



AFRICAN UNION PROCUREMENT MANUAL

Edition Jan 2009

AFRICAN UNION PROCUREMENT MANUAL

TABLE OF CONTENTS

TABLE OF CONTENTS	1
APPENDICES	4
DEFINITIONS	5
ACRONYMS AND ABBREVIATIONS	6
SECTION 1: INTRODUCTION.....	7
CHAPTER 1: INTRODUCTION	7
1.1 INTRODUCTION AND PURPOSE OF THE PROCUREMENT MANUAL	7
1.2 REVISIONS TO THE PROCUREMENT MANUAL	8
SECTION 2: PRINCIPLES OF PROCUREMENT AND ETHICS.....	10
CHAPTER 2: PRINCIPLES OF PROCUREMENT AND ETHICS	10
2.1 PROCUREMENT PRINCIPLES	10
2.2 TRANSPARENCY, ACCOUNTABILITY, AND ETHICS	10
2.3 CODE OF ETHICS	11
2.4 EXAMPLES OF UNETHICAL CONDUCT	12
2.5 OBLIGATIONS OF OFFICERS	12
SECTION 3: PROCUREMENT RESPONSIBILITY	14
CHAPTER 3: PROCUREMENT RESPONSIBILITY	14
AUC HEADQUARTERS STRUCTURE.....	14
3.1 HEADQUARTERS TENDER BOARD (HTB).....	14
3.2 PROCUREMENT AND TRAVEL UNIT	17
3.3 DIRECTORATE OF PROGRAMMING, BUDGETING, FINANCE AND ACCOUNTING (PBFA).....	19
3.4 TENDER OPENING COMMITTEE (AUC HEADQUARTERS).....	19
3.5 TENDER EVALUATION COMMITTEE (AUC HEADQUARTERS).....	19
3.6 BUILDINGS, EQUIPMENT AND TRANSPORTATION SERVICES UNIT (BETS)	20
3.7 AUC HEADQUARTERS MEDICAL CENTRE	22
3.8 OFFICE OF THE LEGAL COUNSEL.....	23
DECENTRALISED PROCUREMENT STRUCTURE	23
3.9 LOCAL TENDER BOARDS	23
3.10 PEACE SUPPORT OPERATIONS (PSO) LOCAL TENDER BOARDS	24
3.11 LOCAL PROCUREMENT	25
PROCUREMENT STRUCTURES COMMON TO AUC HQ AND LOCAL OFFICES	27
3.12 INSPECTION AND RECEIVING COMMITTEES	27
3.13 STORES UNITS	28
3.14 ORIGINATING UNITS.....	28
SECTION 4: METHODS OF PROCUREMENT	30
CHAPTER 4: METHODS OF PROCUREMENT	30
4.1 PROCUREMENT METHODS	30
4.2 OPEN TENDERING	30
4.3 SELECTION OF PROCUREMENT METHOD.....	32
4.4 TIMESCALES FOR PROCUREMENT METHODS.....	32
SECTION 5: STEP BY STEP PROCUREMENT GUIDELINES.....	33

CHAPTER 5: PROCUREMENT PLANNING AND BUDGETING	33
5.1 INTRODUCTION	33
5.2 THE BUDGET PREPARATION PROCESS.....	33
5.3 PREPARATION OF THE ANNUAL PROCUREMENT PLAN SHOULD BE ALIGNED WITH THE BUDGET CALENDAR OF THE AUC. PROCUREMENT AND TRAVEL UNIT ACTIONS.....	33
5.4 STORES UNIT ACTIONS.....	34
5.5 REGIONAL OFFICES, FIELD MISSION AND ORIGINATING UNIT ACTIONS.....	35
CHAPTER 6: INITIATION OF PROCUREMENT	36
6.1 IDENTIFICATION AND SPECIFICATION OF REQUIREMENT	36
6.2 STORES REQUISITIONS.....	37
6.3 PURCHASE REQUISITION AND BUDGET CONFIRMATION.....	38
CHAPTER 7: APPROVAL OF SPECIFICATIONS, PROCUREMENT METHOD & BIDDING DOCUMENTS 41	
CHAPTER 8: SELECTION OF BIDDERS	41
8.1 GROUNDS FOR EXCLUSION.....	41
8.2 PRE-QUALIFICATION OF BIDDERS FOR SPECIFIC CONTRACTS.....	41
CHAPTER 9: ANNOUNCEMENT AND ISSUE OF BIDDING DOCUMENTS	43
9.1 ANNOUNCEMENT FOLLOWING APPROVAL BY THE TENDER BOARD.....	43
9.2 ISSUE OF INVITATIONS FOR RESTRICTED TENDERING.....	43
9.3 ISSUE OF REQUESTS FOR QUOTATIONS	43
CHAPTER 10: ADVERTISING FOR PROCUREMENT	44
10.1 ADVERTISEMENTS FOR OPEN TENDER	44
CHAPTER 11: BID CLARIFICATION, EXTENSION AND CANCELLATION	45
11.1 BID CLARIFICATIONS.....	45
11.2 EXTENSION OF BID CLOSING DATE.....	45
11.3 CANCELLATION OF BIDDING PROCESS BEFORE BID OPENING	46
CHAPTER 12: RECEIPT OF BIDS AND BID OPENING	47
12.1 RECEIPT OF OPEN AND RESTRICTED TENDERS.....	47
12.2 OPENING OF OPEN AND RESTRICTED TENDERS	47
12.3 OPENING OF REQUESTS FOR QUOTATIONS (PURCHASES BETWEEN USD 500 TO 10,000).....	49
12.4 CANCELLATION OF TENDERS AND BIDS AFTER OPENING	50
12.5 EXTENSION OF BID VALIDITY	50
CHAPTER 13: EVALUATION AND CONTRACT AWARD	52
13.1 EVALUATION BY THE EVALUATION COMMITTEE.....	52
13.2 EVALUATION AND COMPARISON OF BIDS – GENERAL PRINCIPLES	52
13.3 TECHNICAL EVALUATION PROCESS	53
13.4 FINANCIAL EVALUATION:	56
13.5 POST-QUALIFICATION OF BIDS.....	59
13.6 EVALUATION REPORT AND RECOMMENDATION	59
13.7 TENDER BOARD APPROVAL OF RECOMMENDATION FOR CONTRACT AWARD	61
13.8 REJECTION OF ALL BIDS	62
13.9 NEGOTIATIONS	62
13.10 COMPLAINTS BY BIDDERS	63
13.11 PREPARATION OF CONTRACT	64
13.12 VETTING OF CONTRACT DOCUMENTS BY OFFICE OF THE LEGAL COUNSEL.....	64
13.13 CONTRACT ISSUE AND CONTRACT SIGNATURE	64
CHAPTER 14: ADVANCE PAYMENTS.....	66
14.1 RESTRICTION ON THE USE OF ADVANCE PAYMENTS.....	66
14.2 ADVANCE PAYMENT FOR GOODS.....	66

14.3	ADVANCE PAYMENTS FOR WORKS AND CONSULTANT SERVICES.....	66
CHAPTER 15:	CONTRACT MANAGEMENT, DELIVERY AND PAYMENT	67
15.1	CONTRACT EFFECTIVENESS	67
15.2	CONTRACT SUPERVISION AND ADMINISTRATION - GOODS	68
15.3	PRE-SHIPMENT INSPECTION OF GOODS	68
15.4	COLLECTING GOODS FROM THE PORT OF ENTRY.....	69
15.5	RECEIPT AND INSPECTION OF GOODS.....	70
15.6	PAYMENT FOR GOODS	71
15.7	CONTRACT SUPERVISION AND ADMINISTRATION - WORKS.....	72
15.8	PAYMENT FOR WORKS	72
15.9	CONTRACT SUPERVISION AND ADMINISTRATION - SERVICES CONTRACTS.....	73
15.10	PAYMENT FOR SERVICES	74
15.11	PROMPT PAYMENTS.....	74
15.12	CONTRACT PERFORMANCE.....	75
15.13	CONTRACT AMENDMENTS.....	77
CHAPTER 16:	THE SELECTION AND EMPLOYMENT OF CONSULTANTS	79
16.1	SPECIAL FEATURES OF CONSULTANCY PROCUREMENT.....	79
16.2	THE STEPS OF THE PROCUREMENT PROCESS.....	80
16.3	THE TERMS OF REFERENCE (TOR)	81
16.4	PREPARATION OF THE REQUEST FOR PROPOSALS (RFP) AND EVALUATION CRITERIA.....	82
16.5	ADVERTISING FOR EXPRESSIONS OF INTEREST (PRE-QUALIFICATION).....	84
16.6	SHORT LIST OF CONSULTANTS	84
16.7	OPEN TENDERING	85
16.8	OTHER METHODS FOR SELECTION OF CONSULTANT SERVICES.....	85
16.9	TYPES OF CONTRACT AGREEMENT FOR THE EMPLOYMENT OF CONSULTANTS	88
16.10	BID AND PERFORMANCE SECURITIES.....	89
16.11	USE OF INDIVIDUAL CONSULTANTS	90
16.12	CRITERIA USED TO SELECT INDIVIDUALS	90
SECTION 6:	GENERAL ISSUES.....	91
CHAPTER 17:	SUPPLIER REGISTERS	91
17.1	INTRODUCTION	91
17.2	MAINTENANCE AND MANAGEMENT OF SUPPLIER REGISTERS.....	91
CHAPTER 18:	SECURITIES AND RETENTIONS.....	93
18.1	BID SECURITIES	93
18.2	PERFORMANCE SECURITIES	93
18.3	ADVANCE PAYMENT SECURITIES.....	93
18.4	PROCEDURE FOR RECEIPT, STORAGE AND RETURN OF SECURITIES	93
18.5	RETENTIONS	95
CHAPTER 19:	COMMUNICATIONS AND RECORDS MANAGEMENT.....	95
19.1	CORRESPONDENCE/COMMUNICATIONS.....	95
19.2	DOCUMENTATION/RECORDS MANAGEMENT	95
CHAPTER 20:	PROCUREMENT MONITORING & EVALUATION	97
20.1	MONITORING AND EVALUATION	97
20.2	PROCUREMENT REPORTING.....	98
CHAPTER 21:	FRAMEWORK/CALL-OFF CONTRACTS.....	98
21.1	FRAMEWORK CONTRACTS.....	98
CHAPTER 22:	SUBCONTRACTING.....	100
22.1	SUBCONTRACTING	100

APPENDICES

Annex 1 FLOWCHARTS AND VISUAL AIDS

DEFINITIONS

The terms used in this Manual have the following meanings assigned to them:

WORD OR TERM	DEFINITION/DESCRIPTION
AU	African Union
AUC	African Union Commission
Bid	A bid, quotation or tender submitted by a bidder.
Bid Security	A financial security provided by a bidder to guarantee that the he will not withdraw his bid prior to award of contract.
Bidding Documents	The formal invitation documents approved by the Headquarters Tender Board and sold or issued to bidders to solicit a bid.
Code of Ethics	A statement of the standards of practice and conduct to be followed by all Officers of the AUC in procurement activities.
Donor	An International Financing Institution (such as the World Bank, European Union or African Development Bank) providing external funding to the AUC
Evaluation Committee	A committee established by a Tender Board to undertake evaluation and ranking of bids and quotations for procurement.
INCOTERMS	A set of internationally accepted definitions of trade terms (e.g. CIF, CIP and FOB) issued by the International Chamber of Commerce.
Local Office	A Representational and Specialised Office of the AUC situated outside of the AUC Headquarters.
Lowest Evaluated Cost Bid/Tender	The bid determined to be the best bid after evaluation of all the criteria stated in the bidding documents.
Originating Officer	An officer of the Originating Unit having formal authority to initiate procurement processes.
Originating Unit	A Unit, Division, Directorate, Department, Project or Programme with responsibility to initiate procurement using AUC funds.
Performance Guarantee	A financial security provided by a supplier or contractor to guarantee his performance under the terms of the contract.
Procurement	The formal process of acquisition of goods, works or services.
Procurement Unit	An established Procurement Unit including the Procurement and Travel Unit at AUC Headquarters, or an Officer or Officers in a Local Office bearing responsibility for procurement processing.
Procurement and Travel Unit	The term used to identify references to the AUC Headquarters Procurement Unit excluding other local Procurement Units.
Request for Proposals	The term commonly used for bidding documents in the procurement of consultancy services.
Request for Quotations	A simple procurement procedure for the purchase of low value goods, works and simple non-consultancy services.
Retention	A percentage sum that may be deducted from each payment certificate under a contract for works to guarantee performance.
Tender Board	A general term covering all Tender Boards, including the AUC Headquarters Tender Board and the Tender Boards established within PSO and Regional and Specialised Offices of the AUC.
Tender Opening Committee	A committee established by a Tender Board to conduct the opening of tenders and bids for procurement.

ACRONYMS AND ABBREVIATIONS

AU	African Union
AUC	African Union Commission
BETS Unit	Buildings, Equipment and Transportation Services Unit
BOQ	Bill of Quantities
CFR	Cost and Freight
CIF	Carriage Insurance and Freight
CIP	Carriage and Insurance Paid
CPT	Carriage Paid to
EOI	Expression of Interest
EXW	Ex-Works
FOB	Free on Board
GCC	General Conditions of Contract
HQ	Headquarters
HTB	Headquarters Tender Board
ISO	International Standards Organisation
ITB	Instructions to Bidders
LC or L/C	Letter of Credit
LCS	Least Cost Selection
LOI	Letter of Invitation
LTB	Local Tender Board
PBFA Directorate	The Directorate of Programming, Budgeting, Finance and Accounting
PIU	Project Implementation Unit
PSI	Pre-Shipment Inspection
PSO	Peace and Security Operations
QBS	Quality Based Selection
QCBS	Quality and Cost Based Selection
RFP	Request for Proposals
RFQ	Request for Quotations
SBD	Standard Bidding Document
SCC	Special Conditions of Contract
TOR	Terms of Reference

SECTION 1: INTRODUCTION

CHAPTER 1: INTRODUCTION

1.1 INTRODUCTION AND PURPOSE OF THE PROCUREMENT MANUAL

1.1.1 Introduction

- (a) The Procurement Manual is issued under the authority of the AUC. The Manual replaces the Guidelines on Tendering Procedure (2001) and supersedes the provisions of Section 1 (Procurement) of the O.A.U./A.U. Materials Management Manual (2001).

1.1.2 Purpose of the Manual

- (a) The Manual details the standards, policies and procedures to be followed in the procurement of goods, works and services within the AUC. These standards, policies and procedures are designed to:
 - (i) provide detailed guidance on the procurement processes;
 - (ii) provide uniform procedures for the procurement of goods, works and services;
 - (iii) ensure transparency and accountability in all operations, and consistency with the guidelines of donors where necessary;
 - (iv) improve the efficiency and effectiveness of operations;
 - (v) promote the consistent application of best procurement practices and international standards.

1.1.3 Scope, Application and Limitations of Manual

- (a) The Manual applies to all procurement operations of the AUC irrespective of the source of funding.
- (b) The Manual covers the standard procurement cycle from initiation of a procurement to final delivery or performance and contract completion. It will help to:
 - (i) remove or minimise the need for making new decisions every time a comparable situation arises;
 - (ii) introduce procedures for all routine procurement activities and the concept of standard bidding documents;
 - (iii) provide a point of reference against which principles and practices can be evaluated; and
 - (iv) serve as a training manual for AUC Officers and provide guidance based on best international practices.

- (c) Consistent application of the provisions and procedures of the Manual throughout the AUC is essential to achieve improved efficiency, transparency, uniformity of documents and decisions, and reduced costs of procurement.
- (d) It is intended that the Manual will be subjected to continuous upgrading by the AUC to reflect amendments in AU or AUC policy, changing needs, the commercial environment, and the adoption of new improved procedures and practices.

1.1.4 Structure of the Manual

- (a) For ease of use, the Manual is separated into four Sections:

1. Introduction: - this Section.

2. Principles of Procurement and Ethics which includes:

- the principles of procurement;
- a code of ethics for individual Officers of the AUC;

3. Procurement Responsibility, detailing:

- the structures and responsibilities for procurement activity;

4. Methods of Procurement, which gives guidance on:

- the methods of procurement to be applied;
- and other general procedures.

5. Step-by-Step Procurement Guidelines

In terms of routine practice, this Section contains all the essential steps required for procurement planning and day to day procurement activities, from identification of a requirement through to completion of the contract.

6. General Issues:

Additional guidelines are provided for reference:

- Supplier Registers;
- Securities and Retentions
- Records Management; and
- Framework Contracts;

The last two guidelines are for practices not currently in use within the AUC and which may need further consideration by the Headquarters Tender Board before formal adoption and inclusion in Section 5.

1.2 REVISIONS TO THE PROCUREMENT MANUAL

1.2.1 Reasons for Revision

- (a) A number of factors may necessitate a need for revision of this Manual including:
 - (i) issue of new Financial Rules and Regulations;
 - (ii) policy changes by the AU or AUC;
 - (iii) introduction of new improved practices, policies or procedures;

- (iv) removal of outdated practices, policies or procedures;
 - (v) lessons gained from practical experience.
- (b) Any proposed amendments to the Procurement Manual for reasons of AU policy, or practical improvements suggested by users, shall be submitted to AUC for review. Until any formal revision is approved by the AUC, the existing provisions of the Manual shall be applied.

SECTION 2: PRINCIPLES OF PROCUREMENT AND ETHICS

CHAPTER 2: PRINCIPLES OF PROCUREMENT AND ETHICS

2.1 PROCUREMENT PRINCIPLES

- (a) The overall objective of the procurement system is to provide value for money to the AUC by ensuring that funds are spent in a transparent, efficient and fair manner.
- (b) This Manual incorporates policy provisions and procedures to promote transparency, accountability and ethics in the operation, management and reporting of procurement. All Officers are required to consistently apply these policies and procedures, together with professional judgement and good management

2.2 TRANSPARENCY, ACCOUNTABILITY, AND ETHICS

- (a) The procurement system must ensure both transparency and value for money in the procurement of goods, services and works. The Procurement Manual is designed to facilitate the procurement of goods, works and services of the right quality, at the right price, at the right time and at the right place through competitive bidding processes.
- (b) The AUC is entrusted with AU Member States and donor funds to provide services and support to the AU policies and programmes. The use of funds for procurement must be conducted in a transparent and open manner, allowing both stakeholders, and the general public, access to information on procurement actions by the AUC, as well as providing a means to control and audit all procurement activity.
- (c) The AUC requires that:
 - i) all Officers involved in procurement proceedings from initiation to completion shall be held accountable and responsible for their actions; all suppliers, contractors and consultants will be treated fairly and given equal opportunity to obtain contracts with the AUC;
 - ii) procurement shall be done in the most efficient manner, upholding the principles of value for money, transparency and fairness;
 - iii) funds will be used solely for the purposes for which they have been entrusted;
 - iv) appropriate procedures of the AUC;
 - v) all transactions are properly authorised and fully supported by written records;
 - vi) value for money can be demonstrated by comparison with market rates;
 - vii) the Code of Ethics detailed in Article 2.3 is followed by all Officers involved in the procurement process.

2.3 CODE OF ETHICS

2.3.1 Ethical Principles

- (a) An Officer of the AUC shall not use his or her authority or office for personal gain. Personal gain includes accepting or requesting anything of material value from bidders, prospective bidders or suppliers for the Officer, his or her spouse, parents, children or other close relatives, or for other persons from whom the Officer might gain direct or indirect benefit of the gift.
- (b) An Officer shall seek to maintain and enhance the reputation of the AUC by:
 - i) maintaining the highest standards of honesty and integrity in all relationships both inside and outside the AUC;
 - ii) developing the highest possible standards of professional competence;
 - iii) using funds and other resources for which he or she is responsible to provide the maximum benefit to the AUC; and
 - iv) complying both with the letter and the spirit of:
 - the principles and policies of the African Union;
 - accepted professional ethics; and
 - contractual obligations.

2.3.2 Conflict of interest

- (a) An Officer shall immediately after the opening of bids declare any personal interest that may affect or might reasonably be deemed by others to affect impartiality in any matter relevant to his duties.

2.3.3 Confidentiality and accuracy of information

- (a) An Officer shall respect the confidentiality of information gained in the course of duty and shall not use such information for personal gain or for the unfair benefit of any bidder or supplier.
- (b) Information given by an Officer in the course of his or her duty shall be true, fair and not designed to mislead.

2.3.4 Competition

- (a) An Officer shall treat all bidders and suppliers with fairness and impartiality, and avoid any business arrangement that might prevent the effective operation of fair competition.

2.3.5 Business gifts

- (a) An Officer shall not accept business gifts from current or potential AUC suppliers unless such gifts are of very small intrinsic value such as a calendar or business diary.

2.3.6 Hospitality

- (a) An Officer shall refrain from accepting any business hospitality that might be viewed by others as having an influence in making an AUC business decision as a result of accepting that hospitality.

2.3.7 Reporting

- (a) An Officer has a duty to report any unethical conduct by a colleague, a bidder or a supplier to his superiors or to the auditors.

2.4 EXAMPLES OF UNETHICAL CONDUCT

- (a) The following are examples of the type of conduct prohibited by the Code of Ethics:
 - (i) Revealing confidential or “inside information” either directly or indirectly to any bidder or prospective bidder;
 - (ii) Discussing a procurement with any bidder or prospective bidder outside the official rules and procedures for conducting procurements;
 - (iii) Favouring or discriminating against any bidder or prospective bidder in the drafting of technical specifications or standards, or in the evaluation of bids;
 - (iv) Destroying, damaging, hiding, removing, or improperly changing any official procurement document;
 - (v) Accepting or requesting money, travel, meals, entertainment, gifts, favours, discounts or anything of material value from bidders or prospective bidders;
 - (vi) Discussing or accepting future employment with a bidder or prospective bidder;
 - (vii) Instructing/influencing/requesting any other Officer or representative of AUC in a procurement process to violate the rules or procedures defined in the Procurement Manual;
 - (viii) Ignoring evidence that the Code of Ethics has been violated by a Member of the Tender Board, any Officer, other employee or representative of the AUC;
 - (ix) Ignoring illegal or unethical activity by bidders or prospective bidders, including any offer of personal inducements or rewards.

2.5 OBLIGATIONS OF OFFICERS

- (a) The guiding principles of ethical behaviour are impartiality, independence and integrity. Ethical behaviour must be promoted and supported by appropriate systems and procedures, but systems and strict adherence to procedures alone cannot create an ethical and accountable procurement function.
- (b) It is essential that all procurement activities are carried out in a manner above reproach, with complete impartiality and with no preferential treatment. The procurement process must allow suppliers, contractors and consultants to compete for business on a fair basis. Officers associated with the procurement function are

responsible for protecting the integrity of the procurement process and maintaining fairness in the AUC's treatment of all suppliers, contractors and consultants.

2.5.1 Responsibilities of Officers

(a) Senior officers have responsibility to:

- (i) Provide instructions and guidance to staff, especially where they may be exposed to opportunities for accusations of fraud or corruption;
- (ii) Encourage staff to follow ethical principles and practices and create an environment where transparency and openness are the standard;
- (iii) Ensure that all staff comply with instructions and guidelines, including the maintenance of documented records;
- (iv) Set appropriate levels of financial delegation, if appropriate, and ensure a proper separation and rotation of duties.

(b) Junior officers involved in the procurement process have responsibility to:

- (i) Follow management instructions and procedural guidelines;
- (ii) Be alert to and report any indications of unethical behaviour;
- (iii) Seek guidance from a manager or auditor on any concerns that may arise.

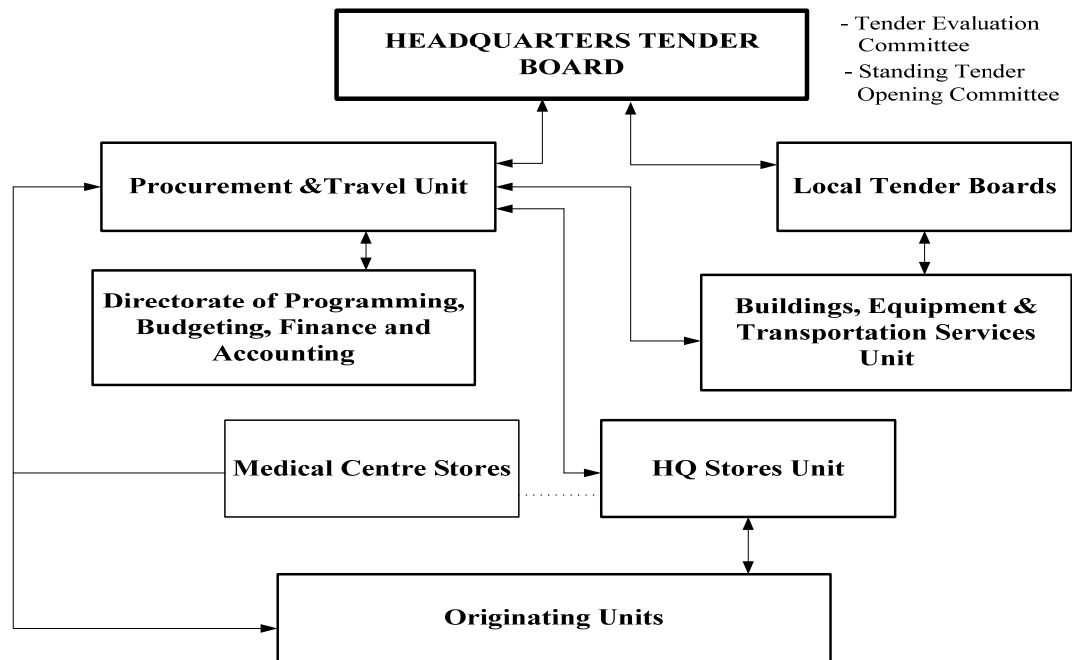
2.5.2 Sanctions for Non-compliance with Ethical Standards

(a) Due to the special and additional trust placed on those involved in the procurement processes as custodians of AUC funds, adherence to the Code of Ethics by Officers is obligatory. Any unethical conduct will be considered an offence subject to disciplinary action under Part V Sections A and B, Article 124 of the Financial Rules and Regulations of the African Union.

SECTION 3: PROCUREMENT RESPONSIBILITY

CHAPTER 3: PROCUREMENT RESPONSIBILITY

PROCUREMENT PROCESSING RELATIONSHIPS



AUC HEADQUARTERS STRUCTURE

3.1 HEADQUARTERS TENDER BOARD (HTB)

3.1.1 Policy Responsibilities

- (a) The Headquarters Tender Board is the decision making and co-ordinating body on procurement, and has responsibility for the overall direction and development of AUC procurement practices and procedures. This includes responsibility for:
- (i) Proposing to management the revision/amendment of the Procurement Manual, including thresholds for management and approval of procurement, and procurement thresholds for use of procurement methods;
 - (ii) advising the AUC on procurement policy issues;
 - (iii) professional development and training of Officers engaged in procurement to ensure the highest standards and compliance with the provisions of the Manual;

- (iv) reporting Officers failing to abide by the provisions of the Code of Ethics for appropriate disciplinary action;
- (v) revising the rules of procedure governing the functioning of Tender Board;
- (vi) determining whether suppliers should be debarred from AUC procurement for a period of time following the detection of corrupt practices or consistent poor performance;
- (vii) ensuring that all AUC Directorates, Divisions, Units, Projects and Programmes, Local Tender Boards, and Officers are required to abide by the provisions of the Procurement Manual, and any additional technical guidelines and regulatory instructions that may be issued by the HTB;
- (viii) approval of Suppliers List for purchases between US\$10,000 to US\$50,000; and
- (ix) establishing Standing Tender Opening Committee and Tender Evaluation Committee.

3.1.2 Composition of the AUC Headquarters Tender Board

(a) The composition of the Headquarters Tender Board shall be:

- (i) Full Members:
 - Director of Administration and HRD (Chairperson);
 - Director of PBFA;
 - Legal Counsel;
 - Chief of the Buildings, Equipment and Transportation Services Unit;
 - Two additional Members to be appointed by the Chairperson of the Commission;
- (ii) Supporting Members:
 - Head of any other Originating Unit directly concerned with the tender; and
 - Head of the Administrative Services Division (Secretary).

3.1.3 The Rules of Procedure Governing the Functioning of the Tender Board

(a) The following shall constitute the rules of procedures that govern the day to day functioning of the Tender Board in the discharge of its duties and responsibilities:

- (i) Substitutes nominated by the individual Member shall be permitted. Members must ensure that their nominated substitutes are fully informed and able to participate effectively in meetings of the HTB and shall be held responsible and accountable in the same manner as

the substantive members. The substitutes shall exclude consultants, interns and short-term staff. The decision to substitute shall be communicated in writing clearing conferring powers to participate in decision taking;

(ii)

3.2 PROCUREMENT AND TRAVEL UNIT

- (a) The Procurement and Travel Unit has responsibility to co-ordinate the professional aspects of procurement within the AUC and to act as the executive arm of the Headquarters Tender Board.
- (b) The responsibilities of the Procurement and Travel Unit are to:
- (i) initiate requests to all Directorates, Divisions, Units, Projects, Programmes, Regional Offices and Field Missions for inputs in the development of the Annual Procurement Plan;
 - (ii) receive, analyse and consolidate annual procurement plans from all Directorates, Divisions, Units, Projects, programmes, Regional Offices, Field Mission and other Originating Units;
 - (iii) liaise with Directorates, Divisions, Units, Projects, Programmes, Regional Offices, Field Mission and other Originating Units on issues relating to procurements,
 - (iv) co-ordinate all AUC Headquarters procurement activities including:
 - maintenance of Registers of pre-qualified suppliers, and consultants;
 - receipt of Procurement Requisitions from the Stores with detailed specifications from Originating Units;
 - receipt of Procurement Requisition from Medical Center and Buildings, Equipment and Transportation Services Unit;
 - checking that the proposed procurement is defined within the annual procurement plan;
 - selecting/recommending of the procurement method for each procurement;
 - reviewing detailed specifications provided by the Originating Unit to ensure precision and classification into appropriate lots;
 - defining packaging, marking and delivery instructions;
 - preparing bidding documents for goods and services, and advertisements or a shortlist of suppliers, as appropriate;
 - issuing of bidding documents;
 - responding in writing to any requests for clarifications from bidders where permitted within the bidding documents;
 - notifying bidders of any approved extensions to closing dates for the submission of bids;
 - requesting extensions of bid validity from bidders if necessary;

- registering and arranging for the secure maintenance of bid securities,
 - registering and maintaining any samples required to be submitted by bidders;
 - initial preparation of the contract document for vetting by the Office of the Legal Counsel;
 - notifying award of contract to the winning bidder, and to unsuccessful bidders;
 - arranging for publication of notices of contract award on the website of the African Union;
 - ensuring the prompt release and return of bid securities when no longer required;
 - maintaining comprehensive dossiers for each procurement; and effective management of contracts, including the initiation of advance payments;
 - timely submission of invoices to the Directorate for Programming, Budgeting, Finance and Accounting for settlement;
 - monitoring delivery schedules and the inspection and certification of delivery or performance in liasing with the Originating Unit;
 - advise PBFA on registering and securing maintenance of advance payment securities and performance securities, and actioning any claims against securities or retentions subject to approval of the Headquarters Tender Board;
 - advise PBFA on releasing and returning all securities as soon as they are no longer required for protection of the AUC;
 - notifying the supplier immediately in writing of any failings in performance of his obligations including notification of shortages and discrepancies and pursue appropriate follow up measures;
- (v) preparing monthly statements of Purchase Orders issued for sake of tracking;
 - (vi) preparing a detailed Annual Report on procurement activities;
 - (vii) providing guidance and assistance to the Local Tender Boards, Originating Units, technical staff, the Tender Opening Committee and Tender Evaluation Committee;
 - (viii) undertake any other duties or tasks as directed by the Headquarters Tender Board;
 - (ix) participate as member of Tender Opening Committee;
 - (x) facilitate issuance of acceptance Certificate.

3.3 DIRECTORATE OF PROGRAMMING, BUDGETING, FINANCE AND ACCOUNTING (PBFA)

- (a) The PBFA Directorate is directly involved in the procurement process through project and programme planning, co-ordination of the annual budgeting process, issue of Certificates of Availability of Funds, and the processing and payment of suppliers of goods, works and services.
- (b) The Directorate will prepare a monthly statement of supplier accounts to reconcile payments and assist the Procurement Unit in tracking delayed deliveries.

3.4 TENDER OPENING COMMITTEE (AUC HEADQUARTERS)

- (a) A standing Tender Opening Committee is established by the Tender Board of the AUC to conduct and supervise the public opening of all open and restricted tenders with an estimated cost of USD 10,000 and above. The Committee shall meet on a regular basis, and the constitution of the Committee shall be:
 - (i) a representative of the Director of AHRD (Chairperson);
 - (ii) a representative of PBFA Directorate;
 - (iii) a representative of the Originating Unit (if required);
 - (iv) a representative of the Office of Legal Counsel; and
 - (v) a representative of the Administrative Services Division (Secretary)
- (b) The Committee shall ensure that all procedures regarding the opening of tenders in open session are strictly followed, including as a minimum preparation of the following documents:
 - (i) register of attendance;
 - (ii) record of the tenders submitted;
 - (iii) record of samples submitted (where applicable);
 - (iv) detailed minutes of the tender opening;
 - (v) the Tender Opening Committee shall submit its report along with the bids received to the Tender Evaluation Committee with copy to the Tender Board

3.5 TENDER EVALUATION COMMITTEE (AUC HEADQUARTERS)

- (a) A standing Tender Evaluation Committee is established under the supervision of the AUC Headquarters Tender Board to conduct and supervise the evaluation of all tenders and quotations above the threshold of USD 10,000.
- (b) The Committee shall meet, normally soon after the opening to consider all quotations and tenders submitted. The composition of the Committee shall be:
 - (i) a representative of the Directorate for AHRD (Chairperson);
 - (ii) a representative of PBFA Directorate;
 - (iii) a representative of the Originating Unit (if required);

- (iv) a representative of the Administrative Services Division (Secretary);
- (c) Resource persons/experts may be appointed to assist the Evaluation Committee on an *ad hoc* basis to provide specialist technical input.
- (d) Evaluation shall be conducted strictly in accordance with the terms and provisions specified in the bidding documents, without resort to extrinsic evidence, to:
 - (i) Check bids for arithmetic errors;
 - (ii) Review the bids and samples received for conformity with all specifications and conditions stated in the bidding documents;
 - (iii) Report on the technical and commercial compliance of each bid in a technical evaluation;
 - (iv) Analyse the financial bids and report the results in a financial evaluation; and
 - (v) Prepare an Evaluation Report, including justified recommendations for rejection of bids and for the award of contract, for approval by the Headquarters Tender Board.
- (e) The Committee may seek clarifications in writing from a bidder and receive written responses, provided that the responses are related to the implementation of the contract and would not give any bidder an undue advantage.

3.6 BUILDINGS, EQUIPMENT AND TRANSPORTATION SERVICES UNIT (BETS)

- (a) The Unit is required to work closely with the Procurement and Travel Unit in all aspects of procurement activity relating to BETS to ensure that technical skills are adequately supported by professional procurement skills. As a minimum this will require that:
 - (i) all Registers of Suppliers/Contractors/Consultants used by the Unit are subject to a transparent process of routine maintenance and updating using quantifiable criteria and consolidated and supervised by the Procurement and Travel Unit;
 - (ii) all tenders and requests for quotation documents are issued by the Procurement and Travel Unit in conformity with the provisions of this Manual;
 - (iii) the opening of bids is made by a standing bid opening committee including a representative of the Administrative Services Division; and
 - (iv) a representative of the Procurement and Travel Unit participates in the Inspection and Receiving Committee for certification of satisfactory completion, supply, installation, commissioning, training, or other required conditions under a contract.
- (b) The procurement responsibilities of the Unit are as follows:
 - (i) **Buildings**
 - maintaining the Register of pre-qualified, licensed and approved Architects, Consulting Engineers, and the Register of Contractors

for both larger works and minor maintenance works. The Procurement and Travel Unit shall keep a consolidated Suppliers Register;

- the preparation of specifications, designs, drawings, Bills of Quantities and bidding documents for construction and maintenance works through its own resources, or by procuring the services of architects or consultant engineers to undertake the task in consultation with the Procurement and Travel Unit;
- supervising and monitoring the implementation of contracts related to construction and maintenance projects; and
- preparation or approval of payment certificates for construction contracts and maintenance works.

(ii) Maintenance

- supervision of routine maintenance staff;
- preparation of specifications and bidding documents for externally provided maintenance services including grounds and equipment maintenance in consultation with the Procurement and Travel Unit;
- supervision of external maintenance services for grounds maintenance and security; and
- participation in the Inspection and Receiving Committee for the certification of work done.

(iii) Equipment

- preparation of specifications and bidding documents for equipment (e.g. generators and air-conditioners) in consultation with the Procurement and Travel Unit;
- submission of RFQ or bid documents to Procurement and Travel Unit for transmission to bidders;
- supervision and testing of equipment installation; and
- participation in the Inspection and Receiving Committee for certification of satisfactory delivery, installation, commissioning and training activities required under the contract.

(iv) Transport

- preparation of specifications and bidding documents for the purchase of vehicles in consultation with the Procurement and Travel Unit;
- maintaining a Register of pre-qualified, licensed and approved garages for routine servicing and repair of vehicles;
- submission of specifications or bid documents to Procurement and Travel Unit for transmission to bidders;
- obtaining quotations for the of hiring of temporary vehicles;
- certifying the satisfactory completion of vehicle servicing, repair work and temporary hire of vehicles;

- participation in the Inspection and Receiving Committee for the delivery of vehicle purchases.

3.7 AUC HEADQUARTERS MEDICAL CENTRE

- (a) The Centre is required to work closely with the Procurement and Travel Unit in all aspects of procurement activity to ensure that medical knowledge is adequately supported by professional procurement skills. As a minimum this will require that:
- (i) all Registers of Suppliers used by the Centre are subject to a transparent process of routine maintenance and updating using quantifiable criteria consolidated and supervised by Procurement and Travel Unit;
 - (ii) all tenders and requests for quotation documents are issued by Procurement and Travel Unit in conformity with the provisions of this Manual;
 - (iii) the opening of bids submitted by quotation or selective tendering is made by a standing bid opening committee mentioned in Article 3.4.
 - (iv) any decisions on award of contract for less than USD 10,000 are made by the Procurement and Travel Unit together with the Medical Centre representative.
 - (v) a representative of the Procurement and Travel Unit participates in the Inspection and Receiving Committee for certification of satisfactory delivery under the contract; and
 - (vi) in the following emergency cases , the Medical Centre shall procure the necessary drugs in consultation with the Director of AHRD and seek the approval of Tender Board as appropriate, retrospectively;
 - staff returning from medical evacuation;
 - Outbreak of an epidemic;
 - New staff recruited and taking drugs not available in the local market.
- (b) The Medical Centre maintains its own sub-Stores, under the supervision of the pharmacist, which is subject to functional supervision by the main AU Stores Unit.
- (c) The Centre has practical procurement requirements that may conflict with more obvious general procurement practice. In particular, cheaper variations of drugs and routine consumables to those that meet a generic specification may be available in the market. However, these may lack the required shelf life or necessary quality, and in the absence of ready access to laboratory facilities, an emphasis is placed on procurement from known major distributors.
- (d) The Centre has the following procurement responsibilities:
- (i) maintaining the Register of Suppliers of drugs and consumables in consultation with the Procurement and Travel Unit;

- (ii) preparing detailed specifications for medical equipment requirements and assisting in the preparation of bidding documents as well as contracts related to maintenance of medical equipment;
- (iii) initial receipt and external examination of deliveries;
- (iv) participation in the Inspection and Receiving Committee for the delivery of drugs and consumables for stock, and issue of the Goods Received Note for items accepted by the Committee;
- (v) participation in the Inspection and Receiving Committee for the certification of satisfactory delivery, installation, commissioning and training activities required under the contract for specialist medical equipment, and issue of the Goods Received Note; and
- (vi) supervision and testing of newly purchased medical equipment

3.8 OFFICE OF THE LEGAL COUNSEL

- (a) The Office is responsible for the vetting of all contracts issued by the AUC and the provision of legal advice to Tender Boards and Procurement Units on contractual issues and disputes.

DECENTRALISED PROCUREMENT STRUCTURE

- (a) Decentralised procurement activity is undertaken by Representational and Specialized Offices and the local offices for Peace Support Operations. Each has its own Local Tender Board (LTB) with clearly defined responsibility and authority levels.

3.9 LOCAL TENDER BOARDS

- (a) The Chairmanship, structure and membership of each LTB is established for PSO within the Provisional Administrative and Finance Guidelines for the African Union Peace Support Missions (2005) [Article 27] and the Financial Rules and Regulations of the African Union (2006) [Article 59] for other Representational and Specialized Offices.
- (b) All Local Tender Boards shall meet on a regular basis to consider requests for purchases under tender.

3.9.1 Responsibilities of Local Tender Boards

- (a) All Local Tender Boards have responsibility within their approved levels of financial authority to:
 - (i) Ensure the development and approval of the Annual Procurement Plan as part of the annual budget process;
 - (ii) Review and approve prior to any announcement of a tender process with an estimated cost above USD 5,000-10,000:
 - the specifications, classifications, bills of quantities, plans, drawings and terms of reference as appropriate; and
 - advertisements, letters of invitation and shortlists;
 - (iii) evaluate and approve the award of contract to the selected bidder;

- (iv) Ensure that the provisions of the Procurement Manual relating to procurement, and the Financial Rules and Regulations in respect of financial matters, are followed by staff engaged in procurement;
- (v) Maintain detailed Minutes of Meetings and records of all decisions and recommendations;
- (vi) Submit an annual report to the Procurement and Travel Unit on all procurement activities undertaken for the financial year.

3.9.2 Thresholds for review by Local Tender Boards

- (a) All procurements within the threshold value of USD 5,000-10,000 shall be evaluated by the Local Tender Board.
- (b) All approvals for award of contract must be within the annual procurement plan for the financial year and the Local Tender Board shall ensure that a Certificate of Availability of Funds has been raised prior to award of contract.
- (c) Where the value of a proposed procurement exceeds the financial authority threshold of a Local Tender Board, award of contract is subject to approval of AUC Headquarters Tender Board. The request for approval together with the recommendation of the LTB shall be submitted directly to Headquarters Tender Board.
- (d) Copies of all necessary supporting documentation must be forwarded with the request for detailed review and approval.

3.9.3 Local Tender Boards (Regional Offices)

- (a) The composition of Local Tender Boards shall be:
 - The Head of Office (Chairperson);
 - the Finance Administration Officer (Secretary); and
 - other senior staff member appointed by the Head of Office;
- (b) Substitutes nominated by the individual Member shall be permitted. Members must ensure that their nominated substitutes are fully informed and able to participate effectively in meetings of the LTB.
- (c) A quorum for meetings shall be three of the Members above (or their nominated substitutes), including the Chairperson and Secretary.
- (d) At the commencement of each meeting, the members of the Tender Board must sign a Declaration of Confidentiality and Impartiality which covers all matters arising from the meeting. This Declaration shall be attached to the Minutes of the Meeting by the Secretary;
- (e) Decisions of the Members shall be by consensus, although a dissenting Member may request that his dissent be recorded in the Minutes of the Meeting.

3.10 PEACE SUPPORT OPERATIONS (PSO) LOCAL TENDER BOARDS

- (a) The composition of PSO Tender Boards shall be:
 - (i) Members:

- The Chief Administrative Officer (Chairperson);
 - A Finance and Administration Officer;
 - The Program Manager;
 - A Legal Officer where possible;
 - A Resource Person, if necessary; and
 - the Procurement Unit or Logistics Officer (Secretary).
- (i) Substitutes nominated by the individual Member shall be permitted. Members must ensure that their nominated substitutes are fully informed and able to participate effectively in meetings of the LTB.
 - (ii) A quorum for meetings shall be Four of the Members above (or their nominated substitutes), including the Chairperson and Secretary.
 - (iii) At the commencement of each meeting, the members of the Tender Board must sign a Declaration of Confidentiality and Impartiality which covers all matters arising from the meeting. This Declaration shall be attached to the Minutes of the Meeting by the Secretary;
 - (iv) Decisions of the Members shall be by consensus, although a dissenting Member may request that his dissent be recorded in the Minutes of the Meeting.
 - (v) All purchases up to US\$50,000 shall be approved by the Head of Mission. Purchases above US\$50,000 upto US\$100,000 shall be submitted to the Local Tender Board for consideration and recommendation for approval by the office of the Deputy Chairperson. All normal purchases above US\$100,000 shall be submitted to the Tender Board at Headquarters for consideration and approval through the Director of Administration. In emergency situations and exceptional cases, the Deputy Chairperson, through the advice of the Local Tender Board, could authorize expenditure from US\$100,000.00 up to US\$250,000. In such cases, a copy of the minutes of the Local Tender Board meeting shall be forwarded to the Deputy Chairperson for approval, through the Director, Peace and Security.
 - (vi) The Field Mission shall determine the needs, specifications and quantities as well as the source of supply. It shall conduct the bidding processes within the above threshold. Justification must be provided in writing in cases of single/sole sourcing.
 - (vii) The PSD and the Field Mission where necessary, shall be represented in the Tender Board at the Headquarters.

3.11 LOCAL PROCUREMENT

- (a) Although it is recognised that Local Tender Boards may not have a Procurement Unit as such, the term is used to include any Procurement or Logistics officer or part time officer with responsibility for conducting procurement operations.
- (b) The Finance and Administration Officer will act as the focal person for the Local Tender Board with the following responsibilities:

- (i) relay detailed instructions received from AUC Headquarters to all units, projects and programmes for development of the Annual Procurement Plan;
- (ii) develop, cost and consolidate detailed annual procurement plans by account code for approval of the Local Tender Board;
- (iii) co-ordinate all local procurement activities including:
 - maintenance of Registers of pre-qualified suppliers, and consultants;
 - receipt of Procurement Requisitions and detailed specifications from Originating Units;
 - checking that the proposed procurement is defined within the annual procurement plan;
 - confirming the availability of sufficient budgeted funds by obtaining a Certificate of Availability of Funds from the Finance Officer;
 - selecting of the procurement method for each procurement;
 - reviewing detailed specifications provided by the Originating Unit to ensure precision and classification into appropriate lots;
 - defining packaging, marking and delivery instructions;
 - preparing bidding documents, and advertisements or a shortlist of suppliers, as appropriate;
 - issuing bidding documents;
 - responding in writing to any written requests for clarifications from bidders where permitted within the bidding documents;
 - notifying bidders of any approved extensions to closing dates for the submission of bids;
 - requesting extensions of bid validity from bidders if necessary;
 - registering and arranging for the secure maintenance of bid securities,
 - registering and maintaining any samples required to be submitted by bidders;
 - initial preparation of the draft contracts for vetting by the Legal Officer or preparation of Purchase Order;
 - notifying award of contract to the winning bidder, and to unsuccessful bidders;
 - ensuring the prompt release and return of bid securities when no longer required;

- maintaining detailed records for each procurement;
 - ensuring the effective management of contracts, including the initiation of advance payments, that all contractual obligations of the AUC are performed promptly and efficiently, the processing of invoices for payment, and file closure on completion of all obligations of both parties to the contract;
 - monitoring delivery schedules and the inspection and certification of delivery or performance;
 - registering and secure maintenance of advance payment securities and performance securities, and actioning any claims against securities or retentions subject to approval of the Headquarters Tender Board;
 - releasing and returning all securities as soon as they are no longer required for protection of the AUC;
 - notifying the supplier immediately in writing of any failings in performance of his obligations including notification of shortages and deficiencies;
 - processing of claims against insurers.
- (iv) providing general secretarial support and advice to meetings of the Local Tender Board to include preparation of correspondence, notices, agendas, minutes of meetings, and communication of the decisions or queries of the Meeting;
- (v) undertake any other duties or tasks as directed by the Local Tender Board;

PROCUREMENT STRUCTURES COMMON TO AUC HQ AND LOCAL OFFICES

3.12 INSPECTION AND RECEIVING COMMITTEES

- (a) For purchases by way of Tender, the receipt of all goods, and the validation of work completed for works and services shall be subject to inspection and verification by a standing committee. Members of the Inspection and Receiving Committee should not also be Members of the Tender Board that approved the award of contract, except where due to shortage of manpower such segregation is not possible.

3.12.1 The composition of Inspection and Receiving Committees should be:

- a representative of the Stores (or relevant Sub-Stores)/BETS;
- a representative of the Originating Unit;
- a representative of the Procurement Unit; and
- Resource person/expert

3.12.2 Receipt of Goods and Equipment

- (a) The unpacking and examination of goods received should (wherever practical) be conducted in the presence of the supplier's representative against the following documents:
- AUC Purchase Order
 - packing lists;
 - invoices;
 - shipping documents;;
 - customs clearance documentation;

3.12.3 The Inspection and Receiving Committee Report shall be forwarded as appropriate to the Stores/Medical Centre/BETS for submission to the Procurement Unit for necessary action Certification of Works Completed or Services Performed

- (a) Certification of works or services performed is only undertaken by a formal Inspection and Receiving Committee on the Interim or Final Takeover of works, and at key milestones under a contract for services, resulting in the issue of a formal certificate of completion or performance.
- (b) The Inspection and Receiving Committee Report shall be forwarded to the BETS Unit and Procurement Unit as appropriate, for processing of payment to the contractor and record purposes.

3.13 STORES UNITS

- (a) Stores Units, including approved sub-stores, are responsible for the following procurement activities:
- (i) preparation of the annual budget for stock items ;
 - (ii) acting as the Originating Unit for purchase of stock items and make appropriate follow up;
 - (iii) where items requested on a Stores Requisition are not available within the stores, raising of a Purchase Requisition to the Procurement Unit;
 - (iv) providing confirmation that items are not available in the Stores for Purchase Requisitions raised by Originating Units;
 - (v) co-ordination of receipt of goods procedures and arranging for attendance of the Inspection and Receiving Committee and the supplier;
 - (vi) issue of a Goods Received Note for all items received in the Stores;
 - (vii) taking charge of all stock and non-stock items, or co-ordinating delivery.

3.14 ORIGINATING UNITS

- (a) The Originating Unit, Officer, Directorate, Project or Programme is the initiator of requests for procurement action and has responsibility for:

- (i) ensuring that the procurement is:
 - justified by the needs of the Unit, Directorate, Project or Programme;
 - within the annual procurement plan and covered by available funding in the budget;
- (ii) preparing the specification of the requirement; and
- (iii) preparing a Stores Requisition;

SECTION 4: METHODS OF PROCUREMENT

CHAPTER 4: METHODS OF PROCUREMENT

4.1 PROCUREMENT METHODS

(a) The procurement methods that may be used are as follows:

- Open Tendering
- Restricted Tendering
- Request for Quotations
- Direct Procurement
- Request for Proposals
- Use of a Procurement Agent

4.2 OPEN TENDERING

4.2.1 Open Tendering

- (a) Open tendering by public advertisement is the preferred method of AUC procurement and is required by the Financial Rules and Regulations (2006) for procurements above the threshold values of USD 50,000 for AUC Headquarters and USD 10,000 for Local Offices.
- (b) The use of alternative methods is strictly limited to the provisions of the Manual in paragraphs 4.2.2 to 4.2.5 below.

4.2.2 Restricted Tendering

- (a) Restricted Tendering (or ‘selective tendering’) is a tendering process by direct invitation to a shortlist of pre-qualified, pre-registered or known suppliers. It is an appropriate method of procurement where:
- (i) the estimated cost is between USD 10,000 and USD 50,000 for AUC Headquarters and Peace Support Operations, or between USD 5,000 and USD 10,000 for other Local Offices (as established in the Financial Rules and Regulations of the African Union (2006));
 - (ii) a formal open pre-qualification of bidders for the specific requirement has been conducted (See Chapter 8).
- (b) **OR** subject to a specific waiver being granted by the AUC Headquarters Tender Board when:
- (i) the requirement is of a specialised nature or has requirements of public safety, or public security which make an open tender impossible;
 - (ii) due to the urgent nature of the requirement, an open tender is not practical;
 - (iii) the number of potential suppliers is limited; or

- (iv) an open tender has failed to bring an award of contract.
- (c) Under Restricted Tendering, the AUC will invite bids from a list of pre-qualified suppliers broad enough to assure competitive prices (a minimum of three suppliers and a maximum of eight suppliers), and including all suppliers when there are six or less. Open Tender procedures shall apply in all respects, other than advertisement being replaced by direct invitation to a shortlist of bidders.

4.2.3 Request for Quotations (RFQ)

- (a) This is also known as “shopping” and is based on comparing price quotations obtained from at least three known suppliers, to ensure effective competition.
- (b) Request for Quotations may be used when:
 - (i) the estimated value is less than USD 10,000 for AUC Headquarters and PSO Offices, and less than USD 5,000 for Other Local Offices;
- (c) **OR** subject to a specific waiver being granted by the Tender Board if:
 - (i) the goods, works or services are only available from two suppliers; or
 - (ii) no bids were received, or only one bid was presented, in response to a Restricted Tendering exercise.
- (d) Request for Quotations using a standard approved format is particularly suitable for procuring readily available off-the-shelf goods or standard specification items when no special conditions of contract are required. Where special conditions of contract are required, use of a more appropriate bidding document and contract format is recommended to protect the interests of the AUC.

4.2.4 Direct Procurement

- (a) Direct procurement from a supplier without competition may be appropriate when:
 - (i) the estimated cost is less than USD 500 for AUC Headquarters, Peace Support Operations, and other Regional Offices;
- (b) **OR** subject to a specific detailed justification of the following circumstances:
 - (i) the purchase is for an emergency and urgently needed procurement, provided this is restricted to the minimum quantity to meet the urgent need until a purchase by other methods can be fulfilled;
 - (ii) the requirement can only be supplied by one source for physical, technical or policy reasons, e.g. the required equipment is proprietary and obtainable only from one source;
 - (iii) the works or services are of a technical nature and implementation requires a designated specialist or technician; or
 - (iv) where additional goods, works or services are required within the limits specified under an existing contract, or the value is less than 10% of the original contract sum, and a change of supplier is not desirable.

4.2.5 Request for Proposals

- (a) Request for Proposals is a form of open tendering used in the selection of consultants for consultancy assignments [See Chapter 16]. It is normally preceded by a request for expressions of interest to pre-qualify suitable consultant firms, and is appropriate when:
- (i) specialist studies, reviews, structural reorganisation, professional in-house training, and development of systems or procedures are required; and
 - (ii) the quality and professional standards of work required are paramount.

4.2.6 Use of Procurement Agents

- (a) The use of Procurement Agents is a method of procurement that should only be applied in very exceptional circumstances and subject to formal approval by the AUC Headquarters Tender Board, when:
- (i) Procurement is directly funded by a donor and it is a requirement or recommendation of the donor that the services of a procurement agent are used in the interest of speed and expertise; or
 - (ii) AUC has no relevant experience for a specialist form or method of procurement and the savings in time and cost can be adequately justified. However, in practice, it may be preferable to engage the services of a suitably qualified expert to advise and assist the AUC directly in the specialised procurement process or methodology.

4.3 SELECTION OF PROCUREMENT METHOD

- (a) The Selection of Procurement Method Chart provided at Annex 1 gives an indicative summary of the various factors to be considered in deciding the procurement method to be used.
- (b) Note that: Requirements must not be split into two or more procurements to avoid using the specified procurement method, or to avoid approval of a Tender Board.**

4.4 TIMESCALES FOR PROCUREMENT METHODS

- (a) The following are minimum bidding periods which should be allowed

RFQ	1 week
Restricted Tendering	2 weeks
Open Tendering	4 weeks from the date of the first advertisement*
RFP	4 weeks*

** a longer period may be necessary for bidders to prepare bids for complex technical requirements*

SECTION 5: STEP BY STEP PROCUREMENT GUIDELINES

CHAPTER 5: PROCUREMENT PLANNING AND BUDGETING

5.1 INTRODUCTION

- (a) Adequate procurement planning and prioritisation of needs by each Originating Unit is an essential prerequisite to effective purchasing for the following reasons:
 - (i) Funding for procurement is unlikely to be sufficient to meet all requirements, and scarce financial resources must be channelled to ensure that the priority aims of the AUC are adequately met before spending on less essential procurements.
 - (ii) Effective planning allows requirements to be aggregated into larger purchases at lower unit costs, rather than frequent sourcing of quotations for identical items and the issue of multiple separate Purchase Orders.
 - (iii) Procurement of Common Use items may also be aggregated for more than one Originating Unit into annual Framework (Call-off) Contracts (See Chapter 21), to permit further economies of bulk purchasing, saving of time wasted by separate procurements, and a reduction of the need to maintain high stock levels.
 - (iv) Publication of realistic annual procurement plans allows the private sector to respond more effectively to the requirements and specifications of the AUC, through investment in staff and equipment, manufacture and importing of goods, and financial planning.
- (b) Structured development of procurement plans is an essential part of the annual budget preparation process and provides an essential checklist for the approval and monitoring of procurement activity by the Tender Board.

5.2 THE BUDGET PREPARATION PROCESS

- (a) Annual budgets are prepared each year in accordance with the procedures specified by the Directorate of Programming, Budgeting, Finance and Accounting (PBFA). The Budget Guideline shall be issued by PBFA with Procurement and Travel Unit making an input as regards procurement issues.
- (b) The Head of the Directorates, Divisions, Units, Projects or Programmes have the responsibility of ensuring that their procurement requirements are included in the budget.

5.3 PREPARATION OF THE ANNUAL PROCUREMENT PLAN SHOULD BE ALIGNED WITH THE BUDGET CALENDAR OF THE AUC. PROCUREMENT AND TRAVEL UNIT ACTIONS

- (a) The Procurement and Travel Unit has the task of coordinating and vetting submissions into the AUC Annual Budget as they relate to procurement compilation and prioritisation of expenditure for the Annual Procurement Plan based on submissions from originating units at the AUC, regional offices, and

field missions. In this context, the Procurement and Travel Unit has the following responsibilities:

- (i) Make inputs into the annual budgeting guidelines issued by the PBFA. The inputs should provide general guidance on the format and content of the submissions, as well as the current costs of standard items in line with the AUC cost catalogue.
- (ii) Receive submissions, check quantities and costing, obtain clarifications to any queries analyse and compile all the submissions into a comprehensive procurement budget and submit to PBFA for incorporation into the draft budget.
- (iii) In response to advice of the PBFA and in full consultation with the originating units of the AUC, regional offices and field units, accordingly review the procurement budget to align it with available resources and approved priorities.
- (iv) Once budget is approved by the authorities (Executive Council and Assembly), compile the final annual procurement plan and submit to the Director of Administration for approval.
- (v) Send copy of approved annual procurement plan to PBFA and SPPME.
- (vi) Notify AUC originating units, regional offices, and field missions of their approved procurement plans and annual procurement budgets.
- (vii) Implement the approved annual procurement plan.

5.4 STORES UNIT ACTIONS

- (a) Stores Units are required to prepare the estimated requirement, cost and delivery scheduling of each stock item held in addition to Stores Unit operational purchases. The planned quantities to be procured must take into consideration existing stock levels and established annual usage patterns.

Action:

- (i) Analyse the stores ledger and extract stock descriptions, annual issues and seasonal usage patterns, current stock levels, average purchase quantities. Determine anticipated requirements for the next Financial Year in consultation with Originating Units, and costing in consultation with the Procurement Unit.
- (ii) Submit detailed schedules of the annual requirement for stock items, the costs analysed between detailed Account Codes, to the Procurement Unit in accordance with the instructions received.
- (iii) For operational requirements other than stock items, also submit a separate Procurement Plan in accordance with Section 5.5 below.
- (iv) Respond to any queries raised by the Procurement Unit.
- (v) Receive notification of the final approved Annual Procurement Plan and budget and use this as an essential guideline for all procurement processes to be undertaken in the new Financial Year.

5.5 REGIONAL OFFICES, FIELD MISSION AND ORIGINATING UNIT ACTIONS

- (a) Regional Offices, Field Missions and Originating Units are required to ensure the analysis and preparation of their Annual Procurement.

Action:

- (i) Identify all procurement requirements of goods, works and services for the next Financial Year for inclusion in the Annual Procurement Plan.
- (ii) Within the constraints of the financial budget, and wherever practical, purchases for consumable items shall be planned to cover a period of at least six months requirements.
- (iii) Submit the Annual Procurement Plan to the Procurement Unit, identifying all proposed procurements for the new Financial Year by quantity, cost and the full Account Code.
- (iv) Respond to any queries raised on procurement issues and other advice when necessary.
- (v) Receive notification of the final approved Annual budget and use this as an essential guideline for all procurement processes undertaken in the new Financial Year.

CHAPTER 6: INITIATION OF PROCUREMENT

- (a) A flowchart showing a summary of pre-contract activities required and responsibility for them is provided in Annex 1.

6.1 IDENTIFICATION AND SPECIFICATION OF REQUIREMENT

6.1.1 Identification of Requirement

- (a) A requirement may originate from a Stores Unit for replenishment of stock items, or from any Originating Unit for other goods, works or services.
- (b) The estimated cost of the requirement must already be included in the approved annual procurement plan and the budget.

Action by Stores Unit or Originating Unit:

- (i) Estimate the cost based on previous procurements and market rates;
- (ii) Confirm the source and availability of funding, including contact with the donor or other source of extra budgetary funding where applicable;
- (iii) Check if this requirement can be consolidated with similar known requirements within the AUC to make a more attractive package for bidders.

6.1.2 Specification of Requirement

- (a) The requirement needs to be fully identified with detailed technical specifications, drawings, plans, objectives and/or terms of reference as appropriate.
- (b) Specifications must be generic and should not include brand names, model numbers, catalogue numbers or trademarks except where these are essential for compatibility with existing machinery, equipment or instruments.
- (c) If detailed specifications cannot be adequately prepared by the Originating Unit, the advice of the Procurement Unit may be sought for assistance or the recommendation of a specialist technical advisor.

Action by Stores Unit or Originating Unit:

- (i) Goods: define the requirement in terms of description, quantity, quality, urgency, packing and marking requirements and provide a detailed specification.
- (ii) Works - prepare plans, drawings, specifications and a bill of quantities under the supervision of the BETS Unit.
- (iii) Non-Consultant Services (e.g. routine cleaning of premises or computer support services) - prepare a description of services required, and a detailed specification of the requirement including the period of the contract, quality standards expected, service levels and criteria for payment.
- (iv) Consultant Services - define the objectives of the consultancy services and prepare detailed terms of reference.

- (v) requirements must not be split into more than one requisition for the purpose of reducing the estimated value, thus avoiding approval thresholds or a method of procurement.

6.2 STORES REQUISITIONS

- (a) Preparation of a Stores Requisition by the Originating Unit to the Stores Unit shall be the standard practice for all requirements of items. Two requisition formats shall be in use; the standard “Requisition for Supplies” and the “Fixed Asset Requisition Form”.

6.2.1 Requisition for Supplies

- (a) For all consumables and other items not designated as fixed assets (See 6.2.2 below), the Originating Unit shall prepare the Requisition in three copies as follows:
 - (i) Enter details of the Requisitioning Office, the delivery address, the date, telephone extension, and Room number;
 - (ii) “Item” - enter the sequential number of each separate requirement - e.g. “1”, “2” “3” etc.;
 - (iii) “Stock No.” - enter the stock number (if known);
 - (iv) “Quantity” - enter the number of items required, and where appropriate the applicable unit of measure - e.g. “pack of 10”, “1 Kg box”;
 - (v) “Description” - enter a brief description of the requirement e.g. “A4 paper 80 gms”;
 - (vi) “Previous Requests” - enter the date and quantity supplied of the last time this item was requested;
 - (vii) Submit all copies of the Requisition to of the Head of Division/Unit for approval and signature;
 - (viii) Forward the original and both copies to the Stores Unit for processing.
- (b) The Stores Unit will action the issue from stock by:
 - (i) Completion of the “Quantity Delivered” column with the number of items available for delivery;
 - (ii) Authorisation of the Requisition for issue by the Stores Manager;
 - (iii) Signature on the Requisition by the issuing Officer and the Stock Records Officer;
 - (iv) Delivery by the Stores and obtaining the signature of the Receiving Officer in the Requisitioning Office for the quantities delivered.
- (c) The original and first copy of the completed Requisition for Supplies will be retained by the Stores Unit, and the second copy provided to the Requisitioning Office.

6.2.2 Fixed Asset Requisition Form

- (a) For furniture, equipment, vehicles and other fixed assets, the Originating Unit shall prepare the Fixed Assets Requisition in three copies as follows:
- (i) Enter details of the Requisitioning Office, the delivery address, the date, telephone extension, and Room number;
 - (ii) Provide a brief justification for the requirement;
 - (iii) "Item No." - enter the sequential number of each separate requirement - e.g. "1", "2" "3" etc.;
 - (iv) "Stock No." - enter the stock number (if known);
 - (v) "Quantity Requested" - enter the number of items required;
 - (vi) "Description" - enter a brief description of the requirement e.g. "bookcase 200cm x 150cm x 40cm";
 - (vii) Submit all copies of the Requisition to of the Head of Division/Unit for approval and signature;
 - (viii) Forward the original and both copies to the Stores Unit for processing.
- (b) The Stores Unit will action the issue from stock by:
- (i) Completion of the "Serial No." and the "Quantity Issued" columns with the number of items available for delivery;
 - (ii) Approval of the Requisition for issue by the Stores Manager;
 - (iii) Signature on the Requisition by the Stock Records Officer and the Checking Officer;
 - (iv) Delivery by the Stores and obtaining the signature of the Receiving Officer in the Originating Unit Office for the items and quantities delivered.
- (c) The original and first copy of the completed Requisition for Supplies are retained by the Stores Unit, and the second copy provided to the Requisitioning Office.

6.3 PURCHASE REQUISITION AND BUDGET CONFIRMATION

The following procedure shall be followed:

6.3.1 (a) Action by Stores Unit or Originating Unit

The Stores/Medical Centre/BETS shall prepare a Procurement Requisition in three copies containing as a minimum the following information:

- (i) Title of the Procurement
- (ii) Location/Site for delivery - e.g. "Medical Centre - AUC Headquarters".
- (iii) Item number - the sequential number of each separate requirement - e.g. "1", "2" "3" etc.

- (iv) Description - list the individual requirement for goods - e.g. "Photocopier with Sorter and Stapler for 20 copies, A3/A4 paper handling, duplex facility, minimum of 40 pages per minute". For works and services provide a general description of the requirement. Wherever appropriate, attach separate detailed specifications, plans, and bill of quantities or terms of reference, to provide full information.
- (v) Quantity - the number of items required.
- (vi) Unit of Measure - e.g. "each", "pack of 10", "1 Kg box" as appropriate.
- (vii) Estimated Unit Cost - enter the estimated cost of 1 unit.
- (viii) Estimated Total Cost - enter the estimated cost of 1 unit multiplied by the Quantity.
- (ix) Funds availability: the Purchase Requisition shall be accompanied a Certificate for Availability of Funds duly signed by PBFA.
- (x) Sign and enter details of name, job title and date.
- (xi) Attach all necessary supporting documents, including detailed specifications, plans, drawings, bill of quantities and terms of reference as appropriate.
- (xii) Forward the original and one copy of the Purchase Requisition to the Procurement Unit for processing and confirmation of the availability of funds. Retain one copy for Originating Unit records and progress chasing of the procurement.

(b) Action by Procurement Unit:

- (i) Receive the Purchase Requisition and supporting documents from the Stores Unit or other Originating Unit.
- (ii) Review the price estimate for the procurement, based on previous prices paid, and discuss with the Originating Unit if any revision to the estimate is required.
- (iii) Verify that the requirement is defined in the Annual Procurement Plan
- (iv) Check that Requisition and attached documents are complete, that any plans and designs for works are approved by the BETS Unit, that all essential site tests and inspections have been carried out.
- (v) Ensure that the specifications for goods or terms of reference for services are suitable for the need and are of an appropriate quality.
- (vi) Review the specifications and develop as necessary in consultation with the Originating Unit to ensure that these are detailed, precise and generic without reference to the trademarks or products of a specific supplier. Brand names shall only be used if essential in which case a full justification must be given, or the words "or equivalent" added.
- (vii) Identify any requirements for pre-shipment inspection of imported goods and identify an appropriate inspection agent (See Section 15.3).
- (viii) Classify the requirements into Lots or groupings of similar items if necessary to maximise competition by bidders.

- (ix) Determine the procurement method to be used (see Chapter 4 and the decision chart at Annex 1). If an alternative method to that which would normally be used is proposed, prepare a full justification in consultation with the Originating Unit.
- (x) Prepare the draft bidding and contract documents to ensure that all necessary conditions are incorporated in accordance with the standard formats of bidding documents in use.
- (xi) Prepare a draft advertisement or invitation to bidders and determine the price to be paid for the documents by bidders for open tenders.
- (xii) The following shall be signatures of the Purchase Requisition:
 - Stores: Prepared by: Stores clerk, Certified by Chief of Stores, approved by Head of Administrative Services Division;
 - Medical Centre: Prepared by Senior Nurse, Certified by AUC Pharmacist, Approved by Director of the Medical Centre;
 - Works: Prepared by Estate Officer, Certified by Chief of BETS, Approved by Head of Administrative Services;

CHAPTER 7: APPROVAL OF SPECIFICATIONS, PROCUREMENT METHOD & BIDDING DOCUMENTS

- (a) For complex bids that may require the use of external expertise in their preparation, the Tender Board or an ad hoc Committee mandated by the Tender Board shall review and approve the draft bid and the draft announcements.

CHAPTER 8: SELECTION OF BIDDERS

The provisions of Chapter 17 on Supplier Registers should also be noted.

8.1 GROUNDS FOR EXCLUSION

- (a) Bidders will be excluded from participation in all AUC procurement procedures if:
 - (i) they are bankrupt or being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are the subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
 - (ii) they have been convicted of an offence concerning their professional conduct by a judgment which has the force of *res judicata*; (i.e. against which no appeal is possible);
 - (iii) they have been guilty of grave professional misconduct proven by any means which the AUC can justify;
 - (iv) they have been the subject of a judgment which has the force of *res judicata* for fraud, corruption, involvement in a criminal organisation or any other illegal activity detrimental to the AUC's financial interests;
 - (v) they have not fulfilled obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which they are established or those of the country where the contract is to be performed;
 - (vi) they have been previously removed from the AUC Supplier Register or debarred from previous procurement activities for any of the reasons given above or any other reasons which the AUC can justify.

8.2 PRE-QUALIFICATION OF BIDDERS FOR SPECIFIC CONTRACTS

- (a) Pre-qualification of bidders:
 - (i) is appropriate for large or complex works, or in other circumstances when the high costs of preparing detailed bids could discourage competition;

- (ii) is often used for custom-designed equipment, industrial plant, consulting services, and contracts to be let under turnkey, design and build, or management contracting;
- (iii) ensures that invitations to bid are extended only to those who have adequate capabilities and resources;
- (iv) helps to ensure that only bids from competent suppliers and contractors are considered and eliminates disputes that may arise from rejection of lowest bids because the bidders are not considered qualified;
- (v) may be required as a conditionality on donor funded procurements.

8.2.1 Pre-qualification Criteria

- (a) Pre-qualification is based upon the capability and resources of prospective bidders to perform the particular contract satisfactorily, taking into account their:
 - (i) experience and past performance on similar contracts;
 - (ii) capabilities with respect to personnel, equipment, and construction or manufacturing facilities;
 - (iii) required licensing and professional registrations; and
 - (iv) commercial and financial resources.

8.2.2 Advertisement for pre-qualification

- (a) The invitation to pre-qualify for bidding on specific contracts or groups of similar contracts shall be advertised in the same way as an Open Tender. The scope of the contract and a detailed statement of the requirements for qualification must be provided in the advertisement.

8.2.3 Pre-qualification evaluation

- (a) No formal opening of submissions is required, but a formal evaluation of the capabilities of each supplier is required against the criteria as stated in the advertisement.
 - (i) Where a large number of suppliers pass the stated qualification criteria, it may not be realistic to invite more than a maximum of eight to participate in the specific tender. If so, only the best qualified suppliers should be selected and invited to bid.
 - (ii) All applicants that are evaluated to have met the specified criteria may be added to the standing Registers of Suppliers held by the AUC.
 - (iii) Inform all applicants of the results of pre-qualification and/or acceptance to the Register of pre-qualified suppliers. Applicants who fail to meet the pre-qualification criteria should be briefly advised of the reasons. No further correspondence shall be entered into regarding applications.
 - (iv) When pre-qualification is completed, issue the bidding documents to all qualified bidders, or to an appropriate shortlist of the qualified bidders.

CHAPTER 9: ANNOUNCEMENT AND ISSUE OF BIDDING DOCUMENTS

9.1 ANNOUNCEMENT FOLLOWING APPROVAL BY THE TENDER BOARD

(a) Action by Secretary of Tender Board:

- (i) Examine the decision of the Tender Board in the case of complex bids and ensure that full approval has been granted or that any modifications required or approved by the Tender Board are accurately captured in the documents.
- (ii) Confirm to the Chairperson of the Tender Opening Committee, the date and time of the tender opening. Ensure that the room where the tender opening will be held, is available and booked.
- (iii) Arrange for publication of the advertisement, or issue of the invitation to short-listed bidders.
- (iv) For an open tender, prepare sufficient copies of the bidding documents.
- (v) Ensure that full records are maintained and updated and that copies of all relevant documents are retained in the Tender Board Secretariat for reference.

9.2 ISSUE OF INVITATIONS FOR RESTRICTED TENDERING

- (a) The bidding documents for Restricted Tendering must be issued to all short-listed bidders simultaneously, by post, by fax, e-mail (with confirmation of receipt), or by hand in return for a written receipt.

Action by Procurement Unit:

- (i) Prepare the documents for distribution containing a personalised Letter of Invitation and the complete set of bidding documents.
- (ii) If the tender is subject to conformity with a sample or samples, obtain written acknowledgement from the bidder that the sample or samples have been inspected.

9.3 ISSUE OF REQUESTS FOR QUOTATIONS

- (a) The procedure for issue of Requests for Quotations to short-listed bidders follows the same principles as for Restricted Tendering above.
- (b) The standard document format for Request for Quotations will be used wherever practical. However, where more detailed instructions to bidders are necessary, or the Purchase Order is not a suitable form of contract due to the special conditions of contract required, use of a more practical standard bidding document and form of contract is recommended.

CHAPTER 10: ADVERTISING FOR PROCUREMENT

10.1 ADVERTISEMENTS FOR OPEN TENDER

- (a) All contracts estimated to cost USD 50,000 and above should be procured using open tendering and public advertisement. Publication of the advertisement should allow sufficient time before the deadline to enable prospective bidders to obtain the bidding documents and to prepare and submit their bids. The period allowed should be a minimum of one-month following the date of the first advertisement, but longer periods may be necessary for more complex requirements.

10.1.1 Contents of the Advertisement

- (a) The advertisement must clearly explain how bidders may submit a bid and provide sufficient information to enable potential bidders to decide whether to participate.
- (b) The information contained in the advertisement must correspond with the information in the Bidding Document and in particular, the relevant information in the Instructions to Bidders and any Bid Data Sheet.
- (c) The advertisement should include as minimum, brief information on:
 - (i) the source of funding (when necessary);
 - (ii) the goods, works or services to be procured;
 - (iii) any qualification requirements for bidders (e.g. a requirement for a minimum level of experience in the subject of the procurement);
 - (iv) the procedure for obtaining a set of the bidding documents;
 - (v) the place and deadline for submission of bids;
 - (vi) the value of any bid security required.

10.1.2 Publication of Advertisement for Open Tenders

- (a) The advertisement shall be published as follows:
 - (i) on the AUC Website and/or in specialized or widely read Journals;

CHAPTER 11: BID CLARIFICATION, EXTENSION AND CANCELLATION

11.1 BID CLARIFICATIONS

- (a) If permitted in the bidding documents, a bidder may request clarifications on the contents of the bidding documents. The period during which bid clarifications can be requested will be defined in the bidding documents. Requests for clarifications received after this period may be ignored unless they draw attention to a serious flaw in the bidding documents.

Action by Procurement Unit:

- (i) Each request for clarification must be recorded, and referred immediately to the Procurement Unit to develop a response in consultation with the concerned Originating Unit.
- (ii) The Procurement Unit should also consider if the proposed response to a request for clarification will require bidders to undertake additional work, or make substantial modifications to their bids, which cannot reasonably be completed by the stated date for submission of bids. In this case, the Tender Board shall be consulted for approval to extend the date for submission of bids.
- (iii) Provide a written response to the bidder and notify details of the query and the response (but without identifying the source of the query) to all other bidders simultaneously.
- (iv) Place copies of all correspondence in the Procurement Dossier.

11.2 EXTENSION OF BID CLOSING DATE

- (a) The closing date for submission of bids may be extended at the discretion of the Tender Board for any practical or justifiable reason. Such reasons may include:
- (i) modification to the bidding documents after issue, requiring additional research or effort by bidders to submit a responsive bid;
 - (ii) request for a time extension by two or more bidders; and
 - (iii) unforeseen administrative issues which force a postponement of the proposed bid opening.

(b) Action by Secretary of Tender Board

- (i) inform the Tender Board for the need for an extension
- (ii) Following approval by the Tender Board of an extension of time, convey the decision to the Procurement Unit for information of the bidders.
- (iii) Notify all bidders in writing of the revised date for submission of tenders.
- (iv) Place copies of all correspondence in the Procurement Dossier.

11.3 CANCELLATION OF BIDDING PROCESS BEFORE BID OPENING

(a) A bidding process may be cancelled at any time before the deadline for receipt of bids with the approval of the Tender Board. Justifications for cancellation may include:

- (i) the procurement need has ceased to exist or changed significantly;
- (ii) insufficient funding for the procurement to proceed;
- (iii) there is a significant change in the required technical details, bidding conditions, conditions of contract or other details, such that the re-commencement of proceedings is necessary;
- (iv) insufficient, or no responsive bids are received;
- (v) there is evidence of collusion among bidders; or
- (vi) cancellation is deemed to be in the best interest of the AUC.

(b) Action by Procurement Unit:

- i) Notify all bidders who have purchased or received the bidding documents, of the cancellation.
- ii) If the bidder has already submitted his bid, this must be returned unopened.
- iii) Notify the Originating Unit, and the donor if appropriate, of the cancellation.

CHAPTER 12: RECEIPT OF BIDS AND BID OPENING

12.1 RECEIPT OF OPEN AND RESTRICTED TENDERS

- (a) All tenders shall be received by the Head of Administrative Services Division and deposited in the designated locked tender box or secured place in the case of bulky tenders until the tender opening. The Secretary of Tender Board shall co-ordinate the organisation of Tender opening proceedings.
- (b) The Tender documents will have provided clear instructions to bidders on the marking and sealing of their bids and the procedures to be followed for submission.
- (c) The closing time for submission of bids shall be at the time and date set in the bidding documents. Tender openings shall commence immediately after this time and all work should be completed within the same session.

Action by Secretary of Tender Board:

- (i) Arrange placement of the tender box in the Secretariat of Administrative Services Division and ensure that all reception office staff and staff responsible for the receipt of post are fully aware of the tender and their responsibilities for bids received.
- (ii) Ensure that the tender box is kept locked until the tender opening and that neither the bidders nor AUC staff have an opportunity to tamper with the box.
- (iii) Register all bids received by post or by courier service on receipt, stamp with the date and time of receipt, and deposit the envelope unopened in the correct tender box.
- (iv) Direct all bidders' representatives delivering bids by hand to the tender box so that they may place their envelopes directly in the tender box.
- (v) Any tenders or samples received which are too large to fit in the tender box shall be registered and securely retained in a locked room under the control of the Procurement Unit until the tender opening.
- (vi) Close and seal the tender box immediately following the deadline for submission of bids.
- (vii) Open the tender box immediately following the deadline for submission of bids and remove all bids for the tender to be opened, and transport these to the room where the tender opening will be held.
- (viii) Ensure that tenders or samples which were too large to fit in the tender box are also transported to the room where the tender opening will be held immediately following the deadline for submission of bids.
- (ix) Late tenders shall not be accepted under any circumstances, and shall be returned unopened to the bidder.

12.2 OPENING OF OPEN AND RESTRICTED TENDERS

- (a) The Secretary of Tender Board shall co-ordinate the administration of the tender opening to assist the Tender Opening Committee, ensure smooth operation of the

proceedings, take Minutes of the Meeting, and to advise the Chairperson on procedural issues if requested.

- (b) The Chairperson of the Tender Opening Committee will control and direct the tender opening and shall not allow bidder's representatives to interfere with the work of the Committee. Any observations by a bidder to the procedures or decisions of the tender opening should be reflected in the Tender Opening reports.

Action by Tender Opening Committee:

- (i) Ensure that bidders' representatives are seated separately from the Tender Opening Committee and Officers of the AUC, and that the name, organisation represented and contact details of all attendees are recorded in an attendance register.
- (ii) Ensure the security of documents and bids at all times during the tender opening procedure to prevent any unauthorised interference with the documents and process.
- (iii) Bring in the unopened bids and samples received which have been removed from the tender box or could not be accommodated in the tender box along with the Bids Received Register.
- (iv) Open the tender box, check that the writing on each envelope or sample inside confirms that it is for the correct tender and complies with the wording and sealing required in the bidding documents. Stack all envelopes in clear view of the bidders ready for opening. Samples supplied by bidders shall be stacked separately after checking that the bidder's name is clearly identified on each sample provided.
- (v) The Chairperson of the Tender Opening Committee will open the meeting and outline the procedures to be used for the tender opening.
- (vi) Bidders are not permitted to amend their bid in any way during the tender opening nor submit any additional documents during the process once the deadline for submissions has passed.
- (vii) Check for any withdrawals or modifications and match with the original bid before proceeding. Withdrawn bids shall not be opened once the authenticity of the withdrawal notice has been confirmed.
- (viii) Open the first bid after confirming that all conditions regarding marking and sealing of the envelope have been met and the envelope has not been tampered with. Stamp the cover of the original and each copy of the bid and annotate each bid with a sequential serial number as it is opened (e.g. "1 of 7" where the total number of bids is 7).
- (ix) Read out the following details of each bid from the Original copy:
 - any bid modifications or withdrawals;
 - the number allocated to the bid by the Tender Opening Committee;
 - the name and country of the bidder;
 - the title and lot where applicable of the goods, works and/or services offered if the tender is for more than one Lot;

- the currency of the bid;
 - the total bid price;
 - any discounts offered where applicable;
 - the presence or absence of any required bid security; and
 - any other appropriate information at the discretion of the Chairperson.
- (x) In the case of two-envelope bidding where separate Technical and Financial bids are submitted for consultancy services, only the Technical bid will be opened for evaluation at the initial tender opening. The Financial bids are retained unopened pending a second public opening of those bids achieving more than the minimum Technical score. In this case the financial details above will not be read out
- (xi) Pass all bids securities to the representative of PBFA for review, registration and safekeeping.
- (xii) Any obvious failure to provide a responsive bid, such as no bid security or inadequate bid security, shall be reported to the Meeting and recorded in the Reports. These bids shall be rejected.
- (xiii) all Members of the Committee shall initial the original of each bid and all attachments thereto including any samples provided by the bidder. Any corrections to the bid documents by the bidder on prices or obvious errors and omissions shall be circled in red ink and also initialled.
- (xiv) Record the details read out of each bid in the Register of Tender Opening ensuring that amounts are recorded in words as well as figures, and record all corrections and errors or omissions which are noted during the tender opening in the Minutes of the Tender Opening.
- (xv) Mark any samples received identifying the supplier and the title of the bid and record the details in the report.
- (xvi) Any envelopes containing substitutions, or modifications, must be subject to the same level of scrutiny, including the reading out of critical details, such as price changes.
- (xvii) Reports of the Tender Opening shall be prepared by the Secretary of the Tender Opening Committee and signed by all members of the Committee.

12.3 OPENING OF REQUESTS FOR QUOTATIONS (PURCHASES BETWEEN USD 500 TO 10,000)

- (a) No public opening of the quotations submitted is required, but all quotations must be opened at the predetermined date and time by the Procurement Unit to avoid the opportunity for any bidder to become aware of the prices quoted by other bidders.
- (b) The following procedure shall be followed:

- (i) Quotations will normally be submitted using the standard format for submissions contained in the standard Request for Quotations document;
- (ii) Sealed quotations and any samples will be received and registered by the Procurement Unit;
- (iii) A minimum of two representatives; one from Originating Unit and the other from the Procurement Unit shall undertake the opening of quotations;
- (iv) The Procurement Unit shall undertake the analysis in consultation with the relevant technical services such as Medical Centre, MIS, BETS, Printing Unit etc.
- (v) The analysis and recommendation shall be forwarded to the Head of Procurement Unit for further action.

12.4 CANCELLATION OF TENDERS AND BIDS AFTER OPENING

- (a) Tenders/bids may be cancelled prior to award of contract and following approval of the Tender Board, if:
 - (i) only one bid was presented, or after rejection of all other bids, only one bid remains for consideration;
 - (ii) most of the bids were presented with unacceptable reservations and conditions;
 - (iii) the Tender Board confirms that the lowest priced bid is higher than the budgetary provision; Or
 - (iv) other reasons deemed necessary by the Tender Board.

- (b) **Action by Secretary of Tender Board:**
 - (i) Obtain approval of the Tender Board for cancellation of the Tender;
 - (ii) Notify all bidders that the tender process has been cancelled and return any bid securities.
 - (iii) Determine whether the procurement is to be cancelled, or to be re-bid, and by what method.
 - (iv) If the procurement is to be re-bid, request the Originating Unit for preparation of revised specifications, or prepare bidding documents appropriate to any different procurement method proposed;
 - (v) For tenders/bids involving several lots, the cancellation shall clearly specify the lot to be cancelled.

12.5 EXTENSION OF BID VALIDITY

- (a) The duration of bid validity is specified in the bidding documents and should be confirmed in the signed Bid Form submitted by each bidder. If circumstances occur in which award of contract cannot be made within the original bid validity period, extensions in writing should be requested from bidders, in accordance with the bidding documents.

- (b) The evaluation and award of contract should be completed within the period set for the validity of bids. The date for expiry of bid validity set in bidding documents must be monitored by the Procurement Unit, and attention drawn to this deadline not less than one week before the expiry date.
- (c) If, due to unforeseen circumstances, the work cannot be completed within the set period, the Procurement Unit shall contact bidders in writing to seek their agreement to an extension of the bid validity.
- (d) When an extension of bid validity period is requested, bidders shall be permitted to change the bid price if the extension is above 30 days. Further more, the price may be subject to adjustment if the bidding documents specifically provide for a price adjustment mechanism on requests for second or subsequent extensions, to reflect changes in the cost of inputs for the contract during the new period of extension.

Action by Secretary of Tender Board:

- (i) Maintain a diary of all bid validity dates and advise the Tender Board not less than two weeks before the expiry date so that appropriate action can be taken in time.
 - (ii) In consultation with the Bid Evaluation Committee determine the additional time required as necessary to complete the evaluation and award of the contract. Any extension of bid validity should be for the minimum period required to complete the evaluation, to complete the necessary approvals and to award the contract.
 - (iii) Prepare an individual letter to each bidder requesting their formal approval to an extension of the validity of bids and an extension of their bid securities (where necessary) for the required period. Set a date for written responses to be received by the Secretary to Tender Board stressing that bidders who do not respond in time will be considered to have withdrawn their bids.
 - (iv) Send the letter to each bidder and obtain acknowledgement of receipt.
 - (v) Ensure that a copy of each letter is filed in the Procurement Dossier.
- (e) Bidders have the right to refuse to grant an extension of bid validity without forfeiting their bid security (where applicable). If a bidder refuses to extend the validity of his bid, then on expiry of the original bid validity period, any bid security submitted shall be returned to the bidder and the bid not considered further.
 - (f) Only bidders who respond confirming their unconditional acceptance and enclosing any required extension to their bid security may be considered for further evaluation and award of contract.

CHAPTER 13: EVALUATION AND CONTRACT AWARD

13.1 EVALUATION BY THE EVALUATION COMMITTEE

- (a) The Evaluation Committee shall undertake the evaluation of bids received and make recommendations for the award of contract.
- (b) The work of the Evaluation Committee must be commenced and completed as soon as possible after the bid opening to ensure that a contract is formed with the winning bidder within the period of bid validity.
- (c) Under the single envelope bidding system, the Evaluation Committee will conduct the technical evaluation followed immediately by the financial evaluation in a single stage, resulting in an evaluation report and recommendation for contract award.
- (d) If a two-envelope bidding system is specified in the bidding document, with separate Technical and Financial bids, the evaluation process is split into two separate stages. An initial Technical Evaluation Report is prepared recommending the bids reaching the minimum technical score to proceed to the opening of their financial envelopes. Following approval by the Tender Board and a further public opening of the financial envelopes, the Evaluation Committee will combine the technical and financial evaluations and make recommendations for the award of contract.
- (e) Refer to Chapter 16 for additional information on the evaluation process for consultant services.

13.2 EVALUATION AND COMPARISON OF BIDS – GENERAL PRINCIPLES

- (a) After the public opening of bids, no information relating to the examination, clarification and evaluation of bids shall be disclosed to bidders or to other persons not officially concerned with the process.
- (b) Bids received after the deadline for submission of bids, bids withdrawn by the bidder, or bids not opened and read out at the tender opening, shall not be considered.
- (c) Bids are evaluated initially by reviewing responsiveness against the requirements stated in the bidding documents, and bids that are determined not to be substantially responsive must be rejected as defined in the bid document.
- (d) The lowest evaluated cost responsive bid will be recommended for contract award except where:
 - (i) a merit points weighting system is stated as the evaluation method in the bidding documents. In this case the bid achieving the highest total points score will be recommended for contract award;
 - (ii) non-price evaluation criteria are assigned a monetary value defined in the bidding document for bid comparison purposes causing the lowest priced bid not to be the lowest evaluated cost bid;
 - (iii) post-qualification reveals that the bidder of the lowest evaluated cost bid is not qualified to perform the contract;

- (iv) the AUC exercises its right to reject all bids.
- (e) If the Evaluation Committee requires clarifications on ambiguities or inconsistencies in a bid, a formal request must be made to the bidder in writing. No changes in the price or the originally offered goods, works or services may be sought or accepted.
- (f) Responses from bidders to clarifications will only be considered if in writing. No other communications between the Evaluation Committee and bidders are permitted during the evaluation process.
- (g) A detailed report shall be prepared on the evaluation and comparison of bids giving specific reasons for rejection of any bids and for the recommended award of contract.

13.3 TECHNICAL EVALUATION PROCESS

13.3.1 Preliminary Examination of Bids

- (a) The purpose of preliminary examination is to identify and reject bids that are incomplete, invalid or substantially non-responsive to the bidding documents and are therefore not to be considered further. To pass preliminary examination, bids must:
 - (i) be correctly submitted and completed in all material respects;
 - (ii) be properly signed;
 - (iii) meet any eligibility requirements specified in the bidding document;
 - (iv) be accompanied by the required bid security; and
 - (v) be substantially responsive to the bidding documents as defined in the bid document.
- (b) If a bid contains major deviations from, or reservations to, the terms, conditions and specifications in the bidding documents, it is not substantially responsive. The bidder is not permitted to correct or withdraw any material deviations or reservations once the bids have been opened.
- (c) Simple omissions or obvious minor mistakes should not be grounds for rejection of the bid since a bid is rarely perfect in all respects.

Action:

- (i) Examine the content of each bid to ensure that all required commercial and technical data is submitted in the format and detail required by the bidding documents. This will include:
 - any specified documentation required by the bidding documents such as valid trading licence, tax certificates, annual accounts, evidence of previous experience, power of attorney, manufacturer's authorisations, or joint venture agreements;
 - physical and chemical characteristics of goods offered and conformity of samples with the specification (where appropriate);

- (ii) Establish that the bid is a complete bid in accordance with the requirements of the bidding document. This will include:
- the completeness of the Bid Form and response to the specifications;
 - offering all of the required items, unless the bidding documents specifically allow partial bids permitting bidders to quote for only some items, lots, or for only partial quantities of a particular item;
 - all erasures, interlineations, additions or other changes made have been initialled by the bidder before bid submission;
 - no missing pages in the original copy of the bid or contradictions in model numbers or other designations of critical items.
- (iii) Confirm the eligibility of the bidder to bid and the eligibility of the goods, works and/or services offered, based on the requirements specified in the bidding documents. This will require that:
- the bidder and all partners to a joint venture are nationals or juridical entities from an eligible source country;
 - all goods and services originate from eligible source countries. For plant and equipment, this test is normally applied only to the finished product offered in the bid, and to its major and clearly identifiable components;
 - the bidder provides evidence of Manufacturers Authorisation if so requested in the bidding documents; and
 - the bidder is not disqualified due to conflict of interest through affiliation with a firm that has provided related consulting services on the project by which the procurement is financed.
- (iv) Confirm the presence and acceptability of the bid security (where required by the bidding documents). If a bid security was requested but not submitted or is submitted in an unacceptable format, the bid will be rejected. Determine the compliance of the bid security as follows:
- The security must conform to the requirements of the bidding documents, and accompany the bid;
 - If the security is in the form of a bank guarantee, it should follow the wording of the bid security form provided in the bidding document;
 - The security for a bid submitted by a joint venture should be in the name of all of the partners of the joint venture;
 - Submission of a copy bid security is not acceptable unless expressly permitted in advance;
 - Securities for an amount smaller, or for a period shorter, than that specified in the bidding documents are not acceptable.

- (v) Check if the bidder has placed any unacceptable reservations on delivery, performance or the conditions of contract.
- (vi) Check for major deviations to the commercial requirements. Major deviations are those that, if accepted, would not fulfil the purposes for which the bid is requested, or would prevent a fair comparison with bids that are fully compliant with the bidding documents. Examples of major deviations include:
 - refusal to bear important responsibilities and liabilities specified in the bidding documents, such as performance guarantees and insurance coverage;
 - disagreement with critical provisions such as the applicable law, taxes and duties, and dispute resolution procedures; and
 - any other conditions that are specified in the bidding document which may require rejection of the bid.

Note: Bids that offer deviations may be considered as substantially responsive if the deviations can be assigned a monetary value to be added as a penalty for comparison of bids, and if such deviations would be acceptable in the eventual contract.

- (vii) Recommend rejection of any bid which is not responsive to the bidding document. Minor deviations considered as immaterial to responsiveness should be mentioned in the Evaluation Report.

13.3.2 Technical Evaluation:

- (a) Only bids that have passed the preliminary examination and are considered to be substantially responsive to the bidding documents shall be considered for further technical evaluation.

Action:

- (i) Check for compliance with the technical specifications. Unacceptable deviations are those that, if accepted, would not fulfil the purposes for which the bid is requested, or would prevent a fair comparison with bids that are fully compliant with the specifications. Examples may include:
 - failure to respond to the specifications by offering a different design or product that is inferior in performance or in other requirements;
 - submission of samples which do not correspond to the specifications;
 - phasing of contract start-up, delivery, installation or construction does not conform to the required critical dates or progress markers;
 - sub-contracting in a substantially different amount or manner than that specified.
- (ii) Record the results of any inspection or analysis of samples.

- (iii) For least-cost selection procurements confirm compliance, or to record reasons for non-compliance, with the specifications. All bids passing the technical evaluation will proceed directly to the financial evaluation stage.
- (iv) For merit point procurements: If a merit point system is specified in the bidding documents then minimum technical score must be 70 points. Evaluation and scoring of each bid for the technical criteria stated in the bidding documents is undertaken:
 - Each member of the Evaluation Committee will award technical point scores individually to each bid.
 - The scores given by each member for each bid will be discussed and consolidated into a summary table.
 - Determine the averaged technical score total for each bidder and to indicate which bidders have passed the minimum technical score required.
 - If a two-envelope bidding process is prescribed in the bidding documents, complete the Technical Evaluation Report and submit to the Tender Board for approval.
- (v) Recommend rejection to the Tender Board of any bid which is not technically responsive to the bidding documents, where the samples provided do not conform to the required specifications, or where the required technical score is not reached under a merit point system.

13.4 FINANCIAL EVALUATION:

- (a) Only bids passing the technical examination shall be considered for financial evaluation.
- (b) If a two-envelope system and merit point evaluation are specified in the bidding documents, financial evaluation cannot commence until the technical evaluation has been approved by the Tender Board, and financial envelopes have been opened at a second Public Opening.
- (c) Bids offering a choice of different product models are evaluated on the basis of the lowest price offer by the bidder from among the models meeting the minimum specifications and requirements of the bidding document.

Action:

- (i) Only evaluate bids that have passed the technical evaluation stage.
- (ii) Financial bids that are based solely on a discount to the lowest priced other bid presented shall be rejected as non-responsive. Similarly, bids stipulating a price adjustment when fixed price bids were requested may be rejected as non-responsive.
- (iii) If permitted in the bidding documents, prior to bid opening bidders may have submitted modifications to their original bid. The effect of any such modifications must be fully reflected in the examination and evaluation of the bids.

- (iv) Check the bids for arithmetic errors:
- where there is a discrepancy between the amounts in figures and in words, the amount in words will govern; and
 - where there is a discrepancy between the unit rate and the line item total resulting from multiplying the unit rate by the quantity, the unit rate as quoted will govern, unless in the opinion of the Committee there is an obviously gross misplacement of the decimal point in the unit rate, in which case the line item total as quoted will govern and the unit rate will be corrected.
 - all such corrections made in accordance with the procedures specified in the bidding document, are considered binding on the bidder.
 - pricing of missing items: Where items missing in some bids are present in others, the highest price quoted for the item amongst the other bidders is added to the incomplete bids for evaluation purposes. Under works contracts, missing prices for occasional work items are normally assumed to be included in prices for closely related items elsewhere.
- (v) Acceptable Deviations: Adjust the bid price for any factors such as delayed delivery or different payment schedules in accordance with the rules specified in the bidding documents. The adjusted total bid price will be used solely for the purposes of evaluation and ranking of bids. Any such deviations must be acceptable to the AUC in the eventual contract.
- (vi) Provisional Sums: If the bids contain provisional sums set for contingencies or for nominated subcontractors, since these sums are the same in percentage for all bids, they should be deducted from the prices read out at the bid opening to allow a proper comparison of the competitive elements of bid prices during evaluation.
- (vii) Modifications and Discounts: Discounts offered in accordance with the bidding documents that are conditional on the simultaneous award of other contracts or lots in the bidding documents (“cross-discounts”) shall not be evaluated until the completion of all other evaluation steps. Any non-conditional discounts should be included at financial evaluation stage.
- (viii) Currency Conversions: If bids in different currencies are permitted in the bidding documents, convert the bid prices to US Dollars for evaluation;
- The selected source and date for currency exchange rates must be as specified in the bidding documents.
 - The source of exchange rates will be that specified in the bidding documents on the selected date.

- The selected date should not be earlier than four weeks prior to the deadline for the receipt of bids, nor later than the original date for the closing of bids.
 - Obtain written evidence of the conversion rates to be used, confirming the required date and source.
 - Apply the appropriate conversion rate to each corrected bid price to arrive at the evaluation price in US Dollars.
- (ix) Comparison and Ranking of Bids
- For least-cost selection, the corrected bid prices, adjusted for omissions, deviations and specified evaluation factors, and converted to a common currency are ranked to determine the lowest evaluated cost bid.
 - For merit point systems (including the Quality and Cost Based Selection (QCBS) method for consultant services), the combined technical and financial scores are calculated to determine the best-evaluated bidder.
- (x) In either case, the ranking of bidders may still subject to:
- the application of any margin of preference to bids from AU Member States, if allowed for in the bidding documents;
 - the application of any cross-discounts, dependant on the simultaneous award of multiple contracts or lots; and
 - post-qualification evaluation, or, if pre-qualification has occurred, reconfirmation of pre-qualification information.

13.4.1 Cross-Discounts

- (a) Cross-discounts are conditional discounts offered if more than one contract or lot is awarded to the same bidder. Bid evaluation in such cases can be complicated where:
- (i) the value of cross-discounts offered vary with the number of contracts awarded; or
 - (ii) the bidding documents limit the number or total value of awards to a bidder based on financial and technical capacity. Thus, a bidder offering the lowest evaluated cost bid on a particular contract may be denied award because of such a restriction.
- (b) Where cross-discounts are offered for least-cost selection procurements, the Evaluation Committee should select the optimum combination of awards to give the lowest overall cost of all the contracts, consistent with the evaluation criteria. Cross discounts shall not be assessed for QCBS procurements.
- (c) Detail any calculations of cross-discounts on an attachment to the Evaluation Report, which should also include the bid evaluation(s) for the other contracts, if they have been evaluated separately.

13.5 POST-QUALIFICATION OF BIDS

- (a) Post-Qualification of the lowest evaluated cost bidder should be conducted to determine his physical capability to perform the contract. Using the criteria specified in the bidding documents, this review should include an assessment of the bidder's financial and physical resources available to undertake the contract, including his current workload.
 - (i) If a pre-qualification was conducted, the lowest evaluated cost bid should be recommended for the award of contract, unless the bidder's qualifications have since materially deteriorated, or if the bidder has since received additional work that reduces the available capacity.
 - (ii) Where pre-qualification has not taken place, the lowest evaluated cost bid should be subjected to post-qualification, according to the procedures described in the bidding documents.
 - (iii) If the lowest evaluated cost bidder fails post-qualification, his bid should be rejected, and the next ranked bidder should then be subject to post-qualification examination. If successful, this bidder should receive the award. If not, the process continues for the other bidders.
 - (iv) The rejection of a bid for reasons of qualification requires substantial justification, which should be clearly documented in the text of, or in attachments to, the Evaluation Report.
 - (v) A long history of poor performance may be considered a justification for failing post-qualification if the bidder is unable to demonstrate that steps have been taken to resolve previous problems.

13.6 EVALUATION REPORT AND RECOMMENDATION

- (a) Complete the Evaluation Report to include all supporting documents and tables. The Evaluation Report is an essential document to demonstrate a record of transparency in the procurement process, and must be compiled with care and attention to detail.
- (b) The Evaluation Committee may recommend that all of the bids be rejected if:
 - (i) none of the bids are found to be responsive;
 - (ii) all of the bids are unreasonably high in price compared to the cost estimate;
 - (iii) none of the bidders are qualified;
 - (iv) there is deemed to be an absence of competition, (however lack of competition is not usually decided solely on the basis of the number of bidders).
- (c) The amount of the recommended contract award is the bid price as submitted by the lowest evaluated cost bidder after adjustment as described in the bidding documents for corrections, any discounts (including cross-discounts) and acceptance of alternative offers from the bidder (if alternative offers are permitted in the bidding documents). Adjustments for evaluation purposes only (e.g. for

deviations or margins of preference) used to determine the lowest evaluated cost bid, shall not be included in the resulting contract price.

- (d) Further adjustments to the final price and scope of the contract to correct for acceptable omissions and quantity variations in the bid may still need to be agreed with the lowest evaluated cost bidder.

Action:

- (i) Check that the total price quoted by the lowest evaluated cost bidder is acceptable compared with the original estimated cost.
- (ii) Complete the Evaluation Report with particular attention to:
 - the recommendations;
 - justification of any decisions reached by the Evaluation Committee on rejection of bidders and the recommendation for award of contract, or for essential negotiations with the lowest evaluated cost bidder, or rejection of all bids;
 - clearly establishing the actual amount of the contract award.
- (iii) Explain any inconsistencies between prices and modifications to prices read out at bid opening.
- (iv) Detail bids rejected during the examination. Copy and attach selected pages from bids, if necessary, to show examples of objectionable features.
- (v) Explain reasons if provisional sums vary among bidders.
- (vi) Explain any substantial corrections for arithmetic errors which may affect the ranking of bidders.
- (vii) Explain any additions, adjustments, and priced deviations that may affect the ranking of bidders.
- (viii) Provide verification evidence of eligibility for a margin of preference if the ranking of bids is affected.
- (ix) Explain any cross-discounts not read out and recorded at the bid opening.
- (x) Attach copies of any evaluation reports for other related contracts recommended for award to the same bidder at the same time.
- (xi) Give detailed justification of any reasons for not recommending award of contract to the lowest evaluated cost bidder.
- (xii) If an alternative bid is recommended for acceptance, provide a detailed explanation addressing issues of time delays, performance factors, and cost implications, and justification of any changes to the original scope and contract conditions.
- (xiii) Explain all adjustments to the evaluated price or to the contract award price.
- (xiv) Attach copies of any correspondence from bidders who raise objections to the bidding or evaluation process, together with detailed responses.

- (xv) Attach copies of any letters from bidders requesting clarifications, and responses by the Procurement Unit, and bid clarifications requested by the Procurement Unit and bidder responses.
- (xvi) Attach any separate evaluation report from the consultant, if one was engaged for this purpose.
- (xvii) Attach all required Tables and supporting documents.
- (xviii) Ensure that the bid evaluation report is double-checked and complete before submitting for approval by the Tender Board.
- (xix) Forward the completed Evaluation Report through the Procurement Unit to the Tender Board for review and approval of recommendations for award of contract.

13.7 TENDER BOARD APPROVAL OF RECOMMENDATION FOR CONTRACT AWARD

- (a) The Tender Board will review the evaluation report and recommendations presented by the Evaluation Committee.
- (b) Before giving approval, the Tender Board will ensure that any written complaints made by bidders concerning the bid opening procedures have been reviewed and responded to. If the complaint indicates a serious breach of procedures or ethics, the Tender Board shall reject the evaluation report and call for re-tendering.
- (c) The Tender Board shall award the contract to the bidder who has submitted the lowest evaluated cost bid which is responsive to the bidding documents, and has been determined to be qualified to be able to perform the contract.
- (d) The quantity of items ordered may be varied to reflect the current needs of the AUC, but only if such variation is specifically permitted in the text of the bidding documents.

Action:

- (i) Check the accuracy of the evaluation and recommendations as submitted.
- (ii) If the lowest evaluated cost bid is higher than the original estimated cost, decide whether the price increase is justified. If the price is not acceptable, the Tender Board may consider that the tender should be re-announced, cancelled, or the quantities or scope reduced.
- (iii) Review the evaluation reports received from the PSO and LTBs and take necessary action;
- (iv) If the evaluation report recommends negotiation with a bidder to remove any reservations in the lowest evaluated cost bid, the Tender Board shall arrange for such formal negotiations to be held. Negotiations may not be held with the object of reducing prices on any competitive bidding process. If negotiations with the lowest evaluated cost bidder fail to get a withdrawal of the reservations in his bid, the second-ranked bidder may be invited to sign the contract. Following any negotiation process the result of negotiations and any recommendations must be reported back to the Tender Board for approval before further action is taken. See Section 13.9 for further guidance on negotiations.

- (v) Reject any evaluation report which contains serious inaccuracies or flaws and return to the Evaluation Committee for correction and re-submission.
- (vi) Issue a full or a qualified approval to the award of contract or the recommended action. A qualified approval may be issued subject to clearly explained corrections that must be made to the evaluation report, or to the contract documents before issue.
- (vii) Ensure that all discussions and decisions of the Tender Board are reported in the Minutes of the Meeting.

13.8 REJECTION OF ALL BIDS

- (a) If the Evaluation Committee recommends the rejection of all bids, the Tender Board may consider:
 - (i) wider advertising or sourcing of bidders if the rejection of all bids is due to lack of competition;
 - (ii) invitation of new bids from the initially pre-qualified firms with updated bidding documents if the rejection is due to most or all of the bids being non-responsive;
 - (iii) if the lowest evaluated cost bid price exceeds the pre-bid cost estimates by a substantial margin, investigate the causes of the excessive cost and request new bids with amendments to the specifications or bidding document.
 - (iv) negotiations with the lowest-evaluated cost bidder with the objective of agreeing a satisfactory contract through a reduction in the scope or quantities and/or a reallocation of risk and responsibility, to reduce the contract price. However, any substantial reduction in the scope or modification to the contract documents will require re-bidding to ensure transparency.
 - (v) instructing the Evaluation Committee to review the causes of the rejection and to recommend revisions to the:
 - conditions of contract;
 - design and specifications;
 - scope of the contract;
 - or any other relevant provision;
 before inviting new bids.
- (b) Bids should not be rejected and new bids invited using the same specifications, bidding and contract documents and method of procurement solely for the purpose of obtaining lower prices.

13.9 NEGOTIATIONS

- (a) Where negotiations are recommended by the Evaluation Committee or the Tender Board, these shall normally be conducted under the direction of the Tender Board

(or the Procurement Unit for procurements under USD 10,000) subject to the following conditions:

- (i) Negotiations (including price) may be conducted where Direct Procurement is used for low value procurements, or where there is only one possible bidder due to justified single-source requirements.
- (ii) Negotiations (including price) may be undertaken in selection of consultant services where price is not an evaluation criteria. This will apply only to the Quality-Based Selection (QBS), Selection Based on Qualifications, or the Single-Source Selection methods and will follow the procedures specified in the Request for Proposals.
- (iii) Price negotiations with the lowest evaluated cost bidder on a competitive bidding process where price is an evaluation factor shall not be allowed subject to the following exceptions:
 - Negotiations with the lowest evaluated cost bidder may be undertaken where reservations or restrictions on the specifications or conditions are contained in the bid. These negotiations are for the sole purpose of persuading the bidder to waive these restrictions so that the bid is in accordance with the specifications, terms and conditions of the original tender; and
 - Negotiations with the lowest evaluated cost bidder may be undertaken to agree a satisfactory contract through a reduction in the scope or quantities and/or a reallocation of risk and responsibility, to reduce the contract price when prices quoted are substantially higher than the estimated cost. However, any substantial reduction in the scope or modification to the contract documents may require re-bidding to ensure transparency.
- (iv) **In no circumstances shall negotiations be conducted with two bidders simultaneously.**

13.10 COMPLAINTS BY BIDDERS

- (a) Complaints by bidders to the bid opening procedures or the evaluation and award of contract must be investigated and all findings reported to the Chairperson of the Tender Board. The Chairperson of the Tender Board shall immediately suspend the procurement process and ensure that the bidder has an opportunity to formally present his case and to receive an explanation of the decisions made within 7 days of receipt of his complaint. No complaint shall be entertained after seven days upon notification of award.
- (b) Where investigations indicate that the bidder has a valid complaint that may have affected the award of contract:
 - (i) no award of contract shall be made pending resolution of the dispute. (In such cases it may be preferable to simply cancel and restart the tender process); or
 - (ii) a notice suspending performance of the contract shall be sent to the supplier awarded the contract.

- (c) If the supplier awarded the contract is believed to have engaged in fraudulent or corrupt practices in obtaining the award of contract, the supplier shall be invited to explain his defence to the Tender Board. If no satisfactory explanation is received within 7 days, the contract shall be terminated and the Tender Board considers debarring the supplier from participating in AUC procurement for a set period of time.
- (d) If an award of contract was made incorrectly due to internal failures within AUC to follow the procedures established in the Manual, the Tender Board shall recommend any disciplinary action to be taken against AUC Officers, and determine the specific actions necessary to resolve the complaint and award of contract.

13.11 PREPARATION OF CONTRACT

- (a) Following the award of contract by the Tender Board, the Procurement Unit with the assistance of the Originating Unit/technical service, as required, will prepare the Purchase Order and/or draft contract document. For all contracts other than simple Purchase Orders without special conditions, the following action will be taken:

Action by Procurement Unit:

- (i) Preparation of the draft contract with the assistance of relevant technical services.
- (ii) Preparation of Purchase Order including any specific terms of contract.
- (iii) Assemble the contract documents including all attachments forming part of the contract, and submit to the Office of the Legal Counsel, for vetting of the contract.

13.12 VETTING OF CONTRACT DOCUMENTS BY OFFICE OF THE LEGAL COUNSEL

- (a) The Office of the Legal Counsel will vet the contract documents, other than Purchase Orders without special conditions of contract, to ensure that the interest of the AUC is protected.

Action:

- (i) Examine the draft form of contract to ensure that all required information, special conditions and attachments are completed, and make or advise any amendments necessary for clarity or protection of the AUC;
- (ii) Forward the vetted draft contract to the Procurement Unit for further action.

13.13 CONTRACT ISSUE AND CONTRACT SIGNATURE

- (a) Following vetting and clearance of the draft contract by the Office of the Legal Counsel, the Procurement Unit will:
 - (i) Send a formal notice of award of contract to the winning bidder, requesting submission of any required performance or advance payment securities, and inviting the bidder to attend at the AUC offices within a period of seven days to sign the contract.

- (ii) If the bidder fails to provide the specified securities or refuses without good reason to attend for signature of the contract as requested, refer to the Secretary to Tender Board for a decision on the confiscation of the bidder's bid security and award to the next ranked bidder.
- (iii) Finalise the contract as vetted by the Office of the Legal Counsel in two originals and three copies;
- (iv) Following the signature of both parties to the contract and submission of any performance or advance payment securities specified in the notice of award, distribute the copies of the contract to:
 - Original: Supplier;
 - Original: Legal Counsel
 - Copy 1: Tender Board Secretary
 - Copy 2: Originating Unit
 - Copy 3: Purchasing Officer

(b) Purchase Orders: The Procurement and Travel Unit shall:

- (i) Finalise the Purchase Order in five copies and obtain signatures as follows:
 - Prepared by: Procurement Officer;
 - Certified by: Head of Procurement and Travel Unit;
 - Authorised by: Head of Administrative Services Division.
- (ii) Distribute the copies of the Purchase Order and any attachments to:
 - Original: Supplier;
 - Copy 1: Financial Management Division;
 - Copy 2: Accounting Division;
 - Copy 3: Stores Unit/BETS/Medical Centre/Originating Unit;
 - Copy 4: Purchasing Clerk

CHAPTER 14: ADVANCE PAYMENTS

14.1 RESTRICTION ON THE USE OF ADVANCE PAYMENTS

- (a) In general international practice, advance payments for mobilisation of contractors or consultants are accepted as a standard. The use of advance payments in other cases shall be actively discouraged wherever possible throughout AUC procurement processes.

14.2 ADVANCE PAYMENT FOR GOODS

- (a) The offering of advance payment for goods in the bidding documents may be appropriate when items are specifically manufactured to the specifications of the AUC. Advance payment shall not be offered as a standard condition in any other bidding document for the procurement of goods.
- (b) The normal practice shall be to offer full payment following delivery or payment by Letter of Credit for international purchases. However, bidders may be permitted in a bidding document to offer their own alternative schedule of payment terms including a requirement for an advance payment.
- (c) If a bidder proposes an advance payment percentage as a condition of the bid, this shall be formally taken into account.

14.3 ADVANCE PAYMENTS FOR WORKS AND CONSULTANT SERVICES.

- (a) The provision of advance payments for mobilisation of contractors and consultants shall be subject to the terms stated in the bidding document. Any such advance payments may only be initiated on receipt of an advance payment security in a form acceptable to the AUC.
- (b) The provision and methodology for repayment of any advance shall be fully defined within the contract document, including a provision for deductions to be made from approved certificates or stage payments to the contractor or consultant.

CHAPTER 15: CONTRACT MANAGEMENT, DELIVERY AND PAYMENT

- (a) Effective management of contracts is essential to ensure that the objectives of the procurement process are achieved and that all contractual obligations and activities are completed efficiently by both parties to the contract. The Procurement Unit or the Technical Department concerned must ensure that routine monitoring of all current contracts is maintained so that swift remedial action can be taken when problems arise, or preventative action taken when problems are foreseen.
- (b) There are many post-contract issues that need to be dealt with, monitored and resolved before the contract reaches its conclusion including:
 - (i) Contract Effectiveness;
 - (ii) Delivery and Inspections of Goods;
 - (iii) Insurance Claims, where applicable;
 - (iv) Payments to the Supplier or Contractor;
 - (v) Performance Monitoring for Services and Works;
 - (vi) Contractual Disputes;
 - (vii) Delays in Performance;
 - (viii) Claims for Damages;
 - (ix) Initial and Final Takeover of construction works;
 - (x) Installation and Commissioning of Equipment;
 - (xi) Acceptance of Deliverables;
 - (xii) Release of Performance Securities and Retentions;
 - (xiii) Contract Closure.
- (c) A flowchart example showing a summary of the main post-contract activities for the procurement of goods is provided at Annex 1.

15.1 CONTRACT EFFECTIVENESS

- (a) Although the Contract Form may have been signed by both parties, the legal effectiveness of the Contract may be dependent on one or more of the following conditions:
 - (i) Receipt by the AUC of a Performance Security;
 - (ii) Receipt by the AUC of an Advance Payment Security;
 - (iii) Receipt by the Supplier/Contractor of the Advance Payment; or
 - (iv) Receipt by the Supplier/Contractor of an acceptable Letter of Credit.

(b) Action by Procurement Unit:

- (i) If the Supplier or Contractor fails to provide the Performance Security, and fails to respond to a written reminder, inform the Secretary of the Tender Board for a decision as to whether the contract may be cancelled and awarded to another bidder;
- (ii) Ensure that any Advance Payment specified in the contract is paid immediately when the Advance Payment Security is received from the Supplier or Contractor;
- (iii) Ensure that all the required documents for opening the Letter of Credit are made available to PBFA.

15.2 CONTRACT SUPERVISION AND ADMINISTRATION - GOODS

- (a) Contract supervision and administration for goods will be undertaken by the Procurement Unit and the Technical Department, as appropriate.
- (b) Supervision and administration is straightforward in most procurement of goods but monitoring delivery schedules, processing of documents and the inspection of goods are essential to ensure that the correct goods are delivered on time.

(c) Action by Procurement Unit

- (i) Monitor the delivery schedules of all purchases to ensure that they are dispatched, delivered or collected on time including partial shipment.
- (ii) Receive reports on any pre-shipment inspection of goods and contact the Supplier in writing requesting rectification of any discrepancies or deficiencies.
- (iii) Contact the Supplier or shipper to identify the causes of any delay in delivery;
- (iv) Initiate and supervise any process for claims against insurance or the supplier.
- (v) Report to the Secretary of the Tender Board where appropriate any failure by the Supplier in his contractual obligations.
- (vi) Undertake customs clearance and payment of handling fees at the port of entry for imported goods.

(d) Action by Stores Unit

- (i) Co-ordinate the receipt and inspection of goods;
- (ii) Issue a Goods Received Note for satisfactory delivery;
- (iii) Forward all documentation received from the Supplier to the Procurement Unit.
- (iv) Take the goods onto charge in the Stores Ledger, or release non-stock goods after delivery and formal acceptance to the Originating Unit.

15.3 PRE-SHIPMENT INSPECTION OF GOODS

- (a) Pre-shipment inspection (PSI) of goods may be required by AUC for expensive imported goods and items prone to suffering damage or deterioration during transit if not packed in accordance with the specifications in the contract. When

pre-shipment inspection of goods is specified in the contract, this will normally be undertaken by a nominated international third-party agent or a technical team mandated by the Tender Board.

- (b) The inspector (who must be experienced and appropriately skilled) will carry out the following tests, on a random sampling basis where appropriate, to ensure that the goods and packing are in strict conformity with the requirements.
- (c) **Action by Pre-Shipment Inspection (PSI) Agent:**
 - (i) Obtain and verify Suppliers' Certificates of Analysis or Compliance to verify physical characteristics and chemical details, type, batch numbers and shelf life as appropriate.
 - (ii) Where appropriate, check that the consignment has a shelf life not less than that specified in the contract from arrival at AUC, and that all necessary instructions and manuals are enclosed and are printed in the required language.
 - (iii) Check that all packages are serially numbered and complete and that labelling and marking is exactly as specified in the contract.
 - (iv) Check that dimensions of the packing are as specified in the contract and that pallet markings and handling descriptions are clearly displayed to ensure proper handling in transit and at the delivery destination.
 - (v) Check that all individual items, internal packing and external packages are exactly as specified in the contract.
 - (vi) Check that the primary packing is not damaged, opened or tampered with and that the shipping mark requirements are correct.
 - (vii) Check the packing against appropriate transportation and commodity regulations, and ensure that it is adequate for the safe shipment of goods by the contracted mode of transport.
 - (viii) Check the stability of cartons/pallets and that all waterproofing of the packing is sufficient if the consignment is to be transported by open truck, or left exposed during transit.
 - (ix) Prepare a detailed report against each of the above items and arrange for those present at the inspection to sign the report in agreement of the findings.
 - (x) Take photographs wherever possible and relevant and attach these to the report.
 - (xi) Submit the report immediately to the Procurement Unit and to the bank as appropriate.
- (d) Any discrepancies found in the course of the inspection must be reported immediately.

15.4 COLLECTING GOODS FROM THE PORT OF ENTRY

- (a) Port and customs clearance of goods and physical collection at the Port of Entry may be necessary depending on the INCOTERMS specified in the contract.

- (b) Customs clearance and payment of storage and handling fees shall be conducted or co-ordinated by the Procurement Unit.
- (c) **Before accepting the consignment:**
 - (i) carefully examine the packages to check they are all present according to the Shipping Documents or Airway Bill and to look for signs of any physical damage.
 - (ii) Look also for signs of tampering with any of the packages e.g. cases with broken seals, loose or open tops.
 - (iii) Have the packages re-weighed if there is any suspicion that items have been removed, and compare the result with the shipping documents.
 - (iv) Note any deficiency either in quantity or in condition on the receipt given in exchange for the goods (a claused receipt).
 - (v) If there are shortages, in addition to a claused receipt, a short-landed or discrepancy certificate should also be obtained to assist claims against the Supplier or insurance companies.
 - (vi) Take photographs wherever possible and relevant.

15.5 RECEIPT AND INSPECTION OF GOODS

- (a) The Stores Unit is responsible for the receipt of goods except under works contracts where construction materials are delivered direct to the site.

15.5.1 Delivery of Goods

- (a) On delivery by a Supplier or carrier, the Stores shall:
 - (i) Receive the goods into temporary storage.
 - (ii) Examine the apparent condition of the goods and packing.
 - (iii) The Stock Keeper shall sign on the delivery note/shipment documents to acknowledge receipt.
 - (iv) Receive and register the invoices, and other documentation from the supplier or shipper. Retain invoices and other documents pending processing (through the Procurement Unit) to the Accounts Department for payment following the report of the Inspection and Receiving Committee.
 - (v) Arrange notification to the Inspection and Receiving Committee and to the Supplier of the date and time of the formal inspection of the delivery.

15.5.2 Inspection of Goods

- (a) The Inspection and Receiving Committee shall meet within three days following the arrival of the goods, and in the presence of the Supplier's representative if he chooses, will:
 - (i) Examine the documentation and packaging for compliance with the contract.

- (ii) Ask the Supplier to open the packages (or arrange opening of the packages at the Supplier's expense).
- (iii) Examine and analyse the goods for conformity with the contract specifications and/or the samples provided.
- (iv) Reject all goods that are damaged or do not conform to the required specifications or samples.
- (v) Prepare the Inspection Report, recording the delivery, and descriptions, specifications and quantities of the goods examined, and the reasons for accepting or rejecting the goods.
- (vi) Release accepted goods to permanent storage.

15.5.3 Action by Stores Unit

- (i) Take stock items on charge by entry into the Stores Ledger, or arrange delivery of non-stock items to the Originating Unit.
- (ii) Issue GRN for inspected and accepted items
- (iii) Any rejected goods should be removed by the Supplier within the shortest time possible. If the goods are not removed, and it is specified in the contract, the Supplier may be charged a penalty for delay.
- (iv) The Inspection and Receiving Committee shall follow similar procedures to examine equipment that is delivered to a site and already installed by the Supplier.

15.6 PAYMENT FOR GOODS

- (a) For simple payments against invoices, the Procurement Unit will:
 - (i) Forward a request for payment to PBFA with the following attachments:
 - original invoice from the Supplier;
 - the shipping documents or airway bill, or a delivery note;
 - original of the Inspection Report;
 - original Goods Receipt Note;
 - results of any laboratory analysis;
 - calculation of any penalties for rejected goods not removed by the Supplier, and any liquidated damages if allowable under the contract;
 - copies of the contract document, records of approval and financial authorisations.
 - (ii) Keep record of all requests for payment sent to PBFA.

15.6.1 Payments by Letter of Credit

- (a) Payments by Letter of Credit will depend on the contract agreement between the Supplier and the AUC for the terms and wording of the LC. The Procurement Unit will provide to the PBFA Directorate all supporting information and documents as specified in paragraph 15.6 above.

15.7 CONTRACT SUPERVISION AND ADMINISTRATION - WORKS

- (a) Contract supervision and administration of works contracts is often complex due to factors which could not be foreseen at the start of the work. The use of Supervising Engineers or Project Managers on larger contracts can mean that daily control and supervision of the contract is not undertaken by the AUC. The BETS Unit shall therefore ensure that routine reports are received of progress and any problems that arise during the contract performance. The Supervising Engineer shall report to BETS. The Project Manager and the Supervising Engineer shall work in close collaboration with BETS in all technical matters.

15.7.1 Contract Supervision

- (a) Day to day supervision of larger works contracts is carried out by the Supervising Engineer or Project Manager who acts for the AUC to supervise and administer the contract.
 - (i) The Supervising Engineer/Project Manager usually acts at the first level in settlement of disputes and must ensure that the AUC is informed of any disputes and their resolution. Any serious disputes which may require an amendment or addendum to the original contract must be reported immediately to the AUC.
 - (ii) Additional work or costs which are not covered under the terms of the existing contract and total contract value, must be referred to the Tender Board for approval before commencement.
 - (iii) Requests for extension of time, with or without additional costs, or for additional payment to the contractor must be resolved quickly, subject to the approval of the Tender Board.

15.8 PAYMENT FOR WORKS

- (a) Payment for works contracts involving tender will normally be made against Payment Certificates issued by the Contractor, reviewed by the Supervising Engineer and BETS Unit, and Completion Reports of the Inspection and Receiving Committee on provisional or final takeover.
- (b) The BETS Unit will ensure that:
 - (i) any required retention specified under the contract is deducted from the value of the Certificate before payment;
 - (ii) agreed deductions in respect of the repayment schedule for any advance payment are deducted from the value of the Certificate before payment;

- (iii) on issue of an interim takeover certificate by the Inspection and Receiving Committee, part of any retention monies held may be paid to the contractor if specified in the contract;
- (iv) on issue of a final takeover certificate by the Inspection and Receiving Committee, the balance of any retention monies is paid to the contractor.

(c) Action by BETS Unit:

- (i) Submit a request for payment to Procurement Unit with the following attachments:
 - the Payment Certificate;
 - the report of the Inspection and Receiving Committee for interim or final takeover (if appropriate);
 - Payments Certificate showing calculations of advance payments, interim payments, any retentions, liquidated damages or other penalties applicable under the contract;
 - copies of relevant information from the contract document, records of approval and financial authorisations.

(d) Action by Procurement Unit:

- (i) Record the requests for payment in the Contracts Register.
- (ii) Forward the supporting documents to the PBFA Directorate for payment processing.

15.9 CONTRACT SUPERVISION AND ADMINISTRATION - SERVICES CONTRACTS

- (a) Contract supervision and administration for simple routine services such as office cleaning, provision of transport or contract maintenance, will be undertaken by the BETS Unit.
- (b) For consultancy services, the contract will usually nominate a Project Manager to coordinate supervision and administration.
- (c) The contract may specify payments on the basis of inputs (time), deliverables, retainers, unit rates or commission fees, and administrative and supervision activities must therefore be based on the specific terms of each contract.
- (d) The BETS Unit (or Project Manager) will:
 - (i) Monitor the activity and performance in accordance with the contract to ensure levels of service are maintained and that deliverables are submitted or completed on time. For consultancy services, the contract may specify key reports to be submitted, or timesheets and routine reports to be submitted on a monthly or quarterly basis.
 - (ii) Ensure that all contractual obligations of the AUC are performed promptly and efficiently.
 - (iii) Ensure that all deliverables (and especially reports) are reviewed immediately and responded to in writing where necessary.

- (iv) Contact the service provider to identify the causes of any failings in performance or failure to meet targets.
- (v) Issue a formal letter to the service provider detailing the complaint if the explanation given is unsatisfactory or if performance is not improved within a reasonable period of time.
- (vi) Report to the Secretary of the Tender Board in the case of works under tender any continued breach by the service provider of his contractual obligations with copy to the Office of the Legal Counsel.

15.10 PAYMENT FOR SERVICES

- (a) Payment for service contracts shall be made according to the specific terms of each contract against invoiced claims by the service provider.
- (b) The BETS Unit (or Project Manager) will ensure that:
 - (i) the invoice claim is justified by the evidence of timesheets, submission and acceptance of deliverables, or other criteria as specified in the contract;
 - (ii) agreed deductions in respect of the repayment schedule for any advance payment are deducted from the value of the invoice before payment;
 - (iii) any retention sum specified in the contract is deducted from the value of the invoice before payment.
- (c) **Action by BETS Unit (or Project Manager):**
 - (i) Submit a request for payment to Procurement Unit with the following attachments:
 - the invoice;
 - Payment Certificate showing calculations of advance payments, interim payments, any retentions, liquidated damages or other penalties applicable under the contract;
 - copies of relevant information from the contract document, records of approval and financial authorisations.
- (d) **Action by Procurement Unit:**
 - (i) Record the requests for payment in the Contracts Register.
 - (ii) Forward the supporting documents to the PBFA Directorate for payment processing.

15.11 PROMPT PAYMENTS

- (a) The AUC has a responsibility to make payments promptly in accordance with the contract. Payment delays not only create a bad impression of the AUC, but are also ultimately passed on to the AUC in higher prices as Suppliers factor in the cost of payment delays in their prices.
- (b) The periods in which payments have to be made, and any penalties for delayed payment will be those specified in the signed contract.

15.12 CONTRACT PERFORMANCE

15.12.1 Monitoring Supplier or Contractor's Obligations.

- (a) The Supplier or Contractor's performance against the contract must be monitored on a routine basis.
- (b) The Procurement Unit or BETS Unit will:
 - (i) notify the Supplier or Contractor immediately in writing of any failings in performance;
 - (ii) update the contract file and Contract Register regularly to reflect the monitoring of performance;
 - (iii) ensure that the Tender Board is informed of any serious failings in performance.

15.12.2 Performance of AUC Obligations

- (a) The Contract may impose certain conditions on the AUC which, if not complied with, may affect the Supplier or Contractor's performance including:
 - (i) Payment within the contracted time limits;
 - (ii) Assistance with import licences etc;
 - (iii) Approval of drawings or reports within the set time periods;
 - (iv) Provision of storage or working facilities and access permits;
 - (v) Conditions relating to the provision of support services by the AUC (e.g. letters of invitation for visas, provision of office space, etc.).
- (b) Ensure that all contractual obligations of the AUC are planned and performed without undue delay.

15.12.3 Delays in Performance

- (a) Delivery of goods, construction of works and the performance of services should be completed by the Supplier or Contractor in accordance with the time schedule prescribed in the Schedule of Requirements. Where this is not the case:
 - (i) In accordance with the contract conditions, the Supplier, Contractor, or its subcontractor, must notify the AUC in writing of the conditions delaying performance, including full details of the delay, the likely duration and the cause(s).
 - (ii) The Procurement Unit or BETS Unit, where appropriate, will immediately assess the situation, and may at its discretion recommend to the Tender Board an extension of the Supplier or Contractor's time for performance, with or without liquidated damages as specified in the Contract.
 - (iii) If the time for performance is extended, both parties shall ratify such extension by a formal addendum to the Contract subject to approval by the Tender Board.

- (iv) A delay by the Supplier or Contractor in the performance of obligations may render him liable to liquidated damages if specified in the contract document, except where:
 - the delay is as a result of Force Majeure;
 - there is no provision for liquidated damages in the contract;
 - an extension of time is agreed between the two parties without the application of liquidated damages.

(b) Action by Procurement Unit

- (i) Notify the Originating Unit immediately of all such delays.
- (ii) Refer to the relevant clauses in the Conditions of Contract for the procedure to be followed to apply, calculate and claim liquidated damages in collaboration with the Originating Unit/Legal Counsel.
- (iii) Update the Procurement Dossier and Contract Register to reflect any delays in the supplier's performance.

15.12.4 Resolution of Disputes

- (a) Most minor disputes may be resolved by sensible discussion and agreement between the AUC and the Supplier or Contractor to rectify the cause of complaint.
- (b) Any formal written complaints received from a Supplier or Contractor should be fully investigated and referred to the Director of AHRD to seek ways and means of addressing the complaints.
- (c) **Action:**
 - (i) The Procurement Unit shall examine the Contract carefully to be aware of all contract conditions relating to the Resolution of Disputes.
 - (ii) the Office of the Legal Counsel shall where necessary advise on interpretation of specific contractual clauses.
 - (iii) The Legal Counsel shall determine if the AUC is at fault or partly at fault, and if so, take appropriate action to rectify the problem.
 - (iv) The Procurement Unit/Secretary to Tender Board shall invite the Supplier or Contractor to a formal meeting, within 7 days of the complaint, to discuss the issues and try to agree on a compromise acceptable to both parties. Ensure that accurate written Minutes are kept of any such meeting. If an agreement is reached which changes any of the conditions of the Contract, approval of the Tender Board is required before the agreement can be implemented in the case of contracts under tender or by the Director of AHRD in other cases.
 - (v) If no initial agreement is reached and negotiations conducted also fail, the Legal Counsel shall advise on the use of conciliation or arbitration services as specified in the contract.

- (iv) The Procurement Unit shall prepare any necessary addendum to the Contract, for review and approval by the Office of the Legal Counsel, and signature.

15.12.5 Termination of the Contract

- (a) The parties to the contract normally have the right to terminate the contract, but to protect the AUC, advice of the Office of the Legal Counsel and the Tender Board should always be sought if the AUC is considering such action. Contracts shall only be terminated as per the terms and conditions spelt out in the contract. The Procurement Unit shall examine the Contract carefully to be aware of all contract conditions and penalties relating to the Termination of Contract.
- (b) The Legal Counsel shall prepare the necessary correspondences in relation to termination of contract and settlement of any contractual penalties.

15.13 CONTRACT AMENDMENTS

- (a) Contract amendment may become necessary as a result of the application of price variations specified in the contract, the resolution of disputes, additional or reduced requirements by the AUC, agreements to extend the time schedule, or from specified increases or decreases in commodity prices permitted in the contract.
- (b) All other amendments to costs, quantities, time-periods and other terms and conditions of the contract must be approved by the Tender Board/Director of AHRD as appropriate and confirmed in a formal contract amendment or addendum.
- (c) **The Procurement Unit will:**
 - (i) identify and agree with the Originating Unit and the Supplier or Contractor the specific clauses in the contract which need to be changed, and the new values or terms and conditions which are to apply;
 - (ii) For increases on simple Purchase Order contract values of less than 10% of the original sum, and where the total new value of the contract will not exceed USD10,000, issuance of a supplementary Purchase Order may be made under the authority of the Director of AHRD;
 - (iii) For increases exceeding USD 10,000, prepare a draft contract amendment document for vetting and clearance by the Office of the Legal Counsel, and together with a report justifying the reasons for the amendment, submit for formal approval by the Tender Board;
 - (iv) following approval by the Tender Board:
 - record any change in the value of the contract in the Contracts Register;
 - record any other contractual changes in the Contract Register;
 - obtain from the supplier/contractor any necessary addition to the performance security;
 - arrange for signature of the contract amendment in five copies;

- distribute copies in the same way as the original contract.
- (d) The Originating Unit shall obtain a Certificate of Availability of Funds from the PBFA Directorate for any increase in the funding requirement;

CHAPTER 16: THE SELECTION AND EMPLOYMENT OF CONSULTANTS

- (a) The procurement of consultant services is a specialised form of procurement requiring bidding procedures and documents, which are substantially different to those for standard goods and works. Many larger contracts for consultant services are directly funded by a donor, and the principles and procedures which follow should be read in conjunction with the guidelines of the donor (where applicable).

16.1 SPECIAL FEATURES OF CONSULTANCY PROCUREMENT

- (a) The use of merit-point evaluation systems and two-envelope bidding procedures are routine features in the procurement and selection of consultants. Selecting consultants for long or complex assignments on the basis of cost alone is unlikely to achieve the required quality of services.

16.1.1 Conflict of Interest

- (a) African Union policy requires consultants to provide professional, objective, and impartial advice, and at all times hold the Client's interests paramount, without any consideration for future work, and strictly avoid conflicts with other assignments or their own corporate interests.
- (b) Consultants shall not be hired for any assignment that would be in conflict with their prior or current obligations to other clients, or that may place them in a position of not being able to carry out the assignment in the best interests of the Client.
- (c) Without limitation on the generality of this rule, consultants shall not be hired under the circumstances set forth below:
 - (i) Conflict between consulting activities and procurement of goods, works or services: A firm that has been engaged to provide goods, works, or services for a project, and each of its affiliates, shall be disqualified from providing consulting services related to those goods, works or services. Conversely, a firm hired to provide consulting services for the preparation or implementation of a project, and each of its affiliates, shall be disqualified from subsequently providing goods, works or services resulting from or directly related to the firm's consulting services for such preparation or implementation (other than a continuation of the firms earlier consulting services for the same project).
 - (ii) Conflict among consulting assignments: Neither consultants (including their personnel and sub-consultants) nor any of their affiliates shall be hired for any assignment that, by its nature, may be in conflict with another assignment of the consultants.
 - (iii) Relationship with AUC staff: Consultants (including their personnel and sub-consultants) that have a business or family relationship with a member of AUC staff (or of the Client staff, or of a beneficiary of the assignment) who are directly or indirectly involved in any part of: (i) the preparation of the TOR of the contract, (ii) the selection process for such contract, or (iii) supervision of such contract may not be awarded a contract.

16.1.2 Merit-Point Systems

- (a) The use of merit-point evaluation systems and two-envelope bidding procedures are routine features in the procurement and selection of consultants. Selecting consultants for long or complex assignments on the basis of cost alone, is unlikely to achieve the required quality of services
- (b) A merit point system uses a point-scoring basis to determine the winning bidder. Points are awarded for technical capability and usually for the financial cost, according to criteria specified in the bidding documents. The bidder scoring the highest number of points is usually recommended for the award of contract.
- (c) Where cost is a factor in selection, technical quality for consultancy assignments is normally awarded 70-80% of the total points and cost 20-30%.
- (d) Merit point systems can also be used to evaluate whether bids pass a minimum technical score to proceed to a final financial evaluation (Least Cost Selection Method). The financial envelopes of all bidders whose bids pass the minimum technical score are then opened, and the bid with the lowest price recommended for award of contract.

16.1.3 Two-envelope bidding

- (a) To avoid any chance of the bidder's price influencing the technical evaluation under a merit point system, financial bids are submitted in a separate sealed envelope. The financial envelope must only be opened after the technical evaluation is completed and approved by the Tender Board.
- (b) In the interests of transparency, a second Public Opening of the financial bids of those bidders who have passed the technical evaluation stage is held.

16.1.4 Quality and Cost Based Selection

- (a) Quality and Cost Based Selection (QCBS) is the standard method of selecting consultants through competition between pre-qualified short-listed firms. Selection is based on the technical quality of the consultants, the quality of the proposal, and on the cost of the services to be provided.
- (b) The relative weights given to the technical quality and cost of each proposal are determined for each case depending on the nature of the assignment.
- (c) The procedures and guidelines below are based on the standard QCBS process of selection although other selection methods are available for use in appropriate circumstances. See paragraph 16.8.

16.2 THE STEPS OF THE PROCUREMENT PROCESS

- (a) The procurement of consultancy services will normally include the following steps:
 - (i) Preparation of the Terms of Reference (TOR).
 - (ii) Preparation of a cost estimate and confirmation of available budgeted funds.
 - (iii) Preparation and issue of the Request for Proposals (RFP), including:

- Letter of Invitation (LOI);
 - Information to Consultants (ITC);
 - Draft contract.
- (iv) Advertising for expressions of interest (if appropriate) or preparation of the shortlist of consultants from existing pre-qualified firms.
 - (v) Receipt of proposals.
 - (vi) Evaluation of technical proposals.
 - (vii) Evaluation of financial proposals.
 - (viii) Final evaluation according to the criteria stated in the RFP.
 - (ix) Negotiations and award of the contract to the selected firm.

16.3 THE TERMS OF REFERENCE (TOR)

- (a) The TOR must define clearly the objectives and scope of the assignment and provide background information (including a list of existing relevant studies and basic data) to enable the consultant to prepare a proposal.
- (b) The TOR should:
 - (i) describe the background to the assignment;
 - (ii) state the objectives of the assignment including:
 - the scope of the services;
 - the duration of the assignment;
 - a detailed list of the consultants' duties and responsibilities;
 - where applicable¹, the required inputs in terms of man days, months or years;
 - (iii) detail the required outputs, e.g.: reports, recommendations, draft laws etc. which the consultants will be required to produce (also referred to as 'deliverables');
 - (iv) set the time periods for the deliverables;
 - (v) not be over-detailed or inflexible, so that competing consultants may propose their own methodology and staffing;
 - (vi) list any services and surveys necessary to carry out the assignment;
 - (vii) include details of the services, facilities and counterpart staff to be provided by the AUC;
 - (viii) specify detailed requirements when transfer of knowledge or training is an objective, to allow bidders to estimate the required resources.

¹ For assignments with easily defined deliverables it may be advantageous to leave the consulting firms to propose the level of inputs in their proposals.

16.4 PREPARATION OF THE REQUEST FOR PROPOSALS (RFP) AND EVALUATION CRITERIA

- (a) Use of an approved standard international bidding document format is recommended to provide guidance on the preparation of Request for Proposals.
- (b) Specification of the evaluation criteria and number of points to be awarded to each criterion is critical to achieving a satisfactory result in the selection of consultants.
- (c) Both technical and financial point scores are assessed initially out of 100 points for the purpose of clarity. During final evaluation, the scores are combined by applying the weighting percentage stated in the RFP for technical and financial scores.

16.4.1 Technical Evaluation Criteria

- (a) The criteria specified in the RFP should include:
 - (i) the firm's relevant experience for the assignment;
 - (ii) the quality of the methodology proposed;
 - (iii) the qualifications and experience of the key staff proposed;
 - (iv) the extent of participation by nationals of African Union States among key staff in the performance of the assignment.
- (b) The marks for each criterion are aggregated to give the total technical score.
- (c) The following table shows the normal range of points to be specified for each criterion, which may be adjusted for specific circumstances. The proposed points must be declared in the RFP.

Figure 1 - Indicative Weighting of Evaluation Criteria (Consultant Services)

Specific relevant experience:	0 to 10 points
Response to the TOR and Methodology Proposed:	20 to 50 points
Key personnel:	30 to 60 points
Training: ²	0 to 10 points
Participation by nationals: ³	0 to 10 points
Total:	100 points

- (d) The criteria may be divided into sub-criteria to assist the objectivity of the evaluation. For example, sub-criteria under methodology might be *innovation* and *level of detail*. It is usual to use sub-criteria for key staff to evaluate their qualifications, technical experience and language capabilities. The number of sub-criteria should be kept to the essential minimum and must be fully detailed within the RFP
- (e) **Consultant's Specific Experience:** The points given to experience can be relatively low if this criterion has already been taken into account when short-listing the bidders.
- (f) **Methodology:** A large number of points should be given to the response and proposed methodology for more complex assignments (for example, multidisciplinary feasibility or management studies).
- (g) **Key Personnel:** Only the key personnel should normally be evaluated since they will determine the quality of performance. More points should be assigned if the proposed assignment is complex.
- (h) When the assignment depends critically on the performance of a Project Manager or key specialist in a team of individuals, more points should be allocated for this person.
- (i) Individuals should be evaluated on the following sub-criteria as relevant to the task:
- (i) **General Qualifications:** General education and training, professional qualifications, length of experience, positions held, time with the consulting firm, experience in similar countries, etc;
 - (ii) **Adequacy for the Assignment:** Specific experience relevant to the assignment in the sector, field, subject, process or activity; and
 - (iii) **Experience in the Region:** Knowledge of local culture, administrative systems, government organisations, etc.

16.4.2 Minimum Technical Score

- (a) The minimum qualifying technical score to be achieved for a bid to proceed to the Financial Evaluation must be 70 points.

² Transfer of knowledge may be the main objective of some assignments; in such cases, it should be given a higher weight to reflect its importance.

³ As reflected by African Union Member State nationals among key staff presented by firms.

16.4.3 Financial Evaluation

- (a) In addition to specifying the weighting for technical and financial scores, the RFP must specify the formula for award of points to each bid price. Normally the lowest priced bid receives 100 points and the other bids receive points based on dividing the lowest priced bid by the price of the specific bidder and multiplying by 100.
- (b) The standard procedures for correcting arithmetic and other errors in bid prices will apply to adjust the bid price before the points are awarded to each bid.

16.4.4 Weighting of Technical and Financial Scores

- (a) The relative weightings for technical and financial scores must be stated in the RFP. This is usually set at 70- 80% for the technical score and 20-30% for the financial score. In this case the technical score will be multiplied by 80% and the financial score by 20% to give the total score for each bid.

16.5 ADVERTISING FOR EXPRESSIONS OF INTEREST (PRE-QUALIFICATION)

- (a) Pre-qualification of consultants is strongly recommended to ensure the participation of consultants with the necessary technical skills and resources.
 - (i) The AUC shall advertise the consulting assignment internationally to obtain expressions of interest (EOI).
 - (ii) The advertisement shall be published on the AUC website and/or widely read.
 - (iii) Additionally, contacting professional organisations and firms that are known to the AUC, with a copy of the request to submit expressions of interest may prove useful.
 - (iv) The information requested in EOIs should be the minimum required to make a judgement on the firm's suitability but not be so complex as to discourage consultants from responding.
 - (v) Sufficient time (not less than 30 days) should be allowed for responses, before preparation of the short list.

16.6 SHORT LIST OF CONSULTANTS

- (a) Short-lists should be restricted to those firms expressing interest and who possess the relevant qualifications and experience to undertake the assignment.
- (b) Short-lists should normally be of three to eight firms depending on the value and complexity of the assignment.
- (c) The following details of each firm should be assessed in the selection of the short-list:
 - (i) general background of the firm;
 - (ii) eligibility in terms of country of origin, turnover requirements and any other conditions stated in the advertisement;
 - (iii) previous experience of similar assignments;

- (iv) competence and sector related experience of the firm;
- (v) language proficiency in the languages of the African Union;
- (vi) relevant experience within Africa; and
- (vii) quality of performance under previous contracts.

16.7 OPEN TENDERING

- (a) The AUC may elect to proceed directly to an open tender and international advertisement depending on the value of the assignment and the skills required. There are a number of problems to be considered in omitting the Expressions of Interest stage for larger and more complex services, as follows:
 - (i) Many requests for documents and submissions of proposals will be made by firms who lack the basic skills to undertake the assignment. These will waste considerable time in administration and still have to be formally evaluated and reported on. The apparent time advantage from avoiding the EOI and short-listing process is easily lost if twenty rather than six detailed proposals have to be administered and evaluated;
 - (ii) International and major consulting firms are less likely to respond to an Open Tender rather than an EOI as the cost of preparing a detailed consultancy bid is high, and open tendering introduces an unknown quantity and quality of competition. Competent firms are far more willing to incur the cost of preparing a proposal when a shortlist of competitors is known.
 - (iii) International and major firms are also unused to paying a fee to acquire the Request for Proposals, and if applied, this factor may discourage such firms from participating.
 - (iv) Following from the above, the effective level of competition may be seriously reduced if AUC proceeds directly to open tendering.
 - (v) For these reasons, donors normally require that all larger or more complex consultancy assignments are conducted through the EOI and short-listing process.

16.8 OTHER METHODS FOR SELECTION OF CONSULTANT SERVICES

16.8.1 Quality-Based Selection

- (a) Quality Based Selection (QBS) may be appropriate for complex or highly specialised assignments, or those which invite innovations. The selection is based solely on the quality of the proposal without consideration of the cost.
- (b) QBS is suitable for the following types of assignments:
 - (i) complex or highly specialised assignments where it is difficult to define precise TOR and the required input from the consultants, and for which the client expects the consultants to demonstrate innovation in their proposals (for example, country economic or sector studies, multi-sector feasibility studies, design of a hazardous waste remediation plant or of an urban master plan, financial sector reforms);

- (ii) assignments that have a long term impact and in which the objective is to have the best experts available (for example, feasibility and structural engineering design of such major infrastructure as large dams, policy studies of national significance, management studies of large government agencies); and
 - (iii) assignments that can be carried out in very different ways, and therefore proposals may not be directly comparable (for example, management advice, or policy studies in which the value of the services depends on the quality of the analysis).
- (c) The Request for Proposals (RFP) should not indicate the estimated budget, but may provide the estimated number of key staff and time, specifying that this information is given as an indication only, and that consultants are free to propose their own estimates.
 - (d) The RFP may require submission of a technical proposal only (without a financial proposal), or request submission of both technical and financial proposals at the same time, but in separate envelopes (two-envelope system). Only the financial envelope of the best-evaluated proposal is opened and, the rest are returned unopened to the bidder, after the negotiations are successfully concluded.
 - (e) If technical proposals only are invited, after evaluating the technical proposals the Consultant with the best-evaluated technical proposal will be invited to submit a detailed financial proposal.
 - (f) The AUC and the Consultant shall then negotiate the financial proposal and the contract.
 - (g) Other aspects of the selection process are identical to those of QCBS.

16.8.2 Selection under a Fixed Budget

- (a) Fixed Budget Selection (FBS) is where the AUC seeks to obtain the best proposal from pre-qualified short-listed consultants within a pre-determined budget limit
- (b) This method is only appropriate when:
 - (i) the assignment is simple and can be precisely defined; and
 - (ii) when the budget is fixed.
- (c) The RFP will indicate the available budget and request the consultants to provide their best technical and financial proposals in separate envelopes, within the stated budget.
- (d) The TOR must be carefully prepared to ensure that the budget is sufficient for the consultants to perform all of the expected tasks.
- (e) Technical proposals will be evaluated and bidders who pass the minimum technical mark will be invited to a public opening of their financial envelopes.
- (f) Bidders whose technical proposals fail to meet the minimum technical score will have their financial envelopes returned unopened.
- (g) Any financial proposals that exceed the indicated budget shall be rejected.

- (h) The Consultant who has submitted the highest ranked technical proposal within the budget will be selected for award of contract.

16.8.3 Least-Cost Selection

- (a) This method is more appropriate to selection of consultants for assignments of a standard or routine nature (audits, engineering design of noncomplex works, and so forth) where well-established practices and professional standards exist, and when the contract value is small.
- (b) A minimum qualifying mark for the required quality is established and is stated in the RFP.
- (c) Technical and Financial Proposals are required to be submitted in separate envelopes by the short-listed bidders.
- (d) Technical envelopes are opened first and evaluated. Those bids scoring less than the minimum qualifying mark are rejected. The financial envelopes of the remaining bidders are opened in public.
- (e) The firm with the lowest price is selected for contract award.

16.8.4 Selection Based on Consultants' Qualifications

- (a) This method may be appropriate for very small assignments where the need for submission and evaluation of detailed competitive proposals is not justified.
- (b) Expressions of interest and information on the consultants' experience and competence relevant to the assignment are requested.
- (c) The firm with the most appropriate qualifications and references is selected.
- (d) The selected firm is invited to submit a combined technical and financial proposal, and then invited to negotiate the proposal and the contract.

16.8.5 Single-Source Selection

- (a) Single-source selection of consultants lacks the benefit of competition in regard to quality and cost, is not transparent in selection, and may encourage unacceptable practices. Therefore, single-source selection should only be used in exceptional circumstances. The justification for single-source selection must be examined carefully to ensure economy and efficiency.
- (b) The conditions for the use of Direct Procurement as specified in Chapter 4 should be noted before using this selection method.
- (c) Single-source selection is only appropriate if there is a clear advantage over competitive selection:
 - (i) for tasks that are a natural continuation of previous work carried out by the firm;
 - (ii) where rapid selection is essential (for example, in an emergency situation);
 - (iii) for very low value assignments;

- (iv) when only one firm is qualified or has the necessary experience for the assignment.

16.9 TYPES OF CONTRACT AGREEMENT FOR THE EMPLOYMENT OF CONSULTANTS

- (a) The type of contract must be selected when preparing the Request for Proposals and included as a draft with all contract terms and conditions in the RFP.

16.9.1 Lump Sum (Fixed Price) Contracts

- (a) Lump sum contracts are used mainly for assignments in which the following are both clearly defined:
 - (i) the content and the duration of the services; and
 - (ii) the required output of the consultants.
- (b) Lump sum contracts are widely used for simple planning and feasibility studies, environmental studies, detailed design of standard or common structures, preparation of data processing systems, etc.
- (c) Payments are linked to defined outputs (deliverables), such as reports, drawings, bills of quantities, bidding documents, and software programs.
- (d) Lump sum contracts are simple to administer because payments are due on attainment of clearly specified outputs.

16.9.2 Time-Based Contract.

- (a) This type of contract is widely used for complex studies, supervision of construction, technical advisory services, and training assignments. It may also be appropriate when:
 - (i) it is difficult to define the full scope of services, or the input of the consultants required to attain the objectives of the assignment;
 - (ii) the length of services can be precisely defined and deliverables are only incidental to the main purpose of the assignment;
 - (iii) the services are related to activities by others for which the completion period may vary.
- (b) Payments are based on:
 - (i) Remuneration: Agreed hourly, daily, weekly, or monthly rates for staff;
 - (ii) Reimbursables: Reimbursable items using actual expenses and/or agreed unit prices.
- (c) The rates for staff remuneration include salary, social costs, overhead, fee (or profit), and, where appropriate, special allowances.
- (d) This type of contract must include a maximum amount of total payments (the contract ceiling) to be made to the consultants.
- (e) The contract ceiling usually includes a contingency allowance for unforeseen work and duration, and provision for price adjustments, where appropriate.

- (f) Time-based contracts need to be closely monitored and administered by the AUC to ensure that the assignment is progressing satisfactorily, and payments claimed by the consultants are appropriate.

16.9.3 Retainer and/or Contingency (Success) Fee Contract.

- (a) Retainer and contingency fee contracts are sometimes used when consultants (banks or financial firms) are undertaking specialist financial activities such as preparing companies for sale, in mergers of firms, or in privatisation operations.
- (b) The remuneration of the Consultant includes a retainer and a success fee, the latter being normally expressed as a percentage of the sale price of the assets.

16.9.4 Percentage Contract.

- (a) These contracts are commonly used for architectural services but may be also used in similar circumstances such as for procurement and inspection agents.
- (b) Percentage contracts directly relate the fees paid to the Consultant to the estimated or actual project construction cost, or the cost of the goods procured or inspected.
- (c) Contracts are negotiated on the basis of market standards for the services and/or estimated staff-month costs for the services, or competitively bid.
- (d) In the case of architectural or engineering services, percentage contracts lack any incentive for economic design or performance. The use of a percentage contract format for architectural services is only recommended if based on a fixed target cost and covers precisely defined services.

16.9.5 Indefinite Delivery Contract (Price Agreement).

- (a) These contracts are used when there is a need for “on call” specialised services to provide advice or services, the extent and timing of which cannot be defined in advance.
- (b) These are commonly used to retain “advisers” for implementation of complex projects expert adjudicators for dispute resolution panels, institutional reforms, procurement advice, technical troubleshooting, etc. normally for a period of a year or more.
- (c) The AUC and the firm agree on the unit rates to be paid, and payments are made on the basis of the time and resources actually used.

16.10 BID AND PERFORMANCE SECURITIES.

- (a) Bid and performance securities for consultants’ services are not recommended for the following reasons:
 - (i) bid securities are not an accepted standard for consultant services tenders and are likely to discourage participation by international consultant firms;
 - (ii) enforcement of bid securities may be subject to dispute for example when final negotiations fail to reach a satisfactory conclusion;

- (iii) performance securities can be easily abused by the Client as personality clashes or other factors beyond the direct control of the Consultant may affect achievement under the contract;
- (iv) there is often a strong element of subjectivity rather than objectivity in determining the success or failure of an assignment;
- (v) securities increase the costs to the consulting industry without evident benefits, and the costs are inevitably passed on to the Client through higher prices.

16.11 USE OF INDIVIDUAL CONSULTANTS

- (a) Individual consultants are normally employed on assignments when:
 - (i) teams of personnel are not required;
 - (ii) additional outside (home office) professional support is not required;
 - (iii) the experience and qualifications of the individual are the major requirement.
- (b) If co-ordination, administration, or collective responsibility may become difficult because of the number of individuals required, it may be advisable to employ a firm.

16.12 CRITERIA USED TO SELECT INDIVIDUALS

- (a) Individual consultants are selected on their qualifications for the assignment.
- (b) Selection may be on the basis of references or through comparison of qualifications among those expressing interest in the assignment or approached directly by the AUC.
- (c) Individuals employed by the AUC must meet all relevant qualifications and be fully capable of carrying out the assignment.
- (d) Capability is judged on academic and professional background, experience, knowledge of local conditions and culture, administrative systems, and government organisation, and language skills as appropriate.

SECTION 6: GENERAL ISSUES

CHAPTER 17: SUPPLIER REGISTERS

17.1 INTRODUCTION

- (a) Effective procurement depends greatly on the quality and delivery performance of suppliers, contractors and consultants, and their products and services. The Procurement Unit is responsible for maintenance and supervision of Registers of suppliers, contractors and service providers who are assessed to be of a suitable standard to meet the requirements of the AUC.
- (b) The current registers of medical suppliers held by the AUC Medical Centre, and of approved architects and consulting engineers, minor works contractors, and garage services held by the BETS Unit, shall be retained subject to supervision by the Procurement and Travel Unit under the provisions of Section 17.2 below.

17.2 MAINTENANCE AND MANAGEMENT OF SUPPLIER REGISTERS

- (a) The Procurement and Travel Unit will maintain or supervise all Registers of Suppliers used at AUC Headquarters based on the following principles:
 - (i) Periodic open advertisement to invite applications;
 - (ii) Establishment and publication of clear evaluation criteria for acceptance into categories and grades;
 - (iii) Monitoring and evaluation of the performance of suppliers on contracts awarded and removal from the Register of suppliers who fail to perform satisfactorily;
 - (iv) Sharing of database information with AUC Local Tender Boards;
 - (v) Registration to be subject to periodic formal renewal, or cancellation if a supplier has not undertaken any AUC contracts or re-registered within a three-year period.

17.2.1 Additions to the Register of Suppliers

- (a) To ensure that any new suppliers, contractors or service providers are given the opportunity to join the Register, open advertisement to invite applications shall be published not less than once every two years;
- (b) Where invitations are issued for expressions of interest or pre-qualification, suppliers and contractors/service providers who respond and are found to be suitably qualified, but are not already on the Register, shall be added to the database accordingly;
- (c) In open tendering, where the AUC specifies the criteria and supporting information and documentation required by which the capability of bidders to execute a contract will be assessed, bidders who successfully pass this examination shall also be placed on the Register of Suppliers;

- (d) Unsolicited application for registration may be accepted after assessment on the basis of the published criteria.

17.2.2 Supplier Performance Monitoring:

- (a) The Procurement and Travel Unit shall maintain a fair and transparent system for monitoring the performance of suppliers against the specifications or contractual obligations based on the evidence recorded in the Procurement Dossier.
- (b) Mitigating factors must be taken into consideration when assessing supplier performance, and especially factors outside the supplier's control, and any contributory acts or omissions on the part of the AUC – such as failure to make a payment or to provide required information on time.
- (c) Suppliers or consultants who fail to fulfil their contractual obligations in a satisfactory manner, in terms of quality, delivery, performance, or customer service, and who fail to improve their performance on being notified of the deficiency, shall be removed from the Register.
- (d) Suppliers failing to perform satisfactorily shall be notified in writing, specifying the deficiencies to be addressed, and may be given an opportunity to improve their performance.
- (e) Suppliers who consistently and seriously fail in contract performance shall be reported with full details to the AUC Headquarters Tender Board for approval to issue a notice of debarment from AUC procurement for a specified period of time.

17.2.3 Categories of Registration

- (a) Suppliers are to be registered into appropriate categories for the specific goods or services they supply. Some common examples may be:
 - (i) Type or value of works contracts;
 - (ii) Office Stationery and Computer Supplies;
 - (iii) Computer Services;
 - (iv) Office Equipment;
 - (v) Medical Equipment;
 - (vi) Tyres and Batteries;
 - (vii) Vehicle Repairs;
 - (viii) Architectural Design;
 - (ix) Office Cleaning Services: and
 - (x) Medical supplies.

17.2.4 Other provisions

- (a) Tender Boards have overall responsibility for approval of the suppliers that are entered onto or removed from the Register of Suppliers.

- (b) Except when open tendering is required, and where no other method of pre-qualification is used or required, suitable bidders for Restricted Tendering or Request for Quotations may be selected directly from the Register.
- (c) The selection of shortlists of suppliers shall ensure that a rotation of suppliers on the Register is made to ensure transparency rather than using the same suppliers every time.

CHAPTER 18: SECURITIES AND RETENTIONS

18.1 BID SECURITIES

- (a) Bid securities are used to protect the AUC against a bidder withdrawing from the procurement process prior to the award of contract and are normally in the form of a bank guarantee specifying the detailed conditionality for defaults under which the AUC may call for payment. Due to the costs incurred by a bidder in obtaining a bank guarantee, bid securities are normally only used in higher value open tendering procedures. Alternative acceptable formats of bid security such as Bankers Cheques, or bonds issued by insurance companies may be specified as acceptable within the bidding documents.
- (b) Any requirement for a bid security shall be indicated in the bid document as a fixed sum only, based on a varying percentage of between 1% and 5%.

18.2 PERFORMANCE SECURITIES

- (a) Performance securities from a supplier or contractor are used to protect the AUC by guaranteeing performance under the terms of the contract. Such securities are normally required in the form of a bank guarantee specifying the specific conditionality for defaults under which the AUC may call for payment. Alternative acceptable formats of performance security such as Bankers Cheques, or bonds issued by insurance companies may be specified as acceptable in the bidding documents.
- (b) Any requirement for a performance security shall be indicated in the bidding documents as a set percentage of the contract sum. The value shall normally be set at between 10% and 25% of the contract sum, based on consideration of the risks and costs that AUC may suffer in the event of any default by the supplier or contractor.

18.3 ADVANCE PAYMENT SECURITIES

- (a) Where advance payments of USD 10,000 or above are made, an advance payment security shall be required from the supplier or contractor to cover the full amount of the advance payment. Advance payment securities shall normally be in the form of a bank guarantee specifying the specific conditionality under which the AUC may call for payment.

18.4 PROCEDURE FOR RECEIPT, STORAGE AND RETURN OF SECURITIES

18.4.1 Safe Storage

- (a) Securities, whether for the purpose of Bid Security, Advance Payment Guarantee or Performance Security must not be annotated in any way and must, after the

details have been recorded, be immediately stored in a safe, secure place by the Directorate of PBFA.

18.4.2 Record of Security details

- (a) The Secretary of Tender Board shall record the following details of the Security in a Register:
 - (i) Procurement Reference number;
 - (ii) Tender or Contract Title (as applicable);
 - (iii) Bidder or Supplier Name;
 - (iv) Amount of Security;
 - (v) Form of Guarantee (e.g. Certified Cheque or Bank Guarantee)
 - (vi) Name of Bank; and
 - (vii) Expiry date of Security.

18.4.3 Return of Securities

- (a) All securities must be returned to the bidder, supplier or contractor as soon as they are no longer required. Bid securities in particular must be returned immediately to all bidders once the relevant contract is signed and all conditions for contract effectiveness have been met. Performance and advance payment securities must be returned once the supplier has discharged his obligations.

18.4.4 Expiry reminder

- (a) The Secretary of Tender Board shall issue reminders not less than two weeks before any security is due to expire for the following reasons up on notification by the Procurement and Travel Unit;
- (b) If the reason for the security is no longer applicable then the security must be immediately returned to the bidder or supplier - i.e. when:
 - (i) the contract has been awarded to another bidder;
 - (ii) work which is covered by a performance security has been performed or the warranty period has expired; or
 - (iii) the value of the advance payment has been deducted from other payments to the supplier or contractor;
- (c) If the award of a tender is delayed, invite bidders in writing to extend their Bid Securities for an appropriate period;
- (d) If a Supplier or Contractor is not expected to complete/perform the task to which the security relates within the remaining period, request the Supplier or Contractor to extend the guarantee by an appropriate period;
- (e) If the Supplier or Contractor has defaulted on his contractual obligations, or refuses to extend an advance payment or performance security, seek advice of the Tender Board to consider calling bank guarantees immediately by demand in writing to the issuing bank, not less than one week before the expiry date.

18.4.5 “Called” Security

- (a) A “called” Security shall be paid to the AUC for the credit of the appropriate Account Code to compensate for costs or losses due to the Supplier's non-performance.

18.5 RETENTIONS

- (a) Retentions are normally only applicable to works projects or occasionally to the supply of machinery and equipment.
- (b) The rates of retention to be withheld from all certificates or stage payments for works contracts shall be specified in the contract. Following interim takeover of the works, a further payment may be made to the contractor under the terms of the contract to reduce the retention to a lower percentage of the contract price.
- (c) The balance of any Retention monies are only released to the supplier or contractor on satisfactory completion of the guarantee or warranty period stated in the contract.

CHAPTER 19: COMMUNICATIONS AND RECORDS MANAGEMENT

19.1 CORRESPONDENCE/COMMUNICATIONS

- (a) Correspondence and communications are essential to the management of relationships with suppliers and other bodies, but communications issued by the AUC may commit or bind it to a course of action with legal, contractual or financial implications. Therefore, all procurement correspondence and other communications issued by the AUC shall emanate only from the Procurement and Travel Unit except procurement by way of Tender whereby correspondences shall emanate from the Secretary of the Tender Board.

19.2 DOCUMENTATION/RECORDS MANAGEMENT

19.2.1 Documentary Records

- (a) Documentary records, both in print or electronic format, are essential for efficient and effective management of activities, provide evidence in support of decisions and actions taken, and provide an audit trail for verification of transparency, accountability and effectiveness. Efficient records management is essential to ensure effective storage, retrieval and use with due regard to security, integrity and confidentiality.
- (b) All Officers shall ensure they obtain, retain and maintain appropriate documentation supporting the activities for which they are responsible.
- (c) Senior Officers involved in approval or authorisation shall ensure that any transactions they approve or authorise are backed by appropriate supporting documentation.

19.2.2 Filing/Record Management System

- (a) The Procurement and Travel Unit has a general responsibility for maintaining Procurement Dossiers and Contracts Registers, but local Procurement Units and

other services involved in the procurement chain must also ensure that complete documentation is maintained in respect of all procurement activities and for contracts and agreements entered into.

- (b) Responsibility for the official maintenance of record files, authority to access files, and co-ordination of management and follow-up actions must be clearly defined in each Procurement Unit to provide an audit trail and to avoid:
- (i) partial and incomplete records being held by several different sections and individuals;
 - (ii) unauthorised access to records; or
 - (iii) failure to take any necessary action at the right time.

19.2.3 Procurement Unit Records Management

- (a) All documents regarding a particular procurement case shall be kept for future reference and monitoring and control purposes. The recommended filing structure for a procurement dossier is divided into four main categories to include the following documentation:

(i) **Correspondence:**

- Original Request from Originating Officer.
- Correspondence with Originating Officer.
- Correspondence with Suppliers.
- Internal Correspondence within the Procurement and Travel Unit.

(ii) **Bidding Process**

- Request for Expressions of Interest.
- Shortlist or Advertisement.
- Bidding documents and Specifications/Terms of Reference.
- Correspondence with Bidders.
- Tenders, Quotations or Pro-forma invoices received.
- Bid opening records.
- Record of Bid Securities.
- Evaluation Report.
- Submission to the Tender Board & relevant Minutes of decisions.

(iii) **Order & Delivery**

- Notice of Contract Award and publication.
- Contract/Purchase Order & Acknowledgement of receipt.
- Delivery Documentation.
- Inspection and Acceptance Reports.
- After sales warranty and performance claims.

(iv) Finance

- Copy of Certificate of Availability of Funds.
- Copy Invoices or Certificates.
- Copy Payment Vouchers.
- Record of Retentions and release, where appropriate.
- Performance Security and release.

CHAPTER 20: PROCUREMENT MONITORING & EVALUATION

The Procurement and Travel Unit will co-ordinate the monitoring and evaluation process, on behalf of the AUC Headquarters Tender Board, through the methodologies described below.

20.1 MONITORING AND EVALUATION

- (a) Procurement monitoring and evaluation is a process that must be routinely conducted by the AUC to:
- (i) ensure that procurements are within the annual procurement plan;
 - (ii) identify weaknesses and delays in the procurement process;
 - (iii) compare prices against market standards;
 - (iv) identify the scale and values of common use items that may benefit from the introduction of framework contracts;
 - (v) identify regular procurements of identical items which may indicate that requirements have been split to avoid an approval threshold or a procurement procedure;
 - (vi) assess performance of Procurement Units and Tender Boards;
 - (vii) assess performance of suppliers, contractors and consultants; and to
 - (viii) identify any necessary remedial action.

20.1.1 Sources of Information

- (a) The Procurement Unit will prepare an Annual Procurement Report for the Financial Year analysing all AUC procurement activity by categories, volumes and values, and reporting on specific issues, failings and successes in performance.
- (b) Procurement monitoring and evaluation information is obtained from:
- (i) Annual Reports of Procurement from Local Tender Boards;
 - (ii) Monthly status of Purchase Orders;
 - (iii) Report Tender Board meeting at Headquarters
 - (iv) Regular meetings with stakeholders;
 - (v) Reports of the Directorate of Internal Audit;
 - (vi) Reports of any specialist external procurement audits;

- (vii) Bidder and supplier complaints made to the AUC;
- (viii) Routine sampling of Procurement Dossiers for individual procurements;
- (ix) Procurement Dossier for any procurement which appears to deviate from compliance with the Regulations.

20.2 PROCUREMENT REPORTING

- (a) To ensure that full information for all AUC activities can be incorporated into the Annual Report, all Local Tender Boards are required to submit an annual summary report to the AUC Headquarters Tender Board, of all contracts entered into during the year.
- (b) The report should be sent to the Procurement and Travel Unit within 30 days of the end of each financial year to include for each procurement:
 - (i) Reference Number (Purchase Order Number or other reference);
 - (ii) Subject of Procurement;
 - (iii) Name of Supplier/Contractor;
 - (iv) Source of Funds (if other than AUC);
 - (v) Date of Contract Award;
 - (vi) Contract Value in USD.

20.2.1 Action by Procurement and Travel Unit

- (a) On receipt of yearly Reports:
 - (i) Consolidate the various reports into a single annual procurement reports;
 - (ii) Identify any procurement decision which appears to deviate from compliance with the provisions of the Manual and highlight in the report;

CHAPTER 21: FRAMEWORK/CALL-OFF CONTRACTS

21.1 FRAMEWORK CONTRACTS

21.1.1 Introduction to Framework Contracts

- (a) Framework (or “call-off”) Contracts shall be used, wherever practical in AUC Headquarters, to provide an efficient, cost effective and flexible means to procure goods, works or services that are required continuously or repeatedly by the AUC over a set period of time.
- (b) Framework contracts are particularly useful for goods works and services items that are readily available in the local market, or are for goods of relatively short shelf life. A cumulative annual expenditure of USD 30,000, or 20 or more separate procurement processes initiated at AUC Headquarters in a year, for a grouping of similar goods, works or services should be regarded as the point at which the benefits of framework contracts shall be assessed.

- (c) Vehicle maintenance, cleaning services, on-call routine maintenance and minor repair works, office supplies, and medical supplies are examples of the types of procurement that may be efficiently purchased under a framework contract.

21.1.2 Objectives of Framework Contracts

- (a) The objective of framework contracts is to minimise the cost and effort wasted in preparation of multiple similar small procurement processes by agreeing fixed item prices with a supplier for a set period of time. The aggregation of requirements will result in greater price competition among providers to win the right to supply all requirements of the AUC for the subject of the framework contract.
- (b) Ready availability of common supplies direct from the supplier will also minimise the requirement for stock-holding within the AU Stores.

21.1.3 Establishment of Framework Contracts

- (a) Where aggregation of requirements for more than one Originating Unit is anticipated to bring additional benefit in lower prices, procurement costs, or administrative effort, the Procurement and Travel Unit shall direct an Originating Unit to co-ordinate its procurement requirements through a nominated Originating Unit. In normal circumstances this shall be the AUC Stores Unit for goods, and the BETS Unit for goods and services.
- (b) Open tendering procedures shall be used for the establishment of framework contracts and use a standard bidding document and contract format provided for the purchase.

Action:

- (c) The Procurement and Travel Unit in consultation with the Stores Unit, Medical Centre and the BETS Unit will:
 - (i) identify specific procurements that would benefit from framework contracts by examining annual values and numbers of orders for related procurements.
 - (ii) prepare detailed specifications of requirements, a bidding document and draft advertisement;
 - (iii) issue an open tender for each annual requirement, subdivided into lots as appropriate and subject to an indefinite quantities clause; and
 - (iv) follow standard procedures for the opening, evaluation and award of contract.

21.1.4 Operation of Framework Contracts

- (a) Following completion of the award, call-off or delivery orders will be issued as a simple Purchase Order for specific requirements as and when needed during the period of the framework contract.
- (b) For the procurement of items subject to framework contracts, no Originating Unit shall be permitted to purchase items by any other process except in the case of unforeseen emergency situations for which the amount involved does not exceed USD 500.

CHAPTER 22: SUBCONTRACTING

22.1 SubContracting

- (a) A Supplier/Contractor may subcontract specific portions of a contract to a third party subject to the following conditions:
 - (i) the portion of the work to be subcontracted is in accordance with any limitations contained in the bidding documents;
 - (ii) the Supplier/Contractor shall notify the AUC in writing of all subcontracts awarded under a Contract if not already specified in the bid. Such notification, in the original bid or later, shall not relieve the Supplier from any liability or obligation under the Contract;
 - (iii) the subcontracting arrangement is approved by the AUC or, in the case of works procurement, the Project Manager acting on behalf of the AUC;
 - (iv) the Supplier/Contractor may not assign the Contract to the subcontractor without the express written approval of the AUC;
 - (v) subcontractors must comply with the provisions of the eligibility clauses and exclusion clauses as detailed within the bidding documents and this manual.

ANNEX 1

FLOW CHARTS AND VISUAL AIDS

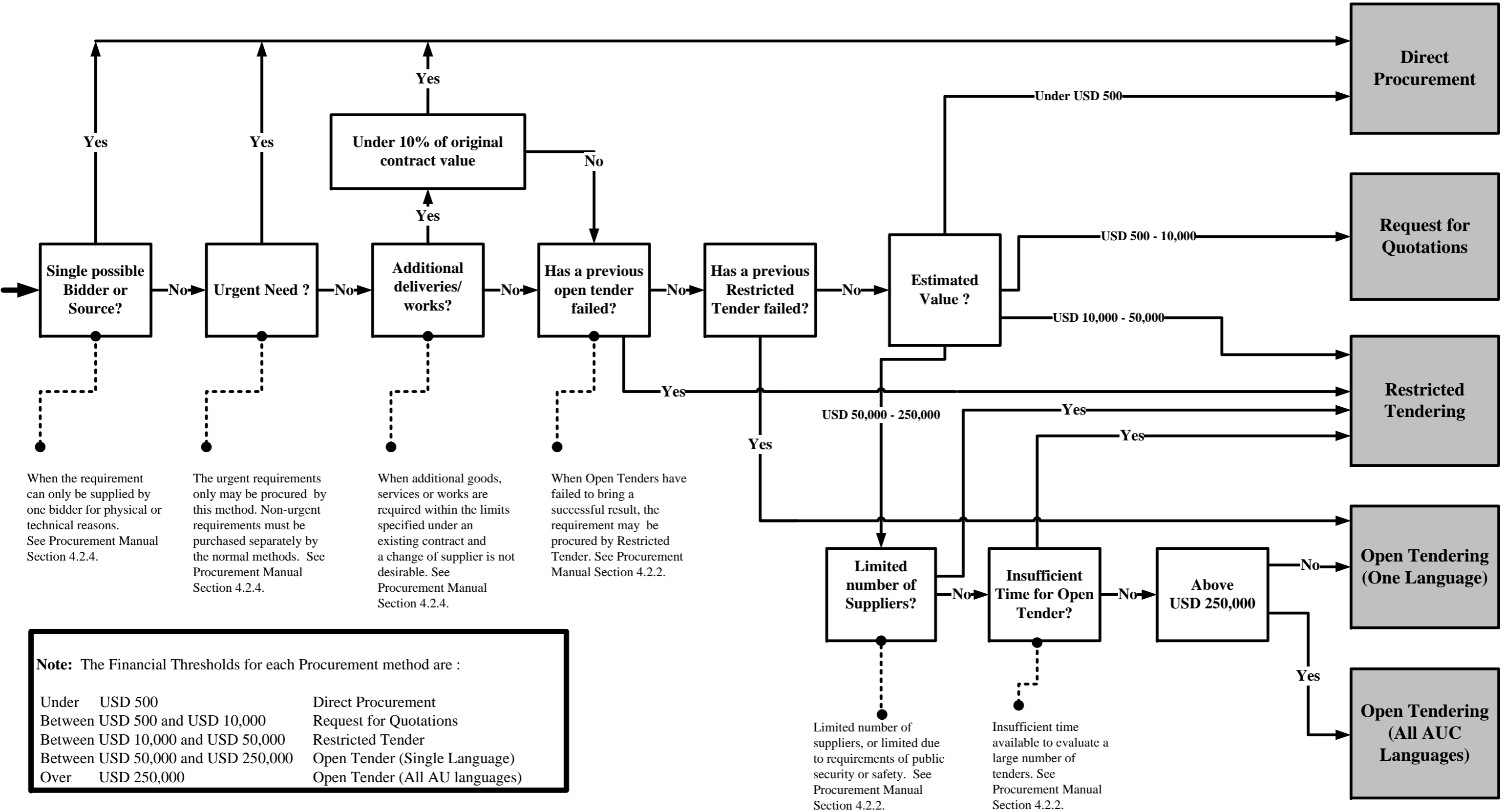
FLOWCHART 1: SELECTION OF PROCUREMENT METHOD

FLOWCHART 2: PRE-CONTRACT ACTIVITIES

FLOWCHART 3: POST-CONTRACT ACTIVITIES (GOODS)

Selection of Procurement Method

An Interpretation of AUC Headquarters Thresholds and Conditionality for Selection of a Procurement Method.



Important Note: This chart illustrates the decision process to determine the procurement method to be used for a particular requirement. The use of procurement methods other than as determined by threshold values are required to be approved by the Tender Board.

OUTLINE OF SEQUENTIAL PROCUREMENT ACTIVITIES

PRE-CONTRACT / AWARD OF CONTRACT ACTIVITIES

