



GUIDE TO PROCUREMENT PLANNING

Government Procurement Services Government of Montserrat

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List of Acronyms

Acronym	Definition
AS	Activity Schedule
BOQ	Bill of Quantities
GOM	Government of Montserrat
GPS	Government Procurement Services
PE	Procuring Entity
PPB	Public Procurement Board
RACI	Responsible Accountable Consulted Informed
RFP	Request for Proposals
RFQ	Request for Quotations
STDs	Standard Tender Documents
TOR	Terms of Reference
XCD	Eastern Caribbean Dollars

PART A: INTRODUCTION

1 Introduction

1.1 Purpose of guide

This guide is designed to provide public officers with easy-to-follow guidance on how to plan procurement activities.

Procurement planning is critical to the success of any procurement process. It helps the procuring entity (PE) to make best use of its available budget and obtain the goods, works and services needed on time.

This guide covers several important steps in the procurement process:

- preparation of the mandatory annual procurement plan covering all planned procurement;
- optional early market engagement activities to consult potential suppliers;
- preparation of a description of requirements for each procurement; and
- selection of the most appropriate method for each procurement.

1.2 Legal framework

Public procurement in Montserrat is governed by:

- the Public Procurement Act 2025 (the “Act”); and
- the Public Procurement Regulations 2025 (the “Regulations”).

This guide is issued by Government Procurement Services (GPS) under section 10 of the Act to provide procuring entities (PEs) with the necessary guidance and direction to plan procurement.

GPS has issued separate guides which provide an overview of the public procurement system, guidance on each different method of procurement and contract award and management.

GPS has also adopted standard tender documents (STDs), contract forms and other procurement forms and templates. The use of these documents is mandatory and this guide provides advice on which documents should be used for procurement planning activities.

The Act and Regulations can be downloaded from <https://tenders.gov.ms/publications>. All other documents are available from GPS by emailing procurement@gov.ms.

In the event of any discrepancies, the Act and Regulations take precedence over this guide and the standard documents. Any queries or suggestions for updates to this guide or the standard documents should be addressed to the Head of GPS.

1.3 Application

The Act, Regulations and this guide apply to all PEs, including ministries, departments, units and subdivisions of the Government of Montserrat (GOM) that engage in procurement.

Government owned entities are required to follow this guide, unless they have their own procurement rules or regulations, approved by the Cabinet on the recommendation of the Public Procurement Board (PPB).

For guidance on donor funded procurement and exemptions to the Act, refer to the Guide to the Public Procurement System.

PART B: ANNUAL PROCUREMENT PLAN

2 Annual procurement plan

2.1 Requirement for an annual procurement plan

All accounting officers must submit an annual procurement plan to the Public Procurement Board (PPB), before the end of each financial year. This will include a cost estimate for each procurement.

Following enactment of the Appropriation Act for the year, the plan must be amended in line with the available budget for that year. GPS will then publish summaries of all annual procurement plans on the government website to make suppliers aware of planned government procurement. GPS will publish these summary procurement plans within 14 days after the beginning of each financial year.

Annual planning is important for several reasons:

- it helps the procuring entity to identify all goods, works and services needed to support its operational plans and the expected cost of each contract;
- it makes sure that plans are realistic and within the available budget;
- it helps the procuring entity to select the most appropriate procurement method for each procurement;
- it shows when procurement processes need to start to ensure that goods are delivered and works or services completed when needed; and
- publication of the plan provides advance information to the private sector of contracts they may wish to tender for.

References and templates:

- Sections 14 and 17 of the Public Procurement Act 2025
- Regulation 8 of the Public Procurement Regulations 2025
- Template for annual procurement plan

2.2 Roles and responsibilities

The chart below shows who does what in the procurement planning process by defining who is Responsible Accountable Consulted or Informed (RACI). It lists all tasks and assigns specific roles for each task, as explained in the table below:

R	Responsible	Does the work
A	Accountable	Owens the result and signs off
C	Consulted	Provides input before or during the task

I	Informed	Kept updated about decisions or progress
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TASK	PE		GPS		Public Procurement Board	Tenderer
	Accounting Officer (or as delegated)	End user or other PE staff	Procurement staff	Head of GPS		
Prepare annual procurement plan	A	R	C	C	I	
Approve annual procurement plan	I			I	R	
Amend annual procurement plan in line with available budget	A	R		I		
Publish summary of annual procurement plan			R	A		I

2.3 Preparing the plan

Use the **annual procurement plan template** to prepare the plan. The template is an Excel worksheet and you should complete one row for each procurement. Follow the guidance notes in *[green italics]* to insert relevant information in each column or to select the appropriate option from the dropdown lists.

The table below shows where to get further guidance on some of the key planning decisions:

Planning decision	Guidance
Procurement reference number	Allocate a unique reference number to each procurement. See the Guide to the Procurement System for more information.
Cost estimate	Include a cost estimate in Eastern Caribbean Dollars (XCD). See section 2.4 below for guidance.
Procurement method	You must justify the use of any method other than open tendering (one stage) for goods, works and services or request for proposals for consulting services.

	See Part E of this guide for how to select the procurement method.
Contract type	See the Guide to Contract Award and Management for more information.
Timelines	Estimate the timelines for the complete procurement process and contract implementation. See section 2.5 below for guidance.

2.4 Cost estimates

Include all costs which the PE will pay in the cost estimate. In addition to the cost of the goods, works or services, remember to include:

- delivery costs for goods;
- any associated goods, works or service such as installation, commissioning, spare parts, accessories, servicing or maintenance;
- supplies required to perform works or services;
- dayworks or provisional sums for works or services; and
- costs for inspection or testing.

Estimated costs may be based on previous contract prices for similar requirements, market research, published price lists or price indices or engineer's estimates for works contracts.

The cost estimate is important both for budgeting and for selecting the appropriate procurement method.

Tips on aggregating and dividing requirements

- You must **NOT** divide a procurement into separate contracts to avoid the threshold for use of a particular procurement method.
- Aim to combine similar requirements as a single procurement; this will reduce procurement workloads and result in better value for money.
- You may divide a requirement into several lots which will be tendered together, but with the option of awarding several separate contracts. This may allow more suppliers to tender, supporting sustainability objectives and giving better overall value. The cost estimate in the annual procurement plan should be the value of all lots.
- Consider combining repeated purchases of the same or similar requirements into a single framework agreement. Where the precise nature, quantity or timing of requirements isn't known, a framework agreement allows you to define these details later when an order is placed. The cost estimate in the annual procurement plan should be the value of all anticipated call-off contracts.

→ See the **Guide to Framework Agreements** for more information.

2.5 Timelines

Timelines should include the estimated time required for both the procurement process and contract implementation. The procurement plan template includes columns for each key step in the process to help you plan timings.

Timelines will differ for each procurement method. Higher value and more complex procurement will take longer to complete. It is often easier to plan timelines by working backwards from the date that the goods, works or services are needed.

Remember to take into account:

- the time required for prequalification if used for large-scale, technically complex or high value goods, works or services;
- the time required for requesting and evaluating expressions of interest for any consulting services with a value of XCD 75,000 or more;
- the minimum tendering periods shown in the table below;
- the time required for evaluation and for approval of the award recommendation by the PPB or Departmental Procurement Committee;
- additional time required for opening and evaluation of financial proposals for consulting services;
- additional time required for the second stage under two-stage tendering;
- the standstill period of 10 days for most procurement of XCD 100,000 or more (see below); and
- the time required for contract signature and mobilisation.

The table below shows the **minimum tendering periods** for each procurement method. Remember that it is better to allow longer than the minimum periods for more complex procurement.

Procurement method	Minimum tendering period
Prequalification under open tendering	21 days
Open tendering or request for proposals (RFP) with domestic advertising	21 days
Open tendering or RFP with international advertising	30 days
Restricted tendering	21 days
Request for quotations (RFQ)	7 days

Where a **standstill period** applies, allow time for issuing the notice of intention to award and the 10 day standstill. A standstill period is NOT required:

- for contracts with a value of less than XCD 100,000;
- where the procurement method was direct contracting;
- for call-off contracts under a framework agreement; and
- where urgent public interest considerations require the contract to be awarded without a standstill period, **if the Financial Secretary has given written approval.**

➔ See the **Guide to Contract Award and Management** for more information.

After calculating timelines, check that your choice of procurement method and planned timings will result in the contract being completed when required. If not, adjust your timings or procurement method as needed.

PART C: EARLY MARKET ENGAGEMENT

3 Early market engagement

3.1 What is early market engagement?

Early market engagement is a way of consulting the market and/or third parties while planning a procurement. It has two purposes:

- to research and better understand the market for a particular procurement, particularly where it is new, unusual or innovative; early market engagement can help with developing technical requirements, understanding the capabilities of potential suppliers and determining the best approach to the procurement.
- to generate interest among potential tenderers; this can increase competition when a tender is issued.

Early market engagement is an optional process. It is not required for routine purchases where the market is well known.

References and templates:

- Section 15 of the Public Procurement Act 2025
- Regulation 6 of the Public Procurement Regulations 2025
- Early market engagement notice

3.2 Approaches to early market engagement

Any early market engagement must be carried out in coordination with GPS.

You may consult potential suppliers, independent experts or other authorities or institutions with relevant knowledge or information.

Use the **early market engagement notice** to invite potential suppliers and other parties to participate. Publish the notice in the same way as other procurement notices, such as tender notices.

There is no fixed approach to early market engagement. Consider which approach (or combination of approaches) will be most effective for your needs. Options include:

- request potential suppliers to submit written information about suitable products or related issues such as innovations, capability, resources, delivery models or risks;
- hold a supplier briefing where suppliers can ask questions and contribute information;
- invite suppliers to request one-to-one meetings which may include product demonstrations or presentation of potential solutions.

Make it clear that the early market engagement will not create any binding commitment for the procuring entity. Using the wording in the early market engagement notice will help with this.

Early market engagement must not give any supplier an unfair advantage!

Whatever approach you take to early market engagement, make sure you do not discriminate against any supplier. Give all potential suppliers an equal opportunity to participate.

Do not give any supplier an unfair competitive advantage by favouring their information or products.

Ensure that the process is transparent with a notice published, the same information shared with all participants and the results recorded. You must inform tenderers where the results of early market engagement inform a procurement process.

PART D: DESCRIPTION OF REQUIREMENTS

4 Description of requirements

4.1 Purpose of the description of requirements

The description of requirements is important throughout the procurement process:

- it is included in the tender document to define the technical and performance characteristics of the goods, works, services or consulting services required;
- it gives tenderers the information needed to prepare tenders, including the minimum requirements for a tender to be responsive;
- it establishes the technical requirements against which tenders will be evaluated;
- it forms part of the contract, setting the standard against which the supplier's contractual performance will be assessed.

References and templates:

- Section 16 of the Public Procurement Act 2025
- Regulation 9 of the Public Procurement Regulations 2025
- Formats in standard tender documents

4.2 Preparing the description of requirements

Prepare a description of your requirements before starting any procurement process. The structure and content will be different for each type of procurement i.e. for goods, works, services or consulting services. Guidance on each type of procurement is provided in the sections below.

Use the formats provided in the **STDs** for each type of procurement. These contain guidance notes in *[green italics]* on the information required. The level of detail will depend on the complexity of the requirement.

You may ask external technical experts for advice where required. Ask them to confirm, in writing, that they do not have a conflict of interest. Tenderers are not permitted to prepare specifications or similar documents and then participate in the procurement process.

You may also conduct an early market engagement exercise to help define your technical requirements; see section 3 for more information.

Consider including:

- the purpose of the purchase and how it will be used;
- functional descriptions including environmental or safety features, materials and processes;
- performance parameters, outputs and timescales;
- legal and regulatory requirements such as building codes or environmental standards;
- inspection, testing and acceptance requirements.

Use standards, certifications or accreditations to define requirements where relevant. Where possible, use international standards or national standards which incorporate international standards. Check whether your expected tenderers are able to meet the standards set.

The description of requirements must not favour any supplier or create obstacles to supplier participation!

Base the description of requirements on objective technical and quality characteristics. Do not base it on the specification of any particular supplier.

Where possible, define performance or output requirements, instead of design or descriptive characteristics.

Do not use brand names, trademarks, patents or similar requirements, unless there is no other way of describing the goods, works or services required. In such cases, state “or equivalent” in the description.

4.3 Description of requirements for goods

The schedule of requirements in the STD for goods is designed to include the information listed in the table below. Similar information is required for RFQ documents, but it may be simplified as appropriate.

Information	Guidance
Summary of lots	Include the number and description of each lot, where relevant. Delete the section where the tender is not divided into lots.
List of goods and related services	Number and list every item of goods. State the quantity and the unit of measure used e.g. kg, m, tonnes or “each”. Include any related services e.g. installation, training or after-sales service.
Delivery and completion requirements	State the delivery period required or an acceptable time range for delivery. Ensure the period is realistic, considering the location of the goods, whether they are likely to be in stock or require manufacturing. State the Incoterm and place of delivery. State the final destination for the goods. Ensure that the delivery period takes into account the Incoterm used i.e. additional time will be required where the Incoterm includes delivery to Montserrat, rather than just to a freight company. Where related services are required, state the completion period and place for performance.

Technical specifications	Define the technical, quality and/or performance characteristics of each item of goods and any related services. Refer to standards where relevant. Include relevant information on power supply, environmental conditions or other factors relevant to Montserrat. Include requirements for packaging, labelling and marking.
Drawings	List and attach drawings where relevant. Delete the section where not required.
Tests and inspections	Insert details of any inspections and tests required including the type of tests, location and timing of testing, who will conduct tests and responsibility for testing costs. Delete the section where no testing is required.

Information related to a supplier's capability to perform a contract, such as equipment or personnel should normally be included in qualification requirements, rather than the description of requirements.

4.4 Description of requirements for works

The employer's requirements in the STD for works is designed to include the information listed in the table below. Similar information is required for RFQ documents, but it may be simplified as appropriate.

Information	Guidance
Summary of lots	Include the number and description of each lot, where relevant. Delete the section where the tender is not divided into lots.
Scope of works	Provide a summary of the works, including major items of works or activities with quantities. State the objective of the works. Include the location and any site data. State the required time for completion.
Specifications	Insert technical specifications for each component of the works including construction methods, construction standards, schedules and site organisation. Include requirements for materials testing and quality standards.
Drawings	List and attach drawings, stating the purpose of each drawing.
Equipment requirements	List the minimum equipment that tenderers are required to have available for the works.

Construction personnel	List the minimum personnel that tenderers are required to have available, stating each position and the minimum qualifications and experience required for each.
Specifications for Environmental, Social Health and Safety Management of the Works	Include environmental and social requirements to mitigate the impact of the works, where appropriate. The STD includes standard requirements for small works but may be edited as required.
Bill of Quantities (BOQ) or Activity Schedule (AS)	The BOQ (for admeasurement contracts) or AS (for lump sum contracts) forms part of the overall Employer's Requirements but will be included in the tender document as part of the tender forms. A BOQ should include a list of all items of works with units of measure and estimated quantities. For large works, it may also include a preamble, with a list of units of measurement, and provisional sums or contingencies. An AS will also list all items of work, but they are indicated as lump sum, instead of estimated quantities.

4.5 Description of requirements for services

The schedule of requirements in the STD for services is designed to include the information listed in the table below. Similar information is required for RFQ documents, but it may be simplified as appropriate.

Information	Guidance
Scope of services	Provide a summary of the services, including the main activities. Include the location, frequency of performance, delivery period and service standards required.
Performance specifications	Insert performance specifications and operational requirements such as maintenance requirements, health and safety standards and environmental and social requirements.
Drawings	List and attach drawings, stating which activity each drawing relates to.
Equipment, machinery and/or furniture requirements	List the minimum equipment, machinery and/or furniture that tenderers are required to have available for the services.

Key personnel	List the minimum personnel that tenderers are required to have available, stating each position and the minimum qualifications and experience required for each.
Activity Schedule (AS)	The AS forms part of the overall schedule of requirements but will be included in the tender document as part of the tender forms. The AS should number and list all services with a brief description, quantities, unit of measure and delivery location.

4.6 Description of requirements for consulting services

The description of requirements for consulting services consists of terms of reference (TOR). The TOR should be adapted to each individual assignment but will usually include the sections listed in the table below.

Information	Guidance
Background	Give the background to the assignment, including previous or related projects. Explain the role of key stakeholders involved in the assignment.
Objectives	State the objectives i.e. what the assignment should achieve and its expected impact.
Scope of services	Provide a summary of the services including any specific methodology required, phases of the assignment and specific tasks or activities. It is usually better to make the TOR flexible, allowing consultants to propose the most appropriate approach and methodology to achieve the assignment objectives.
Transfer of knowledge	State any requirements for training, mentoring or transfer of knowledge to GOM staff. This may also be included in the objectives or scope of services.
Deliverables	List all deliverables (e.g. study reports and recommendations, software, databases, tender documents, drawings, specifications, maps, software, training materials and other reports) and the date when each is required.
Key expert requirements	For TOR for consulting firms, state the team composition and key expert positions required. Or state the overall requirements for the team and allow consultants to propose the most appropriate team.

	Specify any minimum or desirable qualifications or experience for specific key experts, an individual consultant or for the overall team. Where relevant, indicate whether roles are full or part-time or state an estimated level of input per role.
Location, timing and duration	State the location for the assignment or whether services should be delivered remotely. Specify any project site. State the duration of the assignment and expected start and/or finish dates.
Reporting arrangements	State reporting arrangements, including lines of communication and contact point(s) for management and administration of the assignment. State how deliverables should be submitted and who to.
Facilities, services or resources to be provided by GOM	State any facilities, services or resources to be provided by GOM, such as access to reports or data, office facilities or counterpart staff. Include counterpart staff where transfer of knowledge is an important part of the assignment.

Make sure that the consulting services requested are realistic considering the budget available. Is it usually better to define the objectives and deliverables required, but leave the methodology and key expert requirements flexible; this allows consultants to use their expertise to recommend the most efficient and effective approach and team.

PART E: SELECTING THE PROCUREMENT METHOD

5 Selecting the procurement method

5.1 Overview of the procurement methods

There are several different procurement methods. Some have full open competition, while others are restricted to a few or only one supplier. Some methods are more formal than others with processes taking longer to complete. There are different methods for goods, works and services and for consulting services.

You must select the most appropriate procurement method as part of your procurement planning, based on the value and other circumstances of the procurement.

References:

- Section 22-28 of the Public Procurement Act 2025 for all methods
- Regulation 7 of the Public Procurement Regulations 2025 for financial thresholds
- Part 3 of the Public Procurement Regulations 2025 for goods, works and services
- Part 4 of the Public Procurement Regulations 2025 for consulting services

The procurement methods for **goods, works and services** are:

- **open tendering:** this method involves maximum competition and a formal tendering process with a public tender opening. It is open to all tenderers through a tender or prequalification notice.
- **restricted tendering:** this method follows the same process as open tendering, but participation is limited to a few invited tenderers.
- **request for quotations:** a faster, less formal method for lower value goods, works and services. Quotations are invited directly from at least three tenderers and evaluation is based on the lowest price which meets the procuring entity's needs.
- **direct contracting:** this is the least competitive method with a direct invitation to a single tenderer, followed by negotiation of the quotation. Prior approval for use of this method is required from the PPB and it should only be used where there is strong justification.
- **electronic reverse auction:** this uses an online, interactive tendering process to secure the lowest possible prices. It follows the same procedures as open tendering for the rest of the procurement process.

The procurement methods for **consulting services** are:

- **request for proposals:** this is a formal method with separate technical and financial evaluations. All consulting firms are invited to express interest, unless the value is below XCD 75,000, when the shortlist may be established from market knowledge, registered suppliers or other appropriate sources. Proposals are invited from

shortlisted firms only. Alternative procedures apply to the procurement of individual consultants.

- **direct contracting:** the least competitive method with a direct invitation to a single tenderer. Prior approval for use of this method is required from the PPB and it should only be used where there is strong justification.

You must justify the use of any method other than open tendering or RFP!

Open tendering is the preferred procurement method for goods, works and services as it provides maximum competition, transparency and value for money.

Request for proposals is the preferred procurement method for consulting services as it provides the maximum possible competition within a process suitable for the complexity of consulting services.

Other methods may only be used where they meet the conditions in Part V of the Public Procurement Act. You must record the reasons in writing!

5.2 Selecting the procurement method

The estimated value of the procurement is the key factor affecting the choice of procurement method. The table below summarises the procurement methods that are normally used for different values of procurement.

Estimated value	Procurement method for goods, works or services
Below XCD 15,000	Direct contracting (with approval by the Accounting Officer)
XCD 15,000 – 124,999	Request for quotations
XCD 125,000 or above	Open tendering
Estimated value	Procurement method for consulting services
Below XCD 15,000	Direct contracting (with approval by the Accounting Officer)
XCD 15,000 – 74,999	Request for proposals without inviting expressions of interest
XCD 75,000 or above	Request for proposals with expressions of interest invited

Other factors can also affect the choice of procurement method. These are:

- **The number of potential tenderers in the market:** where there are only a few (or one) suitable sources, there is no point in running an open, competitive process. In such cases, restricted tendering or direct contracting may be used. Consider both the domestic and international markets.

- **The nature and complexity of the procurement:** procurement methods such as RFQ and electronic reverse auction should only be used for straightforward, standardised requirements where there is a competitive market. Some procurement is a natural continuation of a previous contract so it is better to continue with the existing supplier for reasons of continuity, compatibility or standardisation; in such cases, direct contracting may be used. For particularly complex procurement, open tendering may be used with prequalification or with two stages.
- **The circumstances surrounding the procurement:** where there is extreme urgency or a public emergency has been declared under the Montserrat Constitution Order, there may not be time for formal, competitive procurement methods and direct contracting may be used.

Extreme urgency is a situation that wasn't foreseeable and is outside of the procuring entity's control. You must also justify that use of any other procurement method would:

- cause serious risk to life, public health or safety, continuity of essential services or statutory compliance;
- cause substantial financial or operational loss;
- cause harm to government interests;
- be otherwise detrimental to the procuring entity or beneficiaries of the procurement.

Poor planning, internal delays or administrative failings in the procuring entity do not justify extreme urgency. Late funding releases or late notification of donor or appropriation conditions are considered to be outside of the procuring entity's control and do justify extreme urgency.

The flowcharts on the following pages will guide you through the decision process for selecting the procurement method for goods, works or services or for consulting services.

Now refer to separate guides for the procurement method selected

Once you have selected the procurement method, you can find guidance on the tendering and evaluation process for each method in the following guides:

- ➔ **Guide to Open and Restricted Tendering**
- ➔ **Guide to Electronic Reverse Auctions**
- ➔ **Guide to Request for Proposals**
- ➔ **Guide to Request for Quotations**
- ➔ **Guide to Direct Contracting**

Remember that you must commit the total estimated cost of the procurement in your budget, following procedures in the Public Finance (Management and Accountability) Act, BEFORE starting the procurement process.



