

(Status: 01.01.2020)

## Information sheet

### Award of contracts for supplies and services

The award of contracts for the supply of goods and services for the expenditure to be covered by the grant must be carried out in accordance with the principle of sound financial management and must be subject to competition. According to §6 UVgO, the award procedure must be documented continuously in text form from the outset in accordance with §126b of the German Civil Code (BGB). This documentation must include, among other things, both a justification of requirements (necessity of procurement) and a justification of the award decision on the most economical tender.

In the case of a direct order, the necessity of the procurement must be recorded.

Otherwise, the following BMZ requirements apply - depending on the expected value of the contract to be awarded in each case:

1. Contract award in the partner country (by the organisation responsible for the project)	
Contract value (excluding VAT)	Award process
≤ € 1,000--	Direct order (section 14 UVgO) having regard to economy and cost effectiveness; market survey/price ascertainment must not be documented (no award)
> € 1,000-- to ≤ € 15,000--	Contract award with or without competitive bidding (section 12 in connection with section 8(1) and 8(4) UVgO):  With competitive bidding: Request for tender to an unlimited number of companies, at least three of which are suitable potential bidders <sup>1</sup> (sections 12(1), 10(1)-(2) UVgO).  Without competitive bidding: transparent price ascertainment (telephone attendance note, internet printout etc. required for several, generally at least three suppliers (section 12(2) UVgO).  (Exceptions: Section 12(3) UVgO – only one supplier)

<sup>1</sup> See provisions in UVgO regarding form and transmission (i.a. 38(1) UVgO)

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> € 15,000--	If formal award procedures (especially for construction contracts and larger supply contracts) are customary in the partner country, these procedures should – if appropriate – be followed even if their use is not binding for NGOs. Otherwise: Contract award, request for a written tender to at least three suitable potential bidders.
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If equivalent to other bids, bids from the partner country relevant to the respective project should be given priority. In addition, where bids are equivalent, acquisitions from other partner countries involved in development cooperation should be given priority over acquisitions from industrialised countries. When importing goods into the partner country, the applicable customs requirements must be observed.

<b>2. Domestic contract award (in Germany/EU by the Grant Recipient) Grant amount less than or equal EUR 100,000</b>	
<b>Contract value (excluding VAT)</b>	<b>Award process</b>
< € 1,000--	Direct order (section 14 UVgO) having regard to economy and cost effectiveness; market survey/price ascertainment must not be documented (no award)
> € 1,000-- to < € 15,000--	<p>Contract award with or without competitive bidding (section 12 in connection with section 8(1) and 8(4) UVgO):</p> <p>With competitive bidding: Request for tender to an unlimited number of companies, at least three of which are suitable potential bidders<sup>2</sup> (sections 12(1), 10(1)-(2) UVgO).</p> <p>Without competitive bidding: transparent price ascertainment (telephone attendance note, internet printout etc. required for several, generally at least three suppliers (section 12(2) UVgO).</p> <p>(Exceptions: Section 12(3) UVgO – only one supplier)</p>
>€ 15,000-- €	Limited tender process, without competitive bidding (section 11 UVgO), request for tender with service description to several, generally at least three suitable potential bidders.

If the Grant exceeds or, where funding is provided by several organisations, the total amount of the grant exceeds 100,000 euros, the Grant Recipient must comply with the following additional provisions:

<sup>2</sup> See provisions in UVgO regarding form and transmission (i.a. 38(1) UVgO)

- for the award of construction services, part A paragraph 1 of the Award and Contract Regulations for Construction Services [Vergabe- und Vertragsordnung für Bauleistungen] (VOB/A).

- for the award of supply and service contracts, the Rules of Procedure for the Award of Public Supply and Service Contracts Below the EU Thresholds (Minimum Threshold Rules for Contract Awards [Unterschwellenvergabeordnung] – UVgO) with the requirements listed in the table below.

<b>3. Domestic contract award (in Germany/EU by the Grant Recipient) Grant amount above EUR 100,000 or Grant Recipients to which § 98 GWB (Act Against Restrictions on Competition [Gesetz gegen Wettbewerbsbeschränkungen]) applies, and with reference to no. 3.1 of AN-Best</b>	
<b>Contract value (excluding VAT)</b>	<b>Award process</b>
≤ € 1,000--	Direct order (section 14 UVgO) having regard to economy and cost effectiveness; market survey/price ascertainment must not be documented (no award)
> € 1,000-- to ≤ € 15,000--	Contract award with or without competitive bidding (section 12 in connection with section 8(1) and 8(4) UVgO):  With competitive bidding: Request for tender to an unlimited number of companies, at least three of which are suitable potential bidders <sup>3</sup> (sections 12(1), 10(1)-(2) UVgO).  Without competitive bidding: transparent price ascertainment (telephone attendance note, internet printout etc. required for several, generally at least three suppliers (section 12(2) UVgO).  (Exceptions: Section 12(3) UVgO – only one supplier)
>€ 15,000-- € to ≤ € 50,000--	Limited tender process, without competitive bidding (section 11 UVgO), request for tender with service description to several, generally at least three suitable potential bidders.
>€ 50,000-- < up to the applicable threshold value for Europe-wide contracts,-	Public tender process (section 9 UVgO) or limited tender process with competitive bidding (section 10 UVgO). (for form and transmission see section 38 UvGO).
from the respective valid threshold value for Europe-wide awards; (Status: 01.01.2020)	Europe-wide tender process as per part 4 of the Act Against Restrictions on Competition [Gesetz gegen Wettbewerbsbeschränkungen] (GWB) and the Contract Award Regulation [Vergabeverordnung] (VgV).

<sup>3</sup> See provisions in UVgO regarding form and transmission (i.a. 38(1) UVgO)

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The following provisions of UVgO can be ignored: section 22 on allocation by lot, section 28(1), third sentence, on publishing contract notices, section 30 on award notices, section 38(2) to (4) on the form and transmission of tenders, section 44 on unusually low offers and section 46 on informing applicants and bidders.

Provisions requiring the organisation responsible for the project to comply with contract award regulations which apply if the organisation responsible for the project is also the client in accordance with part 4 of the Act Against Restrictions on Competition (GWB, cf. section 98 GWB) remain unaffected.

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