UNITED REPUBLIC OF TANZANIA

PUBLIC PROCUREMENT REGULATORY AUTHORITY

PARTICIPANT'S HANDBOOK

PUBLIC PROCUREMENT REPORTING

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FOREWORD

Decentralization has been one of the major policy initiatives of the Government of the United Republic of Tanzania. The most recent policy reform commenced two decades ago and was formulated in 1998 as Decentralisation-by-Devolution (D-by-D). The policy has the main objective to empower citizens, devolve fiscal resources, democratize state power and facilitate effective service delivery in our communities to improving people's welfare. It is also intended to improve transparency and accountability in Local governments, promote good governance and participatory democracy.

Under the decentralization policy, a range of powers, responsibilities and functions are transferred to Local Government Authorities at Council and sub-Council levels. Procurement and contract management was fully transferred to Local Governments as entrenched in the Public Procurement Act (PPA) of 2004 and subsequent revisions made under PPA 2011 and amended in 2016.

In the course of implementing public procurement reform, we have realized the need to strengthening the skills of journalists and reporters in analytical reporting on public procurement - in particular of LGAs – in a bid to enhance the role of the media in information dissemination and accountability of LGA procurement by well-researched, evidence-based reporting on procurement issues that matter to LGA constituents and the Tanzanian public.

In consultations organized by the Authority, representatives of media houses analysed their strategic position in terms of public procurement reporting as providing "*an extra eye; an extra ear and an extra v*oice". In other words, this requires capacity of the media to see, hear and speak out, which requires training, experience and commitment. For these reasons, the Authority has developed this training module on public procurement reporting for journalists and reporters with the aim to inform Tanzanian citizens on public procurement in the Councils through well-researched and correctly reported procurement cases based on evidence-based information.

The module comprises Participants Handbook, Trainer's Guide and additional training materials, which will be made in printed version and on-line. The module should, however, be used together with the Constitution, the Public Procurement Act and its Regulations, Local Government Finance Act, and any legislation relevant to a particular subject or topic.

We would also like to thank the Media Council of Tanzania (MCT) for their valuable inputs during the development of the training module and assistance to the roll-out of the training to selected members of all regions press clubs of Tanzania Mainland.

Finally, we wish to express our deep appreciations and gratitude to our partners and collaborators in the invaluable assistance they gave the Authority in developing, roll-out and final production of the training module. The module is one of the main outputs of the Enhancement of Procurement Capacity of Local Government Authorities project (EPC-LGAP), which was jointly implemented from 2013 to 2017 by the Authority and the Belgian Development Agency (BTC) in partnership with the President's Office - Regional Government and Local Government (PO-RALG).

The Authority invites stakeholders to provide feedback on the use of this training module and undertakes to provide any clarification where required to support capacity building in public procurement reporting in Tanzania.

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Public Procurement Regulatory Authority

ACRONYMS AND ABBREVIATIONS

APP	Annual Procurement Plan
BTC	Belgian Development Agency
CPI	Compliance Performance Indicator
GN	Government Notice
GPN	General Procurement Notice
ICB	International Competition Bidding
IS	Individual Selection
LGA	Local Government Authority
NCB	National Competition Bidding
NCS	National Completion Selection
PCCB	Prevention for Combating Corruption Bureau
PE	Procuring Entity
PPA	Public Procurement Act
PPAA	Public Procurement Appeals Authority
PPR	Public Procurement Regulations
PPRA	Public Procurement Regulatory Authority
PMU	Procurement Management Unit
RS	Regional Secretariat
SWOT	Strengths, Weaknesses, Opportunities and Threats
TB	Tender Board

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TRAINING OUTLINE

Pre-Course Assessment

Unit 1: Overview of Public Procurement Legal and Regulatory Framework

Unit 2: Core Principles of Public Procurement

Unit 3: Public Procurement Compliance and Performance Indicators in Tanzania

Unit 4: Procurement Compliance and Performance Trends

Unit 5: Strategic Importance of LGA Procurement

Unit 6: Roles and responsibilities in Public Procurement

Unit 7: Roles and Responsibilities in Procurement and Contract Management

Unit 8: Roles and Responsibilities of Internal and External Oversight Bodies

Unit 9: Major Risks Areas in LGA procurement

Unit 10: Assessment of SWOT for LGA Procurement Reporting

Training Evaluation and Post-Course Assessment

UNIT 1: PUBLIC PROCUREMENT LEGAL AND REGULATORY FRAMEWORK

Unit Objectives:

By the end of the unit, the participants will be able to:

- Describe the Background of Public procurement laws;
- Understand major contents of PPA, 2011and its amendments of 2016; and
- Understand major contents of PPR, GN. No. 446 of 2013, GN No. 330 of 2014

1.1 Background of Public Procurement Law

"Procurement" means buying, purchasing, renting, leasing or otherwise acquiring any goods, works or services by a Procuring Entity and includes all functions that pertain to the obtaining of any goods, works or services, including description of requirements, selection and invitation of tenderers, preparation award of contracts and contract management.

Since independence of Tanganyika, the public procurement legal framework (old procurement system) was governed by the Exchequer and Audit Ordinance, CAP 439 of 1961, the various laws establishing the specific public authorities. In 1991, the Government promulgated specific General Regulations for the Procurement of Works, Services and Supplies under the Integrated Roads Project under the Ministry of Works. The regulations were issued in October, 1991. As the title suggests, these regulations were only applicable to the Integrated Roads Project.

In 1982, Local Government Authorities were re-established after ten years of decentralization of government administration under the Decentralization Act, 1972. The re-establishing laws, that is, Local Government (District Authorities) Act No 7of 1982 and the Local Government (Urban Authorities) Act No. 8 of 1982 gave the local authorities the objectives among others of promoting economic development within their areas of jurisdiction.

Decentralization

Decentralisation refers to the transfer of national responsibilities or functions from central government to sub-national levels of government or from central agencies/offices to regional bodies or branch offices, or to non-governmental organisations or private concerns. This transfer includes the authority to plan, make decisions and manage public affairs including financial resources by agencies other than the central government. According to (Schneider 2003), decentralisation can take on any of the following forms:

i) ***Deconcentration***: the central government transfers responsibility for policy to its offices. At sub-national level. Under this arrangement, the central government retains authority over the field office and exercises that authority through the hierarchical channels of the central government bureaucracy. Deconcentration allows only moderately more autonomy than centralized systems.
ii) ***Delegation*****:** the central government transfers policy responsibility to local governments or semi-autonomous organisations that are not controlled by the central government, but remain accountable to it. Under this arrangement, the central government exercises its control through a contractual relation that enforces accountability of local government. Delegation represents a slightly higher level of administrative autonomy for local entities than under deconcentration.
iii) ***Devolution***: the central government allows quasi-autonomous local units of government to exercise power and control over the transferred policy. Compared to the other two types of decentralisation, devolution provides the greatest degree of autonomy for the local unit in terms of administrative powers and fiscal resources. The local unit is only accountable to the central government insofar as the central government can impose its will by threatening to withhold resources or responsibilities from the local unit.
iv) ***Privatisation***: refers to the cases in which decentralisation occurs to organisations outside the government sector.

The Tanzanian local government system is based on political devolution and decentralisation of functions and finances within the framework of a unitary state. The Local Government Reform Policy Paper (URT 1998) puts forward the overall objective of the Decentralisation by Devolution as to making local governments effective centres of self-governance, participation, local decision-making, planning and development. The Policy Paper sets out the policy on decentralisation by devolution (D-by-D), which is expected to contribute to the national drive to reduce poverty by improving service delivery in key areas such as health and education.

Advantages of Decentralisation

There are many potential benefits of decentralisation. The majority of these advantages can be broadly captured as improved efficiency, governance, equality, development and poverty reduction:

i) ***Improved efficiency***: sub-national governments are said to be closer to the people, have good access to local information and understand the local context well. If so, they can better identify the mix and level of services that

their constituents need than the higher-levels, thus improving allocative efficiency.

ii) ***Improved governance***: decentralised government are able to influence public affairs in ways that directly affect them and empowers people, giving them a sense of control and autonomy.

iii) ***Improved equity***: local governments are familiar with local circumstances, they are thus in a better position to more equitably distribute public resources and target poverty within their own jurisdictions.

iv) ***Improved development and poverty reduction***: local governments are expected to contribute to local economic development in a number of ways. First, they can provide services that serve as production and distribution inputs for local firms and entrepreneurs. Second, they can contribute to a legal and institutional environment that is conducive for development. Third, they can help to coordinate key local public, private and community actors in creating partnerships that promote development.

Disadvantages of Decentralisation

The following arguments may also be put forward against decentralization:

i) ***Equality problems***: Threatens the principle of equality before the law in equal circumstances. For example, citizens in one community may be required to conform to different environmental standards or tax levels in the local community while not similarly restricted in a neighbouring community.

ii) ***Competition problems***: Puts cities, departments and regions against each other as they attempt to attract profitable business and affluent tax payers to their areas.

iii) ***Management capacity problems***: Small communities are unable and unequipped to handle such inherently complex problems associated with decentralisation and may not attract qualified and skilled staff.

iv) ***Challenge of coordination*** between local governments and central government (sector) ministries, departments and agencies.

Implementation Challenges

Common implementation challenges of decentralization, in particular devolution, to which Tanzania is no exception, include:

i) Problems of transition from a highly centralised system;

ii) Problem of coordination between local governments and central government (sector ministries);

iii) Revenue expenditure assignment problems, funding of mandates and functions;
iv) Management capacity; and
v) Democratic and social accountability.

Public Procurement in the Local Government Authorities was therefore, regulated by the Local Government (District Authorities) Act No 7 of 1982, the Local Government (Urban Authorities) Act No 8 of 1982 and the Local Government (Finances) Act No 9 of 1982. Pursuant to Section 42 of the Local Government (Finances) Act No. 9 of 1982, the Urban Councils' Financial Memorandum was issued in 1983.

Initially, the overall responsibility for procurement rested with the Ministry of Works. This responsibility was later transferred to the Ministry of Finance. The Financial Orders Part III (Stores Regulations), 5th Edition of 1965 stipulated that the purchase of stores or the letting of a contract, the cost of which was more than Tsh 1,000,000 (currently equivalent to US$ 450) for any one item, required the authority of either the Central Tender Board or the Regional Tender Board.

The major shortcoming of the old public procurement system was the inadequacy and fragmentation of the old procurement laws. The legal framework as highlighted above indicated major weaknesses in that the procurement laws were scattered in various statutes that had loopholes with no enforceable penalties.

The Government's effort to undertake public procurement reform in Tanzania Mainland started in 1992 when the Government commissioned a consultant to undertake the Public Procurement and Supply Management Study. At the conclusion of the study it was evident that the public procurement system in Tanzania had serious weaknesses and thus was in urgent need for reform.

Public Procurement Act of 2001

In February, 2001 new public procurement legislation was passed by the Parliament and was subsequently signed into law (The Public Procurement Act No 3 of 2001) by the President. The Act became effective on 1st July, 2001.

The Act provides a comprehensive coverage of all regulatory aspects critical to public procurement. The new Act:- (a) applies to all procurement undertaken by public institutions except for financially independent parastatal organizations and for defence procurement, (b) makes deference to the international obligation of Tanzania at the intergovernmental and international levels, (c) does not cover

contract performance or implementation phase, (d) takes into account certain differences between the procurement of goods, works and selection and employment of consultants and (e) establishes several tender boards with the responsibility for procurement, review of tender documents and contract awards in accordance with pre-determined thresholds.

Public Procurement Act of 2004

Government realized to importance to harmonize the legislative framework of public procurement and decentralization. The reform under the Public Procurement Act of 2004 and subsequent enactment of the Public Procurement Act 2011 (URT 2011) restructured procurement to decentralised Procuring Entities (PE) including the LGAs. Procurement enables LGAs to acquire the required goods, services and construction works needed to fulfil their objectives.

Public Procurement Act of 2011

Subsequently Government accommodated several changes in the procurement law after review and evaluation of its use and outcome, which resulted in the (current) Public Procurement Act of 2011. Table 1.1 summarizes the main differences between PPA 2014 and PPA 2011:

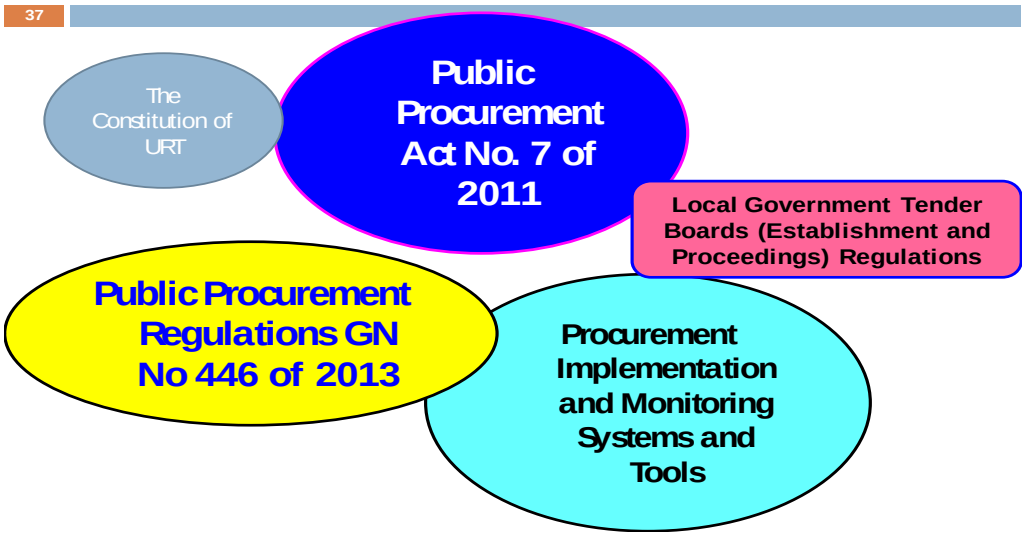

Figure 1.1 Procurement Regulatory Framework of Tanzania

Table 1.1 Major Differences between PPA 2004 and PPA 2011

S/n	PPA 2004	PPA 2011
1.	Limited Powers to PPRA to suspend Procurement Proceedings	More powers given for PPRA to suspend procurement under PPA Sect.19
2	Public Procurement Appeals Authority (PPPA) not independent-It is a department in the Ministry of Finance	Under Sect. 88 PPAA now an autonomous organization.
3	No clear procedures to handle emergency procurement and Used Equipment e.g. Aircraft	Procedures to handle emergency procurement(Sect.65) have been introduced including procurement of used aircrafts, ships and railway equipment under Sect.66
4	Lack of transparency in contract award and problems of corruption still exist.	Sect.60(3) provides for 14 days cool off period has been introduced to notify bidders of the intention to award the contract giving details of the winning bid and reasons for non-selection of those that did not win.
5	Does not cover procurement of Public Private Partnership Projects (PPPs)	New section to cover procurement of PPP projects has been introduced under Sect. 79
6	No Emphasis on Procurement Planning	Procurement planning now to be integrated with the budget preparation process and any procurement exceeding budget to get approval of "budget approving Authority" under Sect 49.
7	Does not recognize Public Procurement Policy Division (PPPD)	Section 5 introduces Public Procurement Policy Division under the Ministry of Finance responsible for procurement cadre and policy matters.
8	Confused role and reporting of the Procurement Management Unit	PMU now reports directly to head of PE and must be allocated a budget ref.Sect.37
9	Long procurement complaint review process – three tier (Head of PE- 30 days, PPRA – 30 days, and PPAA- 45 days)	Procurement complaint review process changed to two tiers (Head of PE- 14 days, and PPAA- 45 days). Head of PE allowed to form a complaint review panel to advise him on appropriate decision to take Ref. Section .96 & 97

S/n	PPA 2004	PPA 2011
10	Penalties for non-compliance are lenient.	Sect.104 Introduced stringent penalties for non-compliance with the Act and Regulations.
11	LGAs Councillors not involved in the tender approval process.	Sect.60(4) provides for LGAs Councillors involvement in the tender approval process through the Finance Committee +signing of Contract by Council Chair/Mayor
12	Vetting not mandatory	Vetting of Contracts with value above 1 billion has been introduced (Supplementary Reg. issued 22nd April, 2016
13	Rejection of abnormally low tenders:	Anew provision PPR-R17 on rejection of abnormally low tenders has been introduced

1.2 Major Provisions of PPA 2011 and Amendments of 2016

Public Procurement Act No. 7, of 2011 is the current law that governs public procurement in Tanzania. It became operational on December, 13th 2013. The law has the following major parts:

Part One: preliminary provision which state short title, commencement and interpretation.

Part Two: establishes PPPD whose function is to develop, review, monitor procurement policies and procurement cadre

Part Three: establishes PPRA whose function is to regulate procurement, offer advisory services and issue guidelines

Part Four: Institutional Arrangements:

- **Accounting Officer**
  - ☒ Each Executive Director of Town Council Director, District Executive Director, Municipal Director/ City Director as mentioned in the LGA Finance Act.
- **Tender Board Composition**
  - ☒ a Chairman, who shall be one of the heads of department or a person of similar standing and who shall be appointed by the Accounting Officer or Chief Executive as the case may be;

- ☒ six members who are heads of department or persons of similar standing within the same Procuring Entity and who shall be appointed by the Accounting Officer or Chief Executive as the case may be;
- ☒ The Secretary shall be a procurement specialist, who shall be the head of Procurement Management Unit or department of that Procuring Entity.

- ❑ **Procurement Management Unit**
  - ☒ Each Procuring Entity shall establish a PMU staffed to an appropriate level;
  - ☒ Shall consist of procurement and other technical specialists together with necessary supporting and administrative staff.
  - ☒ HPMU shall be a person with appropriate academic and professional qualifications and experience in procurement functions registered by the Procurement Professional Body.
  - ☒ PMU shall have allocated fund in the budget to carry out its responsibilities under this Act and have its sub vote.

- ❑ **User Department**
  - ☒ The user department is any department that has initiated and submitted requirements for the purpose of procurement

- ❑ **Evaluation Committee**
  - ☒ Recommended by PMU, approved by Accounting Officer or Chief Executive Officer and report to PMU;
  - ☒ Not less than three and not more than five members depending on complexity of the assignment
  - ☒ May be external to the organization.
  - ☒ Members shall sign the Code of Ethics before starting evaluation

Part Five: Public Procurement Principles

Section 48 (1) (c) of PPA 2011 states; any procurement of goods, works or services, it shall be the duty of the Accounting Officer designated as such under the Local Government Finances Act; to ensure the procurement of goods, works or services is in accordance with the procedures prescribed under the Act or Regulations.

Section 49 (1) of PPA 2011 states; A Procuring Entity shall prepare its annual procurement plan in a rational manner and in particular shall:

a) avoid emergency procurement wherever possible;

b) aggregate its requirements wherever possible, both within the Procuring Entity and between procuring entities, to obtain value for money and reduce procurement costs;

c) avoid splitting of procurement to defeat the use of appropriate procurement methods unless such splitting is to enable wider participation of local consultants, suppliers or contractors in which case the Authority shall determine such an undertaking; and

d) Integrate its procurement budget with its expenditure programme.

(2) The annual procurement plan shall be approved by an appropriate budget approving authority.

(3) The Procuring Entity shall observe the approved annual procurement plan and any unplanned procurement shall get a prior written approval of the Accounting Officer.

The public procurement principles were covered under section 47 and 63. After the amendment of 2016, these principles are covered under section 4A and will be discussed under unit two in this Handbook.

Part Six: Methods of procurement

- Part of Procurement Planning is the selection of a proper procurement method which shall lead to maximum competition possible while ensuring that quality of goods or services are obtained in a timely manner.
- The Regulations to PPA 2011 sets out various methods to be used for procurement of works, goods or services to include:
  - International competitive methods
  - National competitive methods
  - Quotations (International and National shopping)
  - Minor value
  - Micro value
  - Force account
  - Community participation

Part Seven: Public-Private Partnership

Public-Private Partnership is no longer covered under PPA, but transferred to the PPP centre, to be governed by PPP Act.

Part Eight: Prohibitions

This part provides for issues such as fraud and corruption, conduct influencing public officers, disclosure of payments made by way of commission and institution of criminal proceedings.

Part Nine: Disputes Settlement

This part establishes the public procurement appeals authority whose function is to handle procurement complaints**.** Therefore this section sets out the procedure for review of procurement complaints by bidders.

Part Ten: General Provisions

This includes codes of conduct by public officers, protection from personal liabilities by PPRA staff, offenses and regulations that may be made by the minister responsible for finance.

Schedules:

First schedule:

- Composition and appointment and procedures of the PPRA

Second schedule:

- Composition, appointments and procedures of the tender boards.

1.3 Highlights of Amendments to PPA 2011

- Building capacity of stakeholders involved in public procurement;
- Obtaining price information for standardized common items and services from relevant public bodies;
- The Authority may order suspension of proceedings or implementation of any matter under investigation", in addition to the scope of investigation by the authority;
- Case of approval of exceeded budget and contract signed without approval of TB-redundant;
- Emphasizes on AO submitting "details" and not just a list of procurement contracts awarded and APP for the next FY;
- Emphasizes on the use of Procurement Management Information System (PMIS) and e-procurement by PE, manual procedures is only where there is no electronic devices;
- Removal of "closed" framework agreements within the procurement of Common Used Items and Services (CUIS) by GPSA;

- Open framework agreement contains specific terms and conditions but does not contain agreed price (definition);
- Rejection of all tenders or proposals; AO need not seek approval from the Authority, but from TB to reject tenders;
- Cool off period reduced to 7 days (period given to bidders to submit their complaints as a result of issue of notification of intention to award the contract);
- Contract is formed when the formal contract is signed by parties to the contract and not just by way of letter of acceptance to the successful tenderer;
- Witnessing on contract signing should be as per the law or legal instrument establishing the PE, or where not available; otherwise, any person enumerated under the Notaries Public and Commissioner for Oaths Act;
- Selection of methods of procurement now includes special groups. Therefore PEs shall set aside a specific percentage of the procurement volume to special groups. Special groups mentioned, that is, women, youth, elderly, and persons with disability;
- Procuring specialized goods/services directly from manufacturers, dealers, wholesalers or service providers. This shall be certain goods and services where its procedure shall be prescribed in Regulations;
- Established and approved standards of items or services to be procured for Government use (certain goods), the procedure shall be prescribed in Regulations;
- Negotiation of price allowed;
- Appeals Authority (PPAA) has been relieved of its responsibility as governing board. Permanent secretary shall be responsible for Annual Management Plan and Budget approval; and
- Ordinary TB meetings to be quarterly rather than *monthly*; The chairman of the TB may determine when to convene extra-ordinary meetings,

1.4 Major Provisions PPR GN. No 446 of 2013

- ❑ Application
  - ☒ Public Procurement Regulation of GN. No. 446 of 2013 shall apply for all procurement of:- Goods, works, non-consultancy services, selection and employment of consultants; disposal of public assets by tender; and Procurement under Public Private Partnership (PPPs);
  - ☒ Note; these Regulations shall not apply to disposal of Public assets by other methods.
- ❑ Preference and exclusive preference

☒ Purpose is to promote local industry and support socio-economic development in:
-benefiting from preference and reservation schemes;

-Percentage margin of preference;

-goods, works and services reserved.

☒ Reg. 31, In order to benefit from Preference schemes, the company must register with PPRA for bidders who do not have statutory bodies and other professional bodies like CRB , AQRB etc so that there is no duplication of efforts as per requirement criteria specified under Sec. 54, 55, 55A-D of the PPA, 2011 as amended in 2016.

❑ Delegation of Procurement Authority

- Accounting office may delegate to

  i) Member of staff;

  ii) Tender Board (TB) or Procurement Management Unit (PMU) to a sub division; or

  iii) Contract out part or entire procurement to another PE or Procurement agent or the Agency.

- Delegation is within the PE and Contracting out is outside the PE.
- Accounting Officer remains accountable for the decisions made.

❑ **Emergency Procurement**

Emergency procurement means procurement of goods, works or services essentially to meet an emergency situation which cannot be done through normal procurement process; situations that call for emergency procurement are:

- that creates threat to life, health, welfare or safety of the public by reason of major natural disaster, epidemic, riot, war, fire or such other reasons of similar nature;
- without the emergency procurement, the continued functioning of the Government or organization would suffer irreparable loss, the preservation or protection of irreplaceable public property, or the health or safety of public will be threatened

❑ **Procurement and Disposal Planning**

- Procedures for submitting a tender for packages or lots as per (Reg 71).

- The requirements to be debited to different vote sub-heads shall only be combined into one tender if all costs of the procurement can be easily identified and separately debited.
- Prohibition on splitting tenders for the purpose of avoiding using a competitive method. (Reg 73)
- Contract period should be realistic (Reg. 74)
- Ensure funds are allocated and committed before commencing procurement proceedings. Reg. 75
- Where the contract extends over several years, an allocation of funds may be issued annually.
- Planning involves selection of appropriate procurement method.
- Default Selection should be for open and competitive methods of procurement.

❑ **Prohibition**

- A Procuring Entity and a tenderer shall, in any tender for public contracts, not engage in fraud and corruption including bribery in competing for and executing a contract as per memorandum provided in the Third Schedule to these Regulations and shall abide with the laws of the country (Reg 78 and 79)
- Pecuniary interest (Reg. 81)
- Prohibition of running contracts (Reg 83)
- tempering with submitted tenders (Reg. 85)

❑ **Monitoring of procurement**

- Head of internal audit unit of PE - prepare and submit to the AO a quarterly audit report including a report on whether the Act and Regulations have been complied with.
- AO shall, within fourteen days, submit to the Authority a copy of such report.
- Submission to the Authority (Reg. 87)
- Procurement , contract and performance audits by the Authority (Reg. 88)
- Procurement Investigation (Reg. 89)
- Actions to taken in course of monitoring procurement activities Reg. 91 (2)

❑ **Debarment of firms**

- Debarment and blacklisting will be done by the Authority and not PE as a result of audit or investigation conducted by the Authority

- PEs can only declare a firm *ineligible* after due diligence and not investigation
- Reasons for debarment are as per (Reg. 93 (3))
- Procedures for debarment are as per (Reg. 94)
- PE shall not procure from, contract with, or engage a tenderer who is blacklisted
- Any person who, at the time of debarment, was concerned with the management of the affairs of the debarred company or firm as director, partner, agent or an officer, shall be barred from participating in public Procurement for the same period.

1.5 Major Provisions of PPR GN No. 330 of 2014

- Application:
  - Apply to all LGAs established under the provisions of section 5 of the LG (District Authorities) Act and the section 5 LG (Urban Authorities) CAP for the establishment and composition of Tender Boards;
  - Procurement of Goods, Works, Non-consultancy services and Disposal of Public assets by Tender and Selection and Employment of Consultancy; and
  - Must be read together with the PPA 2011 and its Regulations 2013.

- **Council Tender Board (CTB) Composition**
  - Chairman – Head of Department but not one that frequently initiates procurement proceedings
  - Four other Head of Department
  - The Council Legal Officer or his representative shall attend all CTB meetings as advisor but shall not vote in any decision
  - Secretary of the TB – HPMU in the Council and appointed by the AO
  - AO shall submit name and qualifications of TB to the FC for ratification and approval
  - 2/3 of the members shall form a quorum.
- **Functions of Finance Committee**
  - Review and approval of the APP based on the Council Plan and Budget.
  - Review of the quarterly procurement report submitted by the AO.
  - Overseeing contract implementation through inspection of project works and goods received???
  - Instructing the AO to carry out procurement or value for money audits where not satisfied with explanations received.
  - Approve names of the members of the TB.

- Adjudication/scrutiny of recommendations from the PMU and award of contracts.
- Review of all applications for variations, addenda or amendments to ongoing contracts.
- Approval of tendering and contract documents.
- Approval of procurement method.
- Ensuring that best practices in relation to procurement strictly adhered by Council.
- Compliance with these Regulations, PPA and Regulations issued there under.
- Liaising directly with the Authority on matters within its jurisdiction.

❑ **Contract signing**

- All procurement contracts shall be signed by the Executive Director who is the Accounting Officer (and signed together with Mayor or Chairman of the Council) and tenderer
- Within 7 days after the award of the contract, the AO shall convene a signing ceremony at a reasonable place and date comprised both parties
- The contract shall be effective from the date of signing
- Non-appearance or refuse of mayor or Chairman to sign the contract shall not affect a contract signing ceremony

❑ **Powers of Regional Commissioner**

- RC in consultation with the Authority, if considers necessary, conduct investigation on:- Registration of tenderer; tender procedures; the award of contract and; implementation of contract

Group discussion

1. Why was it important to repeal PPA, 2004 given a short period of only three years of its being?
2. Do you feel that PPA 2011 has brought significant improvements to Public Procurement in Tanzania? Give reasons to your answer.
3. Have you ever come across PPA, 2011 and its Regulations of 2013? If yes discuss with colleagues on the layout of the Book.

UNIT 2: PRINCIPLES OF PUBLIC PROCUREMENT

Unit Objectives:

By the end of the unit, the participants will be able to:

- Describe core Principles of Public Procurement, namely integrity, good governance and social accountability

2.1 Core Principles of Public Procurement

Section 4A has been added to the PPA, 2011 that provides the principles of procurement. All procurement and disposal shall be conducted in a manner that maximizes:

- **Integrity,**
  - All public officers and members of TB shall be scrupulous and honest in their dealings with tenderers, members of the public and with the PE itself.
  - PE shall conduct procurement and disposal by tender with complete probity and in a manner that is; respected; trusted by tenderers and the Public; maintaining its good reputation
  - PE shall reject a tenderer; who offer a gratuity, who is a member of its staff or a person who has direct influence on the decisions
  - PE shall not include in any tender document any condition or specification to favour any tenderer
  - Any person involved in any tender shall declare any interest and he/she shall not take any part in, nor seek to influence decision.

- **Good governance**
  - ***Fair competition***
    - Procurement System needs to operate in a manner that is perceived as offering an opportunity for participants to win contracts in accordance with an agreed set of rules that are not "prejudiced" against participants without a reasonable explanation.
    - PE shall ensure payments to bidders are made properly and promptly in accordance with the contract entered. PE shall ensure that commitments are recorded against the allocated funds before any contract is signed. Competition will provide the PE with best value at a reasonable price.

- ***Value for Money***
  - Public officers and tender boards when undertaking or approving procurement shall choose appropriate procedures, shall be diligent and efficient and Ensure the prices paid or received represent the best value or net outcome
  - ensure quality and timely delivery, appropriate to the public body requirements and; ensure compatibility with any similar goods or services already supplied
  - Publication of tenders in Authority's Journal, tender portal and newspapers of wide circulation and other important information media, eliminate discriminatory practices, ensuring that all the selection criteria are specified in the solicitation documents and ensuring that the tender or proposal selected conforms to the requirements of the solicitation documents.

- ***Transparency***
  - The ability to understand and see through the process to determine if the process has adhered to the principles and achieved the objectives. PE shall maintain adequate written records of all procurement; Records shall be made accessible to any authorized person or body, published in the Journal and Tender's Portal and to the public.

- **Accountability,**
  - The public officers must be accountable to the public for their decision and outcomes of procurement actions in line with procurement laws and procedures.

Case Study

A.Kazaroho District Council had a Dam construction project amounting to Tsh 7.5 billion. The report presented by the Council DED revealed that the project was successfully completed in 2015. Kibaraka District Council arranged a study tour to learn how to Construct their dam successfully at their LGA. Only to find out that the Dam at Kazaroho District Council did not exist. Discuss the level of Integrity, Accountability, Transparency and Value for Money for the said project.

B. **Proposed Questions:**

1) In your experience, what are common examples of corruption, conflicts of interest, low integrity, reduced competition or low transparency in procurement in LGAs? 2) Do you consider these to be news worthy? How would you make a story or article on a procurement corruption case?

UNIT 3: PUBLIC PROCUREMENT COMPLIANCE AND PERFORMANCE INDICATORS

Unit Objectives:

By the end of the unit, the participants will be able to:

- Understand the use of Compliance and Performance Indicators for procurement monitoring and reporting in Tanzania reporting; and
- Understand use and implication of red flag checklist to detect likelihood of corruption in procurement.

3.1 Compliance and Performance Indicators

Definition of Compliance
Compliance is abiding by procedures and principles provided by the Law

The procurement compliance indicators used in Tanzania by PPRA contain seven main indicators, which are derived from the procurement legislation (Act and its regulations). The allocations of scores depend on importance of the procurement area (weight) and the score was developed through procurement stakeholders' views and comments collected in 2015. The scores used by the Authority are as shown below;

a) Institutional Set up and Performance - Max. score 10%
b) Appropriate preparation and implementation of Annual Procurement Plan (APP) - Max. score 10%
c) Appropriateness of the Tender Process - Max. score 20%
d) Appropriateness of contract preparation, formation and implementation - Max. score 40%
Example of sub criteria;
Appropriate management of performance securities, insurances, and advance payment guarantees (whichever is appropriate) 3%) which reveals in the audit reports of LGAs they are not properly requested and managed.
e) Record Keeping - Max. score 10%
f) Implementation of systems prepared by PPRA (PMIS/CMS) - Max. score 10%
g) Handling of complaints - Max. score -10%

3.2 Value for Money Indicators

Definition:
"Value for money" is a concept used to assess an organization's capacity to obtain the maximum benefit from the goods, services or work it acquires or provides, in close relation to the resources available to it.

It takes into account a complex mix of factors, such as quality, cost, use of resources, and fitness for the organization's purposes, timeliness and opportunity

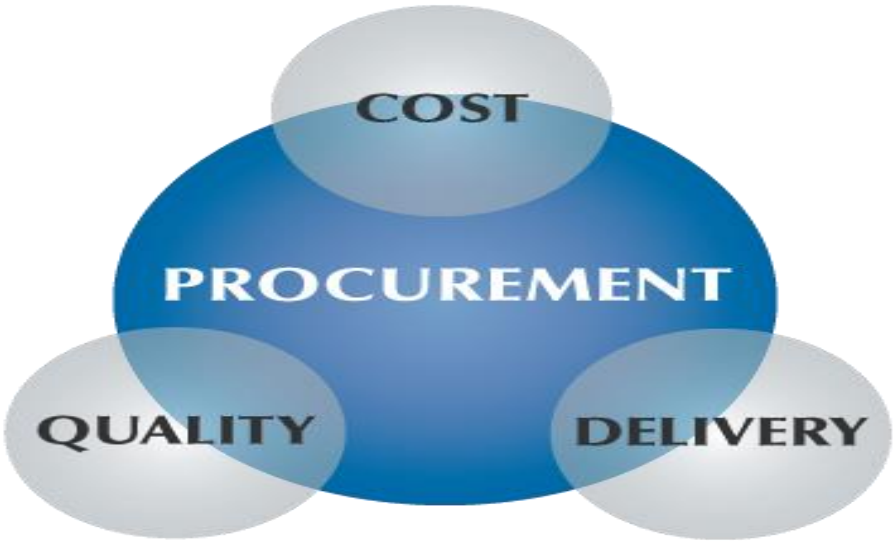

Figure 3.1 Concept of Value for Money

Example:
Criteria used in assessment of value for money in procurement for works
The assessment of Value for money in public procurement is carried based on indicators in the five procurement stages namely:

1) Planning, Design and Tender Documentation
2) Procurement
3) Contract Administration
4) Project Completion and
5) Quality of executed Works

For detailed criteria for each stage of the procurement stages (an example of works category), see annex 1 to this booklet.

Procurement Outcome: Quality of Works

Based on physical site measurements, the reviewer will determine whether dimensions of the following major items of construction of the completed works comply with the drawings and technical specifications. Measurements will be taken to ascertain whether dimensions shown on the drawings, paid for or reported done were correct and complying with standards, specifications and best practices. Visual assessment is done in order to determine whether the completed works are satisfactory in terms of:

- Overall quality of workmanship;
- Overall quality of materials used;
- Overall quality of riding surface; and
- Absence of defects, such as cracks, ruts and localized potholes

PPRA has a Memorandum of Understanding (MOU), which requires the Authority to share audit findings with the Controller and Auditor General (CAG).

3.3 Corruption Red flags Checklists

The red flags checklists were developed jointly by PPRA and PCCB

Objective of the Checklist

The objective of this *Red Flags Checklist* is to provide a tool for the Public Procurement Regulatory Authority (PPRA) to collect information about possible symptoms of corruption in the procurements carried out by procuring entities in Tanzania.

When to use the Checklist?

The Red Flags Checklist are applied in all audits carried out by PPRA by the auditor as part of his or her auditing of the various phases of the procurement. The red flags checklists have three phases used for different stages of procurement process;

a) Pre-bid phase
b) Evaluation and award phase
c) Contract Management and audit phase.

Implications of Red Flags Checklists

The level of tolerance for red flags is 1 to 19% if the score is 20% and above the issue should be submitted to PCCB for further investigations. If PCCB finds there is case to answer, they forward it to the DPP.

Exercise

Excersise 1. Case study on Excess bill of Quantities
Value for money audit of the Construction of Maboresho District Council Multipurpose Hall at Maboresho town revealed the following: there were provisions in the Bills of Quantities which were repetitive on the same function especially on the Raft Foundation concrete Class 30, finishing and floor tiles. The excess quantities were valued at 100 million.

Required: Explain the possible causes of the above weakness and how it can be avoided through observing best practices in procurement contract administration and management.

UNIT 4: PROCUREMENT COMPLIANCE AND PERFORMANCE IN TANZANIA

Unit Objectives:

By the end of the unit, the participants will be able to:

- Understand previous and current procurement performance trends
- Compare procurement performance of LGAs
- Compare and contrast performance of Procuring Entities in Tanzania

- ❑ Procurement compliance and performance trends have been increasing recently. For example, the overall compliance with the laws, regulations and guidelines by PEs was 65% in 2013/14, 69% in 2014/15 and 71% 2015/16; the trend has been positively increasing. Number of Procuring Entities audited per year by the PPRA was 76 (43 LGAs), 80 (39 LGAs) and 70 (25 LGAs) respectively. The current number of LGAs is 185. The estimated audited PEs is 1/3 of PEs per year.

4.1 Previous Procurement Performance

Table 4.1 Performance Comparisons Using Compliance and Value for Money Indicators

Financial Year	**2013/14**	**2014-15**	**2015-16**
Overall Performance			
Value for Money (VfM)	65%	64.5%	74.7%
Compliance	65%	69%	71%
LGAs			
Value for Money (VfM)	52.6%	67.97	82.7%
Compliance	62%	67%	70%

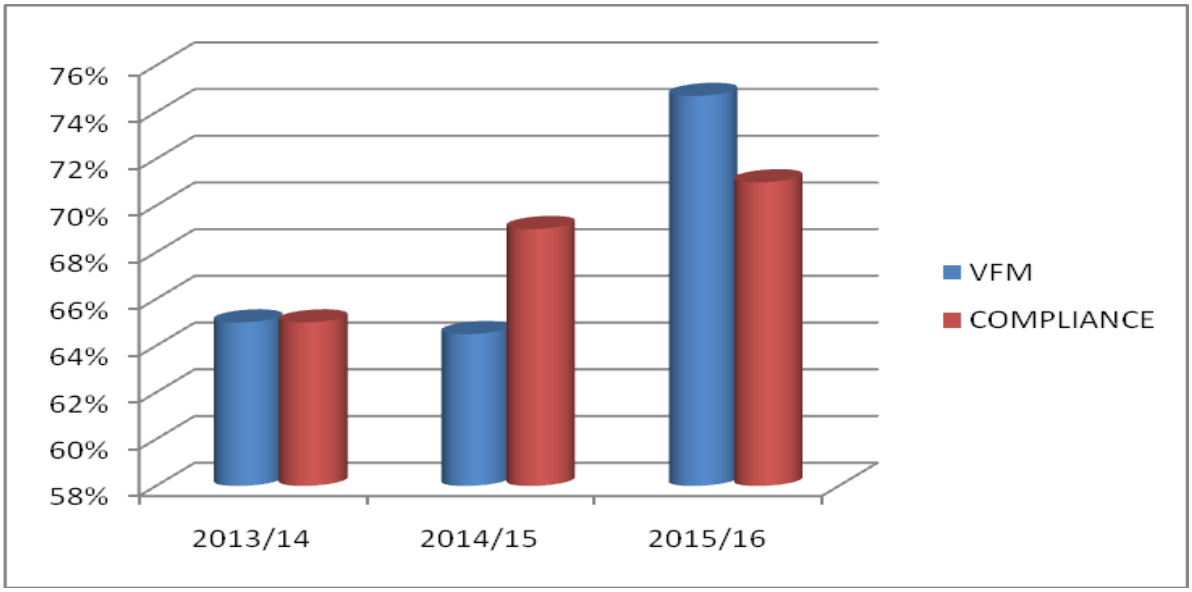

Figure 4.1 General audit performances of MDAs and LGAs for three consecutive years (Source: PPRA Performance and Audited Reports (July 2013 – July2016)

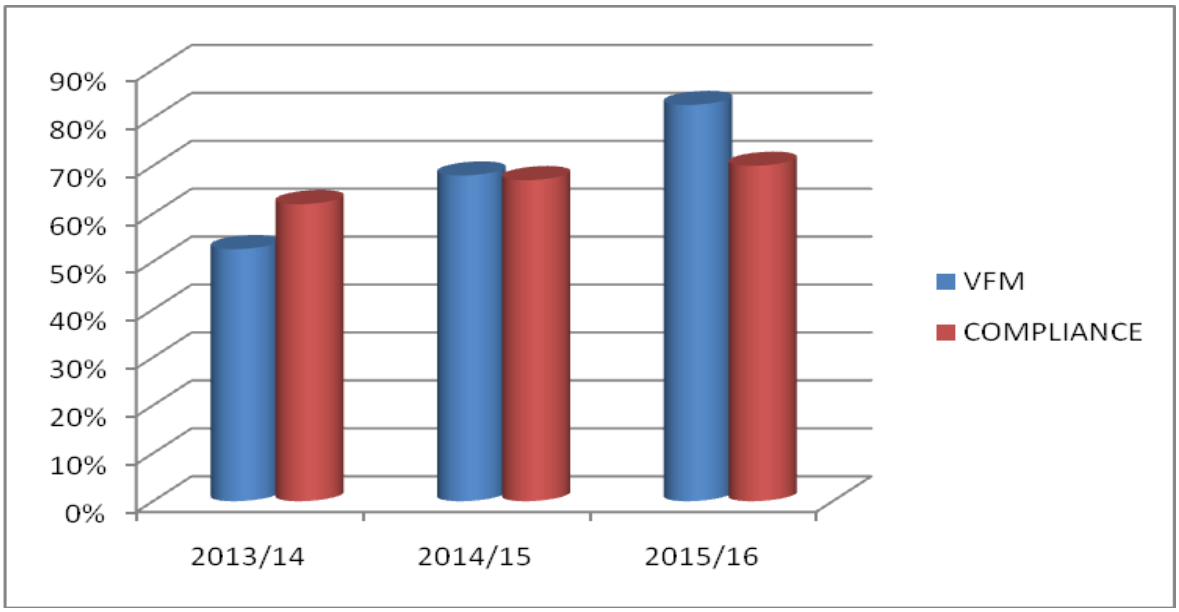

Figure 4.2 Audit performances of LGAs for three consecutive years (Source: PPRA Performance and Audited Reports (July 2013 – July 2016)

Tables 4.1 and 4.2 indicate overall and specifically to Local Government Authorities (LGAs) procurement performance trends in three consecutive years using various performance indicators of Compliance to Procurement Laws, Regulations and Guidelines and Value for Money (VfM). Comparison is drawn between overall performance in the whole country for the Procuring Entities (PEs), which were audited and those of Local Government Authorities (LGAs).

The overall VfM performance as shown in table 4.1 for two consecutive years, namely; 2013/14 and 2014-15 was 65% and 64.5% respectively. Also in compliance, during the same year of reporting, performance was 65% and 69% respectively. The trend has shown a drop of 0.5 on VfM in the reported year, signifying weaknesses in one area or another.

Corruption Red Flag

Table 4.2 indicate contract in LGA with high level of corruption red flag for two consecutive years. The table indicates reduction of high red flag contract from 2014/15 to 2015/16 in LGA. Contract with high red flag were reduced from 27 to 5 for LGA respectively.

Table 4.2 Procurement Red Flags

FY	**Total Contracts Audited**	**Contracts with high Red Flag**	**Contract in LGAs with high Red Flag**
2014/15	5,206	27	27
2015/16	21,313	20	5

4.2 Current Procurement Performance

The last audit report (2015/16) produced by PPRA indicated a positive improvement in the current performance of the PEs, including LGAs, in comparison with the previous years. The overall performance in VfM is 74.7%, an increase of 10.2%, and 71% compliance, an increase of 2% compared to last year's performance. In particular, LGAs have shown a great improvement in performance especially on the VfM by scoring 82.7%, an increase of 14.73%, and 70% in compliance procurement laws and regulations, an increase of 3% compared to previous year performance as depicted in table 4.1. The increase according to PPRA report is as a result of joint effort between PPRA and other partners, BTC being one of the key partners.

Groups Discussion

Discuss if you have readily access to public procurement audit reports? Do you know the performance of the LGAs in your region? How could this facilitate news reporting in this particular area?

UNIT 5: STRATEGIC IMPORTANCE OF LGA PROCUREMENT PROCESSES

Unit Objectives:

By the end of the unit, the participants will be able to:

- Explain the procurement process and procedures in LGAs
- Explain procurement systems and tools used in LGAs

5.1 LGA's Procurement Cycle

Six phases can be distinguished in the LGA procurement contract life cycle, i.e., pre-solicitation phase, solicitation phase, proposal evaluation, contract award, contract administration and contract closeout.

1) Pre-solicitation

The pre-solicitation phase of the contracting cycle begins immediately following the Procuring Entity's decision to send a solicitation to prospective contractors that appear to be qualified to provide the needed services to the entity on a contract basis. There are numerous decisions that must be made prior to release of a solicitation to the private sector. According to PPA (2011)/PPR (2013), Procuring Entities are required to prepare procurement plans in line with their annual budgets.

2) Solicitation

The solicitation phase commences when the Invitation to Tender or Request for Proposal is released to the prospective contractors and terminates when the proposals are received by the Procuring Entity.

3) Tender Evaluation

The tender evaluation phase begins upon receipt of bids from the prospective tenderers and ends when the tender evaluation committees recommend a tenderer for award of contract. In evaluating tenders, strict adherence to the evaluation criteria contained in the Invitation to tender is required. Failure to evaluate the tenders according to the evaluation criteria can result in unnecessary complaints from an aggrieved bidders.

4) Contract Award

The contract award phase begins when the tender evaluation committee completes the evaluation of bids and recommends a tenderer for award of a

contract. However, complications can occur during the contract award phase. For example, complaints can be submitted by aggrieved tenderers following contract award.

5) Contract Administration

Managing a contract after its award is extremely important to ensure that a Procuring Entity gets value it expects from the money it spends and enhances supplier relationship management that guarantees contractual undertakings and dispute avoidance

The contract administration phase begins upon award of the contract and continues until the contractor has fulfilled all its contractual responsibilities. During this phase, the Procuring Entity staff are generally involved in monitoring the contractor's performance, evaluating contractor invoices and making progress payments, evaluating proposed changes to the contract provisions, negotiating contract changes, and preparing modifications to the contract. Significant involvement on the part of Procuring Entity personnel is necessitated to deal with problem solving when a contractor's performance degrades to a substandard state.

6) Contract Closeout

Contract Closeout happens when all contract deliverables have been received, all contract services delivered and all work performed. Contract closeout requires effective coordination by the Contract Supervisor between the supplier and the Council's Finance and Procurement offices. The process involves the final invoice review, to ensure that all costs were incurred, allowable, and adequately supported. Final payment should not be rendered until the contract closeout review is completed.

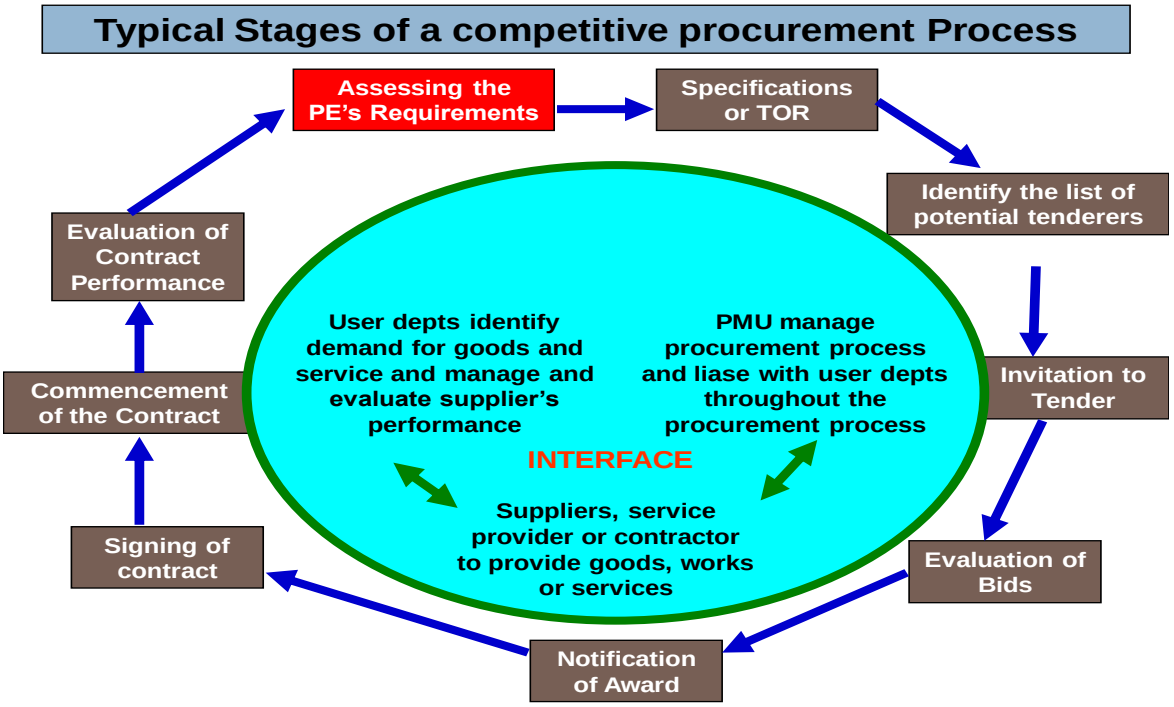

Figure 6.1 Procurement Cycle

5.2 LGAs Procurement Systems

a) Manual procurement system

The procurement system which the issue and receiving of procurement documents is done manually. The tender documents are prepared by LGAs and issued to Bidders; the bids are prepared and submitted manually on the tender opening day. The evaluation of tenders and other processes are also done manually.

b) Automated procurement system

The system will be applicable under e-procurement procedure of which the Authority is still working on it to allow LGAs and other Procurement Entities to use the system.

5.3 Tools in LGA Procurement

LGAs procurement use several tools in order to achieve their procurement objectives, in particular procedural forms and Standard Bidding Documents.

List of Procedural Forms

There are procedural forms developed by PPRA in Swahili and English for PEs/LGAs to use in the procurement process; the list of procedural forms is as follows;

1. Letter for appointment of Tender Board Chairperson/Members/Secretary
2. Procurement requisition - submission to Procurement Management Unit (PMU)
3. Request for approval of procurement/selection method - submission to Tender Board
4. Request for approval of pre-qualification document/expression of interest and notice - submission to Tender Board
5. Request for approval of bidding document/request for proposal and bid notice/shortlist - submission to Tender Board
6. Request for approval of addendum to bidding document/request for proposal - submission to Tender Board
7. Minutes of pre-bid meeting
8. Record of receipt of bids
9. Record of Bid/Proposal Opening
10. Membership of evaluation committee - submission to Accounting Officer
11. Request for approval of evaluation report and recommendations - submission to Tender Board
12. Membership of negotiation team - submission to Tender Board
13. Request for approval of negotiation plan- submission to Tender Board
14. Record of negotiations
15. Request for approval of negotiations - submission to Tender Board
16. Request for approval of contract award recommendations - submission to Tender Board
17. Request for approval of contract amendments - submission to Tender Board

Standard Bidding Documents (SDB)

PPRA is mandated and has issued Standard Bidding Documents and Guidelines for use by all PEs committing funds under Public Procurement in Tanzania.

Procurement Management Information Systems (PMIS)

According to Section 63 of PPA, 2011 as replaced by Section 63 of PP (amendment) 2016, it is legal requirement to each PE to submit reports to the Authority through electronic procedures or manually where electronic facilities are not available.

The Procurement Management Information Systems is an important tool used by PEs/LGAs for submission of the following reports to the Authority;

a) Annual Procurement Plan
b) Checklist
c) Contract completion report
d) Monthly procurement reports
e) Quarterly procurement reports
f) Annual procurement reports

Group Discussion

Discuss how gained knowledge on LGAs procurement processes, systems and tools could facilitate news reporting in this particular area?

UNIT 6: ROLES AND RESPONSIBILITIES IN PUBLIC PROCUREMENT

Unit Objectives:

By the end of the unit, the participants will be able to:

- Explain the roles of key actors of LGA procurement
- Explain the procedures of handling disagreements and conflict settlement

6.1 Key Actors of LGA procurement

- ❑ **Finance Committee**
- ❑ Finance Committee is a composed by elected Councillors among themselves to perform the following functions;
  - Review and approval of the APP based on the Council Plan and Budget.
  - Review of the quarterly procurement report submitted by the AO.
  - Overseeing contract implementation through monitoring of project works and goods received?
  - Instructing the AO to carry out procurement or value for money audits where not satisfied with explanations received.
  - Approve names of the members of the TB.
  - Ensuring that best practices in relation to procurement strictly adhered by Council.
  - Compliance with these Regulations, PPA and Regulations issued there under.

- ❑ **Accounting Officer (Executive Director)**
  - ☒ Establishing a tender board in accordance with this Act;
  - ☒ Appointing the members of the tender board specified in the second schedule;
  - ☒ Causing to be established a Procurement Management Unit staffed to an appropriate level;
  - ☒ Approving all procurement opportunities;
  - ☒ Appointing the evaluation committee and negotiation team;
  - ☒ Communicating award decisions;
  - ☒ Certifying the availability of funds to support the procurement activities;
  - ☒ Signing contracts for the procurement activities on behalf of the Procuring Entity;
  - ☒ Handling of complaints by suppliers, contractors or consultants;

- ☒ Submitting a copy of complaints and reports of the finding to the authority; and
- ☒ Ensuring that the implementation of the awarded contract is in accordance with the terms and conditions of the award.

- ❑ **Tender Board**
  - ☒ Adjudication of recommendations from the Procurement Management Unit and award of contracts;
  - ☒ Review all applications for variations, addenda or amendments to ongoing contracts;
  - ☒ Approving tendering and contract documents;
  - ☒ Approving procurement and disposal by tender procedures;
  - ☒ Ensuring that best practices in relation to procurement and disposal by tender are strictly adhered by Procuring Entities.

- ❑ **Procurement Management Unit**
  - ☒ Manage all procurement and disposal by tender activities of the Procuring Entity except approvals done by the Tender Board;
  - ☒ Support the functioning of the Tender Board;
  - ☒ Implement the decisions of the Tender Board;
  - ☒ Act as a secretariat to the Tender Board;
  - ☒ Plan the procurement and disposal by tender activities of the PE;
  - ☒ Recommend procurement and disposal by tender procedures;
  - ☒ Check and prepare statements of requirements;
  - ☒ Prepare tendering documents;
  - ☒ Prepare advertisements of tender opportunities;
  - ☒ Prepare contract documents;
  - ☒ Issue approved contract documents;
  - ☒ Maintain and archive records;
  - ☒ Maintain a list or register of all contracts awarded;
  - ☒ Prepare and submit to the management meeting quarterly reports on the implementation of the annual procurement plan;
  - ☒ Prepare monthly reports of the Tender Board;
  - ☒ Co-ordinate the procurement and disposal activities of all the departments of the PE;
  - ☒ Prepare other reports as may be required from time to time.

- **User Department**
  - ☒ Liaise with and assist the PMU throughout the procurement or disposal by tender process to the point of contract placement;
  - ☒ Initiate procurement and disposal by tender requirements and forward them to the PMU;
  - ☒ Propose technical inputs to statements of requirements for procurement requirements to the PMU;
  - ☒ Propose technical specifications to the PMU when necessary;
  - ☒ Input with technical evaluation of tenders received as required by the PMU
  - ☒ Certify for payments to suppliers, contractors or consultants;
  - ☒ Participate in tender evaluation;
  - ☒ Report any departure from the terms and conditions of an awarded contract to the PMU;
  - ☒ Forward details of any required contract amendments to the PMU for action;
  - ☒ Maintain and archive records of contracts management; and
  - ☒ Prepare any reports required for submission to the PMU, the Tender Board or the Accounting Officer ;
  - ☒ The user department shall prepare a schedule of requirements for procurement as part of the budget process, which shall be submitted to the Procurement Management Unit for compilation of annual procurement plan.

- **Evaluation Committee**
  - ☒ Recommended by PMU, approved by Accounting Officer or Chief Executive Officer and report to PMU;
  - ☒ Not less than three and not more than five members depending on complexity of the assignment
  - ☒ May be external to the organization.
  - ☒ Members shall sign the Code of Ethics before starting evaluation

- **Inspection and Acceptance Committee**
  - ☒ For each tender the AO shall appoint an Inspection and Acceptance Committee to ensure that the goods delivered are in accordance with the provided technical specifications.
  - ☒ The Inspection and Acceptance Committee shall report to the AO

- **Legal Officer**
  - ☒ The Composition of LGA tender boards involves the Legal officer as advisor but has voting powers
  - ☒ Vetting for procurement contracts which are below Tsh 1 billion.

- **Internal Auditor**
  - ☒ Section 48(2) of PPA, 2011 provides that the head of internal audit of each public body shall in his quarterly audit report include a report on whether this Act and Regulations made under it has been complied with and the Accounting Officer upon receiving such report shall submit a copy thereof to the Authority

6.2 Handling of Disagreements and Conflict Settlement

- Section 41 of the PPA, 2011 and Regulation 28 of the GN. No. 330, of 2014 requires each PE to ensure independence of functions and powers among key actors to avoid disagreements and conflicts which are provided in Section 45 of PPA, 2011 and Regulations 51, 52, 53 and 54 of PPR GN No 446 of 2013. However, disagreements in procurement undertakings is inevitable, thus call for mechanism to handle such disagreements.
- **Disagreement between Accounting Officer and Tender Board**

  Where the Accounting Officer disagrees with the decision of the tender board regarding application or interpretation of any procurement method, process or practice by tender under these Regulations, the Accounting Officer shall-

  (a) Return the decision to the tender board for review giving written reasons for the dissatisfaction; and

  (b) Where the Accounting Officer is not satisfied with the outcome of the review, request for an independent review by the Authority stating the reasons for disagreement.

- **Disagreement between Tender Board and PMU**

  (1) Where a tender board disagrees with the recommendations of the Procurement Management Unit, the tender board shall return the submission to the Procurement Management Unit for review and shall, in addition, give reasons, in writing, for such decision.

  (2) Where the tender board is dissatisfied with an outcome of the review, the chairperson of the tender board shall refer the matter to the Accounting Officer for further review.

(3) Where the tender board disagrees with the outcome of the review by the Accounting Officer, the tender board shall refer the matter to the Authority for directives.

- **Disagreement between PMU and User Department**

(1) Where a Procurement Management Unit disagrees with the user department concerning any decision pertaining to the application or interpretation of any procurement method, process or practice, the two parties may jointly consult any two members of the tender board for review and guidance in resolving the disagreement. Where the review under sub-regulation (1) fails to resolve the disagreement, either party may forward the cause of the disagreement as a submission to the tender board for its formal decision.

- **Disagreement between PMU and Evaluation Committee**

(1) Where the evaluation and preparation of the report is not conducted in accordance with evaluation guidelines, the Procurement Management Unit shall return the evaluation report to the evaluation committee for re-evaluation.

(2) Where the re-evaluation fails to resolve the disagreement or, where Procurement Management Unit disagrees with the evaluation committee on any other matter pertaining to the evaluation report, the procuring management unit shall refer the matter to the tender board for decision.

Exercise

(1) You have become aware that there is disagreement in a Council on the award of an important tender for a works contract. Do you consider this newsworthy? What would be the content of your article / story? Who would feature in your story / report? What do you see as the main challenges in preparing the report / story

(2) Or alternatively: you have become aware that the Head of PMU has been suspended for investigations related to agricultural equipment that was supplied to the Council more than one year ago. Councillors complain that the equipment was already rusty, of poor quality and never used. Do you consider this newsworthy? What would be the content of your article / story? Did the Council follow the right path of action? Who would feature in your story / report? What do you see as the main challenges in preparing the report / story? What would be the key message of the story / report?

UNIT 7: ROLES AND RESPONSIBILITIES IN PROCUREMENT AND CONTRACT MANAGEMENT

Unit Objectives:

By the end of the unit, the participants will be able to:

- Explain the roles of private sector actors in public procurement
- Explain the role of Professional Organisations and Agencies in public procurement

7.1 Private Sector Actors

Private sector actors in procurement includes Contractors, Suppliers and Service Providers.

Their roles includes but not limited to:

a) Compliance with the technical specifications of Goods and arrange for inspection of its quality and quantity;
b) Compliance with delivery schedule and conditions and, arrange to settle delays;
c) Compliance of maintenance guarantee, after sales;
d) Compliance with services and warranty obligations;
e) The Contract supervisor shall ensure the application of the General Conditions of Contract and other terms specified in the Particular Conditions of Contract
f) Compliance with Work Programme and ensure that within the time stated in the contract
g) Contractor shall submit to the Contract Supervisor for approval of a Programme showing the general methods, arrangements, order, and timing for all the activities in the Works;
h) Contractor shall submits to the Contract supervisor for approval of an updated Programme at specified intervals, being not longer than the period stated in the contract conditions; and
i) Contractor provides the Contract supervisor with an updated cash flow forecast when updating the Programme

7.2 Professional Organizations and Agencies

Professional Organizations and Agencies are required by the PPA, 2011, and PPR, 2013 to ensure that public procurements conducted in Tanzania by procuring entities

comply with professional standards, take actions to professionals who deviate from the ethical requirements and provide procurement standards in accordance with prevailing situation.

Procurement and Supplies Professionals and Technicians Board (PSPTB)

The Board is charged with the responsibility of regulating professional standards and conduct of professionals in the fields of procurement and supplies. In order to carry-out and accomplish this responsibility, the enabling Act has mandated the PSPTB to perform the following specific functions:

a) To formulate and advise the government on overall policy relating to the profession of procurement and supplies;
b) To plan, direct, co-ordinate, monitor and control personnel requirements in procurement and supplies management profession;
c) To provide professional advice to and recognize all trainings institutions within the country offering courses in procurement and supplies, consultancy services in procurement and supplies management, materials handling, clearing and forwarding, packaging, professional warehousing management, contract management and auctioneering;
d) To formulate, establish and enforce the maintenance of standards of conduct and regulate the activities of procurement specialists, supplies professionals, procurement auditors, supplies and stock auditors, procurement technicians and supplies technicians and the practice of the profession of procurement and supplies management;
e) To train or provide opportunities for the training of persons in the principles; procedures and techniques of procurement and supplies management;
f) To conduct professional examinations leading to the grant of and to grant professional certificates and other awards of the board in procurement, supplies, procurement audit, supplies and stock auditing and other subjects relating to procurement and supplies management;
g) To effect registration of procurement and supplies professionals;
h) To keep and maintain a registers for the registration of procurement and supplies professionals in accordance with PSPTB act;
i) To evaluate academic and practical qualifications for the purpose of registration of persons under PSPTB act;
j) To sponsor, arrange and provide facilities for conferences, seminars, discussions and consultations on matters relating to procurement and supplies management.
k) To prescribe fees payable to the Board

l) To assist members of the public in matter touching upon, ancillary incidental or conducive to the practice of the profession of procurement and supplies management; and
m) To carry out such other functions as may be conferred upon the board by any written law or as are necessary or expedient for the proper carrying out of its functions under PSPTB act.
n) These functions are in fact core to PSPTB's existence, mandating it the authority to ensure that standard of conduct and code of ethics are adhered to in the performance of the procurement and supplies duties.

Engineers Registration Board (ERB)

To regulate engineering practice in Tanzania and promote engineering amongst local engineers and engineering consulting firms with a view to enhancing their competitiveness and promote professionalism in the engineering practice"

The Board has been given the responsibility of monitoring and regulating engineering activities and the conduct of the engineers and engineering consulting firms in Tanzania through registration of engineers and engineering consulting firms. Under the law, it is illegal for an engineer or an engineering firm to practice the profession if not registered with the Board.

The Board has also been given legal powers and has the obligation to withdraw the right to practice from registered engineers if found guilty of professional misconduct or professional incompetence. Registration with the Board is, thus, a license to practice engineering in Tanzania.

Engineering is among the noble professions that have the privilege and responsibility of self-regulation. The Board has worked out a Code of Ethics which aims at regulating the engineering activities and conduct of engineers and engineering consulting firms.

The Code thus forms the basis and framework for responsible professional practice as it prescribes standards of conduct to be observed by engineers and engineering consulting firms. The Code is based on broad tenets of truth, honesty and trustworthiness, respect for human life and welfare, fairness, openness, competence and accountability; engineering excellence, protection of the environment and sustainable development

Contractors Registration Board (CRB)

In the pursuit of its objectives, the corporate functions of CRB can be summarised as follows to:

a) Register Local and Foreign contractors working in the construction industry.
b) Regulate the activities and conduct of contractors in the construction industry.
c) Set criteria for registration of contractors in different classes and review these criteria from time to time.
d) Verify and ensure that all works are undertaken by registered contractors.
e) Ensure that all construction works comply with the governing laws and regulation.
f) Review the performance of registered contractors from time to time.
g) Develop the skills and capacity of Local contractors.
h) Liaise and interact with Local and Foreign professional Boards and Associations related to the construction industry.
i) Publish and disseminate information related to the construction industry.

Government Procurement Services Agency (GPSA)

The Agency is responsible for arrangement of procurement of common use items and services by procuring entities through framework agreements. Each financial year the Agency invites tenders for procurement of common use items and services from suppliers and services providers and conduct tendering process up to award of framework agreements. The list of suppliers awarded framework agreements is published and posted in the GPSA website, **www.gpsa.go.tz** and distributed to procuring entities.

Tanzania Electrical, Mechanical and Electronics Services Agency (TEMESA)

Tanzania Electrical, Mechanical and Electronics Services Agency (TEMESA) is a public entity established through Government Notice Number 254 published on 26th August, 2005 to take over the functions which were previously undertaken by the then Electrical and Mechanical (E&M) Division of the Ministry of Works. The Agency was legislated by Act of No 30 of 1997, intended to improve services and increase both effectiveness and efficiency of operations of the Ministry. TEMESA's main function is to provide electrical, mechanical and electronic engineering services to both public and private customers, to run safe and reliable ferry services and to hire out plant and equipment. Its objectives include:

a) To improve the delivery of public services;
b) To create an enabling environment, conducive to efficient and effective management.

c) To improve the quality of services which were previously being provided by the Electrical and Mechanical (E&M) Division in the Ministry of Works
d) To promote the potential for the continuous improvement of the services to the satisfaction of the customers and the public

Medical Stores Department (MSD)

The Medical Stores Department (MSD) is an autonomous department of the Ministry of Health and Social Welfare, which is responsible for the procurement, storage, and distribution of essential drugs and other medical supplies for the United Republic of Tanzania. MSD was created by Act of Parliament in 1993 with the mission of MSD is "to make available at all times essential drugs and medical supplies of acceptable quality at cost-effective prices to the population through government and approved non-government and private health facilities."

e) MSD imports 80% of medicines, 90% of medical supplies and 100% laboratory supplies are imported from abroad. MSD works with private sector to open local manufacturing facilities as provided in Public Private Partnership Act, 2010.

Group Discussions

Discuss the Roles and responsibilities of private sector actors and Professional Organizations and Agencies in public procurement and comment if both sides fulfil their obligations as provided by the Law.

UNIT 8: ROLES AND RESPONSIBILITIES OF OVERSIGHT BODIES

Unit Objectives:

By the end of the unit, the participants will be able to:

- Explain the roles of internal and external oversight bodies
- Develop awareness of access to procurement information from various bodies

8.1 Internal Oversight bodies

In local government procurement we have two main internal oversight and quality assurance mechanisms:

a) **Finance and Planning Committee**, which provides democratic accountability and is required to review the procurement process and award approval of Council Tender board (CTB) to allow the Accounting Officer (Council Director) to issue the letter of Acceptance to the awarded Bidder.

b) **Internal Audit Unit** which in accordance with Regulation 86 of GN 446 of 2013 is required to audit procurement of the Council and provide quarterly reports

8.2 External Public Oversight Bodies

The Public Procurement Regulatory Authority, the Public Procurement Appeals Authority, the Attorney General, PO-RALG/Regional Secretariat, Controller and Auditor General and the Prevention and Combatting of Corruption Bureau are some of the key regulatory bodies involved in LGA contract administration.

Role of PPRA

PPRA provides support and advice on the procurement process to the PEs. Generally PPRA is responsible for the:

☒ Issuing Circulars regarding Public Procurement Matters;
☒ Providing training sessions to PEs;
☒ Monitoring overall performance and compliance of Pes; and
☒ Publishing procurement information.

Role of PPAA

The PPAA is in particular responsible for:

☒ Review and make decisions on complaints by tenders aggrieved by the

decision of the Accounting Officer where:

a) the Accounting Officer does not make a decision within the period specified under this Act; or
b) The tenderer is not satisfied with the decision of the Accounting Officer.

Role of Attorney General

- Vet contracts above the thresholds specified in the Regulations arising out of the acceptance of a tender, offer or proposal under the PPA (Re. 59-1).
- Provide advice to legal officer who seeks for an advice of the Attorney General in respect of the contract required to be vetted by that legal officer (Reg. 60-1,
- Approve contract amendments (61 – 2(c).
- Receive copies of award letters and all contracts are entered into by PEs (Reg. 109, 232)
- Receive information on termination of contract for abandoning works or services and take appropriate action (Reg. 113).

Role of PO-RALG

It is the responsibilities of the President's Office Regional Administration and Local Government (PO-RALG) to ensure that the procurement in LGAs is done in compliance with the various acts, regulations, guidelines, etc including for public procurement. As the ministry responsible for Local Government PO RALG roles are as follows:

☒ Ensure that LGAs are staffed with sufficient number of qualified personnel in the area of procurement;
☒ Ensure that LGAs comply with procurement procedures as provided by laws;
☒ Ensure capacity building to procurement staff and other staff with roles and responsibilities in LGA procurement.
☒ To take disciplinary actions to those who performs their procurement duties contrary to requirements of law.

Role of Regional Secretariat (RS)

The role of the Regional Secretariat through the Local Government Authorities Management Services Section (LGAMSS) is to provide expertise and service in developing good governance in LGAs by performing the following activities:

☒ Advice and facilitate proper use of public finances in LGAs.
☒ Build capacity and promote good governance in procurement

- ☒ Take part in routine inspections of LGA performance and conducting ad hoc inspections.

Controller and Auditor General (CAG)

The Controller and Auditor-General (CAG) is appointed by the President under powers conferred upon by the Public Audit Act, 2008. The Constitution mandates the CAG to ensure the money authorized to be charged on the Consolidated Fund or the money the use of which is authorized by law, have been spent for purposes connected and incurred in accordance with authorization.

In addition, the CAG is mandated to audit and report on the accounts, financial statements and financial management of:

- ☒ The Government of the United Republic, that is to say, Ministries, Independent Departments, Executive Agencies, Public Authorities and Other Bodies and Donor Funded Projects;
- ☒ The local government authorities;
- ☒ The Judiciary; and
- ☒ The National Assembly.

In addition to the functions assigned to the CAG by the Constitution, the CAG shall be- (a) responsible for examining, inquiring into, auditing reporting on the accounts of- (i) all Ministries, Independent Departments of Government, Agencies and their Accounting Officers; (ii) local Government Authorities and their Accounting Officers; (iii)all persons entrusted with the collection, receipt, custody, issue, sale, transfer or delivery of any stamps, securities, stores or other public properties; (iv)all public authorities and other bodies; (v) any public authority or public body which receives funds from the Consolidated Fund or from public monies for a public purpose; (vi)any public authority or public body which is authorized by law to receive money for a public purpose; and (vii) any public authority or public body required by law to be audited by the Controller and Auditor-General.

The CAG shall, on behalf of the National Assembly, examine, inquire into and audit the accounts submitted to him as required under the Public Finance Act, Local Government Finances Act and any other written laws and perform any other functions which he is authorized to perform by or under the Public Audit Act, 2008.

Prevention and Combating Corruption Bureau (PCCB)

The Prevention and Combating of Corruption Bureau (PCCB), is a law enforcement institution established and mandated by the Prevention and Combating of

Corruption Act No. 11 of 2007 to prevent corruption, educate the society on the effects of this problem, and enforce the law against corruption practices. The PCCB's mandate is defined under section 7 of the Prevention and Combating of Corruption ACT, 2007 (PCCA 2007) and allows the bureau to:

- ☒ Examine and advise the practices and procedures of public, parastatal and private organizations, in order to facilitate the detection of the corruption or prevent corruption and secure the revision of the methods of the work or procedure which appear to add to the efficiency and transparency of the institution concerned;
- ☒ Advise public, private and parastatal bodies on ways and means of preventing corrupt practices, and on changes in methods of work or procedures of such public, private and parastatal bodies compatible with the effective performance of their duties, which the Bureau considers necessary to reduce the incidences of corrupt practices;
- ☒ Cooperate and collaborate with international institutions, agencies or organizations in the fight against corruption;
- ☒ Investigate and, subject to the directions of the Director of Public Prosecutions, prosecute offences under this Act and other offences involving corruption: and
- ☒ Investigate any alleged or suspected-
    - Offence under this Act;
    - Conspiracy to commit an offence under this Act;
    - Conduct of a public official which is connected to corruption.

The PCCA No. 11/2007 empowers PCCB to investigate more corruption offences under this Act of whose scope have been increased from the four corruption offences that were provided for in the PCA to 24 corruption offences including sexual corruption. Moreover, the PCCB can also investigate and prosecute other offences involving corruption.

8.3 Monitoring by the Public and Civil Society Organisations

It is the responsibilities of the general public, communities, project committees, Councillors and other Whistle blowers to watch and report on any non-compliance of public funded projects.

8.4 Access to Procurement Information

Press club members may access procurement information and use this in procurement reporting from the above mentioned oversight bodies in regard to procurement in LGAs i.e. PPRA, Procuring Entities, CAG, PCCB, PO-RALG, websites, etc.

Groups Exercise

On the mandates and boundaries of the external oversight bodies, discuss their roles vis-à-vis the Council actors. Are you generally provided with access to public procurement information if so requested?

UNIT 9: MAJOR RISKS AREAS IN LGA PROCUREMENT

Unit Objectives:

By the end of the unit, the participants will be able to:

- Identify internal and external risks involves in LGA procurement

9.1 Internal Risks

Definition

Generally, risk can be defined as 'the probability of an unwanted outcome happening'. Variations in price/cost and foreign exchange, failure of either party to fulfil the conditions of the contract, unjustified (unauthorised) increase in scope of work or contracts transfer of ownership. Outcomes of risk includes cost overruns, contract disputes, quality failures, delays in delivery/completion, downtime, Legal action (litigation).

Risk management during contract period comprises those activities associate with identifying and controlling the risks that may potentially affect the successfully fulfilment of the contract (Easley, 2007).

Key activities in risk management

Risk management involves three key activities: risk analysis, risk assessment and risk mitigation. As explained below:

i) Risk analysis: identify potential problems and estimate their probability of occurring.
ii) Risk assessment: estimate the impact of a potential supply problem (glitch or disruption) on PE operations.
iii) Risk mitigation: design plans to prevent potential supply disruptions and allocate risks and responsibilities to people/departments that will be responsible for their management.

Importance of risk management

Procuring Entities must ensure that their procurement of goods and services achieves the best value for money outcome. At the corporate level, achieving best value for money outcomes requires public entities to ensure that their procurement activities are aligned with Government policies, objectives and strategies and that they actively support whole of government initiatives.

Classification of risks

Scope risks – Risks associated with "scope creep", including changed Program requirements, changed performance specifications, re-defined technical deliverables, amended preferences (e.g., furniture, finishes and furnishing) and unanticipated external unknowns (e.g., site conditions).

Quality risks: The probability of not meeting the intended conformance (usability) of the goods, works or services. These are mishaps in terms of usability, conformance, satisfaction or the intended end-user's specific needs.

Cost risks: Possibility of a budgeted procurement cost to surpass the present amount due to some uncalculated contingences and the materialisation of the same. They happen due to ineffective and/or inefficient controlling and monitoring of the procurement process – from initiation of the need throughout the 1st, 2nd and 3rd phase of the procurement process.

Schedule (Time) Risks: Possibilities of variations in time of delivery and/or completion of works projects or services contracts. Occurrence of these schedule risks have normally associative consequences with quality (if quality was identified as a primary of the contract) or with cost (if cost was identified as a primary and under fixed contract).

Table 9.1 Risk Management Table

Specific Risk	Pre-Risk Mitigation		Post-Risk Mitigation		Example of risk mitigation measures
	Probability	Impact	Probability	Impact	
Adversarial employer-employee relationship	M	M	M	M	LGA project supervisors carefully manage the work and not the contractor's employees, contract will be written so as not to give rise to creation of an employer-employee relationship
Cost of litigation, including investigation for discovery	L	M-H	L	M	Encourage the use of alternate dispute resolution mechanisms
Insolvency of contractor	L	H	L	M	Use financial security in the form of performance bonds or standby irrevocable line of credit
Settlement for	L	L	L	L	None

Specific Risk	Pre-Risk Mitigation		Post-Risk Mitigation		Example of risk mitigation measures
	Probability	Impact	Probability	Impact	
wrongful dismissal of licensee or contractor					
etc					

Consequences of not Managing Risks Effectively

The consequences of not managing procurement risk effectively can include:

a) Discontinuity in the supply of essential goods or services,
b) Avoidable increases in project costs and in the unit costs of purchased inputs, in both the immediate and longer-term,
c) Loss of power and influence in relationships with essential suppliers,
d) Loss of market share or revenue through inability to meet customers demand,
e) Cash flow problems,
f) Procurement outcomes that do not support organisational needs and objectives, e.g. that undermine an organisation's ability to respond to changing circumstances,
g) Opportunity for fraud and corruption,
h) Negative impact on reputation in the market place,
i) Exposure of officers to prosecution and litigation.

It is important that all risks are identified and appropriately managed. There are a number of risks involved in contract management. Annex 4 presents types and examples of risks in LGA contract management and Annex 5 which indicates Control Procedures for Addressing Contract Management Risks

9.2 External Risks

External risks may be associated with changes in the government financial management system, including:

☒ Central Government interference (e.g. cancelation of budgets during procurement and procurement contract process)
☒ Central Government changing interests in LGAs' planned projects

- ☒ External partners (donors; PPP, etc) changing funding agreements which were previously agreed.

Exercise

Do you consider procurement risks newsworthy? What would be the content of your article / story? Who would feature in your story/report? What do you see as the main challenges in preparing the report/story? What would be the key message of the story/report?

UNIT 10: ASSESSMENT OF SWOT FOR LGA PROCUREMENT REPORTING

Unit Objectives:

By the end of the unit, the participants will be able to:

- Understand the strategic situation of procurement reporting in Tanzania
- Compare and contrast the previous and current situations
- Use procurement knowledge gained to report accurately and adequately on LGAs procurement issues

10.1 Lessons Learned in Procurement Reporting

Representatives of media houses analysed their strategic position in terms of public procurement reporting on May 2015 during the PPRA Media Day as follows:

Strengths: • Ownership is on our hands • Skills for enquiring, writing, collecting information and developing stories • Media liberty (freedom of press) • Freedom of expression • Citizens believe in media	***Weaknesses:*** • Poor coordination and cooperation between editors and reporters • Personal interests of the media owners • Limitations in accessing information • Lack of sufficient working facilities • Limited knowledge on PPA and PPRA
Opportunities: • Access to PPRA website, advisory desk and e-learning portal that provide access to procurement information including the Acts and Regulations, documents and reports related to public procurement • Accessibility of General procurement Notices that express various opportunities available of procuring entities • Tanzania Procurement Journal with public procurement related information	***Threats:*** • Lack of transparency in procurement process as some of the tenders are not carried out in a competitive environment • Lack of reliable information with regard to tendering • Journalists are threatened when reporting on corruption issues or misappropriation in procurement • Lack of support from the Local Government Authorities leaders

10.2 Role of Media in LGA Procurement Reporting

Media houses are entrusted with a very important role to ensure that the public is accurately informed about matters surrounding public procurement in and outside Tanzania. There are still many issues that stand obscured in public procurement, that the public is not aware of. For example, public awareness on services offered by

PPRA is still minimal, in such a way that some citizens including journalists themselves are uninformed of the right source of information on public procurement /matters in Tanzania. It is in this regard, that news media have the following roles:-

(i) Inform citizens on public procurement laws and how they are applied in governing public procurement in Tanzania. In this view, journalists would need to go beyond and use their investigative skills to analyse PPRA's Performance and Audit Reports and extract newsworthy information.

(ii) Since public procurement is an issue of great public interest, media has to competently play its *watchdog* role in promoting accountability in public procurement governance in Tanzania.

(iii) Educate citizens so that they are aware of the role and functions of all institutions bestowed by PPA especially PPRA and investigate their performance over time.

(iv) Public procurement involves huge budgetary outlays for economic and social development. Media can professionally inform public opinion and debate regarding effectiveness of public procurement expenditure on the quality of life of the citizenry.

(v) Effective procurement reporting roles would be realized and in practice get reflected in news content forms of hard news, features/documentaries, news analyses/opinions and editorials.

10.3 Review of Journalism Scope in LGA Procurement Reporting

The knowledge and practical experiences gained during this training programme on public procurement reporting enhances your competency on reporting in this specialised field. Just as journalists do their reporting work in other areas, for instance, health, business, crime, environment, science etc, the same can be accomplished in procurement reporting.

So, it now possible to collect, process and disseminate procurement information through various forms of media reports as follows:

- Hard stories/follow-ups
- Features/Programmes
- Investigative reports
- News analysis
- Editorials/commentaries/opinions
- Identify news story from this Case Study and reporting approach.
- Explore all possibilities for developing features/programmes, investigative report from the given Case Study

Exercise

Review the 2015 SWOT, discuss prevailing situation and develop a new SWOT. Explore implications for public procurement reporting.

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———. 2015. The Public Private Partnership Regulations 2015.
———. 2016. Public Procurement (Amendment) Act, 2016.
PPRA. Standard Bidding Documents for Goods, Non-Consultancy Services, Works and Consultancy Services
PPRA. Guidelines and Circulars.
PPRA. Procedural Forms.
PPRA. Schedule of Procurement Indicators and Sub-Indicators.
PPRA. Operational Procurement Manuals.

Web: https://www.ppra.go.tz/

ANNEXES

Annex 1. Stages and Criteria of assessment in Public Procurement

Value for Money

Review of the VFM criteria requires availability of the required documents and reports at all stages of the procurement and contract management cycle, see schedule on next

Stage	Criteria	Sources of Information
Planning, Design and Tender Documentation	1) Existence of the project in the approved budget 2) Existence of the project in the procurement plan 3) Compliance of project planning, particularly with respect to: assessment of competing alternatives based on feasibility studies carried out; analysis of feasibility based on appropriate architectural and structural design software; timely appointment of independent design professional or Project Manager; and availability of both Architectural and Structural Design Reports. 4) Accuracy and completeness of architectural and structural designs and reports 5) Accuracy, appropriateness and completeness of technical specifications 6) Overall appropriateness of the design in terms of economy and function (fitness for purpose) 7) Accuracy and completeness of BOQs for the works and their consistency with the drawings and technical specifications 8) Accuracy and completeness of bidding documents 9) Accuracy of the Engineer's estimates	•Approved Budgets •Annual Procurement Plans •General Procurement Notice •Minutes of Tender Board •Designs Reports for the sampled contracts •Design Calculations, Engineer's estimates, Specifications and Drawings for the sampled contracts, Materials Reports, Hydrological and Hydraulics Reports, etc. •Bidding Documents for the sampled contracts
Procurement	1) Use of standard tender documents [Sec. 70 of PPA, 2011 and Reg. 184 (3, 4 & 5) and 287 (4) of GN No, 446 of 2013.	•Approved Budgets for respective financial years •Annual Procurement Plans for respective financial years

Stage	Criteria	Sources of Information
	2) The tender notice sent to PPRA [Sec. 68(2) of PPA, 2011 and Reg. 19 of GN. No. 446 of 2013 3) The selection method (as prescribed in Part VI of PPA, 2011 and Part V, Seventh schedule, part IX and Eleventh schedule of GN No. 446 of 2013) 4) Prequalification and shortlisting (Reg 119, 122(4) and 281 of GN No. 446 of 2013 5) Time for submitting bids 6) Communication of clarification to bidders 7) Evaluation process and award of contract 8) Composition of tender evaluation committee (Section 40 of PPA, 2011 and Regulation 202 (1 & 2) and 297(1 & 2) of GN No. 446 of 2013 9) Members of evaluation team signing code of ethics [Sec. 40(6) of PPA, 2011] 10) Evaluation done as per the evaluation criteria contained in the tender dossier or Request for Proposals 11) Notification of evaluation results to unsuccessful bidders [Sec. 60(12&14) of PPA, 2011 and Reg. 235 of GN. No. 446 of 2013] 12) Publication of awards [Sec. 60(12) and Reg. 20, 236 and 309(4) of GN No; 446 of 2013 13) Quality and comprehensiveness of the tender evaluation report 14) Competitiveness of rates quoted for major items of construction when compared with prevailing market prices 15) Overall competitiveness of the most economic tender when compared with prevailing market prices in both	•General Procurement Notices for respective financial years •Minutes of Tender Board for respective financial years •Bidding Documents for the sampled contracts •Designs Reports for the sampled contracts •Design Calculations, Engineer's estimates, Specifications and Drawings for the sampled contracts, Materials Reports, Hydrological and Hydraulics Reports, etc. •Tender Adverts for the sampled contracts •Tender Evaluation Reports for the sampled contracts •Contract Documents for the sampled contracts •Advance Payment Guarantees (where applicable) for the sampled contracts •Performance Guarantees (where applicable) for the sampled contracts •Insurance Covers (where applicable) for the sampled contracts •Approved Work Programme for the sampled contracts •Records of site possession.

Stage	Criteria	Sources of Information
	private and public sectors 16) Capacity and competence of the selected contractor in relation to project size and complexity	
Execution and Contract Administration	1) Timeliness of site possession 2) Quality of project programme (schedule of work) 3) Adherence to project programme 4) Quality of contractor's site organization and staff 5) Quality of supervising engineer's site staff 6) Quality of quality assurance programme 7) Adherence to quality assurance programme 8) Quality of Hoardings and other temporary structures 9) Management of contractual documents, including surety and insurances bonds 10) Quality and management of project documentation with respect to: general correspondence, site instructions, minutes of site meetings, progress reports, works measurement and inspection, records, material testing records, interim and final payment certificates, variation orders, claims 11) Assessment (including validity of) variations 12) Assessment (including validity of) claims and related cost overruns 13) Assessment (including validity of) project delays and extensions of time	•Contract Documents for the sampled contracts •Advance Payment Guarantees (where applicable) for the sampled contracts •Performance Guarantees (where applicable) for the sampled contracts •Insurance Covers (where applicable) for the sampled contracts •Approved Work Programme for the sampled contracts •Progress Reports for the sampled projects / contracts •Payment Records / Certificates for the sampled projects / contracts •Site instructions for the sampled projects / contracts •Variation Orders (VO's) for the sampled projects / contracts •Quality Control Regime (Test results and checking their consistencies) •Minutes of Site Meetings for the sampled projects / contracts •Project (Correspondence) Files for the sampled projects / contracts •List of Claims for the sampled projects / contracts •Final Certificate (where applicable) for the sampled projects / contracts •Previous Audit Reports

Stage	Criteria	Sources of Information
Project Completion and Closure	1) Quality and completeness of as-built-drawings 2) Compilation and Management of snag list 3) Timely issuance of Substantial Completion Certificate, Final Certificate and settlement of Final Account 4) Management of the defects liability period 5) Quality and adequacy of the final project report 6) Compliance of final quantities paid for with those reflected by the actual investment as per as-built-drawings 7) Compliance of project cost as per final account with accepted tender price 8) Compliance of actual project completion time with the contract period	•Quality and completeness of as-built drawings •Compilation and Management of snag list Timely issuance of substantial completion certificate, final certificate and settlement of final account, and as-built drawings preparation and submission •Management of the defects liability period •Quality and adequacy of the final project report •Compliance of actual project completion time with the contract period
Quality of executed works	1) Based on visual assessment, determine whether the completed works are satisfactory in terms of: Overall quality of workmanship; Overall quality of materials used; Overall quality of walls, columns, beams; Overall quality of plaster and painting or any other type of finishes; Overall quality of roof structure and covering; Overall quality of ceiling; Overall quality of External works; Absence of defects, such as cracks, bends, failures, etc; Functional requirements (assess whether floors, lifts, fittings, doors, windows, etc are functioning properly) 2) Based on physical site measurements, determine whether dimensions of the following major items of construction of the completed works comply with the drawings and technical specifications: Correctness of setting	

Stage	Criteria	Sources of Information
	out (designed/specified versus actual/verified) ; Compliance on scope (Quantum of work done versus specified/paid for); Correctness of plinth levels; Correctness of functional requirements (verification of rooms dimensions); Dimensions of windows, doors, etc; Compliance on materials utilization (specifications, warranties, dimensions, make or source, etc); Visual assessment of quality of materials used and works done; 3) Based on site measurements, determine whether dimensions of rooms and other functions comply with the technical drawings and specifications 4) Based on sample field tests determine whether the quality of materials used in concrete structure comply with the technical specifications; 5) Based on sample field tests determine whether the quality of materials used in finishing works comply with the technical specifications; 6) Assess compliance of site clean-up and restoration of disturbed and/or damaged areas with Environmental Management 7) For uncompleted projects, assess compliance of on-going construction activities with safety and Environmental Management Plan (EMP) requirements	

Annex 2: Red Flags Checklist

How to use the Checklist?

The Checklist consists of 50 statements ("red flags"), each of which must be thoroughly considered by the auditor when auditing procurement. For each statement, the auditor must assess whether the statement is true or false, or whether the statement is not relevant to the procurement in question. Based on the assessment, the auditor must tick one of three possible boxes: "Yes", "No", or "Not applicable". The three boxes are to be used as follows:

Yes Indicates that the auditor is able to verify the red flag based on the available documentation. For example, for red flag no. 8 (Using inappropriate method of procurement), the assessor should look whether method applied for the procurement is in line with the requirement of the PPA and PPR, not only that but also to check whether non-competitive methods used had reasonable justifications, in order to establish if there is an artificially deviation from the required method to favour certain bidder. If this is the case, the auditor will verify this red flag by ticking "Yes".

No Indicates that the auditor is able to falsify the red flag based on the available documentation. For example, for red flag no. 23 (Bidders submits unrealistic bid indicating collusion or cartel bidding), the auditor must compare the formats, content, prices of all submitted tenders in order to detect major similarities. If such similarities are not found, the auditor falsifies this red flag by ticking "No".

Not applicable Indicates that the "red flag" is not relevant to the method of procurement used for the procurement case in question. For example, red flag no. 5 (*The tender is not packaged with other tenders for similar nature*) only applies to procurement of goods, as the problem of splitting contracts is not relevant to works and services. When completing the Red Flags Checklist for major works procurement, the auditor hence ticks "Not applicable" for this red flag. Similarly, red flag no. 9 (*Insufficient advertising*) does only apply to procurements using competitive methods for which advertisement is a requirement. When completing the Red Flags Checklist for a quotation, the auditor hence ticks "Not applicable". In other words, the auditor is required to use his or her professional judgment when completing the Checklist.

The "Not applicable" box shall also be used if insufficient documentation is available to assess whether a red flag exists or not.

For each of the 50 red flags on the Checklist, one, and only one, of the three boxes must be ticked off. By completion of the Checklist, no single red flag on the list must remain unanswered.

How to analyse information collected in the red flag check list

The check list should be calculated though two stages in the following way;

First stage (Single tender)

At this stage, percentage of corruption symptoms should be calculated for each sampled tender as follows;

i. Calculate percentages of corruption symptoms at each procurement phase by summing-up the number of all '**Nos'** for the particular phase and divide it to the total number (Summation) of '**Yes'** and '**No'** for the particular phase and multiply by one hundred.

ii. Calculate percentage of corruption symptoms for all procurement phases i.e. Sum-up the number of all '**Nos'** for the entire check list divide it to the total number of '**Yes'** and '**No'** for the entire check list and multiply by one hundred.

By formula; Percentage of corruption symptoms; $= \frac{\sum (No)}{\sum (Yes) + (No)} * 100\%$

Second stage (all sampled tenders)

The second stage deals with calculation of the average percentage of corruption symptoms for the overall procurement activities done by the Procuring Entity which is calculated based on the sampled tenders as follows;

i. Percentage average of corruption symptoms found at each phase for the sampled tenders– calculated by summing-up percentage of corruption symptoms found for the particular phase of the sampled tenders and divides it to total number of tenders sampled.
ii. Average of the overall percentages of corruption symptoms for the sampled tenders- calculated by summing-up percentage of overall corruption symptoms for each tender divided to the total number of sampled tenders.

Summary table:

	T1	T2	T3	T4	T(n)	Average (Red flag /Corruption symptom level) (%)
1st Phase%						
2nd Phase%						
3rd Phase%						
Overall%						

Red Flags Checklist

Procuring Entity	
Procuring Entity ID no.	
Tender number	
Name of auditor	
Date of report	

Procurement phase	Red Flag	Yes	No	N/A
Pre-bid phase	1. Whether the objective of the procurement is clear **(Y/N)**			
	2. Whether the procurement is included in the procurement plan or revised procurement plan **(Y/N)**			

Procurement phase	Red Flag	Yes	No	N/A
	3. Whether sufficient or consistent planning timeframe has been applied **(Y/N)**			
	4. Whether the tender is packaged with other tenders for similar goods (if applicable). **(Y/N/NA)**			
	5. Whether there are no deviations from standard bidding documents **(Y/N)**			
	6. Whether technical specifications/ TOR are sufficient or clear **(Y/N)**			
	7. Whether technical specifications/TOR are detailed and not directed to a specific supplier, contractor or service provider or asset buyer **(Y/N)**			
	8. Whether the selected procurement method observes existing thresholds **(Y/N)**			
	9. Whether there was sufficient advertising **(Y/N/NA)**			
	10. Whether adequate time has been given to bidders for preparing their bids **(Y/N)**			
	11. Whether mandatory approvals by appropriate authority are obtained **(Y/N)**			
	12. Whether there are accurate minutes of pre-bid meetings **(Y/N/NA)**			
	13. Whether clarifications are circulated to all bidders **(Y/N/NA)**			
	14. Whether there were complete records of the pre-bid phase **(Y/N/NA)**			
Evaluation and award	15. Whether Evaluation Committee members possess the necessary technical expertise **(Y/N)**			

Procurement phase	Red Flag	Yes	No	N/A
phase	16. Whether the evaluation is being conducted by adequate number of persons **(Y/N)**			
	17. Whether the same Evaluation Committee members are not involved in evaluating of tenders which they have technical qualification and not evaluating many or all procurements **(Y/N)**			
	18. Whether qualified bidders are properly evaluated and not dropped out during the tender process **(Y/N**)			
	19. Whether disqualification of bidders on minor technicalities has been avoided **(Y/N)**			
	20. Whether unreasonable delays in evaluating the bids and awarding the contract has been avoided **(Y/N)**			
	21. Whether evaluation criteria are properly followed without being amended after receipt of bids **(Y/N)**			
	22. Whether there is narrow variance between the cost estimate and the bid amounts received **(Y/N)**			
	23. Whether there are no major similarities between competing bids (e.g. similar format, errors, prices) **(Y/N)**			
	24. Whether the prices of competing bids are fair and not contain unusual or narrow variance between them.**(Y/N)**			
	25. Whether the system of same shareholders being involved in several bids using different company names has been avoided			

Procurement phase	Red Flag	Yes	No	N/A
	(Y/N)			
	26. Whether bidders with major errors are properly disqualified **(Y/N)**			
	27. Whether the required documentation are properly submitted without falsification (e.g. authorizations, CVs, etc.) **(Y/N)**			
	28. Whether there are publications of award decisions simultaneously to all bidders (Intentions to Award) **(Y/N)**			
	29. Whether contract conforms with bid documents (e.g. specification or quantities or TOR) **(Y/N)**			
	30. Whether there were no Non-responsive bids which are made responsive as result of clarification from Procuring Entity **(Y/N)**			
	31. Whether quality criteria are properly defined in the contract **(Y/N)**			
	32. Whether there are complete records of evaluation and award **(Y/N)**			
	33. Whether the contracts are vetted by AG or Legal officers of the PE **(Y/N)**			
Contract management and audit phase	34. Whether Negotiation team includes adequate technical expertise **(Y/N/NA)**			
	35. Whether minutes of the negotiations are in line with Terms and Conditions of Contract **(Y/N/NA)**			
	36. Whether contract specifications/TOR were constant and not altered after award of contract **(Y/N)**			

Procurement phase	Red Flag	Yes	No	N/A
	37. Whether contract is signed by duly authorised officer **(Y/N)**			
	38. Whether the bidder delivers the quality of goods, works, services as specified in contract **(Y/N)**			
	39. Whether the supplier delivers the right quantities of goods and materials **(Y/N)**			
	40. Whether the bidder delivers the required of goods, works or services without delay **(Y/N)**			
	41. Whether replacement of nominated consultant personnel is properly done without replacing by less qualified personnel **(Y/N/NA)**			
	42. Whether instructions are given in writing to contractors/consultants, services providers and asset buyer **(Y/N)**			
	43. Whether cost overruns are adequately justified **(Y/N)**			
	44. Whether contract variations are approved by appropriate authority **(Y/N)**			
	45. Whether liquiditive damages in case of delays are properly imposed **(Y/N)**			
	46. Whether progress payments or final payment are made within stipulated timeframe **(Y/N)**			
	47. Whether retention money are paid in a timely manner **(Y/N/NA)**			
	48. Whether supplier/contractor/consultant are properly paid without double payment **(Y/N)**			
	49. Whether evaluation of the			

Procurement phase	Red Flag	Yes	No	N/A
	contractors', suppliers, consultants and asset buyer quality of performance was sufficiently done **(Y/N)**			
	50. Whether client is satisfied with the completed products**(Y/N)**			

Annex 3: Roles of Key Actors

Summary roles of Key Actors in Public Procurement in the LGAs from contract award to closeout.

Stage	Key Player	Role and Responsibilities
1. Contract Award	Budget Approving Authority (Full Council)	▪ The Mayor or Chairperson of the Council participates in signing the contracts (however, non-appearance or refusal of Mayor or Chairperson to sign the contract shall not affect a contract Ceremony)
	Finance committee	▪ Scrutinizes award decisions
	Council Director (Accounting Officer)	▪ Having satisfied him/herself that proper procedures have been followed, communicating award decisions; ▪ Signing contracts for the procurement activities on behalf of the Procuring Entity; ▪ Submission of copies of contract documents to PPRA, AG, Office of the Stock Verification Unit of Ministry of Finance and Planning, Regional Officer of the CAG, TRA within 30 days of signing
	Council Tender Board (CTB)	▪ Approval contract documents ▪ Approve award of contracts
	Procurement Management Unit (PMU)	▪ Administration of communications ▪ Maintain and archive records ▪ Prepare contract documents (including LPOs, Call-off orders, etc) ▪ Maintain register of all contracts awarded (including LPOs through EPICOR)
	User Departments (UD)	▪ Kept informed
	Legal Officer	▪ Providing legal advice on contract formation process ▪ Vetting of contract
	Evaluation Committee (EC)	▪ NA
	Inspection and Acceptance Committee	▪ NA
	Council Treasurer	▪ Advising the Council on all financial matters related to the contract
	Stores	▪

Stage	Key Player	Role and Responsibilities
	Internal Auditor	▪ Carryout ex-post review on Council compliance with PPA, PPR, GN 330 ex-post; LGFM of 2009 and procedures laid down in any written laws, instructions and best practices.
2. Contract Administration and Management	Budget Approving Authority (Full Council)	▪ Approves submitted Progress Reports
	Finance committee	▪ The Finance Committee of the Council oversees contract implementation through inspection of project works and goods received (GN 330) ▪ Reviewing of quarterly procurement report submitted by the Accounting Officer for consideration and approval by Full Council
	Council Director (Accounting Officer)	▪ Investigating/handling complaints by suppliers, contractors or consultants ▪ Ensuring that the implementation of the awarded contract is in accordance with the terms and conditions of the award; ▪ Appoint an inspection and acceptance committee ▪ Appoint contract (works) supervisor ▪ Submitting to the Authority a list of contracts awarded, annual procurement plan and a list of blacklisted firms
	Council Tender Board (CTB)	▪ Review all applications for variations, addenda or amendments, if any, to ongoing contracts ▪ Review implementation reports
	Procurement Management Unit (PMU)	▪ Maintain and archive records of the procurement and disposal process ▪ Prepare monthly, quarterly and annual reports for the Tender Board, CMT, PPRA and other stakeholders ▪ Participate in inspection/site meetings
	User Departments (UD)	▪ Oversee contract implementation including reviewing and approving technical reports, design or any outputs as per contract; ▪ Report any departure from the terms and conditions of an awarded contract to the Procurement Management Unit ▪ Forward details of any required contract amendments to the Procurement Management Unit for action ▪ Maintain and archive records of contracts management

Stage	Key Player	Role and Responsibilities
		▪ Certify payment to suppliers, contractors and consultants ▪ Endeavouring to ensure at all times that they secure the best value for money ▪ Maintaining accurate records of actual payments committed, expenditure, cash and sundry debtor through vote books ▪ Prepare progress reports and submit to PMU
	Legal Officer	▪ Providing legal advice on contracts and in cases of disputes claims; assisting in negotiations.
	Evaluation Committee (EC)	▪ NA
	Inspection and Acceptance Committee (IAC)	▪ Inspect the goods at the office of the Procuring Entity or, user, or at the site specified in the contract ▪ Verify that suppliers have delivered, completed or rendered the correct goods or services without deficiencies in number, quality or incorrectness
	Contract Supervisor	▪ Manage the works of inspection committee ▪ Measure and ensure that contractors/consultants have delivered, completed or rendered the correct works or services without deficiencies in number, quality or correctness. ▪ Prepare and submit to the Accounting Officer performance report on monthly basis or within the period prescribed by the Accounting Officer ▪ Monitor the performance of the contractor/consultant against the terms of reference stated in the contract, by means of daily, weekly or monthly reports from the Procuring Entity's supervisor responsible for the services ▪ Maintain records of contract implementation ▪ Communicate with PMU on contract variations or addenda
	Council Treasurer	▪ Advising the Council on all financial matters ▪ Ensure all expenditures are properly supported by relevant documents. ▪ Ensure all expenditures are lawful and properly authorized ▪ Timely payment of supplier/contractor invoices

Stage	Key Player	Role and Responsibilities
	Stores	▪ Maintain record of receipts, issues Goods Received Note (GRN) and physical balances of each item of stores in relevant ledger
	Internal Auditor	▪ Carryout out ex-post review on Council compliance with PPA, PPR, GN 330; LAFM of 2009 and procedures laid down in any written laws, instructions and best practices.
3. Contract Closeout	Budget Approving Authority (Full Council)	▪ Approval of implementation reports
	Finance Committee	▪ Review implementation reports and submit to Full Council for approval ▪ Instructing the Accounting Officer to carry out procurement or value for money audits where necessary
	Council Director (Accounting Officer)	▪ Authorize final payments ▪ Notify stakeholders that the contract is completed and arrange for handover, if applicable ▪ Provide contractor with good performance certificate
	Council Tender Board (CTB)	▪ Review implementation reports
	Procurement Management Unit (PMU)	▪ Preparation of monthly, quarterly and annual procurement progress report to be submitted to the CMT, Council, PPRA, etc. ▪ Maintain and archive records ▪ Maintain register of all completed contracts as per legal framework ▪ Ensure performance guarantee has been returned to the contractor ▪ Ensure contractor has been paid
	User Departments (UD)	▪ Verity that all works, goods, services have been delivered satisfactorily ▪ Certify for final payments to suppliers, contractors or consultants
	Legal Officer	▪ Providing legal advice on contracts and in cases of disputes claims; assisting in negotiations.
	Evaluation Committee (EC)	▪ NA

Stage	Key Player	Role and Responsibilities
	Inspection and Acceptance Committee (IAC)	▪ NA
	Contract Supervisor	▪ Review and advise on contractor claims ▪ Prepare project closure reports ▪ Ensure all data, drawings, etc. have been returned to Council ▪ Complete the filing of the material related to the execution of contracts
	Finance Department	▪ Invoice review ▪ Payment of supplier/contractor invoices
	Internal Auditor	▪ Review and report on Council compliance with PPA, PPR, GN 30; LAFM of 2009 and procedures laid down in any written laws, instructions and best practices.

Annex 4: Categories and Examples of Risks in LGAs Contract Management

Risk Category	Examples
General risks	– The LGA is not complying with applicable laws and regulations (e.g. the Public Procurement Act on tendering, architectural, safety, fire, or others depending on type of project); – Bidding, supplier selection or contract amendments may not comply with the best practice or the Public Procurement Act and the Financial Memorandum; – LGA stakeholders do not want the project/activity to take place; – There is a possibility that LGA employees or contractors intentionally misrepresent, conceal, omit information, or commit a crime/fraud to deceive or manipulate the LGA; – Materials and tools (for a construction project) stored on site are not monitored resulting in theft; – The project may not be completed on time.
Contract specific risks	– The project design (for construction or engineering works) uses new technology that is not tried or tested; – The activity performed may lack quality and thus compromises integrity (or safety in case of construction).
Billing and Payment risks	– There is a possibility that the budget is not sufficient to meet the needs of the project; – There is a possibility that the work may be behind schedule in accordance to contract agreement; – There is a possibility that payment made is not in accordance with the level of work completed; – Financial reporting guidelines may not be adhered to; – There is a possibility that the invoice balances and project stages are not accurately stated and appropriately reconciled; – Critical information necessary to adequately manage the project (e.g. change orders, billing adjustments, and cost overrun) are not being sufficiently reported to the appropriate level of the LGA management; – Sub-contractors may submit payments under different name or bill for services already charged by the main contractor.

Annex 5: Control Procedures for Addressing Contract Management Risks

Category	Examples
Pre-contract	– Ensure that clear objectives of the project are defined clearly in specifications; – Run background checks on suppliers prior being asked to bid; – Require that suppliers selection be documented; – Include a right to audit provision in supplier contract specifying reimbursement for audit costs if the audit results in the discovery of overpayment in excess of five percent of the total contract amount; – Require suppliers to maintain insurance and provide proof of the same.
Contract executions	– Perform periodic walkthrough and issue follow-up reports accordingly; – Require budgets be updated monthly to show expected costs and costs incurred to date; – Require status update or minutes of meetings be kept and maintained as part of project documentation; – Request for reimbursable expenses be back with receipts and proof that payment for expenses has already been made
Post contract	– Ensure that final lien waivers are secured; – Run a proof of expenses occurred against expenses accrued to ensure consistency; – Secure and file documents according to required retention rules.

Annex 6: Procurement Compliance and Performance Indicators

No	Indicator	Max Score
1	**Institutional Set up and Performance**	**10.0%**
1.1	**Institutional set up**	**5.0%**
1.1.1	Properly established Tender Board	1.0
1.1.2	Notification to PPRA	0.5
1.1.3	Establishment of procurement management unit	1.0
1.1.4	Establishment of PMU sub vote and allocation of fund	0.5
1.1.5	Existence of Internal Audit Unit	0.5
1.2	**Performance Measures**	
1.2.1	Knowledge of PPA and PPR for members of TB	0.5
1.2.2	Knowledge of PPA and PPR for PMU staff	0.5
1.2.3	Knowledge of PPA and PPR for IAU staff	0.5
1.3	**Compliance of Organs to their stipulated powers and Responsibilities**	**5.0%**
1.3.1	Accounting Officer exercise all his powers and responsibilities and observes independence. TB exercise all its powers and responsibilities and observes independence BAA exercise all its powers and responsibilities and observes independence PMU exercise all its powers and responsibilities and observes independence. UD exercise all its powers and responsibilities and observes independence. IAU exercise all its powers and responsibilities and observes independence.	1.0 1.0 0.5 1.0 1.0 0.5
2.0	**Appropriate preparation and implementation of Annual Procurement Plan (APP)**	**10.0%**
2.1	**Properly prepared APP**	**3.0%**
2.1.1	Use of appropriate PPRA's templates and tender numbering as per PPRA's guidelines	0.6 0.6
2.1.2	Tender processing time allocated properly	0.6
2.1.3	Proper aggregation of requirements	0.6
2.1.4	Proper arrangement of TB/committees meetings	0.6
2.2	**The APP approved by Budget Approving authority**	**1.0%**
2.3	**GPN published in the tender portal and its summary in TPJ**	**1.0%**
2.4	**APP implemented properly**	**5.0%**
2.4.1	APP adhered to (Unless there are acceptable justifications)	2.0
2.4.2	Efficiency in implementing the APP	**3.0**
2.4.2.1	From submission of requirements by User Department to Tender Advertisement	1.5
2.4.2.2	From tender opening to contract signing	1.5

3.0	Appropriateness of the Tender Process	20%
3.1	**Approval to start the procurement process**	**1.0%**
3.1.1	Initiation of need by user department	0.25
3.1.2	Confirmation of funds availability by vote book accountant	0.25
3.1.3	Approval to proceed with procurement	0.25
3.1.4	Confirmation of funding by the AO	0.25
3.2	**Properly prepared tender documents**	**1.5%**
3.2.1	Used Standard Tender Documents issued/ approved by PPRA	0.3
3.2.2	Arrangement and completeness tender documents	0.3
3.2.3	Neutral specification/ToR	0.3
3.2.4	Properly filled tender data sheet	0.3
3.2.5	Unambiguous evaluation criteria	0.3
3.3	**Appropriate methods of procurement**	**1.0%**
3.4	**Approval of advert and tender document**	**1.0%**
3.5	**Approval of shortlist of suppliers/contractors**	**1.0%**
3.6	**Public advertisement of bid opportunities**	**1.0%**
3.7	**Adequate time for preparation of bids**	**1.0%**
3.8	**Submission of tender adverts to PPRA**	**1.0%**
3.9	**Tenders properly received and opened**	**1.0%**
3.10	**Clarification received and given properly**	**-2.0%**
3.11	**Proper evaluation of bids**	**1.0%**
3.11.1	Evaluation team properly appointed	0.25
3.11.2	Evaluation team signed code of conduct/covenant forms	0.25
3.11.3	Evaluated by using criteria explicitly stated in the tender documents	0.25
3.11.4	Evaluation report contain all necessary attachments	0.25
3.12	**Approval on recommendation for award**	**1.0%**
3.13	**Proper negotiation of bids**	**1.5%**
3.13.1	Appointment of negotiation team	0.5
3.13.2	Preparation and approval of negotiation plan	0.5
3.13.3	Appropriateness and completeness of negotiations	0.5
3.14	**Approval of negotiation minutes and award recommendation**	1.0%
3.15	**Issue of notice of intention to award contract**	1.0%
3.16	**Proper communication of awards**	1.0%
3.17	**Contract awarded within the tender validity period**	1.0%
3.18	**Publication of procurement awards in the Tender Portal and TPJ**	1.0%
3.19	**Notification of unsuccessful bidders**	1.0%
3.20	**Using procedural forms issued by PPRA**	1.0%
3.21	**Approval by the Authority on rejection of all tenders**	-2.0%

4.0	**Appropriateness of contract preparation, formation and implementation**	**40.0%**
4.1	**Contract preparation and formation**	**8.0%**
4.1.1	Contract prepared by PMU and approved by TB	2.0
4.1.2	Arrangement and completeness of contract documents	2.0
4.1.3	Vetting of contracts by AG or Legal officers of the PE	2.0
4.1.4	Proper signing of contracts	2.0
4.2	**Appropriate management of general contracts administration issues**	**8.0%**
4.2.1	Appropriate management of performance securities, insurances, advance payment guarantees (whichever is appropriate)	3.0
4.2.2	Timely issuance of instructions	2.5
4.2.3	Management meetings are held (records prepared and signed)	2.5
4.2.4	Dispute resolution	-1.0
4.2.5	Notice of termination of contracts are submitted by the AO to PPRA	-1.0
4.2.6	Submission to the Authority proposals for debarment of firms/individual	-1.0
4.3	**Appropriate management of time control issues**	**8.0%**
4.3.1	Timeliness of site possession/contract commencement	1.5
4.3.2	Appropriate extension of contract duration/delivery period	1.5
4.3.3	Appropriate application of remedies for delays	1.5
4.3.4	Quality of the project/service programme	1.5
4.3.5	Adherence to project/service programme	1.0
4.3.6	Progress reports are prepared	1.0
4.4	**Appropriate management of quality control issues**	**8.0%**
4.4.1	Appointment of Project Managers/ supervisor	1.0
4.4.2	Confirmation of Appropriate qualification of Project Managers	1.0
4.4.3	Availability and quality of implementation reports (service delivery reports)	1.0
4.4.4	Appointment of inspection and acceptance committees	1.0
4.4.5	Appropriate qualification of inspection committees	1.0
4.4.6	Availability of inspection reports	1.0
4.4.7	Availability of quality assurance plan	1.0
4.4.8	Adherence to quality assurance plan	1.0
4.5	**Appropriate management of cost control issues**	**8.0%**
4.5.1	Certification of payments	2.0
4.5.2	Payment certificates are attached with inspection reports/measurement sheets	2.0
4.5.3	Payments made on time	2.0
4.5.4	Contract close out, rectification of defects and payment of retention money	2.0
4.5.5	Justification for variations	-1.0
4.5.6	Appropriate procedures followed in issuing variation orders/contract amendments	-1.0
5.0	**Record Keeping**	**10.0%**
5.1	Availability of complete records *(Per Tender)*	4.0%
5.2	Proper arrangement and location of procurement records *(Per Tender))*	2.0%

5.3	Availability of adequate space for keeping procurement records *(General Information)*	2.0%
5.4	Availability and adequacy of storage facilities for procurement records *(General Information)*	2.0%
6.0	**Implementation of systems prepared by PPRA (PMIS/CMS)**	**10.0%**
6.1	Submission of APP	2.0%
6.2	Submission of complete checklist	2.0%
6.3	Submission of contract completion report	2.0%
6.4	Submission of monthly procurement reports	1.0%
6.5	Submission of quarterly procurement reports	1.0%
6.6	Submission of annual procurement reports	2.0%
7.0	**Handling of complaints**	**-10%**
7.1	Improper handling of complaints	- 5.0%
7.2	Submission of complaints decisions to the Authority	- 5.0%
GRAND TOTAL		**100%**