**German Financial Cooperation with the „Western Balkan Six Chamber Investment Forum” (WB6-CIF)**

**Regional Challenge Fund Project**

Procurement of machineries and food processing laboratory equipment

**Europe (non-EU), North Macedonia (MKD)**

Reference number: RCF/MKD/G/2023/033/2; RCF/MKD/G/2023/033/3

The answers to requests for clarifications received by the potential bidders to the following e-mail address: procurement@rcf-wb6.org

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| **Q1** | We are writing to request clarification and propose specific amendments regarding the performance guarantee terms as outlined in the contract documents for the tender Procurement of machineries and food processing laboratory equipment; Beneficiary: SOU “Vanco Prke” in Vinica, North Macedonia reference RCF/MKD/G/2023/033/2; RCF/MKD/G/2023/033/3. Our concerns are primarily focused on the extended duration and the high percentage of the performance guarantee, which impose a significant financial burden on us, the suppliers.Performance Guarantee and Warranty Period:The current requirement for the performance guarantee to cover both the contract implementation period and the entire three-year warranty period, cumulatively extending to three and a half years, places a substantial financial strain on suppliers. This lengthy duration for holding a performance guarantee contributes to increased costs and financial inefficiencies.Proposed Amendments to Guarantee Terms:We propose to make the guarantee terms more manageable and consistent with common regional practices by implementing a two-tier guarantee system:Contract Implementation Guarantee: Valid through the deadline for the delivery of goods and training, covering an appropriate percentage of the contract value.Warranty Guarantee: Specifically aimed to cover deficiencies during the warranty period, suggested at no more than three percent of the contract value.Alternative Risk Mitigation Measure:Instead of a bank guarantee for the warranty period, we suggest  the provision of a Promissory Note (Menica) from the supplier to adequately cover potential deficiencies during the warranty period, reducing the need for extensive credit reservations and enhancing financial flexibility.Financial Implications of Current Guarantee Terms:The financial burden of the current guarantee terms will inevitably reflect in the procurement costs, resulting in higher expenses for the purchaser which contradicts the principles of Economic Efficiency and Sustainability as outlined in the KfW Guidelines for Procurement.Holding a performance guarantee for an extended period typically incurs quarterly or annual fees, significantly increasing the total cost of the project.Opportunity Cost: The funds tied up in guarantees could be used for operational expenses or other investment opportunities, thereby enhancing business growth and flexibility.Impact on Credit Utilization: The amount reserved for the performance guarantee counts against our company's credit line, reducing availability for other projects and impacting our ability to take on new contracts or expand business operations.Reduced Financial Agility: With significant portions of credit tied up, our ability to respond to market opportunities or unforeseen expenses is diminished.Additionally, the current one-tier guarantee system does not accommodate scenarios where the goods are delivered prior to the contract deadline. This oversight could lead to unnecessary prolongation of the guarantee duration, effectively tying up financial resources without a corresponding risk.Request for Review and Consideration:We believe that adjusting the performance guarantee terms as proposed will not only enhance the economic efficiency of the procurement process but also benefit both the purchaser and the supplier by reducing unnecessary financial burdens and enabling more competitive pricing.We respectfully request the tender committee to consider these proposed amendments and invite further discussion to achieve a balanced and economically beneficial outcome. We are committed to ensuring the successful completion of the project and adhering to all contractual obligations. |
| **A1** | Please check our web page <https://rcf-wb6.org/procurements/> for Corrigendum No.2 to the bidding documents. |
| **Q2** | We are currently reviewing the technical specifications provided in the tender documents for the procurement RCF/MKD/G/2023/033/2; RCF/MKD/G/2023/033/3, and have identified multiple instances where the specifications appear to be unduly tailored to match specific products from a certain manufacturer. A clear example is the requirement for a "vane pump with adjustable speed, with reversal rotation, easy to remove for cleaning and antibacterial GHA treatment." This exact phrasing mirrors promotional materials found explicitly on Pomati’s product description for their ball refiner, as detailed on their website (<https://www.pomati.it/en/ball-refiner>)This specificity not only restricts the tender process to potentially a single supplier but also contradicts best practices for competitive procurement, which should prioritize broad, performance-based specifications over those favoring particular brands or models. Such practices risk leading to higher procurement costs and limiting innovation by discouraging a wider array of potential bids.We strongly recommend revising the current specifications to ensure they are inclusive and based on performance outcomes rather than specific product features. This adjustment will encourage participation from a broader range of suppliers and foster a more competitive procurement environment.Additionally, we suggest more flexibility concerning electrical requirements to encompass any product that adheres to local electrical standards and delivers the necessary output, rather than specifying voltages that unnecessarily limit the field of potential suppliers.We trust that these concerns will be taken seriously and addressed in a timely manner to ensure fairness and transparency in the procurement process. We are committed to a constructive dialogue and are prepared to discuss these matters further to facilitate an equitable and competitive bidding environment. |
| **A2** | Technical specifications have been reviewed and remain unchanged. Claims that the specifications are “tailored to match specific products” are unfounded. The description regarding the formulation "vane pump with adjustable speed, with reversal rotation, easy to remove for cleaning and antibacterial GHA treatment" presents the expected functionality of a machine, ie. “allowing easy cleaning and antibacterial treatment”. Technical requirements relevant to the electrical requirements reflect the conditions at the beneficiary premises and therefore remain unchanged.  |
| **Q3** | We are reviewing the technical specifications provided in the current tender documents RCF/MKD/G/2023/033/2; RCF/MKD/G/2023/033/3 and have noticed some ambiguities that could potentially lead to confusion during the bidding process. Specifically, the document appears to outline specifications that could be interpreted as pertaining to one or multiple machines due to overlapping and repeated elements such as power requirements, capacity, and warranty details.Chocolate tempering machine: specifications list two sets of power requirements and capacities (e.g., "Power required Kw 3,5–16A Plug" and "Installed power: 2200 – 5000 W – 16 A Plug"). It is unclear whether these pertain to different functions of a single machine or to two separate machines.The document mentions a warranty period of 36 months twice, which may imply warranty terms for different components or machines unless clarified.The current format of the specifications intermixes various features and capacities without clear delineation, which complicates understanding the full requirements and capabilities expected from the equipment.Request for Clarification and Structured Specifications:To ensure a clear, competitive, and fair bidding process, we kindly request that the tender specifications be revised to clarify:Whether the specifications describe one or multiple machines.A single, consolidated set of specifications for power requirements and capacities if they pertain to a single machine.Clarification on the warranty terms if they are intended to cover different aspects or separate machines.Additionally, we suggest restructuring the specification document to distinctly separate each equipment component or machine, along with its corresponding features and requirements. This clarification will aid in providing precise responses and competitive bids from potential suppliers, ensuring compliance with procurement principles of transparency and fairness.We appreciate your attention to this matter and look forward to the revised specifications. |
| **A3** | LOT1, Item 1 refers to a single “Chocolate Tempering Machine“with clearly defined functionality and capacities. The required warranty period refers to the complete item, ie. entire machine. Additionally, the technical specifications are machine/device based. |