

Note that throughout the explanations above, instead of "budget", the terms "cost", and "total cost" is used. The reason for this is simply the concept of contingency that must be applied in budget studies. Contingency is the budget allocated on top of the calculated total cost for unforeseen risks, events, requirements, changes. With this consideration, we simply conclude that

COST + CONTINGENCY = BUDGET

Contingency is calculated as a certain percentage of the total cost and varies e.g. between 10 and 25% according to the type and nature of the project. Here, it is worth noting that no unforeseen major event may occur, or contrarily the project might end up with significant increases in the works scope; yet funds are allocated already at the very beginning. For this reason, the amount of contingency must be carefully determined and thoroughly justified.

4.5 Volume 5 Design Drawings & Project Design

All design documents and drawings must be included in Volume 5 of the tender dossier. Related templates can be found at the website given for other templates (http://ec.europa.eu/europeaid/prag/document.do?nodeNumber=5.8) with the title "Design drawings" which is usually saved under the document "d4y_designdrawing_en.doc".

In section 5.1 of this template included in this list of attached drawings; drawing names, numbers and design numbers must be clearly noted for each drawing that is provided as an attachment to the tender documents. Drawings must be listed in order following each work discipline.

In section 5.2, in the design documents table, all documents other than the drawings, which are related to the design and engineering study and included as attachments to the tender dossier, must be listed. These can be survey studies, design reports, calculations, and any other additional design information that the tenderers must consider for both the tender pricing and during execution of the works.

Project Design

This sub-section covers the guidance on project design and the issue of project drawings alongside critical points for consideration in order to minimise and avoid design errors that would hinder the tendering process, and later - works progress.

Since project design is a professional architectural and engineering service requiring companies who have a license to do such work, beneficiaries can only occasionally carry out the design themselves (the designs must be prepared in English and approved by the relevant authorities) as it is not expected that LI/EB is an engineering and design company. Quite frequently, such services are out-sourced, and their costs must be made clear during programming. After-design services may be required during tendering phase for clarifications/corrigendum and during implementation.

The notes below should be considered as key issues during procurement of such services from a professional engineering company.

1. Site Selection

After a preliminary study of the building/facility to be constructed, site selection should be the first step in the design process as the site location does not only affect the project geologically but also in terms of accessibility, conditions, ground (soil) conditions and corresponding limitations, which in turn may have significant effect on the budget and time for completion. The following aspects must be considered for a proper site selection process.

:: **Land Ownership/Allocation:** prior to the initiation of any tendering process, beneficiary(ies) must provide legal evidence that the land(s) on which the building(s) are to be constructed can be allocated for the proposed project.

:: **Soil Conditions:** soil type and class must be known to design the foundation. For this purpose, a soil investigation must be carried out and reported. Level of the ground water table must also be carefully noted as this affects the construction methodology and related costs.

:: **Site Topography:** topography of the site significantly affects the amounts of excavation and backfilling along with the layout and sections of the building(s) and thus a topographical survey of the site is essential prior to the initiation of the design process.

:: **Site Access:** examination of existing roads to the site must be undertaken to determine whether they are adequate for vehicle transportation and especially for construction equipment. If needed, it must be determined what type of improvements need to be made, on which sections of the roads and by whom. If the contractor will have to build temporary or permanent site access roads, it must be clearly noted in the scope of works and taken into account in budget assessments.

:: **Site Limitations:** construction projects require areas larger than the buildings themselves for storage, for manoeuvring of the equipment, locations of the crane(s) etc. Even at a preliminary level, a basic study must be carried out to determine any site limitations to avoid future problems during construction. Interference with neighbouring buildings, roads, utilities must also be considered.

:: **Site Conditions:** Availability of infrastructure and utility lines such as sewerage system, drinking water system, electricity line, natural gas line must also be studied during site selection process. If these have to be extended to the site, then the overall cost will increase (e.g. transformer, additional pipeline, etc.).

2. Purpose & Function of Infrastructure

Experience shows that many projects are based on off-the-shelf designs which are adopted from previous implementations without much consideration given to specific purpose and function of the intended building and climate of the target region. Before initiating any design process, the purpose and function of the building/facility must be clearly set out and communicated to the designer. It must be ensured that the layout, sections and materials are adequate for the specific project at hand. If there are any heavy-duty or sensitive equipment or devices to be placed within the building, such information must be given to the designer. Also, during this phase, heating & ventilation and insulation requirements for different sections of the building must be determined as per related Turkish regulations and codes. For instance, there is no need to insulate the façade of a factory building but administrative sections might require significant heat insulation. If this is the case, then such requirements must be included in the design.

3. Integration of Disciplines

A typical construction project involves a range of engineering disciplines such as earth (soil) works, civil (structural) works, architectural works, landscape works, electrical works, and mechanical works. Since they are different disciplines, different design teams or people (if not different companies) will be involved. This fact creates considerable scope for discrepancies or inconsistencies between design elements and can lead to design errors. In this respect, it is crucial to ensure that there is a sound flow of information between the disciplines, and all of them are integrated for sound coherence. If several companies are employed to work on the design, then a design coordination team must be formed and deployed to make sure that each discipline is associated with all the others.

4. Design Review

Once the design is completed, it is essential to allow for enough time to thoroughly review the design. The review will be exercised by the beneficiary together with the designer/engineer prior to the submission of the tender dossier to the contracting authority. Optionally, another team of architects/engineers may be deployed.

During this review all related drawings must be examined, and any discrepancies and errors must be detected. Quantity surveys must also be checked at this stage. Especially those that have a high impact on budget must be double-checked, ideally by a person(s) other than those who carried out the first survey.

During the design process, rushing into the matter is likely to result in design errors and/or omissions that will eventually surface and hinder implementation. Likewise, an extra few days spent on this phase will result in a more accurate budget and smoother implementation.

5. Design Drawings

Beneficiaries must have the project drawings prepared and printed along with other documents. All notes, texts, and explanations on the drawings must be in English, preferably with Turkish translations next to them for ease of use. It is important to note that statements on the drawings must be clear and consistent with the rest of the tendering documents. All drawing must be provided in .dwg (file format used for two- and three-dimensional design data and metadata) and .pdf form.

FIDIC Red Book: As the responsibility for the design and engineering belongs to the Employer (contracting authority), construction drawings and detail drawings must be prepared (scale will depend on the size of the structure). Also, drawings must clearly show the work items corresponding to unit prices in the Bill of Quantity. Whenever possible, same title in Bill of Quantity must be used on drawings to avoid any confusion or discrepancy.

FIDIC Yellow Book: In this case, preliminary (basic) design is sufficient for tendering. Detailed drawings are not compulsory unlike for the FIDIC Red Book. However, it must be kept in mind that as the number and detail level is quite low, accuracy and clarity of these few drawings become more critical in order to precisely communicate the requirements to tenderers. Drawings must contain the layout of the building(s), typical sections/elevations, process lines/diagrams, if any, and any other important points which are essential and should not be left to the contractor's design. Specifically, the expected functionalities must be clearly communicated (speed of processing, output requirement, etc).

6. Approval of Design & Drawings

Prior to the submission of design drawings for tendering, the drawings must be legally approved and signed by competent engineers/architects for each discipline (architectural, civil, electrical, mechanical) of the designer and related institution/department of the Beneficiary. Also, for projects involving restoration of historic buildings that are registered under the inventory of the Ministry of Culture and Tourism, design drawings and any possible future revisions must be approved by the governing Cultural and Natural Heritage Preservation Board. As the board meets monthly and conducts a thorough review of the drawings, it must be kept in mind that obtaining such approvals is a time-consuming process and might cause significant delays in the completion of tendering documents, if not followed properly. Similar issues may be encountered when building in coastal or environmentally sensitive zones.

7. Commitment

The responsibility of the beneficiary does not end with the preparation of the technical documents used during tendering. The EB is required to provide sufficient support and inputs during the implementation phase. These relate (but are not limited) to e.g.: acquisition of permits, connection to the existing infrastructure, financial contribution that may exceed contingency reserve, dispute adjudication, arbitration, litigation cost, continuity of supervision services should the contract be extended, etc.

FOR FURTHER GUIDANCE ON TENDER DOCUMENTS FOR WORKS, PLEASE REFER TO "WORKS CONTRACTS" SECTION OF THE OFFICIAL EUROPEAID WEBSITE

http://ec.europa.eu/europeaid/prag/

5 Technical Documents for Supplies

The content of this Section focuses on Technical Specifications and Market Research (also sometimes referred to as "Market Survey") that accompanies the TS document for tendering, explaining their meaning, purpose and methodologies of elaboration. In addition, complementary information covers the rule of origin principle.

Supply contracts significantly differ from service contracts in terms of the development of technical and tender documents. Each supply technical specification is treated "as a whole". While, for example, activities in the Terms of Reference for a fee-based service contract may be fine-tuned during implementation, Technical Specifications for supplies are almost cast in stone. It is not allowed to request any additional service or item of supplies during the implementation and the contractor is obliged to deliver what is required in the TS document. Items no longer needed cannot be omitted and forgotten items cannot be added. Therefore, the Technical Specifications must be elaborated with due care and diligence, based on sound a Market Research that corresponds to the actual needs of the beneficiary institution. The entire "shopping list" must be compliant with the Action Document approved for the project. Persons responsible for drawing up the TS must indeed have very good command of English and all related terminology concerning the requested goods and equipment.

5.1 Technical Specifications: Meaning and Purpose

The Technical Specifications document sets out the requirements and/or objectives in respect to the provision of the goods and materials, specifying, where relevant, the methods and resources to be used and/or results to be achieved. TS must afford equal access for candidates and tenderers and not have the effect of creating unjustified obstacles to competitive tendering. They must specify what is required of a product or material or accompanied work in order to achieve the purpose for which they are intended.

The specifications must include as appropriate:[7]

:: A clear definition of the tasks to be performed;
:: Minimum quality features and levels;
:: Performance or usage characteristics of the supply items (fitness for use);
:: Environmental and climate performance;
:: Levels and procedures of conformity assessment;
:: Safety or dimensions features, including the sales name and user instructions, terminology, symbols, testing requirements and test methods, packaging, marking and labelling, production processes or methods;
:: Accessibility criteria in case of purchases for the use by the broader public, including natural persons, considering people with disabilities (universal design principle);
:: Conditions for delivery and installation, training and after-sale services

Testing may sometimes require the use of consumable materials. It should be remembered that consumables other than those for testing or trials must be purchased from the beneficiary institution's budget.

Technical Specifications inform potential bidders about the goods or materials to be purchased, enabling them to decide whether they want to bid in the light of the request and requirements set out therein. For that, it is a tool that connects the contracting authority, Lead Institutions and End Beneficiaries (expressing demand) with the supplier (technical and financial proposal).

There may be instances where supplies are a part of broader project or action, where machinery will be installed, or goods placed in a facility built under separate works contracts. In such cases, the supply component should be appropriately coordinated with the works component in terms of timing and technical parameters. There may also be instances where a Technical Assistance (or twinning, direct grant) component is implemented within the scope of the same project. That also requires proper coordination across all action/project components in terms of timing and technical parameters as otherwise the entire action may be at risk, e.g. the equipment will not be in place when beneficiaries need to be trained or supplied items cannot be fitted in the building due to inaccurate equipment dimensions.

[7] Some of these requirements are for careful consideration when drawing up TS and will later become subjects of Special Conditions.

5.2 Forms and Templates

When drafting specifications, the latest PRAG template must be used (c4f) for Technical Specifications + Technical Offer (Annex II + III). The sequence of articles, headers and information in footers may vary according to the PRAG template in force at a given time. Note that unlike service contracts where some guidance is available in the PRAG templates, there is no similar guidance for all types of supplies, thus, using the guidance provided in this Manual document is highly recommended.[8]

5.3 Correct Equipment and Its Description

Technical Specifications must correctly describe what is required to be purchased. It is not only about the beneficiary's needs to be met. There are several preparatory steps to be undertaken before specifications can be developed. Some of them may be exercised already during the programming phase.

Justification of the procured items must be based on real needs, be credible and consistent with the description of the project in the Action Document.

It is best, if the initial list of equipment is prepared by brand or model to understand "what is available out there" and how much it may cost. The Equipment list should be formulated by appropriate technical experts who understand the needs, how those needs can be met, and what are the desired performance characteristics or technical features. The targeted equipment must not address a single specific product. Several comparable products or vendors must be identified.

The most accurate price information should be obtained through a preliminary market survey rather than through estimates, via commercially available market research methods. It is best if this is done during the programming phase to make sure that the project budget is realistic.

Experience of the procurement of similar items in the past can be treated with caution as market conditions change. This may concern price, parameters, materials, available technologies, etc. Previous market research must be reviewed and updated.

Appropriate research must be carried out and an accurate description of technical features should be provided if goods are not commercially available off-the-shelf.

8 The Commission provides only generic Guidelines for drafting IT tenders (Annex a11b), purchase of furniture (Annex a11c) and of vehicles (a11d).

5.4 Subdivision into Lots and Implementation Period

A wide variety of goods under a single procurement procedure can be split into lots (packages or clusters). Division into lots is encouraged by the EU Procurement Directive as one of the measures intended to facilitate the participation of small and medium enterprises in public tenders and increase competition.[9]

Decisions on whether and how to split a contract into lots must be made on a case-by-case basis. There is no "one size fits all" solution because the decision on lots depends, to a large extent, on the specific characteristics of the market concerned and on the object of the contract. The specific market characteristics that may impact on the decision include the number and type of economic operators in that market, technical and quality aspects, speed of technological change, and risk of dependency on a sole supplier. Mistakes when deciding whether to divide a contract into lots or how to divide the lots can have a number of negative consequences. These consequences may include lack of competition resulting in poor bid value or low-quality tender outcomes, failure to encourage small business participation or new entrants and even collusive behaviour by economic operators.

The following points may be useful when deciding about sub-division into lots:[10]

:: Relevance of the number of economic operators in the market to the number of lots: The ratio between the number of economic operators expected to submit bids and the number of lots is an important consideration when deciding on how to divide a contract.

:: Role of new entrants: When dividing a contract into lots, the possibility of new entrants is also a relevant factor. New entrants can increase the competition for lots and weaken the conditions for collusion.

:: Relative size of lots and risk of collusion: Creating lots of different sizes (heterogeneity) within the same procurement process may play a role in reducing the scope for market-sharing arrangements between economic operators.

:: Trade-off between potential competition gains and "efficiency losses": A balance needs to be achieved. Potential benefits may result from the use of lots, such as an increased level of participation, keener competition, promotion of new entrants, and reduction of single-supplier dependency. These advantages need to be weighed against the potential disadvantages, such as higher costs arising from the loss of economies of scale, such as reductions in administration or in overheads.

9 The Directive gives freedom to decide whether or not to divide a contract into lots and the nature of lots, but some Member States introduced in their national legislation obligatory division into lots under national law. PRAG gives an option to divide or not.

10 Based on OECD Working Party No.2 on Competition and Regulation, DAF/COMP/WP2 (2015)1, 19 June 2015.

These four points above emphasise the importance of a thorough market analysis to ensure that the beneficiary and contracting authority understand the actual and potential economic operators in the market capable of supplying the required products. Careful market analysis is also required to ensure that lots are structured and packaged in a way that is appealing to economic operators and encourages competition. For that the composition of items in each lot must be arranged in the way that those items can be supplied by an individual vendor (not necessarily the actual manufacturer of the items).

Each lot is evaluated separately, and each lot will have a separate contract. The cheapest offer meeting all technical compliance criteria for each lot is selected. It is therefore essential that specifications, which set those technical compliance criteria meeting the needs of the beneficiary are clear and concise.

Having just one contract can lead to economies of scale and scope and it is easier for the CA to manage. The disadvantage is that the higher financial or technical criteria set for tenderers may reduce or eliminate market participation by smaller or more specialised contractors. The advantage of dividing the contract into lots is that it opens the competition to more potential tenderers. The disadvantage is that because there are more contracts, it may be more difficult and time consuming for the CA to manage them.

The required implementation time for the delivery of the required goods must be realistic and practical. Beneficiaries should investigate how much time it may take to obtain the required goods and in what sequence they should be supplied. For example, there may be a need to deliver furniture first and then computers.

Specificities of each lot require that those specific administrative conditions must be reflected in the Special Conditions of the contract. This could include aspects such as: start date, submission of implementation plan, warranty conditions, different form of testing and trials, etc.

A realistic timetable for the entire procurement process including potential remedy procedures, through to contract award and implementation stage (that may require different delivery dates for different items) needs to be drawn up during the planning stage. Over-optimistic timetables are common and lead to errors in the subsequent implementation phases. For example, they could result in failure of the procurement process or severe implementation problems, due to unrealistic tender preparation periods thereby limiting the number of tenders and affecting their quality.

5.5 Rule of Origin

In principle, all goods supplied under procurement contract financed from the Instrument for Pre-Accession Assistance must originate from an eligible country as designated in the regulation for the relevant financing instrument (Article 8(4) of the EU Regulation 236/2014), which is applicable to IPA II instrument. Exemption from the rule of origin applies to procurements with a value of below €100,000.[11] In specific cases a derogation from the rule of origin may be granted by the relevant services of the EC. Such derogation is granted only on a case by case basis. For that, it must be researched before the tender whether goods intended for purchase are available from the eligible countries and how relevant to the project they actually are (please, refer to Section 5.6 on Market Research how to do this).

It should be noted that the country of origin is not necessarily the country from which the goods are shipped or supplied. Two basic concepts are used to determine the origin of goods: i) the concept of "wholly obtained" product, and ii) the notion of products having undergone a "last substantial transformation":

:: If only one country is involved in the production, the "wholly obtained" concept will be applied. In practice, these goods wholly obtained in a single country will be regarded as having their origin in that country. This will be mostly restricted to products obtained in their natural state and products derived from wholly obtained products.
:: If two or more countries are involved in the production of goods, it is necessary to determine which of those countries confers origin on the finished goods. For this purpose, the concept of "last substantial transformation" is applied.

In general, the notion of "last substantial transformation" is expressed in three ways:

1. By a rule requiring a change of tariff (sub) heading in the HS nomenclature (i.e. the Nomenclature governed by the Convention on the Harmonized Commodity Description and Coding System);
2. By a list of manufacturing or processing operations that do or do not confer on the goods the origin of the country in which these operations were carried out;
3. By a value-added rule, where the increase of value due to assembly operations and incorporation of originating materials represents a specified level of the ex-works price of the product.

The above can be illustrated by the following example: a German brand automobile manufacturer has separate manufacturing lines in Mexico for a specific model (and then theoretically the eligible item becomes ineligible), whereas a Japanese brand has a manufacturing line in Turkey where the final assembly of the vehicle is realised and thus receives its last substantial transformation (and then at first glance the ineligible item becomes eligible).

When determining the brand/model during the Market Research studies, the beneficiary must give priority to the selection of the eligible products. In the case of an ineligible origin of a supply item, a derogation from the rule of origin may be granted by the services of the European Commission. However, in order to grant such derogation, it must be proven that the product, which is manufactured, created, assembled or built in an eligible country is not found through supporting documents, which may from time to time be practically difficult as producers or vendors may

[11] Where the procurement is divided into lots, the rule applies per lot (only applicable to lots of less than €100,000). The division into lots must be legitimate. This rule must not lead to artificially sub-dividing procurement into smaller lots to circumvent the above-mentioned threshold.

not be able to provide information or document to support such derogation. Also, derogation granted for earlier tenders shall not be used as evidence for subsequent tenders as market changes.

All items falling under the scope of derogation are listed in Article 10 of Special Conditions.

If the Market Research is not accurate and during tender procedures the interested bidders cannot find an eligible product that is requested, the entire procurement procedure may be cancelled. Also, this may occur during the implementation if the selected supplier cannot prove eligibility. It is recommended that the following guidance is followed in conducting a Market Research:

:: The country of origin information for the brand/model must be obtained directly from manufacturers or distributors. This is because vendors or sales agents may have incorrect information regarding the origin of a specific item, or they do not know the concept of this term. The most common mistake made by such third parties is considering the origin of an item as the origin of the manufacturer or where the item is being imported from. Therefore, it is practical to request information about the origin from the manufacturers or distributors when they are preparing a quotation or proforma invoice.

:: For the same brand/model, the manufacturing conditions and therefore the country of origin information may change depending on the product code or serial number, which has to be taken into consideration by the beneficiary when requesting information. If there is more than one brand/model in the market satisfying the minimum requirements of the beneficiary, the selection criteria must be based on the eligibility rule even when the eligible product is more expensive than the non-eligible one. Whenever there are eligible brand/models available in the market for the subject item, it is not possible for such items to obtain a derogation from the rule of origin.

:: If an eligible brand/model cannot be found in the market, a justification report must be prepared to clarify the need for procurement of this equipment with a derogation. For an item to be granted a derogation from the rule of origin, the market research should demonstrate that only brands/models from ineligible countries can be found in the market.

:: It is also possible to purchase items from the only existing supplier or manufacturer. However, there must be a good justification to do so. Remember, you may only be aware of a single manufacturer but there is no reason why another supplier would not exist, then you should follow the standard contract award procedure as beyond the manufacturer, there may be resellers. In most cases, only when the tender fails, you can request derogation. For that, please carefully consider your technical parameters.

:: Since market conditions change as well as manufacturing lines, the country of origin of an item may alter before the launch of the tender. It is advisable to verify the correctness of the information on origin for all items prior to tender announcement and always realise a Market Research with the most up-to-date information available.

:: On completion of all possible studies for the determination of the origin for an item, if there are still ambiguities or uncertainties regarding future procurement of the item from an eligible area, it is recommended that such item is removed from the Market Research rather than requesting derogation as a solution providing that the project objectives are not harmed.

5.6 Market Research

When determining in detail what to buy, estimating the cost of purchase, and before the finalisation of Technical Specifications, developing selection and award criteria in a procurement procedure, it is essential that purchasers understand the market. Market research provides information on the availability of products, which meet the tender requirements (e.g. such as rule of origin), and for the determination of the most appropriate procurement approach (e.g. such as division into lots) and procurement procedure. However, the market must be approached in a way that ensures respect for the principles of transparency and equal treatment, avoiding disclosure of privileged information and/or privileged market positions. Where a candidate or tenderer or an undertaking related to a candidate or tenderer has advised the CA, or has been involved in the preparation of the procurement procedure, the CA must take appropriate measures to ensure that competition is not distorted by the participation of that candidate or tenderer to the tendering procedure. The CA may exclude the candidate or tenderer from the tendering procedure when its involvement in the preparation of procurement documents entails a distortion of competition that cannot be remedied otherwise.

The following minimum aspects regarding the procurement subject should be thoroughly investigated (all in parallel):

:: Brands and models and technical details and parameters linked to those brands and models;
:: Country of origin to satisfy the rule of origin principle; and
:: Most importantly - the unit price and thus the total estimated cost.

A Market Research can be carried out in many ways. The essence is to understand its purpose being preparatory work for the preparation of Technical Specifications. Thanks to the research we know what goods and products meeting our needs are available, how much they cost and how quickly they can be delivered.

It is recommended that especially in case of complex projects specialised external technical expertise is used to conduct Market Research.

A table illustrating an example of Market Research is provided in Annex 3.

Brands, Models and Openness

The most advanced or a well-known brand/model of a specific equipment may not be considered as the most efficient or optimal solution. The beneficiary needs to compare at least 3 different brand/models that would meet the ultimate needs.

When realising the market research studies, vendors or similar third parties can manipulate the beneficiary with complex or unnecessary features for an expensive or ineligible brand/model or even recommend additional items to be included, which may not serve the original operational goals and result in budget overruns. Therefore, the selection of equipment under the market study must take into consideration, above all, the rule of origin and beneficiaries must put emphasis on picking eligible products rather than insisting on non-eligible ones. As already mentioned, the beneficiary (who is responsible for this phase of the procurement procedure) is recommended to appoint technically qualified experts for the selection of the equipment, determination of the required specifications and required features in order to ensure that the most economical and efficient solutions are included for tendering.

The procurement subjects (especially in the case of more complicated systems and their components) must be well defined in a logical sense along with their configurations and quantities. In case of high-end products or configurations, a justification report may be required from the beneficiary.

If the needs are defined in a way that excludes certain identified potential products or producers on the relevant market from the scope of the procurement, this exclusion should be clearly justified and explained by the beneficiary. It should be remembered that the market should always be kept as open as possible and products normally sold for similar projects or users or producers/vendors normally competing on these markets should not be excluded for technical or other reasons.

If there is only one eligible brand/model present in the market for a specific item, a justification report should be prepared to clarify the need for procurement of such equipment since this condition may affect the fair tendering process and competition. It is advisable to follow negotiated procedure (Section 4.2.6.1 of PRAG).

The above-mentioned preliminary considerations form the basis of a Market Research. If they are omitted or not realised adequately at the beginning, the results obtained during the study along with price offers will not be accurate or may even overrun the available budget, which may force the beneficiary to compromise on quantities or neglect some items originally planned.

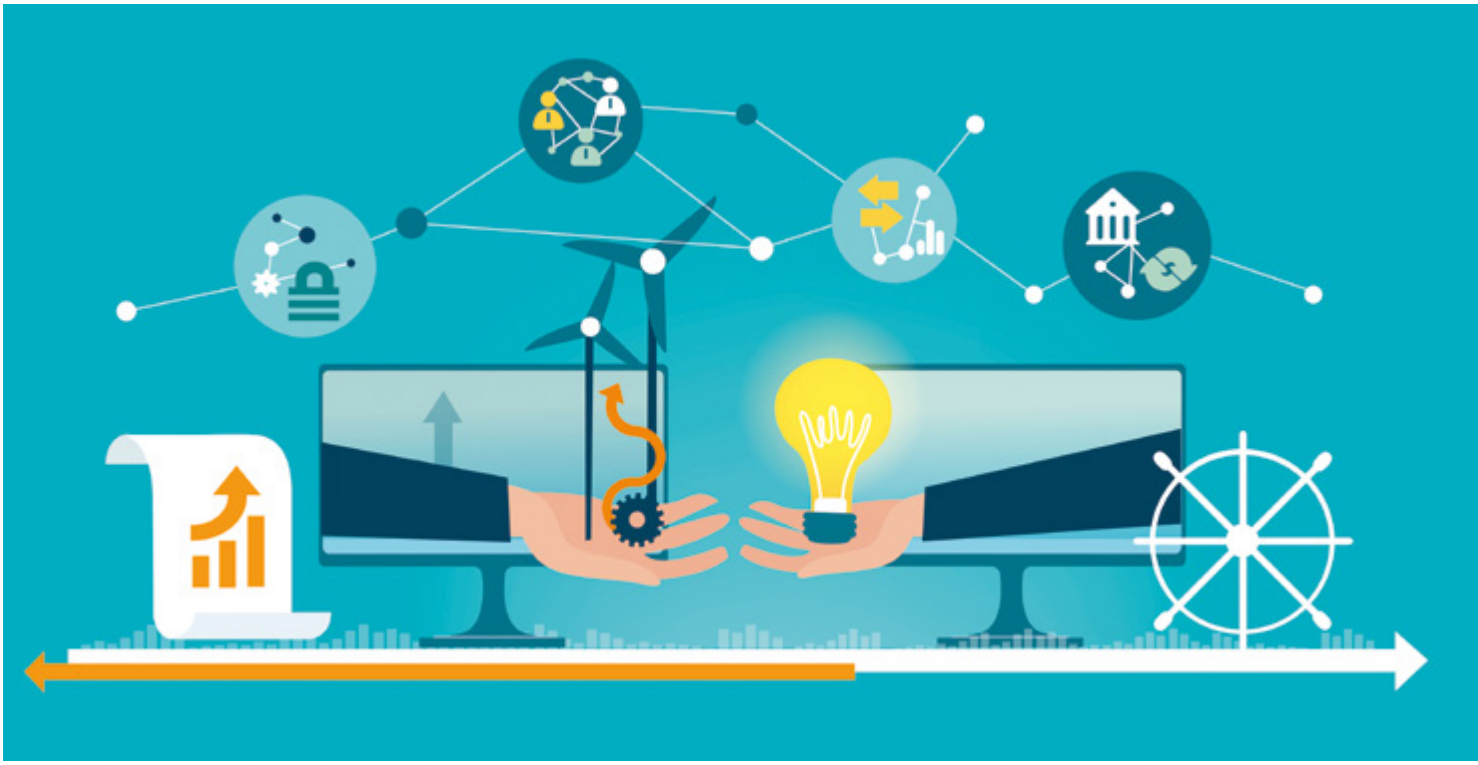
Cost Estimation

An accurate calculation of the cost and total budget is very important during Market Research studies. Not only just the acquisition cost but the total cost of ownership for each of the piece of equipment must be included in the calculations. Also, as specified under General Conditions Article 15 of Supply Contracts, the costs set out below must be included under the unit cost of each item:

- The costs of transport, handling, packing, loading, unloading, transit, delivery, unpacking, checking, insurance and other administrative costs in connection with the supplies;
- The cost of documents relating to the supplies where such documents may be required by the CA, such as custom duties;
- Execution and supervision of on-site assembly and/or commissioning of the delivered supplies;
- Furnishing of tools required for assembly and/or maintenance of the delivered supplies;
- Furnishing of detailed operation and maintenance manuals for each unit of the supplies;
- Supervision or maintenance and/or repair of the supplies, after-sale and warranty services (which are required by Article 32 and 33 of General Conditions but still may individually constitute a cost centre for the contractor read in conjunction with Article 15);
- Training of the relevant personnel in specified location;
- Licence costs, if any.

Total cost of acquisition refers to the procurement cost of an item (price). However, the total cost of ownership includes both the procurement cost and all the related types of cost as specified above. When obtaining price offers or proforma invoices from manufacturers or distributors, these costs are sometimes neglected and only the unit price information is provided. Especially for the delivery costs, the final delivery location must be considered rather than customs delivery or conditions like CIP (Carriage and Insurance Paid To). In addition, all the costs such as installation, put-into operation, commissioning and training must be identified.

All tenders co-financed from EU funds are costed in EURO - the European Union currency. Conversion into € from any other currency may follow exchange rates available at http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro/index_en.cfm “inforeuro” web-site.



Getting price offers directly from suppliers

The beneficiary must verify the presence of all the cost items in the price offers and if necessary, request a quotation or proforma invoice from third parties to calculate the total cost of ownership.

The total cost of ownership can also include the initial consumable or raw material cost of the items which are also needed for proper inspection and testing of the items.

WHAT DO WE NEED TO KNOW FOR PRICE DETERMINATION?

Date of the offer/quotation: the date information should be present in any offer for the most up-to-date price determination in the Market Research. If the currency used in the proforma invoice or offer is not in €, the date of the offer can be used for exchange rate calculation. Finally, the validity of the offer can also be verified through this date.

Exact brand/model as well as the configuration of the equipment for which the offer is obtained: the full name of the brand/model must be clearly presented for each of the equipment items. If the related equipment has sub-components which are required for full functioning of the equipment, it is recommended to include these parts in the offer, too. The price information should be ideally accompanied by technical brochures of the equipment and there should not be any inconsistencies or missing information with the brand/model, item part or brochures.

Indication of quantities and unit prices: unit price must be indicated for the items purchased in quantities higher than one (1). If the offer is for multiple items, unit price and quantity for each item must also be present instead of lump sum pricing.

Inclusion of other relevant costs, including warranty: The inclusion of the services such as delivery, installation, put-into operation, training and minimum one year of contractual warranty services must be verified within the unit or total price. The contractor may offer a commercial warranty with a period longer than the minimum requested, during which it undertakes to repair or replace goods free of charge, reimburse the purchase price, or provide any other remedy, when goods fail to function properly or do not have the properties specified in the warranty certificate or advertisement.[12]

[12] It is becoming more frequent for companies to also offer extended or additional commercial warranties in return for payment. These are special services that provide consumers with some rights in a particular time period if a product malfunctions or if any circumstances occur that are covered by such warranties.

Quotations or proforma invoices may sometimes indicate delivery periods and information about the country of origin, which are important.

Confidentiality rules must be applied when contacting potential suppliers or manufacturers of the required goods.

:: DO NOT provide information that your project is co-financed by the EU
:: DO NOT share parts of Technical Specifications (if already prepared)
:: DO NOT communicate or share any part of the Action Document
:: DO NOT share any information about the available budget
:: DO NOT provide information about individuals involved in the preparation of future Technical Specifications or any part of the tender procedure
:: DO NOT share confidential information with potential tenderers about their competitors who already provided price offers during Market Research

Getting price offers from internet

The price and technical information of the COTS products can be easily acquired directly from a vendor's website or from other intermediary internet sources for marketing equipment via the internet. If there is more than one source for obtaining such information, especially the price, the task is further simplified. However, the following points must be taken into consideration when acquiring price information:

:: If possible, it is best to acquire price information from multiple sources. Since these prices may vary according to the vendor, an average price from different sources can be reflected in the Market Research for the most accurate determination of the unit price.

:: If price information is obtained from foreign sites or vendors, it should be underlined that those prices do not include import costs, custom charges and freight to Turkey. Therefore, these costs must also be investigated separately and reflected in the unit price for each item. If required, prices must recalculated and expressed in €. Also, price information obtained from internet sources may not include delivery, put-into operation or training. Therefore, these costs must also be estimated and reflected under the relevant unit prices per item.

:: The price information must be checked for inclusion/exclusion of VAT or other taxes (such as special consumption tax for cars). If they are included in the unit price, then these taxes should be deducted as procurement under EU funding are exempt from taxes.

:: Some internet sites may provide incorrect information regarding technical specifications. Although price information can be obtained from such sites, the original brochures and technical documents should be separately acquired directly from the manufacturer or distributor.

:: Price and technical details for general office supplies and furnishing can be acquired from State Supply Office's (Devlet Malzeme Ofisi) online sales web site: (https://www.dmo.gov.tr/esatis/index.aspx). Note that all previous points must also be taken into consideration when obtaining information from this source.

:: Sometimes vendors prefer to provide price and technical information via e-mail. Such correspondence must also be kept for price evidence. However, when making correspondence with vendors through e-mail, the confidentiality rules must be respected.

Content of Market Research

Your Market Research must be clear, concise and accurate. The following aspects must at least be included in the Market Research document:

Lot title and numbering: The title of the Market Research sheet is the lot name which will also be used for other templates in the tender dossier and the contract. Therefore, the title of the lot must reflect the functionality of the equipment within. For example, a lot consisting of computers, servers and printers can be named as "IT Equipment". If there are more than one lot in the tender, the numbering of the lots shall be sequential.

Description of the equipment to be procured: A clear, detailed and concise description must be provided in sequential numbering.

Determination of the quantities: The required number of items to be procured must be indicated. It is recommended that formulas are used in an excel spreadsheet to make correct calculations. A spreadsheet for illustration of the entire Market Research should be formulated (see Annex 4, already referred to). Quantities should be consistent with those itemised in the AD (if that is the case) and the actual needs of the beneficiary.

Brand/model information: An exact brand/model of the selected equipment for the related item must be provided. At least two comparable brands/models must be included in the Market Research but having three brands/models is recommended. A precise brand/model description is required rather than broad definition. For example, description like "Inverter Air Conditioner" is incorrect as it does not provide model number. Correct description could be: "XXXX Inverter Air Conditioner" where XXXX is the model number used by the manufacturer since there may be several models offered by the same manufacturer.

Unit Price: The unit prices must be provided for each brand or model, including all the costs related with the delivery, installation, putting in operation, etc. Getting all those other costs than price is essential for the sound Market Research. Normally, unit price for similar products from various vendors or manufacturers should not significantly differ however substantial price differences should be explained.

Average Unit Price: The average unit price must be provided. For example, if prices for the same item collected from 3 vendors were €500, €650 and €700, the average price must be calculated as (€500 + €650 + €700) / 3 = €616,66.

Total average cost is computed by multiplying the quantity by average unit price.

Country of Origin information: The country of origin for the brands/models should be indicated accordingly.

Total cost of the lot (or the entire procurement in case of one lot only) is calculated through adding up all figures indicated per total average cost of each item.

Exchange rates must also be provided in case quotations or prices were received in currency other than EUR.

A Market Research is not only about investigating what is needed or wanted. It is not about examination of 2-3 brands or models (which are included in the Market Research report) but about understanding what else the market can offer. It is also about understanding parameters and specifications of products or goods that we do not want as long as we do not compromise competition.

5.7 Elaboration of Technical Specifications

The Technical Specifications document is the single most critical document influencing the overall quality and competitiveness of the procurement process. Any terms which can be interpreted as discriminatory, particularly against tenderers from another country or requiring goods that only one supplier (or suppliers from one country) can deliver are not acceptable. Also, any incorrect or missing information or requirement may lead to comprehensive revision of the tender documents during clarification period (i.e. period during which tenderers may request additional information regarding the tender dossier). That may extend the tendering period or cause the risk that no technically admissible tender will be received or leading to the cancellation of the tender procedure during clarification period.

The contracting authority is under a duty to use either:

:: A national standard implementing a European standard;
:: European technical approvals; or
:: a common technical specification. i.e. a specification with a view to uniform application in all Member States;
:: in all cases "or equivalent" must be added.

Technical Specifications are drawn up from the information, data and other intelligence captured during the development of a Market Research. There can be instances where the TS may also be prepared in parallel to the Market Research, however, in the case of complex projects or technologies which are seldom procured it is the market analysis that lays down the foundation for the requirements defined in the TS. In addition to those, aspects such as interoperability with the current equipment or systems must be taken into consideration.

General Requirements

General Requirements section must be developed under supply TS PRAG template (usually named as "c4f_annexiitechspeciiitechoffer_en.docx"), which provides tenderers with information on how to prepare technical proposals and issues that relate to the delivery, installation, commissioning, etc. and that tenderers must submit supporting documentation such as brochure, catalogue or similar. This section may also underline important points and requirements that are already provided under Special Conditions or General Conditions. That is because tenderers may perceive supply contracts as a simple delivery satisfying the minimum requirements. However, with the inclusion of such requirements even a simple project may be seen as a turn-key solution.

A sample of general requirements applying to all the supply items is provided below:

1. Tenderers are to offer standard production models matching or exceeding the specifications stated in the outline specifications. The tenderer shall ensure that the functions and features of the equipment meet the listed minimum conditions and should submit equipment brochures and catalogues showing the specifications of the equipment.
2. All specification details listed within for each item is the minimum requirements. Any improvements on the specifications or additional features offered should be clearly identified in the tenderer's offer.
3. Tenderers should clearly mention the brand/model name of the products offered. In cases there is a series of a product, the exact model should be specified (brand/product name, product version and product/part number).
4. All technical documentation supplied with the tender must match the tenderer's written specifications. In addition to the requirements stipulated elsewhere in the tender document, the tenderer shall with his tender provide brochures, leaflets and other documentation specifying the tendered supply in an unambiguous manner.
5. All Item Numbers of the required equipment shown in the Technical Specifications of the contracting authority must correspond exactly to those shown on Budget Breakdown (Model Financial Offer) and technical documentation submitted in support of each item offered. The tenderer must attach printed labels to the documentation, rather than handwritten identification.

Provisions regarding the installation and putting the equipment into operation may be formulated as follows:

1. The equipment must be delivered with all material essential for immediate and complete operating such as cables, interfaces, protecting covers, packages and other accessories.
2. All equipment must be supplied with full technical documentation comprising, at the minimum, operation manual, and service manual. This documentation must be supplied, at the time of delivery of the equipment, in English, and if applicable in the Turkish language, unless stated otherwise. It is the sole responsibility of the Tenderer to ensure that the supplies are certified as required. In addition to the requirements stipulated elsewhere in the

tender document, the tenderer shall with his tender provide brochures, leaflets and other documentation specifying the tendered supply in an unambiguous manner.

3. Installation and commissioning of the equipment by the contractor is essential. All required hardware/software components that are not stated explicitly in this Technical Specifications but are necessary for successful operation of the equipment herein shall be included in the tenderer's offer.

4. The contractor shall perform on-site installation of the supplied goods including unloading, furnishing to designated room, unpacking, assembling and connection to main supplied, and removal of packing materials from site.

5. Installation and commissioning shall be conducted by properly trained and authorized personnel.

6. Connection to main supplies (such as electricity, telephone & data lines, etc.) shall be done according the rules and regulations of Turkey.

7. The contractor shall make available to himself all tools, materials and equipment required for in-house transport, assembling and installation.

Technical Issues

Minimum requirements and criteria of the TS must meet those identified for all the items included in the Market Research report but not necessarily all those examined during the survey.

The standards required in Technical Specifications must be those currently in place and in use.

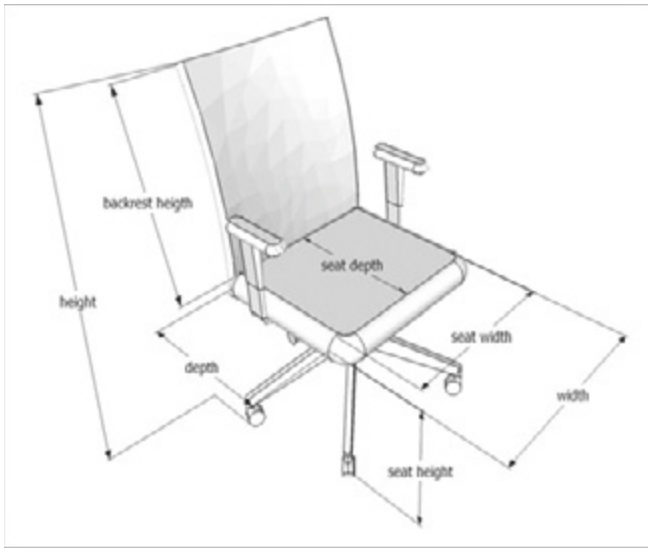
Technical Specifications must be precise in the way they describe the requirements so that tender proposals can be evaluated with either "YES" or "NO". They must also provide sufficiently detailed information that allows tenderers to submit realistic tenders, both in terms of goods offered and their cost.

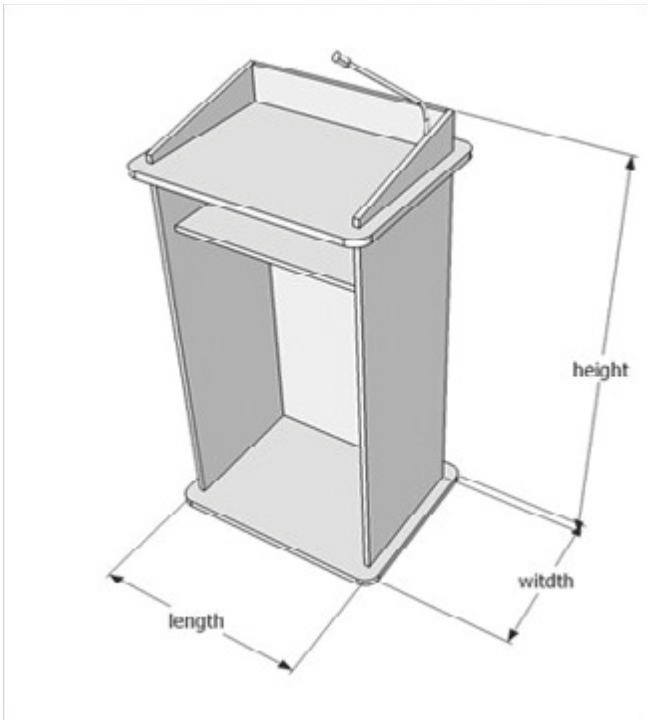
Technical Specifications document comes in a simple tabulated format containing 5 columns: i) item number (referring to each individual good), ii) specifications required, iii) specifications offered, iv) notes, remarks and reference to documentation and v) evaluation committee's notes. Column 1 and 2 are prepared by the beneficiary and completed by the contracting authority. Column 3 must be filled in by the tenderer and must detail what is offered; general statements are not allowed. In column 4 the tenderer can make comments on its offered items and refer to tender documents or catalogues. An illustration of the distribution of information in TS table is provided below:

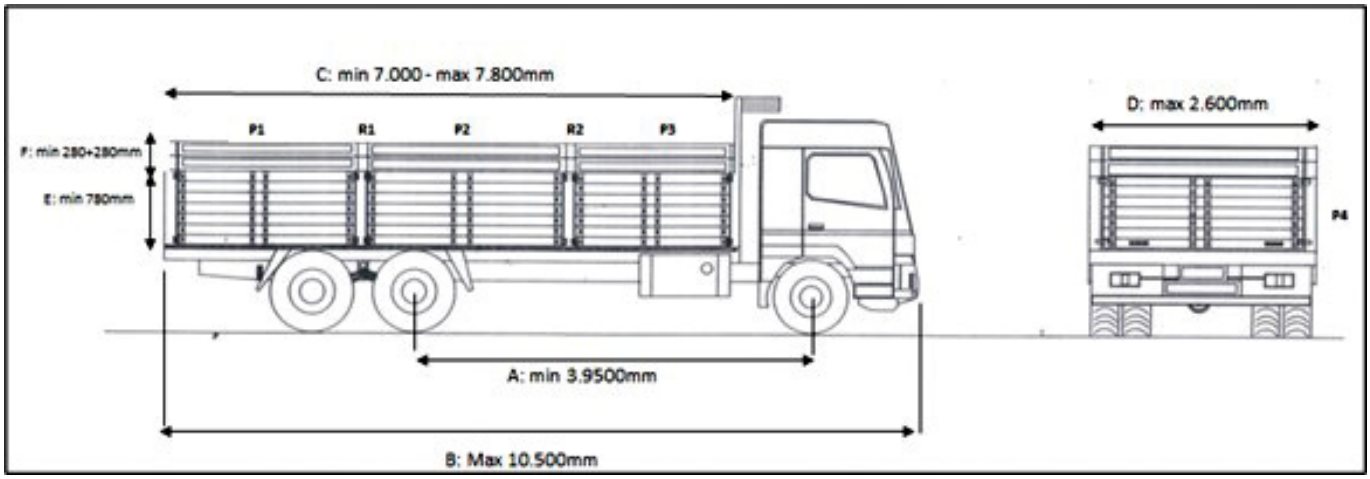
Item Number	Specifications Required	Specifications Offered	Notes	Evaluation Commitee Notes
1	OFFICE TABLE			
	Brand / model	Knoll / Office Collection 016		
	Country of Origin	Germany		
1.1	Table length range 140-160 cm	Table length 145 cm		
1.2	Table height range 72-75 cm	Table height 72 cm	The height does take into consideration the foot guards of the table unit	

Kindly note that the required specifications illustrated above are flexible. There is no specific strict dimension given to allow for more products to be offered as a part of the tender. But during the preparation of specifications the author forgot that foot guards have impact on furniture height. Without foot guards the table would not meet the required specifications.

Common or generic goods and equipment can be illustrated by drawings or photos for better clarity. Drawings can indicate the height, width, length and other dimensional parameters in order to eliminate misinterpretation by tenderers as presented below:







Specific projects may need maps, layout plans, architectural, technical drawings or circuit drawings. TS may include requirements that the goods must fit in specific limited areas and request that tenderers submit the intended layout of the equipment offered. This is especially important for large equipment or machinery which also needs infrastructural requirements along with appropriate layout planning for connection to mains (electricity, water or gas).

How important it is to understand all technical issues regarding the procured items can be illustrated by errors made when procuring simple IT equipment (laptops). In order to simplify the case only three of the five TS columns are provided (questioned requirements are marked with red font):

Item No	Specifications Required	Specifications Offered
1.1	LAPTOP	
	Brand/Model	Brand- XYZ
	Country of Origin	Country of Origin - AAA
1.1.1	CPU: Intel i5 technology or better	CPU: i7
1.1.2	Screen: min. 1366x768 pixels	Screen: 1366 x 768 pixels
1.1.3	Screen Display Type: LCD or LED	Screen Display Type: LCD or LED
1.1.4	Memory: min 8 GB DDR 3 or better	Memory: 8 GB DDR 3
1.1.5	Display card memory capacity: Min 1GB DDR3 or better	Display card memory capacity: Min 1GB DDR3
1.1.6	Ethernet LAN / Network adaptor: 10/100/1000 MBIT	Ethernet LAN / Network adaptor: 10/100/1000 MBIT
1.1.7	Hard disk: Min 500 GB, minimum 7200 rpm, SATA II or better	Hard disk: Min 500 GB, minimum 7200 rpm, SATA II or better
1.1.8	Keyboard: Turkish	Keyboard: Turkish
1.1.9	Optical Drive: Integrated DVD+/-RW optical drive	Optical Drive: Integrated DVD+/-RW optical drive
1.1.10	Operating System and Software: Windows 10 64 BIT-TR/EN, Microsoft office 2016	Operating System and Software: Windows 10 64 BIT-TR/EN, Microsoft office 2016
1.1.11	Built in Wi-Fi (802.11b/g/n wireless LAN)	Built in Wi-Fi (802.11b/g/n wireless LAN)
1.1.12	Integrated Audio & video units: Speaker, microphone, and camera	Integrated Audio & video units: Speaker, microphone, and camera
1.1.13	Shall have min 3 USB ports and at least one of them shall be a USB 3.0 port. Min 1 x HDMI and/ or VGA port and 1 x memory card reader slot	Shall have 3 USB ports (1x 3.0 and 2x 2.0 USB ports) 1 x HDMI port and 1 x memory card reader slot
1.1.14	Weight: 3 kg or less	Weight: 2.5kg
1.1.15	Computer must be compliant with CE marking.	Compliant with CE marking
1.1.16	All software shall be licensed to End Beneficiary.	All software shall be licensed to End recipients of assistance.
1.1.17	Any hardware (including individual components like CPUs and whole systems) that is announced as end-of-line by the manufacturer shall not be proposed by the contractor.	Any hardware (including individual components like CPUs and whole systems) that is announced as end-of-line by the manufacturer is not proposed

The commentary on errors is provided below:

1.1.1 CPU: Intel i5 technology or better
Intel is a CPU brand. When drafting technical specifications under column two, brand and brand specific terms cannot be used. In this case, the competitor of Intel brand is AMD. Therefore, for each of the articles in technical specifications, if there is a benchmarking value, a measuring unit or any other appropriate classification must be used instead of referring to a brand/model.

CPUs have a benchmark scoring called a "passmark score" for performance indications. The technical specifications of the CPU must be prepared according to the minimum scored item within the Market Research. As mentioned earlier, the technical specifications must satisfy all of the items in the Market Research and therefore the lowest values between the brand/models must be taken into consideration.

For a laptop having Intel® Core™ i5-3230M processor, the passmark score is given as 3.918 and it is the lowest score CPU compared with the other products in the Market Research (NB: some i7 CPUs can be slower than i5).

With this information, the technical specifications for item 1.1.1 must be revised by taking into consideration all the CPUs for the selected items in the Market Research. The correct provision should read: 1.1.1: CPU shall have a passmark score of minimum 3.900 (and not 3.918 to avoid a reference to specific product or brand with identifiable capacity).

1.1.4 Memory: min 8 GB DDR 3 or better
The item intended to require that the laptop shall have 8 GB installed memory. Even though the technical specifications may seem clear, there are still ambiguities as there are more specific terms such as "maximum supporting memory", "pre-installed" or "installed memory". The correct provision should read: 1.1.4: Shall have minimum 8 GB DDR3 or better memory installed.

1.1.8 Keyboard: Turkish
This item explicitly specifies that the keyboard must be in Turkish language. However, it does not provide any information regarding the layout such as "F" or "Q" keyboard. With this technical requirement it is still possible that foreign layout keyboards are provided with a system setting supporting Turkish character inputs even though some specific Turkish characters could not be present on the keyboard though this solution is not preferred. In order to eliminate ambiguities or different interpretation of the requirement it should be revised as follows: 1.1.8 Keyboard hardware: Turkish F-Keyboard layout.

1.1.9 Optical Drive: Integrated DVD+/-RW optical drive
Most of the current laptops are designed without an optical drive to save space. Even if they have optical drives, the performance of the drive could not be as effective as an optical drive installed in a desktop computer. The specification of "+/- RW" could only be found in very limited number of lap-top brands which would require derogation from the rule of origin. However, since there are eligible products in the market for laptops the derogation could not be granted. Therefore, the related item must be revised as follows: 1.1.9: Shall have integrated or external DVD Optical Drive.

1.1.10 Operating System and Software: Windows 10 64 BIT-TR/EN, Microsoft Office 2016
For very specific and broadly known software such as Windows or Office, brand names can be inserted in the technical specification (which is also same for Linux) however, the term "or equivalent" must be added to the technical specifications as follows: 1.1.9 Operating System and Software: Windows 10 64 BIT-TR/EN or equivalent, Microsoft Office 2016 or equivalent.

1.1.13 Shall have min 3 USB ports and at least one of them shall be a USB 3.0 port
During the implementation, in order to meet the minimum required number of USB ports, the contractors may provide USB hubs to multiply the number of available ports, which is not a preferred solution. Therefore, the term "interface" must be added as a requirement for ports to be integrated in the laptop chassis. The related item must be revised as follows: 1.1.13 Interfaces: Shall have min 3 USB ports integrated to the chassis and at least one of them shall be a USB 3.0 port.

Items 1.1.16 and 1.1.17 should be removed and included under the General Requirements section since these requirements can affect multiple items within the lot and are not directly related with the item itself.

Sometimes it is hardly possible to define numerical values or parameters of the equipment or goods. Or specific features of models vary so significantly. It is sufficient then to provide descriptive requirements like in examples in the text box below:

TRUCK

Usage: The vehicle will be used for transporting technicians and carrying the analysis and diagnostics devices for mobile intervention to broken-down vehicles and/or utilising it as a mobile test vehicle for exhaust emission analysis. The vehicle's interior shall be modified by the Contractor as specified within articles (...).

Type of vehicle: 2+1 Panel Van with side window, high roof, long chassis type, as per article (...) for axle length and vehicle height).

BOILER

Type: Steam blanching for blanching mulberry and similar sensitive and easily damaged products in water by direct steam injection.

Body and frame: complete AISI 304 Cr. Ni. stainless steel

Some equipment may require definition of accessories or other auxiliary items:

3D printer shall be supplied with the following accessories:

:: Starter kit including 3x filaments (3 different colour filament kit) or similar printing materials/resins;
:: Set of handling tools;
:: Fully licenced operation and slicing software compatible with Windows platform and the 3D Printer;
:: Cables and other accessories necessary for fully functional operation of the equipment.

It is advisable to include the appropriate standards within the technical requirements that are specific to the equipment such as CE, RoHS, ISO, TSE, DIN, etc. An example below concerns standards related to a diesel power generator:

The generator shall have CE marking and be compatible with 2006/42/EC, 2006/95/EC, 2004/108/EC, 2000/14/E or equivalent standards and meet minimum IP23/H isolation class.[13]

Linkages Between Technical Specifications and Special Conditions

Special Conditions for supplies are prepared individually for each contract and are supplementary to General Conditions. Although it may look unprofessional, some important elements included in Annex II + III may be repeated in the contract for better clarity as not many contractors are experienced with EuropeAid specificities. Normally, Special Conditions are adapted to each specific supply by the contracting authority together with the beneficiary and the following articles are worth paying attention to (list is not exhaustive):

ARTICLE 7 I SUPPLY OF DOCUMENTS
This article can be used to determine any document, specification and/or drawing to be provided by either party, which may be required for the implementation of the contract. Such requirements can also be stated under Annex II + III Technical Specifications if expected to be provided by the contractor. These are not limited to, but may include technical drawings, calibration certificates, testing procedures or licenses concerning the supplies. The beneficiary should be able to list all those requirements that will become a part of the contract.

ARTICLE 13 I PROGRAMME OF IMPLEMENTATION OF TASKS
Following the commencement of the implementation period with an Administrative Order issued by the contracting authority, the contractor, unless otherwise specified, should submit an implementation plan for the approval of the contracting authority and the beneficiary in accordance with Article 13 of the Special Conditions. The programme is directly linked to the period of the implementation of the tasks, which must be realistically defined by the beneficiary during the execution of Market Research.

After the submission of the implementation plan by the contractor, the beneficiary is expected to evaluate and comment on the plan. In accordance with the delivery times specified in the implementation plan, the beneficiary is obliged to prepare the delivery locations ready for installation of the equipment (in terms of infrastructure, renovation, permits, etc.). Thus, the implementation plan should indicate the information and requirements, if any, on installation and infrastructure along with delivery period.

Requests for such implementation plans is optional and should be decided before the tendering process.

ARTICLE 14 I CONTRACTOR'S DRAWINGS
Under this article, the drawings, documents, samples and/or models can be requested from the contractor. The time limit for the approval of these drawings, documents, samples and models can also be specified. In addition, the language of the manuals and drawings requested can be indicated under Article 14.7 of Special Conditions.

The layout plan of the equipment to be installed can also be requested from the contractor under this article as well.

ARTICLE 19 I PERIOD OF IMPLEMENTATION OF THE TASKS
All the required services such as delivery, installation, commissioning, inspection and testing, training and provisional acceptance studies of the contract must be finalised within the time limits specified under this article.

It is important to note that the manufacturing, delivery, installation and commissioning of the supplies must be completed before the inspection and testing of the supplies. Even though these services are completed within the total time specified in Article 19 of Special Conditions, if specific deadlines are required explicitly for each of the implementation stage (delivery, installation, inspection and testing) the contractor must respect these deadlines.

The period of the implementation of the tasks lasts until provisional acceptance therefore its duration depends both, on the contractor who is tasked to provide goods and the beneficiary and contracting authority who must spare time to check if the goods are in order. The contracting authority has a right to impose penalties as per Article 21 of General Conditions in case of delay caused by the contractor.

Kindly note that the implementation period is not the same as execution period, which lasts until the release of the performance guarantee after final acceptance.

ARTICLE 24 I QUALITY OF SUPPLIES
Some supplies may require the production of samples and their acceptance. In parallel with Article 14, preliminary technical acceptance requirements for the samples requested can be modified within Article 24.2. The method of pre-tests of samples must be defined here. Please, follow proper demarcation line with Article 25 below.

[13] The requirement related with the IP protection standard does not need to be followed by "or equivalent" since these standard numbers are strict and published by International Electrotechnical Commission (IEC). Using these codes under the specifications also help to better define the requirements, rather than using relativistic terms such as durable, strong, etc.

ARTICLE 25 I INSPECTION AND TESTING
Special requirements for inspection and testing can be modified under this article. The most common testing methods are i) factory acceptance testing and ii) site acceptance testing. The factory acceptance testing may include the assembly process and not only the ready product and is recommended for the supply of large or bespoke equipment or goods. Should that be the case, the relevant time period for such tests must be included in Article 19. Site acceptance testing is generally executed for off-the-shelf items.

5.8 Miscellaneous

There are other aspects of the procurement of goods which are highlighted below.

Environmental Factors

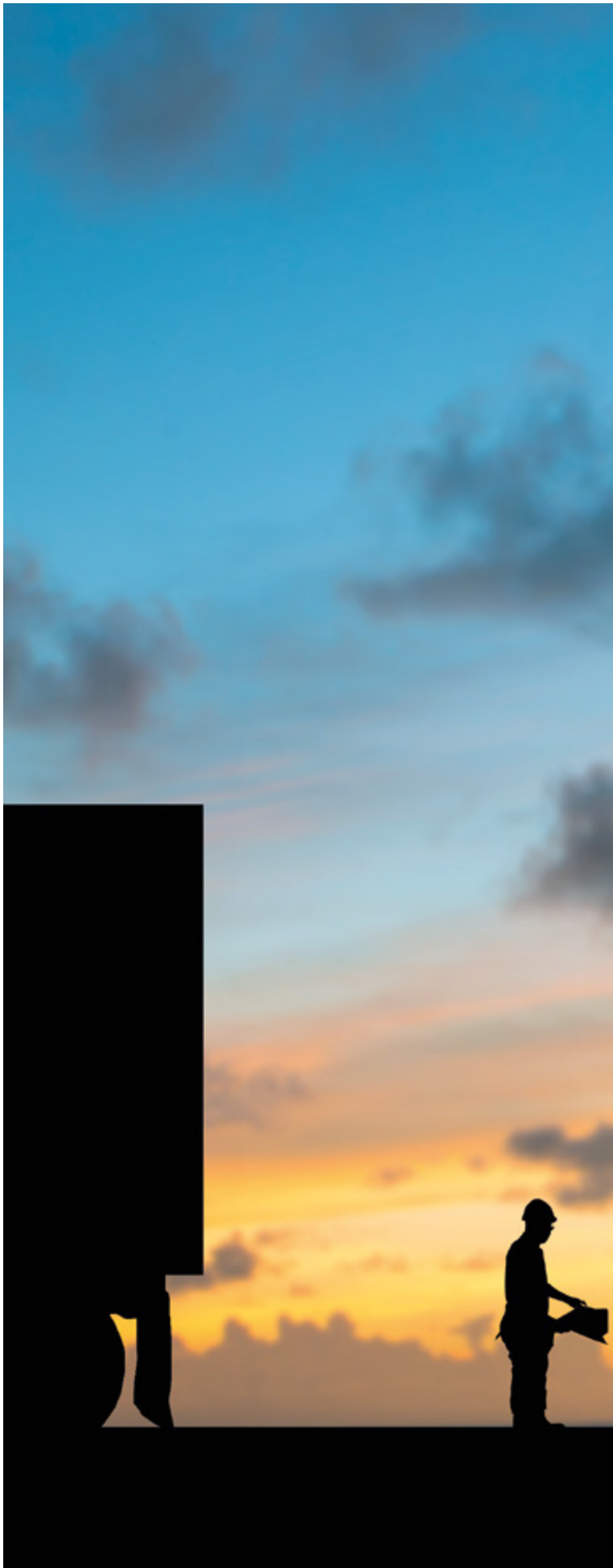
The European Union is promoting environmental and energy efficiency. Such factors may be considered during the programming phase and reflected in the Action Document. They can also be included in Technical Specifications. Examples include:

:: Consumables and parts used in the goods/equipment may be required to be environmentally friendly and have longer durability to reduce consumption waste (e.g. printer cartridges, lamps/bulbs, etc.) and meet applicable standards, e.g. RoHS, WEE compliance or similar.
:: Energy efficiency class (A, A+, etc.);
:: Specific requirements for lower power consumption;
:: Fuel energy consumption and emission standards may be promoted (e.g. EURO-5 or 6 emission standards).

Note that the requirements must not create conditions that limit competition among potential suppliers.

Filing

All source documents obtained or acquired during the execution of a Market Research must be digitised, properly filed and later archived. They are required by the CA for examination before a tender can be launched and later may serve as evidence in case of any irregularity.




Applications
Grants
ON/C

6 Grant Schemes

Grant schemes are different from the contract types presented in the earlier Sections of this Manual in the way that the final beneficiary takes advantage of EU funding. While through the procurement of services, works and supplies the contracting authority "is buying things" for the recipient, the grant is about "giving money" to solve specific problems of the beneficiary by the beneficiary itself.

Procurement is an option when one can define either the performance, function and expectations well in advance while a grant is given to a project, which defines both the problem and the solution by an entity which has not been identified by name during the programming phase.

In general, it is assumed that the results of a procurement action are owned by the contracting authority whereas the results of a grant belong to the grant beneficiary.

Grants are also different from procurement as grant funding requires co-financing by the beneficiary while support through procurement can finance the whole of the project cost.

Grant funding is the most popular form of support to sectors and organisations within them. Grant beneficiaries can be public sector institutions, private entities (including enterprises) and non-governmental organisations. Interested parties can apply by responding to calls for grant proposals.[14]

[14] In this Section only so called "action grants" are elaborated. These grants should not be confused with operating grants, grant directly awarded in line with the provision of PRAG Section 6.4.2 or grants awarded to international organisations that have been pillar-assessed, e.g. UNDP, EBRD, EIB, etc. (for Contribution Agreement).

6.1 Constructing Rationale and Framework

The relevant Action Document is the foundation that provides a framework for the content of each grant scheme. While the AD provides preliminary, strategic guidance as to which target groups will be supported and how, the Guidelines for Applicants in turn have operational and technical character. For that, the AD should be descriptive while the Guidelines must be prescriptive.

The success of each grant programme will be measured by how well the objectives are achieved. It should be clearly understood that developing a Guidelines document, is a design process and similar to every other design (such as specifications), it must be fit for use. Quality of the design is usually indicated by completeness and correctness of specifications, objectives, expectations etc.

The Guidelines should be designed to serve and deliver on the objectives and priorities of the relevant Action Document, at the same time creating sufficient interest among the possible beneficiaries who have already got the capacity/capability to develop and implement a project.

A thorough study should be carried out to determine the specific objectives, target groups, size of the grants, geographical distribution, eligible group of applicants, eligible co-applicants, actions and costs. At least preliminary enquiry covering those aspects should always be conducted during programming while more detailed analysis can be carried out alongside the development of the Guidelines document. Experience of similar recent grant schemes can be also considered, including those implemented in other countries.

Information that is required to design a grant programme and develop the Guidelines should be generated using structured methods.

Since 1992 the EU has been using the Project Cycle Management approach as its primary set of project design and management tools. The first PCM manual was produced in 1993. The manual has been updated several times and the current version was published in 2004.

The Logical Framework Approach is a core tool used within PCM. The LFA should be thought of as an 'aid to thinking'. It allows information to be analysed and organised in a structured way, so that important questions can be asked, weaknesses identified and decision makers can make informed decisions based on their improved understanding of the project rationale, its intended objectives and the means by which objectives will be achieved.

The operational design of the Guidelines for Applicants should be based on the Action Document. The overall objective of the Grant Programme is already determined in the Intervention Logic of the Action Document. It should be noted however that this overall objective frequently concerns a broader Action, not necessarily the grant scheme itself.

The same concerns the specific objectives of the Call for Proposals. Repetition of the specific objectives from the AD should be handled with care as these may, again, refer to the broader Action, and not to the grant scheme per se. Such issues must be agreed with the CA and the EUD so that all key institutions responsible for compliance issues have the same understanding of the intervention logic, which is often neglected or misinterpreted; for that the programming exercise should be 'outward thinking' to ensure flexibility, especially when the AD covers several interventions, and not only the concerned grant scheme.

PCM Guidelines provide the best support to determine the fundamental information for the elements of the design including specific objectives, stakeholders and strategies. The PCM Guidelines provide tools described by the Commission that can help in the Grant Guideline preparation task. For comprehensive information reference should be made to the PCM Manual[15].

Policy Framework and Horizontal/Cross-Cutting Issues

The Policy framework for the Call for Proposals is determined by the Action Document. Key provisions of this document must be reflected in the Rationale (Background) and Objectives parts of the Guidelines.

In addition to the policy framework, there are several permanent cross-cutting issues such as: equal opportunities and gender mainstreaming, environment and climate change, engagement with civil society, minorities and other vulnerable groups, etc. that the EU strongly promotes when providing financing.

Stakeholders Analysis

Understanding your stakeholders and target groups is essential for the successful implementation of any project; needless to say, that it is also important for any grant scheme. Each Annual Action Programme encompasses a brief analysis at the country level and content of the Guidelines stems from the corresponding AD. Indeed, each Action Document starts with the section dedicated to the identification of the problem and stakeholder analysis. Information given in this section creates a basis for further analysis however, because this is a generic document covering the entire action, further analysis should be undertaken in order to identify types of projects which can address root causes of the problem to be addressed.

[15] PCM Guideline, March 2004 edition https://europa.eu/capacity4dev/t-and-m-series/documents/project-cycle-magement-guidelines-2004-english

The PCM Guidelines explain the stakeholder analysis process and suggests several methods complementary to each other. All the methods are very useful however, blending of some of them is highly recommended. This relates to the broader stakeholder group, beneficiaries and project implementers (applicants, co-applicants and affiliated entities alongside potential associates) and should be exercised BEFORE drafting the Guidelines.

Stakeholders: individuals or institutions that may directly or indirectly, positively or negatively affect or be affected by a project or programme. Any individual, groups of people, institutions or firms that may have a significant interest in the success or failure of a project (either as implementers, facilitators, beneficiaries or adversaries) are defined as stakeholders. A basic premise behind stakeholder analysis is that different groups have different concerns, capacities and interests, and that these need to be explicitly understood and recognised in the process of problem identification, objective setting and strategy selection.

Beneficiaries: are those who benefit in whatever way from the implementation of the project. Distinction should be made between:

- Target group(s): are the group/entity which will be directly positively affected by the project at the Project Purpose level. This may include the staff from partner organisations or their clients;
- Final beneficiaries: are those who benefit from the project in the long term at the level of the society or sector at large, e.g. "children" due to increased spending on health and education, "consumers" due to improved agricultural production and marketing.

Project applicants and co-applicants (sometimes colloquially called partners): are those who implement the projects (who are also stakeholders and may also be the 'target group'). There is a general notion that all potential applicants should be non-governmental organisations, associations, foundations, development agencies, provincial institutions, municipalities, universities etc. and their possible contributions to the objectives and capacity to reach the target groups should be analysed. If the size of the group is too large, it can be further divided into sub-groups. In addition to those largely not-for-profit organisations, private entities (including companies) can be included as applicants or co-applicants, which can add value in many sectors.

Each potential group of applicants should be examined regarding:

:: Their interest in the relevant field and previous contributions;
:: Capacity and motivation to participate and bring about a change;
:: Relation with the target group.

Problem and Objective Analysis

Before preparation of the Guidelines, the objectives of the programme and problems that will be tackled should be further studied. As detailed in the PCM Guidelines, problem analysis identifies the negative aspects of an existing situation and establishes the cause-effect association between the identified issues. It involves three main steps:

1. Definition of the framework and subject of analysis;
2. Identification of the major problems faced by target groups and beneficiaries (What is/are the problem/s? Whose problems are those? What causes the problem?);
3. Visualisation of the problems in form of a diagram, called a problem tree or hierarchy of problems to help analyse and clarify cause-effect relationships.

Objective analysis should be done complementary to the problem analysis to picture the desired future status. Such analysis must be performed during the programming phase however it may happen that it is not very comprehensive (as the AD only provides a framework for future implementation), or the actual issues may have changed since the AD had been drafted. And if that is the case, then the Action Document may require revision.

These exercises should be done in accordance with the Action Document, especially with the Logframe. Also, it is always good to validate if our original assumptions and proposed way forward is right.

Feedback from Previous Programmes

Systematic and objective evaluation reports on previous programmes or ROM reports will serve as a 'Lessons Learned Tool' for the Call for Proposals. Evaluation reports (and other sources of information) should be reviewed to assess the efficiency and effectiveness of the earlier interventions, how the funds were used, was the funding sufficient or excessive, was the selection of beneficiaries suitable for sustainability, etc. Our own reflection on lessons learned from previous interventions is also recommended for consideration.

Consultation Meetings

A consultation meeting brings together a large number of people in a single room, where they will hear information delivered directly by the End Beneficiary and/or Lead Institution and be able to put questions and even engage in a debate, with no intermediary (although there may be a moderator to keep the meeting on track). Information delivered directly is a guarantee of legitimacy. There are three main objectives when organising a consultation meeting:

:: Inform: present the call for proposal in advance of the meeting (consultation file, project website) and during the meeting (PowerPoint presentation) and provide general information on the project, its challenges, objectives, organisation, impacts, cost and scheduling;
:: Stimulate interest: prompt stakeholders to attend by publicising as widely as possible the fact that a meeting is to be held, and giving the date and time'
:: Encourage participation: establish dialogue between the parties, promote exchanges of views and thereby encourage the public to express an opinion: expectations, doubts, fears, support for or opposition to the scope of the grant scheme, and any proposals.

'Understanding the market' is the key for all contracts under PRAG and in case of grant schemes their success is impossible without the participation of potential grant applicants who can serve to deliver on the objective of the programme. Moreover, the beneficiaries are the most reliable source to gather information from in the field.

Consultation meetings can be kept broad and general to ensure equality of opportunities during the actual call for proposals. For that, do not tell your interlocutors what you aim to do but rather what you want to achieve and get to hear from them under what circumstances that is possible.

Strategy Analysis

A clear strategy must be developed to choose the most effective option for the grant scheme regarding the applicants, actions, activities, cost, etc. It will further determine implementation modalities. A clear answer to just a few questions will be very useful:

:: Should we target all the identified problems or select only some of them given the available budget?
:: What are the key opportunities than we can build on?
:: What is/are the most effective option(s) to deliver on the required indicators?
:: Which strategy will have most positive effect on the identified target/vulnerable groups given the capacities available vis-à-vis targets in the AD?

6.2 Forms and Templates

Guidelines for Applicants is the main document outlining the rules and principles governing each call for proposals. It constitutes Annex e3a to PRAG, applicable to calls for proposals financed under indirect management.

The template should be adapted to a specific call as explained in the text box below (the text is excerpted directly from Annex e3a).

Where you see < ... >, enter the information relevant to the call for proposals in question.

The phrases in square brackets [ ] should only be included if appropriate, while the paragraphs shaded in grey should only be amended in exceptional cases, dictated by the requirements of a specific call for proposals.

Any other part of these standard instructions should not be modified, unless derogation has been granted by the relevant service. Remember to delete this paragraph, any other text with yellow highlighting, and all square brackets in the final version.

6.3 How to Prepare a Call for Proposals?

A Call for Proposals can be organised as open or restricted. As defined in PRAG, all Call for Proposals are restricted, i.e. a two-step procedure where all applicants may ask to take part but only the applicants who have been shortlisted (on the basis of a concept note in response to a call launched through published Guidelines for Applicants) are invited to submit a full application. Restricted procedure (at least theoretically) provides for higher likelihood to receive high quality projects.

In exceptional cases, and via a prior approval (of the EUD or EC), call for proposals may be open, i.e. all applicants are free to submit a full grant application (with the concept note included). In this case a concept note must still be submitted together with the full application and the evaluation process is carried out in two stages (shortlisting on the basis of the concept note). A decision to launch an open call rather than a restricted call must be justified by the technical nature of the call, for example, limited budget available, limited number of proposals expected, homogenous group of applicants with similar capacity or potential, narrow range of the eligible actions and activities (easy to score and compare across proposals), low max. grant amount (which would make evaluation more cost-effective per proposal) or organisational constraints.

Guidelines for Applicants document defines the requirements and expectations of the call. As PRAG further outlines, the Guidelines for Applicants (with which the application form and other annexes are published) explain the purpose of the call for proposals, the rules of eligibility of applicants, the types of action and costs which are eligible for financing, and the evaluation (selection and award) criteria. They also contain instructions on how to fill in the application form, what needs to be attached to it, and what procedures to follow in applying. They give information on the evaluation process that will follow (including an indicative timetable) and the contractual conditions applying to successful applicants.

The Guidelines for Applicants should set out very clearly and in detail the objectives and priorities of the call for proposals and give particular attention to the eligibility criteria. They must be published and any subsequent change to them must be published as well.

Step-by-step guidance on how to fill out the template for Guidelines for Applicants is presented below.

Title Page (Basic Information)

Contracting authority: The contracting authority for Annual Action Programmes is the Central Finance and Contracts Unit.

Title of the Programme: It should be the title of the grant scheme as defined in the Action Document or an Activity therein. If the title of the Action Document (or of the Activity) is too long or covers several sub-actions, a shorter and more

specific title can be developed. Remember, the programme will be called by this title so the most appealing words within the title are recommended. Also, keep it short and simple. Changes to the title of the grant scheme however will require approval by the EC services.

Budget Line: Budget line refers to the source of EU funding and is available on the relevant Financing Decision. The CFCU will provide this information.

Reference: This reference number is given by the EU Delegation. The CFCU will provide this information after liaising with the EUD.

Deadline for Submission: It is recommended to fill in this deadline after the completion of the Guidelines when the call is ready for launch after ex-ante or ex-post approvals. Please, respect public holiday periods which may negatively affect the submission of quality applications and give reasonable time for the development of applications after fixing (optional) information meeting dates.

Optionally, logos of the main institutions (and of the action) may be placed at the bottom of the first (cover) page. General practice is that CFCU logo is on the left, EB's logo is on the right and Programme or Action logo is in the centre.

Notices

The first 'NOTICE' (referred to earlier in the text box in Section 6.2) is to be removed before publishing since it is about adaptation of the Guidelines. Whereas for the second 'NOTICE', the applicable type of the call (i.e. open or restricted) should be selected and the text provided in the template for that type of call should be included without any change.

1. Title

The title of the call for proposals must be inserted here. It must be the same title as in the first page of the Guidelines.

Section 1.1 Background
This section will give an overview of the situation in the country and the sector covered by the grant scheme. Background on financial cooperation with the EU and other related issues may be included to elaborate on the subject. The Action Document 'Rationale' section includes some background information.

Remember, the Guidelines document is aimed at the potential applicants, therefore, the language should be jargon-free as much as possible and should be plain and complete, and irrelevant and excessive information should be avoided. The Guidelines template recommends that it should be kept short and simple (half a page), however, there may be instances where more technical content is required to fully explain the relevance of the project.

Section 1.2 Objectives of the Programme and Priority Issues
In principle, the Global Objective of a grant scheme is the Overall Objective stated in the Action Document.

If properly formulated, the Specific Objectives can be copied from the Action Document. In this Section you can also refer to the expected results and indicators established for the grant programme in the Action Document. This is because projects can correspond to your objectives and priorities, but they may not produce the desired results. In this context they can be scored lower under the criterion of relevance. Additional narrative can be added to describe the objectives in a user-friendly fashion, if required.

The Guidelines template document also requires that priorities for the call for proposals are established. Sometimes these priorities are outlined in the Action Document, but they can also be defined prior to the call and refer to policy themes, pillars, sectors, etc. Priorities may also provide a reason to split the call into lots to ensure that projects from different types of applicants, of different sizes or addressing different topics will be awarded funds that are ring-fenced. Alternatively, priorities can better determine types of actions in a specific sector, e.g. education of citizens, education of professionals, strengthening self-regulation of organisations. The more priorities included in a single project, the more inclusive it will be.

Section 1.3 Financial Allocation Provided by the Contracting Authority
This section will provide financial information about the call for proposals.

The size of the financial envelope is clearly defined in the Action Document. The budget of the grant scheme can further be distributed across geographical areas or thematic lots (if necessary) to achieve the intended results.

If the call for proposal is designed to have different lots, it is recommended that an optional sentence: "if the allocation indicated for a specific lot cannot be used due to insufficient quality or number of proposals received, the contracting authority reserves the right to reallocate the remaining funds to (an)other lot(s)" should be included. Given such a provision the contracting authority will be able to contract more available funds.

Subsequently, information about the minimum and maximum amounts of grants must be indicated in this Section. The minimum and maximum amounts of grant may be different for different lots (if applicable), however, caution is required in doing so.

The minimum and maximum grant amount should be objective, pragmatic and consider:

:: Achievement of output indicators defined in the Action Document (e.g. there is a commitment to support a specific number of entities) and then the maximum amount should be defined assuming that if all funds are committed and all projects request the maximum amount it is still possible to support the targeted number of projects;

:: 'Do-ability' of projects in that the minimum grant amount is sufficient to implement a small-scale project in the targeted sector; for this it is important to understand what cost is associated with an action intended to be financed - such information can be obtained during consultation with stakeholders or through historical data from similar calls in the past;
:: Capacities of the targeted group of beneficiaries;
:: Duration;
:: That the minimum grant amount is not too high to discourage small organisations from applying.

As imposed by EU Financial Regulation, grant projects must be in general co-financed by grant beneficiaries. Exceptions are very few and consider e.g. aid in crisis situations, aid for refugees, fundamental rights, etc. While it is essential to indicate the max. % of the grant in the total cost of a project, determining minimum financing percentage and minimum grant amount is optional. Although it may discriminate small organisations, it can be established in specific situations where e.g. the intention is to have only a limited number of projects in the portfolio, avoid small grant contracts or in case of repeated grant programmes addressing limited size of the same target group in the country or sector.

Usually the financing percentages of grants in Turkey are within the threshold 75% - 90% range.

In-kind contributions by grant beneficiaries do not constitute eligible cost except for the work by volunteers, which can make up to 50% of the co-financing. The unit cost of volunteer's work is to be provided by the contracting authority, which is a novelty introduced with PRAG 2019.

2. Rules for this Call for Proposals

The rules of each call for proposals should include provisions such as: who can apply, what projects and activities can be financed, what costs are eligible, and how to apply for financing. This Section of the Guidelines is always problematic and sometimes controversial as questions like "why do we support this group and this activity not that one" may arise.

Section 2.1 Eligibility Criteria
Eligibility rules concern types of applicants, co-applicants and other 'partner' organisations (affiliated entities and associates) aspiring to benefit from grant funding, types of actions and activities, and the costs that can be financed. Rules can also restrict the number of applications that can be submitted by or the number of grants awarded to the same entity.

Section 2.1.1 Eligibility of Applicants: The main question here is who to include and who to exclude. The entity applying for a grant is called lead applicant. If awarded a grant contract, the lead applicant will become the beneficiary identified as the coordinator in the special conditions of the grant contract. The coordinator is the main interlocutor for the contracting authority. It represents and acts on behalf of the co-beneficiary(ies) (if any) and coordinates the design and implementation of the grant project.

Mandatory specifications refer to:

Type of entity: Explains whether the applicant must be a legal person, an entity without legal personality or natural person (individual). Eligibility of entities without legal personality (which do not have legal personality under the applicable national law) is subject to prior approval of European Commission (EUD to Turkey). The representatives of such applicants must be able to prove that they have the capacity to undertake legal obligations on behalf of the applicant, and that they offer financial and operational guarantees equivalent to those provided by legal persons.

Profit-making: No grant may give rise to profits (i.e. it must only balance income and expenditure for the action) unless the objective is to reinforce the financial capacity of a beneficiary or generate income to ensure project continuity after the period of its execution (end of EU grant financing). Other criteria may also apply but they are not commonly used in Turkey, e.g. direct support in the field of education, training, research, study paid to natural persons or direct support paid to natural persons most in need, such as refugees, unemployed or otherwise deprived. Also, non-profit organisations are exempted from this rule and it does not apply to low value grants (up to €60,000). To ensure that this principle is met, generally only non-profit making bodies are defined as eligible in Turkey. Specific grant schemes however may only make sense if they target private sector (and thus profit-making) undertakings. Also, it is generally acknowledged that grants must not distort market forces. However, they can do that, e.g. if grants are privileged for public entities only but private entities also act in the same field or sector, this may lead to a displacement effect.

Examples of frequently used types of bodies eligible to apply for grant funding in Turkey is given below:

:: non-governmental organisations from the eligible countries[16] (also called civil society organisations such as associations, foundations, federations/confederations of associations/ foundations) operating in the fields pertaining to the present call for proposals (could be indicated as appropriate); non-governmental organisation is an organisation:
a) which is independent of the state as regards to its establishment and appointment of its personnel and administrators,
b) which has an autonomous and democratic structure in its financial and administrative affairs,
c) which is a non-profit legal entity.
Federations/confederations of associations/foundations must be established by the Association Law No:5253 in Turkey.
A not-for-profit (non-profit) organisation is one, which is not operating for the profit or gain of its individual members, whether these gains would have been direct or indirect. A non-profit organisation can still make a profit, but this profit must be used to carry out its purposes and must not be distributed to the owners, members or others.

16 Distinction can be made between CSO's from Turkey, other IPA countries and Member States.

:: Cooperatives:
In the case of cooperatives: they should demonstrate that their operations are strictly non-profit making. During the verification of eligibility checks, they must show that their statutes prohibit the distribution of the profit to the shareholders for the period defined by the contracting authority, which may be 3 or 5 years;
:: Chambers of commerce and/or industry (for Turkey: an entity established in accordance with the Law of the Union of Chambers of Commerce and Commodity Exchanges of Turkey, and the Chambers and Commodity Exchanges of 18/05/2004 no 5174 (O.G. 26812) as amended;
:: Professional organisations (e.g. chambers of engineers, architects, their unions, organisations of employees representing e.g. schoolteachers, staff in education sectors etc. and acting as defender of their interests, public servants' unions/confederations etc.);
:: Education and/or training institutions;
:: Local authorities (such as municipalities, special provincial administrations, unions of local authorities and development agencies).

There may be a condition that applicants must demonstrate that the area of the submitted project is within its working field as mentioned in its statues/law/etc.

All lead applicants must be directly responsible for the preparation and management of the action with the co-applicant(s) and affiliated entity(ies), not act as an intermediary.

In addition to the definition of eligible applicants, if deemed necessary, ineligible applicants and any exceptional requirement can also be indicated under this heading. Examples of ineligible applicants include:
:: Political parties and their affiliated structures;
:: Individual commercial enterprises or groups of enterprises (if they are not listed under eligible applicants); however, where relevant, it is recommended that they may be invited to participate as associates.

Co-applicants participate in designing and implementing the action, and the costs they incur are eligible in the same way as those incurred by the lead applicant. If the presence of co-applicants is obligatory, the minimum requirements for the type and/or the minimum/ maximum recommended number of co-applicants to be involved in the action must be indicated. Co-applicants are usually mandatory if the intention of the grant scheme is to support networking, knowledge exchange, building of partnerships, etc. Otherwise the inclusion of co-applicants can only be recommended.

Generally, the criteria for co-applicants are the same as for the lead applicant, however, additional requirements can be defined. Although the requirements for co-applicants must be decided individually for every call for proposal, the requirements outlined below are established in most of the calls for proposals published in Turkey within the framework of supporting civil society:

:: There is no minimum number of co-applicant(s);
:: In case the lead applicant is not established in Turkey, it must act with at least one co-applicant that is established in Turkey.

Section 2.1.2 Affiliated Entities are legal entities having a legal (based on membership, e.g. federations, confederations, unions of associations, etc.) or capital link (shareholding, e.g. mother/ sister company, subsidiary, branch, etc.) with applicants, which is neither limited to the action nor established for the sole purpose of its implementation. Due to their inherent nature, affiliated entities may sometimes be very useful in the implementation of grant projects, supporting their activities through co-financing, staff secondment, advocacy or access to other partners and stakeholders through e.g. presence in other countries.

Only the lead applicant and co-applicants will become parties to the grant contract, but the lead applicant and its co-applicant(s) may act with affiliated entity(ies). Their affiliated entities are neither beneficiaries of the action nor parties to the contract and are, therefore, not financially liable in case of recovery of funds. However, if they participate in the design and in the implementation of the action and the costs they incur (including

those incurred for implementation of contracts and financial support to third parties) may be eligible, provided they comply with all the relevant rules already applicable to the beneficiaries under the grant contract. Affiliated entities must satisfy the same eligibility criteria as the lead applicant and the co-applicant(s) to which they are affiliated to and they must sign affiliated entity statement. Additional criteria can also be defined.

Section 2.1.3 Associates and Contractors: Associates are other organisations taking part in the implementation of a project. Such associates play a real role but may not receive funding from the grant, except for per diem or travel costs. Associates do not have to meet the eligibility criteria established for the applicant and co-applicants. Contractors: the grant beneficiaries and their affiliated entities are permitted to award contracts. The selection of contractors is subject to the procurement rules set out in Annex IV to the standard grant contract (also called secondary procurement). Associates or affiliated entity(ies) are not allowed to be contractors in the project. Examples of awarded contracts include activities that the applicant, co-applicants and other parties to the project cannot do in-house, e.g.: studies, research activities, training courses, printing, purchase of equipment for project implementation, etc.

Section 2.1.4 Eligible Actions: actions for which an application may be made: This section defines requirements for aspects such as project duration, sectors, location, types of action, types of activities, support to third parties.

Duration: The duration of the whole programme is determined by the Action Document. The timeline shows both the contracting deadline and end of the implementation period. Grant contracts should be completed well before the execution period of the action to provide sufficient time for the closure of the contracts, which may take several months. The duration of the grant contracts must be sufficient to execute a project that will achieve the defined purposes; hence the need to know the market. Also, it should be remembered that grant beneficiaries will have to use PRAG for procurement (where relevant) and that tendering takes time. The duration must be indicated as following: "the initial planned duration of an action may not be less than XX months nor exceed YY months". The minimum project duration is not mandatory. Generally, the duration is given within the range of 12-24 months and must be commensurate to the minimum and maximum grant amount (a project large in size should not last too short and vice versa: a small-sized project should not last long).

Sectors or themes (if defined) provide boundaries for the overall typology of projects and where the applicant will come from. Eligible or targeted sectors and themes may sometimes be already defined in the Action Document, e.g. civil society, cultural and creative industries, environment, transport, etc. Sectors or themes may also be reflected in the division into lots.

Location: Most of the projects are expected to take place in Turkey (sometimes in a specific region of the country), however, activities aimed at international cooperation or including experience sharing, may also take place in other eligible countries, especially if international cooperation is an inherent part of the grant scheme or when learning from other countries' experiences is encouraged.

Types of Action is probably the most informative section for potential applicants. The list of types of actions should serve as inspiration for those interested in the grant scheme and must be indicative (suggestive but not restrictive). General types may already be included in the Action Document. In principle, actions are clusters or groups of activities, e.g. design, awareness rising, enhancement, development, stimulation, expansion, internationalisation, adaptation, improvement, (broader) education or learning, study/review or advocacy. A single project may include one or more types of action, e.g. a broader educational programme for several organisations combined with promotion of good practices. The PRAG template provides also a generic list of ineligible actions which can be further expanded where relevant.

Activities are more of a task nature, e.g. training, study visit, purchase of equipment or materials, design and development of website, translation, data collection, and the organisation of conferences, workshops, and training.

Financial support to third parties (earlier known as re-granting or sub-granting) is a modality that allows the grant beneficiary to give small-scale grants to other organisations, which are not co-applicants, affiliated entities, associates or contractors. Normally, the maximum amount must not exceed €60,000 except for cases where such support is the main purpose of a broader action. Financial support to third parties is recommended where the actual target groups have poor capacity to manage projects and where extensive mentoring and capacity building is required combined with the purchase of small-scale items by individuals (e.g. farmers) or organisations (e.g. rural cooperatives or fledgling NGOs). This modality implies that the grant beneficiary takes on the role of a contracting authority of the second level to manage a portfolio of small projects. Clear criteria must be defined, which require thorough analysis of the market, e.g. what persons or organisations would be eligible, and what activities they are expected to undertake, and these must be provided by the applicant in the grant application form. The intention of granting financial support to third parties should be clearly declared in the Action Document.

Number of applications and grants per applicant and affiliated entity: The contracting authority may restrict the number of applications that can be submitted by lead applicants and the maximum number of contracts that may be awarded to the same lead applicant, co-applicant and/or affiliated entity. Such restrictions encourage better quality of proposals, enhance competition where big players leave room for small players, and provide for more reliable co-financing. Also, it reduces the risk of a high number of dummy applications.

Visibility provides standard principles for the successful applicants to promote the fact that their projects are co-financed by the European Union.

Section 2.1.5 Eligibility of costs - costs that can be included: Various types of cost can be financed through grant funding, e.g. salaries of personnel assigned to the project, office costs, supplies, and the cost of organisation of events. PRAG promotes the principle of sound financial management and for that only costs that are necessary for project implementation can be considered as eligible. They must also be reasonable and

justified. Some cost types may be capped, e.g. purchase of equipment may not exceed a specific % of the eligible project cost. In general, expenditure on construction works is avoided. The PRAG template also defines categories of ineligible costs. Reference to the AD which may already provide for that together with the provisions of Article 14.9 of grant General Conditions and consultation with the CFCU about the difference between direct and indirect cost will be essential.

Section 2.2 How to Apply and the Procedures to Follow
The Guidelines for Applicants template provides clear direction regarding procedures about making a project application and this section can be easily adapted. There are two approaches depending on the type of the call for proposals (whether it is a restricted or open call).

RESTRICTED CALLS

Section 2.2.1 Concept Note content: This section determines the language of the call for proposals. English applies to all of them. In the concept note, applicants provide an estimate of the budget and requested contribution as a detailed budget will be presented in the next phase (in the case where the applicant is invited to submit full application) but the requested EU contribution must not vary from the initial estimate by more than 20%.

Section 2.2.2 Where and how to send a concept note: One original and a copy of the concept note is always required; however, more copies may be requested. An electronic version of the concept note must also be submitted together with the original to the address of the contracting authority. The warning on the envelope "NOT TO BE OPENED BEFORE THE OPENING SESSION" should also be noted in Turkish as: "AÇILIŞ OTURUMUNDAN ÖNCE AÇMAYINIZ". Concept notes can be delivered through registered mail, private courier service or by hand-delivery. The postal address and hand delivery address (if different) should be clearly indicated.

Section 2.2.3 Deadline for submission of concept notes: The date and time should be indicated clearly. It is recommended to avoid the Close of Business hours. 17:00 local time is usually used.

Section 2.2.4 Further information about concept notes: This section opens up the possibility to engage with potential applicants to share more insights or interpretations regarding the contents of the grant programme. Information sessions serve one main purpose being helping potential applicants fill in the application form and put their applications together, but they may also raise awareness about the grant programme and encourage applicants to participate. Information sessions are useful if the scope of the grant scheme is complex, when a similar programme was implemented in the past and the new one comes with some modifications or when it is considered essential e.g. to share lessons learned. It is possible to organise information sessions for the interested entities in one or more locations and they can also ask clarification questions via email provided in this Section, which the contracting authority must publish the answers not later than 11 days before the closing date. To this end, especially for the questions in technical nature, end beneficiary and/or lead institution must provide the replies in due time through exercising a close and efficient collaboration with the CFCU in this critical clarification period since all the questions must be answered in due course.

Any information shared with potential applicants must respect the principle of equal treatment and should be published together with all original grant documents (any presentation or documents distributed). Any information session must be organised at the latest 21 days before the submission deadline and key questions asked during such events are recommended to be answered together with those submitted through email correspondence. It is recommended to carefully plan for holding information sessions.

Section 2.2.5 Full applications: This section is generic for all calls and must be copied from the template without modification.

Section 2.2.6 Where and how to send full applications: Please, closely follow analogical instruction from section 2.2.2 regarding the concept notes.

Section 2.2.7 Deadline for submission of full applications: The date and time from the submission of full applications will be communicated to the applicants in individual letters sent by the contracting authority.

Section 2.2.8 Further information about full applications: Similar to the concept note stage, the applicants are allowed to ask questions, which must be answered before a specific date. It is not customary to hold information sessions at this stage of the call for proposals.

OPEN CALL

Instructions to follow for an open call for proposals are similar to those for restricted calls with only one exception being that both the concept note and full application together with its annexes are submitted together at the same time.

Section 2.2.1 Application forms: The language of the call for proposals is defined in this section, which must be English.

Section 2.2.2 Where and how to submit applications: One original and a copy of the concept note together with the full application are always required; however, more copies may be requested. An electronic version of the concept note with the application form must also be submitted together with the original to the address of the contracting authority. The warning on the envelope "Not to be opened before the opening session" should also be noted in Turkish as: "Açılış Oturumundan Önce Açmayınız". Concept notes with the application form can be delivered through registered mail, private courier service or by hand-delivery. The postal address and hand delivery address (if different) should be clearly indicated.

Section 2.2.3 Deadline for submission of applications: Date and time should be indicated clearly. It is recommended to avoid the Close of Business hours. 17:00 local time is used in general.

Section 2.2.4 Further information about applications: This section opens the possibility to engage with potential applicants to share more insights or interpretations regarding

the contents of the grant programme. Information sessions serve one main purpose being helping potential applicants fill in the application form and put their applications together, but they may also raise awareness about the grant programme and encourage applicants to participate, which may appear to be even more important than in the case of a restricted call (because potential applicants must invest much more resource to prepare and submit full application). Information sessions are useful if the scope of the grant scheme is complex, when a similar programme was implemented in the past and the new one comes with some modifications or when it is considered essential e.g. to share lessons learned. It is possible to organise information sessions for the interested entities in one or more locations and they can also ask clarification questions, via email provided in this Section, which the contracting authority must publish the answers not later than 11 days before the closing date. To this end, especially for the questions in technical nature, end beneficiary and/or lead institution must provide the replies in due time through exercising a close and efficient collaboration with the CFCU in this critical clarification period since all the questions must be answered in due course.

Any information shared with potential applicants must respect the principle of equal treatment and should be published together with all original grant documents (any presentation or documents distributed). Any information session must be organised at the latest 21 days before the submission deadline and key questions asked during such events are recommended to be answered together with those submitted through email correspondence. It is recommended to carefully plan for holding information sessions.

Section 2.3 Evaluation and Selection of Applications

This section of the Guidelines template provides clear instructions on how to adapt it to the context of the specific grant programme depending on the type of the call (whether it is restricted or open). There are three evaluation steps:

Step 1 considers opening, administrative checks and concept note evaluation. The evaluation grid is standard and should be used without modification except for sub-criterion 1.4 where specific elements of the priorities of the call and its objectives (included in section 1.2) can be furthered. In order to reduce administrative burden and to ensure that only the best projects can be financed, the ultimate number of the pre-selected concept notes depends on their score (minimum 30 of 50 points) and the requested budget (it is customary to cap the number of pre-selected projects according to their ranking, where the total aggregate amount of the requested contributions does not exceed a specific percentage of the available budget for the call; this percentage can be 200% or more). 200% is considered to be generally sufficient but there are calls where a 300% cap/ceiling is used, especially in the case of restricted calls.

Step 2 is about the evaluation of full applications. The Guidelines template provides clear instruction on how to adapt the text depending on the type of call for proposals. In the case of a restricted call this step also includes opening and administrative checks. The applicant must score at least 12 of 20 points for financial and operational capacity criterion otherwise its application will be rejected. Also, the score for each sub-section of that criterion must be higher than 1 (very poor) otherwise the application will be rejected. Those mean that the partnership between the applicant, co-applicants and affiliated entities must be well thought through and properly structured, including their roles and responsibilities concerning the provision of the required capacities.

Step 3 covers the verification of eligibility of the applicants and affiliated entities.

Section 2.4 Submission of Supporting Documents for Provisionally Selected Applications

The full, standard list of documents required by the CFCU is outlined below:

1. The statutes or articles of association of the lead applicant, each co-applicant (if any) and each affiliated entity[17] (if any, and signed by the legal representative(s) and stamped with the official seal/stamp of the entity).
2. A copy of the lead applicant's latest accounts (the profit and loss account and the balance sheet for the last financial year, for which the accounts have been closed, as certified by an independent auditing company/public accountant or authorised body). A copy of the latest account is neither required from the co-applicant(s) (if any) nor from affiliated entity(ies) (if any).
3. A Financial Identification Form of the lead applicant (not from co-applicant(s)) conforming to the model attached as Annex E of these guidelines, certified by the bank to which the payments will be made. This bank should be located in the country where the lead applicant is established. If the lead applicant has already submitted a financial identification form in the past for a contract where the CFCU was in charge of the payments and intends to use the same bank account, a copy of the previous financial identification form may be provided instead.
4. Certificate of the legal registration (a document showing the activity status of the organisation) of the lead applicant, of each co-applicant (if any) and of each affiliated entity (if any).
5. The decision of the lead applicant's, each co-applicant's (if any) and of each affiliated entity's (if any) managing bodies to implement the project with a nomination of the person(s) empowered to represent and sign (where relevant).
6. A notarised sample of signature(s) for representative(s) empowered to represent and sign for the lead applicant, for each co-applicant (if any) and, for each affiliated entity (if any) (sample signature of the person empowered to represent, and sign nominated in the 5th article).
7. Evidence on the fulfilment (including restructuring etc.) of obligations related to social security contributions (obtained after the date of contracting authority's request) taken from the relevant social security authorities for the lead applicant, for each co-applicant (if any) and for each affiliated entity (if any). If the lead applicant and/or the co-applicant(s) (if any) and/or affiliated entity(ies) (if any) are exempted from social security contributions, documentary proof regarding the status should be provided, as relevant.
8. Evidence on the fulfilment (including restructuring etc.) of the fiscal/tax obligations (obtained after the date of contracting authority's request) taken from the relevant tax authorities for the lead applicant, for each co-applicant (if any) and for each affiliated entity (if any). If the lead applicant and/or the co-applicant(s) (if any) and/or affiliated entity(ies)

[17] Where the lead applicant and/or a co-applicant(s) and or an affiliated entity(ies) is a public body created by a law, a copy of the said law must be provided.

(if any) are tax exempt, documentary proof regarding their status should be provided.

9. Declaration on honour filled out and signed by the applicant, co-applicants and affiliated entities, as relevant.

10. Authorisation or other licenses for the implementation of the projects, if required by the laws.

Section 2.5 Notification of the Contracting Authority's Decision
Section 2.5.1 Content of the decision: This section provides a standard text which must not be changed in the Guidelines document. Kindly note, that a positive decision to award a grant does not give a right to the grant until the grant contract has been signed by the parties.

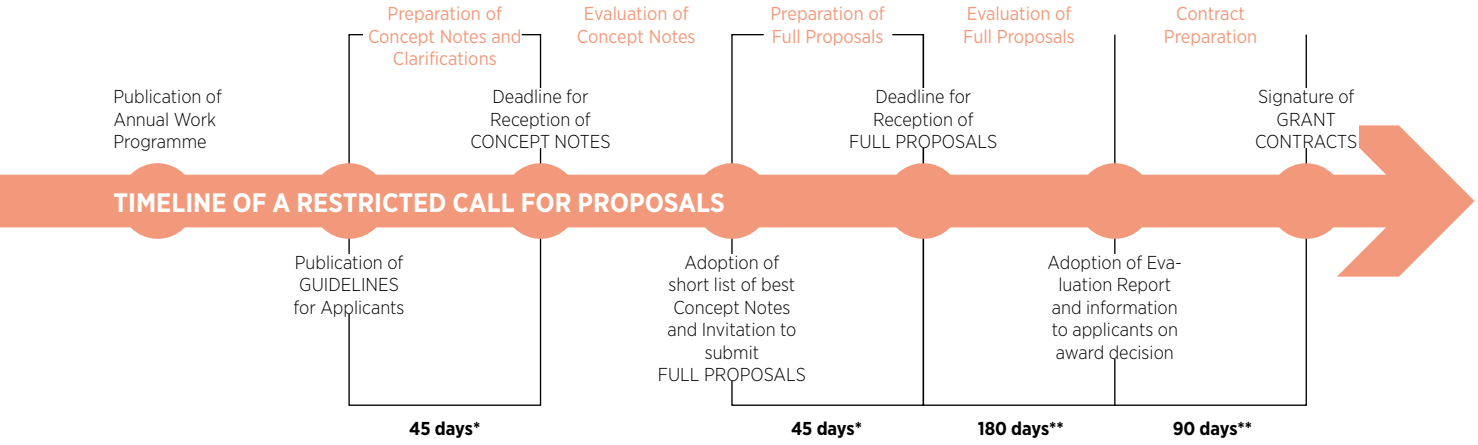
Section 2.5.2 Indicative timetable: The Guidelines document template provides for some indicative and some unalterable periods or timing of milestones in each call for proposals. The timetable in this section is indicative other than the date for requesting clarifications (2), last date of the publication of clarifications by the contracting authority (3) and deadline for submission of concept notes and applications. In practice, the time plan of the call must be prepared by fixing the application submission deadline first in order to define the preceding milestones (latest date for optional information session, final date for questions and clarifications).

The minimum period between the date of publication of the guidelines for applicants and the deadline for submission of proposals is 90 days for open calls for proposals. Where the maximum size of each grant to be awarded within the programme is EUR 100 000 or less, the minimum period is 60 days. For restricted calls for proposals the minimum period for submission is 45 days. In exceptional cases, a shorter deadline may be allowed through a derogation by the EC.

The deadline for submission must be long enough to allow for high-quality proposals. Experience shows that too short a deadline may prevent potential applicants from submitting proposals or cause them to submit incomplete or ill-prepared proposals.

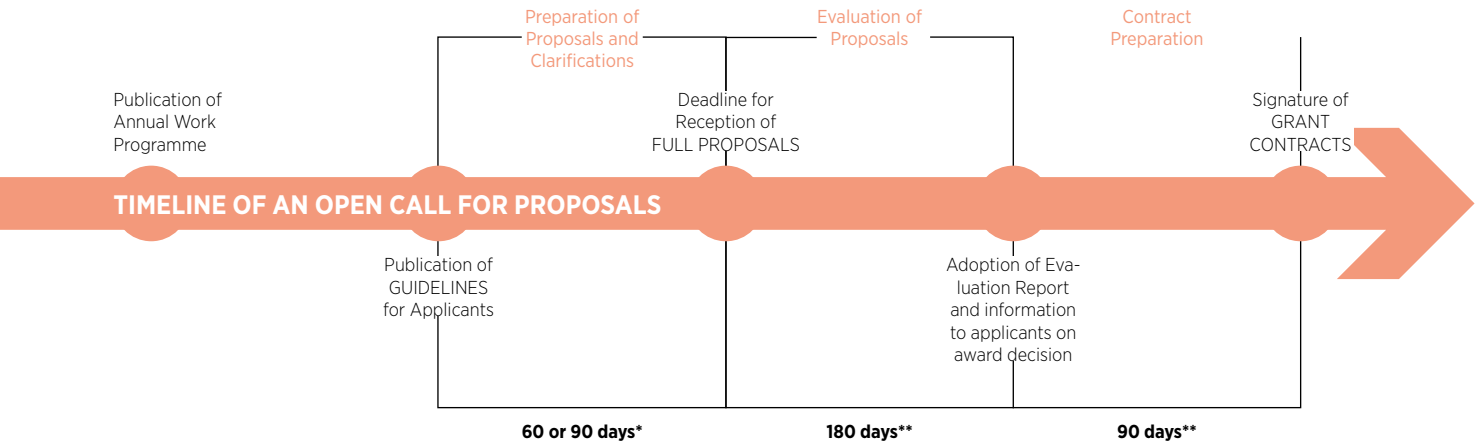
This indicative timetable may be updated by the contracting authority during the procedure. In such cases, the updated timetable must be published at both EuropeAid and other websites where the calls were originally published.

The timeline of a restricted call for proposals is illustrated in the figure below.



* These periods may be extended by the Contracting Authority, they may also be reduced but a derogation is needed in this case.
** These periods do not apply in the case of complex actions or where a large number of proposals has been received.

The timeline of an open call for proposals is illustrated below.



* 60 days where the maximum size of each grant to be awarded is EUR 100,000 or less. In both cases, these periods may be extended by the Contracting Authority, they may also be reduced but a derogation is needed to do so.
** These periods do not apply in the case of complex actions or where a large number of proposals has been received.

Section 2.6 Conditions for Implementation after the Contracting Authority's Decision to Award a Grant
The Guidelines document provides a fixed content of this section which can be modified only if pillar-assessed organisations are not eligible.

3. List of Annexes

The following documents must be completed and submitted by the applicant (based on PRAG forms which must be published):

Annex A: Grant application form Part A (Word format)
Grant application form Part B (Word format)
Annex B: Budget (Excel format)
Annex C: Logical framework (Word format)
Annex D: N/A
Annex E: Financial identification form (PDF format) (to be completed by the provisionally selected lead applicants)
Annex F: PADOR registration form
Annex H: Declaration on honour

In addition to those, the Guidelines template provides a list of documents for information, which the applicant should familiarise with (and not send them with the application):

Annex G: Standard grant contract
Annex G-II: General conditions
Annex G-IV: Contract award rules
Annex G-V: Standard request for payment
Annex G-VII: Model report of factual findings and terms of reference for an expenditure verification of an EU financed grant contract for external action (if applicable)
Annex G-VIII: Model financial guarantee (if applicable)
Annex G-IX: Standard template for transfer of ownership of assets

Annex I: Daily allowance rates (per diem); website link will be provided as appropriate
Annex J: Information on tax regime applicable to grant contracts signed under the call
Annex K: Guidelines and checklist for assessing simplified cost options

The Guidelines for Applicants document also provides links to documents that may be found useful in the preparation of the application and in the course of project implementation: Project Cycle Management Guidelines, Guide on the implementation of grant contracts and Financial Toolkit.

7 Twinning

Twinning had been established as an instrument targeting administrative cooperation to assist candidate countries to strengthen their administrative and judicial capacity to implement EU legislation as future Member States which aspire to align their policies and institutional systems with good practice in the European Union. In this section we describe main differences between strengthening of administrative capacities through twinning and Technical Assistance and how to prepare a Twinning Fiche.

7.1 Twinning and Technical Assistance: Main Differences

Although both, twinning and TA projects can serve the same objective and purpose, there are several differences between them. While in case of Technical Assistance services are delivered by consulting companies, twinning is using existing public administrations and so-called mandated body structures in a Member State to provide assistance.[18] In addition, several EU Member States can come together to deliver a single project. Indeed, the beneficiary chooses a specific EU country administration to provide twinning services rather than a consulting company to transfer the requested public sector expertise and experience. In addition to that, other differences include:

:: Twinning is a project based on grant funding combined with compensation for the cost associated with operational and financial management and control of a Twinning project; for that no entity makes profit when delivering services;
:: Twinning is expected to bring concrete operational results to the beneficiary institution(s), which are linked either to the Acquis, standards and norms, practices or policies in general; they cannot be simply focused on "administrative strengthening"; those results (called mandatory results) or outputs (mandatory outputs) are agreed with the Commission (Twinning Inter-Service Group or Twinning Coordination Team at DG Near) and must be linked to reforms;
:: It is required that Twinning is a project of joint nature meaning that a beneficiary institution is not only "taking" but also assumes responsibilities for the agreed mandatory results and outputs in line with a broader reform process;
:: Two Project Leaders (one on behalf of the EU Member State leading the Project and the other of the beneficiary administration) and a Resident Twinning Adviser are the backbone of Twinning projects;
:: In case of TA, a project is delivered by a team led by Team Leader while in twinning the team is led by Resident Twinning Advisor (except for Twinning Light where there is no RTA);
:: Short-term experts are normally employees of the administration (or Mandated Body) of the country delivering a Twinning project and they spend limited time in the beneficiary country;[19]
:: Results and outputs are achieved through peer-to-peer engagement and joint activities rather than are outsourced to an expert like in most of TA projects;
:: A beneficiary institution is hosting the twinning team in its premises rather than expects that Twinning experts will hire an office in the vicinity of the beneficiary;
:: Twinning projects are implemented in accordance with Twinning Manual and not with PRAG;
:: While TA tenders are published and consulting companies bid for contracts based on Prior Information Notice, Contract Notice and subsequent Terms of Reference, opportunities regarding Twinning projects are coordinated by the Twinning Coordination Team staying in touch with National Contact Points in each Member State, who submit proposals in response to call for proposals against Twinning Fiche. For transparency purpose, for several years Twinning project opportunities have been also advertised on EuropeAid website by the EU Delegation to Turkey.

It makes sense to use twinning as a tool when there is a clear advantage of using public sector expertise/ experience over private sector consultancy, e.g. in sectors like judiciary, home affairs, statistics, technical norms, taxation, financial system, etc. or assignments concerning drafting legislation, legal approximation and alike.

There must also be a clear political commitment by the beneficiary since most of twinning projects are expected to positively affect policies, modus operandi and practices in the public sector of the beneficiary country.

[18] While public administration basically includes all line ministries and state agencies established under the Constitution of the relevant Member State, mandated bodies are public or semi-public organisations that are entrusted with the delivery of public services by law or government act and are under permanent supervision of a public entity that exercises management function, operations, financial control and audit of such a body. Examples include e.g. national or regional offices in charge of hazards, forests, public procurement, waste management, phytosanitary control, road safety, food safety, statistics, education, etc. The full list of Mandated Bodies can be found here: https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/list_of_mandated_bodies_manual_2017.pdf

[19] Private sector consultants are allowed to contribute only in exceptional situations e.g. when there is no availability of the requested expertise at the EU level public administration at the time being and there is always a ceiling limiting such contribution (€5,000 per component, which requires prior approval by the CA).

In principle, Twinning "does not do things for you". It helps you "do things" or contributes to "doing things" as sustainability is one of the main overarching objectives for the deployment of Twinning assistance.

Most Twinning assignments are implemented as "regular" twinning projects however there is also a possibility to deliver assistance on a smaller scale if the project budget does not exceed €250,000 and duration is limited to 8 months (in exceptional cases 10 months) – so called Twining "Light". Light Twinning has an advantage that it can be rapidly deployed by a single Member State. Most of the Twinning projects in Turkey however fall between 1 and 3 million EUR (making up "regular" Twinning) and for that Twinning Light is not a subject of this Manual. Twinning Manual and its annexes are available at the following website https://ec.europa.eu/neighbourhood-enlargement/tenders/twinning_en

7.2 Forms and Templates

Annex C1 to the Twinning Manual lays down the format of Twinning Fiche.
Annex C1bis provides template for Twinning Light Fiche (for information purpose only).

7.3 Undertaking the Work on Twinning Fiche

The development of a Twinning Fiche resembles the work necessary to be undertaken to draft a Terms of Reference document. There are however several differences between them regarding the structure and scope. And, in addition to that, the complete Twinning Fiche (excluding annexes) is recommended to be up to 10 pages long. In many instances however this recommendation is impractical. This is because of the intrinsic features of twinning:[20]

:: It is delivered by public sector institutions of a foreign country who frequently do not know much about policies in the beneficiary country and they cannot familiarise themselves with those as easily as consulting companies with powerful networks; for that there must be sufficient information in the Twinning Fiche on the subject sector, legislation, on-going reforms, policy targets, etc.;
:: Since mandatory results must be achieved, the Twinning contractor must understand all details underlying the project, together with risks and assumption that may affect the achievement of the targets - and all that requires sufficient background information, adequately detailed.

Like for Terms of Reference, it is preferable if work on the Twinning Fiche starts with the development of a Logical Framework Matrix for the project. The Logframe will constitute a project map summarising the assignment in just 1-2 pages. Then the work follows the structure required by Twinning Manual template:

[20] There are examples of Twinning Fiches with 30 and more pages. Please, visit https://webgate.ec.europa.eu/europeaid/online-services/index.cfm?do=publi.welcome&userlanguage=en, click on Twinning box and choose Turkey or any other country to view full past or present Twining Fiches for various assignments.

1. Basic Information

This part of the Fiche provides very short information about the programme which is the source of financing of the subject twinning contract (section 1.1), Twinning sector (section 1.2) and the contract budget (1.3). It is essential to remember that Twinning sectors are defined in a different fashion than IPA II sectors or sub-sectors. The full list of twinning sectors is bulleted below:

:: Agriculture and Fisheries
:: Finance, Internal market and economic criteria
:: Energy
:: Environment
:: Health and consumer protection
:: Justice and home affairs
:: Nuclear safety
:: Social affairs and Employment
:: Standardisation and certification, Trade & Industry
:: Statistics
:: Structural funds
:: Telecommunications
:: Transport
:: Other

2. Objectives

This part of the Fiche is relatively brief but at the same time plays a very important role with regard to the project intervention logic that should be clear, concise and consistent with the expected results, outputs and activities. It must stem directly from the Action Document where the original broader objective(s) are set. If the scope of the entire Action is broad, then the most relevant overall objective can be selected for the Project.

Section 2.1 Overall objective
Overall objective is the broader long-term change sought after through the project at country, sector or institution level in the political, social, economic, environmental or organisational context stemming from the assignment, describing long-term benefits. It must be noted that the overall objective is not expected to be achieved by the subject Project alone as a sector reform normally requires many actions to be completed in due course.

There should be one overall objective only.

Section 2.2 Specific objective
Specific objective describes the main short-term (sometimes medium-term) effect of the intervention focusing on behavioural and institutional changes addressed by the intervention. In terms of wording, it should be formulated in a similar manner to the overall objective emphasising the change expected after project interventions are completed. The Twinning Fiche template emphasises that there should ideally be one specific objective only. It is important that the Specific Objective must relate to the Project itself and not to the broader Action which may cover several projects, assignments or even include grant schemes.

Section 2.3 Elements targeted in strategic documents
This section makes an important reference to policy targets directly linked to the association with the European Union. Linkages to National Development Plan, Sector Planning Document, National Strategy for the Adoption of the Acquis or similar document laying down the foundation for specific reforms must be clearly outlined here. Also, from here, will later stem the expected results linked to the overall and specific objectives.

3. Description

This is the most important part of the Fiche document. In brief, it will take the reader through problem statement, description of all efforts aimed at tackling the problem, description of on-going reforms to the expected results and profile of the RTA and Twinning Team tasks.

Section 3.1 Background and justification
This section must provide detailed information about the beneficiary, its competence, mandate and organisational structure as detailed as possible. If more than one institution is involved, the same information should be provided about all partner organisations and their relationship. Strengths and weaknesses of the structure, system or environment must be provided so that the twinning providers clearly understand the overall and specific problem statement. If issues concern legislation, then similar background information shall be provided so that all the parties comprehend what must be done in terms of solution proposal.

Section 3.2 On-going reforms
Please, detail what reforms have been undertaken on the subject covered by the Project. Ideally, at least last 5 years should be covered to illustrate an effort undertaken and the existing gaps that should be addressed by the Twinning contract. Consistency with section 3.1 and further section 3.3 must be respected (sometimes linked activities may lead to the reforms described herewith). Please, clearly indicate which reforms have been completed (and when) and which are under way.

Section 3.3 Linked activities
This section in a sense mirrors what would be illustrated in Section 1.5 of Terms of Reference. There must be strict correspondence between linked activities and how they feed into the description of the on-going reforms. Please, clearly state if activities have preparatory character. Kindly remember that you are expected to explain what is or being done domestically and how donors or other organisations are involved.

Section 3.4 List of applicable Union Acquis, standards and norms
The elaboration of this section requires that the beneficiary institution is well familiar with the relevant Union legislation, practice and norms. These may include but not be limited to Union's regulations, recommendations, case-law, standards established by organisations on EU level, etc. Correspondence with national legislation can also be mentioned here (if not already covered in section 3.1 when describing the gaps).

Section 3.5 Components and results per component
If implemented separately, project components would frequently lead to the achievement of a result established for each of them. Each component may have a different purpose, e.g. one component would lead to the establishment of a new system while another improving skills or implementing a pilot action.

Please, remember that results provided here are the mandatory results for the entire Twinning contract. The formulation of results should include key words such as "improved", "enhanced", "extended" or similar and that each of them must be measurable. These should be already defined in the Action Document, but it may not always be the case since more operational results may be set at a later stage.

Where relevant, this section may also concern mandatory outputs such as "data sharing system established", "IT system upgraded", "operationalisation of ..." or a combination of outputs and results where one specific component may be linked to an output while other component(s) to a result or vice versa.

There must be consistency of the mandatory results defined in this Section with Section 11 and the Simplified Logical Framework Matrix attached to the Fiche as an annex.

Unlike TA contracts where Terms of Reference requires that the project activities and tasks are clearly outlined, the Twinning Fiche template does not come with a section that is dedicated to such purpose. This is because Twinning projects are normally much less sophisticated than TA assignments and activities have generic character (e.g. review of the state of play in the sector, establishment of a methodology, dissemination, training, study visit, etc.).

Nevertheless, the drafter can always provide guidance as to how the mandatory results/outputs can ideally be achieved, e.g. how many people will be trained, how many organisations will be assessed, where, etc.

Section 3.6 Means and input from EU Member State Partner Administration(s)
When establishing criteria for the experts, please bear in mind that skills/experience requirements should be reasonably flexible, especially regarding the length of experience in public administration as there is always staff turnover and some individuals although well qualified and experienced may not be able to meet the established threshold. It is recommended to define limited experience e.g. 3-5 years in specific area pertaining to the Project.

Section 3.6.1 Profile and tasks of the PL: The Project Leader is the most senior person representing the Twinning provider. She/he should have experience in all areas related to the assignment and understand project steering arrangements. Experience of handling administrative and procedural issues is also important.

3.6.2 Profile and tasks of the RTA: The Resident Twinning Advisor is normally the only long-term expert on a Twinning contract. For that she/he must have sufficient expertise in the area pertaining to the assignment, experience of project management, coordination and drafting/reporting skills. Also, communication skills are essential, perhaps more when compared to TA assignments. The RTA is also the main point of contact with the Member State administration. Knowledge of Twinning Manual is not a must - each RTA undergoes a preparatory training by DG Near to run a Twinning project.

3.6.3 Profiles and tasks of Component Leaders: These are chiefly short-term experts but mandated to lead tasks under specific component, where relevant. Depending on the nature of the Twinning project and their generic contribution, similar skills and experience may be requested for each component. Significant differences may occur in sectors such as e.g. Statistics, Structural funds, Health, Energy, etc.

3.6.4 Profiles and tasks of other short-term experts: Profiles of other short-term experts may sometimes be more important than the profiles of RTA and Component Leaders as specific and narrow expertise is frequently required. They deliver most of the requested support but frequently through short-term missions only as they are working in their own administration.

4. Budget

This section provides information that may already be covered in Section 1.3 in line with the AD. If relevant, the budget may be broken down per EU contribution and national co-financing.

5. Implementation Arrangements

This Section outlines who the Contracting Authority is (5.1), identifies Lead Institution, End Beneficiary and sub-beneficiaries if relevant alongside arrangements for Project Management Unit and Steering Committee (5.2) and key counterparts in beneficiary administration (5.3).

6. Duration

The duration of each Twinning contract covers the implementation period during which all activities are realised, and mandatory results or outputs are achieved plus 3 months during which the final report is prepared. The implementation period combined with the reporting period constitutes the execution period. The report is drafted jointly by the Twinning partners being the administration of the Member State and beneficiary's administration.

Please, pay special attention to align Twinning contract implementation period and demarcation lines regarding the objectives, tasks and activities with any TA contract in the same sector, if financed from the same AD budget.

7. Management and Reporting

This is a standard Section with requirements established by the Twinning Fiche template. The beneficiary may choose the language of the communication (either English or French). In Section 7.3 there may be additional reporting requirements added (on top of interim quarterly reports and final report) such as e.g. brief monthly progress reports in case of complex projects, e.g. bringing together several beneficiary institutions.

8. Sustainability

Sustainability parameters are very seldom expressed in Terms of Reference for TA contracts. On the contrary, it is a must for Twinning. Depending on the nature of the assignment, sustainability can be ensured through improved/new legislation, legal and sub-legal networks, training of officers and establishment of on-line networks, new curricula, etc. It is important to note that the Contracting Authority may verify if sustainability criteria have been achieved as they remain an important part of the Twinning contract.

9. Cross-cutting Issues

Cross-cutting issues concern aspects such as: gender equality, human rights, equal opportunity, non-discrimination, environment, climate change, civil society, etc. Not all the projects will concern all those aspects. Specific guidance on cross-cutting issues can be adapted from the Action Document and enhanced in this Section. Monitoring of the access of males and females to the Project is required as minimum. References to the existing legislation can also be made. The inclusion of other cross-cutting issues may be optional depending on the nature of the Project and e.g. related supply components (schools, laboratories, special centres for monitoring of e.g. environment, weather, crime, climate change, borders, etc.).

10. Conditionality and Sequencing

There may be instances where a Twinning project depends on other actions delivered by independent operators or agencies. Such actions may be undertaken in parallel to the Project (not recommended) or be almost completed at the time of the launch of the Twinning call for proposals. If so, such conditionality must be clearly presented in this Section. Alternatively, the Project may inspire other actions in the future.

Under no circumstances should this Section illustrate assumptions and risks relating to the commitment by the beneficiary, staff turnover, resources available, etc.

11. Indicators for Performance Measurement

Indicators relate to results, sub-results and outputs. Normally, they are defined in the relevant Action Document, but it may always not be the case. Complementary indicators may be established for specific Twinning contracts. They can be illustrated in this Section or in an annex C1a (Simplified Logical Framework Matrix), which is compulsory.

The Twinning Logframe logic slightly differs from that provided in the Action Document and the wording includes 'specific objective' which in case of TA assignment is defined as 'purpose'. This Specific Objective must relate to the Project itself and not the broader Action as it has been most likely set in the AD.

Action Documents rarely defined in the past full list of mandatory results; for that there may be a need to elaborate specific mandatory results and outputs separately when drafting a Twining Fiche.

The Logical Framework Matrix captures the intervention logic provided earlier in Section 2.2, 2.3 and 3.5 in the following format:

12. Facilities Available

It is customary that the beneficiary administration provides complementary office space and infrastructure to run the project such as meeting rooms, training/seminar rooms, hardware and software, presentation equipment, etc. Facilities should be made available for the RTA and her/his assistants. Sometimes beneficiary administration also provides in-kind facilities for short-term experts. Information on that must be included in this section.

	Description	**Indicators** (with baseline and targets)	**Sources of Verification**	**Risks**	**Assumptions** (external)
Overall Objective					
Specific (Project) Objectives(s)					
Mandatory results / output by Components					
Sub-results per Component					

ANNEX 1
EXAMPLES OF OBJECTIVE SETTING

Good examples

:: Enhance capacity of enforcement services for fight against offenders

:: Strengthen institutional capacity of the sector for more efficient handling of claims

:: Improve efficiency of services

:: Improve cooperation between public and NGO sector

:: Contribute to the alignment of legislation with Acquis chapter X

:: Achieve measurable progress towards the fulfilment of obligations arising from (...)

:: Enhance fight against (...)

Bad examples

:: Equip enforcement services with improved tools and techniques (this is an activity, not an objective)

:: Carry out studies on challenges in the sector (this is an activity, not an objective)

:: Develop holistic approach to development planning (this is an activity and not an objective)

:: Promote and improve activities supporting the sector (this is an activity, not an objective)

:: Support and increase management capacity (these are a combination of an activity and of an objective)

:: Support accession process by improving legal and administrative framework (these are a combination of an activity and of an objective)

:: Support the development of civil society through better participation in dialogue (this is an activity combined with another activity)

:: Prepare administration for effective implementation of sectoral policy (this is an activity)

:: Set up and enhance the capacities of all relevant stakeholders for timely and efficient implementation of programmes and projects (these are a combination of an activity and of an objective)

:: Improved strategic relevance, efficiency and effectiveness of EU funds (this is a result, not an objective)

ANNEX 2
MODEL EXAMPLES OF ASSUMPTIONS AND RISKS

Assumptions

:: IPA III implementing modalities announced well in advance for sound programming process

:: Positive economic outlook remains with budgetary deficit decreasing

:: National measures available on time

:: Beneficiaries provide in a timely and proper manner all relevant data and information for strategy formulation

:: Compatibility of new components of architecture with the previous ones

:: Functional and effective cooperation between legislature and chamber of commerce

:: Timely nomination of the remaining counterpart institutions

:: Close and systematic cooperation with other related interventions is ensured

:: Partnership dialogue with other national and regional stakeholders is assured by regular and constant liaising and information update

:: Relevant stakeholders support integrated planning approach

:: Local stakeholders are informed about their obligations and partnership dialogue

:: Sufficient capacities are mobilised for effective participation

:: Satisfactory number of good quality projects are submitted and awarded financing

:: Municipalities and households adopt new waste collection system

Risks

:: Sectors as defined in country strategy paper do not fully correspond to the national planning framework

:: Risk in the adoption of legislation

:: Uncertainty regarding new EU Regulation

:: Insufficient human resources provided by stakeholders

:: Lack of proper coordination mechanism

:: Limited high-level support for the implementation of integrated policy mechanism

:: Political will to pass new legislation

:: Inadequate staffing of the department

:: Escalating workload affecting proper participation

:: Limited capacity of the target institutions to absorb the assistance in due course

:: Difficulty to access information and data sources

:: Slow update of funds available

:: Different understanding of the new model by national authorities and private sector operators

ANNEX 3

MARKET RESEARCH SAMPLE (SUPPLIES)

LOT-1 IT EQUIPMENT (a)														
Lot / Item No.	**Description of the Item**	**Original Quantity**	**Brand names with models**			**Unit Price (€)**			**Average Unit Price (€)**	**TOTAL AVERAGE COST (€)**	**Country of Origin**			**Comments**
(b)	**(c)**	**(d)**	**(e)**			**(f)**			**(g)**	**(h)**	**(i)**			**(j)**
1.1	Desktop Computer	20	A-5060	B-4020 i5	C-i59001	775	800	1,100	891.66	17,833.20	GERMANY	CZECH REP.	IRELAND	The cost of the unit includes operating software and peripherals. 500 € is foreseen for delivery and installation cost for 20 units.
1.2	Laser Printer	5	A-DP40	B-G100	C-UL-TRA10	120	103	99	107.33	536.65	CHINA	TAIWAN	JAPAN	Derogation from rule of origin is requested since no eligible products are found in the market. 40 € foreseen for delivery and installation cost for 5 units.
TOTAL COST OF LOT (k)										**18.369,85**				

EXCHANGE RATES USED AS OF 04.04.2016 (l)	
EUR/TL	*1 TRY = 0.31114 EUR*

ANNEX 4
COMPARISON TABLE EXAMPLE (SUPPLIES)

LOT 1 VEHICLES | 1.1 Passenger car

Item	Required Specification / Features	Vendor 1 Product Brand & Model	Vendor 2 Product Brand & Model	Vendor 3 Product Brand & Model
1.1.1	Engine capacity: min. 80 kW	82 kW	87 kW	92 kW
1.1.2	Acceleration (0-100 km/h): max 10 sec.	9.7 sec	9.2 sec	8.4 sec
1.1.3	Fuel consumption combined cycle: max 9.5 l/100 km	8.7 l/100 km	8.9 l/100 km	9.1 l/100 km

LOT 2 ELECTRICAL APPLIANCES (WHITE GOODS) | 2.1 Washing machine

Item	Required Specification / Features	Vendor 1 Product Brand & Model	Vendor 2 Product Brand & Model	Vendor 3 Product Brand & Model
1.1.1	Front loader	Yes	Yes	Yes
1.1.2	Load/drum capacity: min 6 kg	8 kg	9 kg	9 kg
1.1.3	Rotating speed: 1,000 rpm	1,200 rpm	1,100 rpm	1,100 rpm
1.1.4	Energy efficiency class: min A	A++	A+	A++

NOTES

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