

ZAMBIA NATIONAL PUBLIC HEALTH INSTITUTE

PROCUREMENT STANDARD OPERATING PROCEDURES

APRIL 2022

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1. Introduction

1.1. Background

Government requires that funds budgeted and approved by parliament for the purpose of procurement are spent on the intended purposes. This applies both to development and recurrent expenditures. It is also government policy to allow open competition for procurement without discrimination in a transparent, fair and accountable manner to ensure achievement of value for money in all procurement. Procurement facilitates government delivery of services to the public. The success in the delivery of services is predicated on the efficient allocation of resources and the timely delivery of such services.

These Procurement Standard Operating Procedures (SOPs) have been developed to provide clear, straightforward, and comprehensive guidance on the procedures to be followed when ZNPHI conducts procurement in accordance with PPA 2022.

1.2. Objective of the SOPs

The objective of these SOPs is to enhance operational competence and efficiency in Procurement, and to promote transparency, probity and accountability throughout ZNPHI consistent with the professional standards and ethics required by PPA 2022.

The SOPs are designed to:

- Be a practical guide to facilitate the consistent application by ZNPHI procurement staff of PPA 2022 and best international procurement practices and standards.
- Establish standard procurement procedures which can be monitored, evaluated, and audited.
- Facilitate streamlining of ZNPHI's procurement.

1.3. SOPs Application and Scope

1.3.1. Application

These SOPs apply to all procurement conducted under the PPA 2022 by ZNPHI using Public Funds. It is fully consistent with government's legislation, policies and procedures.

These SOPs will also apply to Cooperating Partners (CPs) funded procurement when PPA 2022 provisions are accepted by CPs. Unless otherwise agreed, when PPA 2022 provisions are not accepted by CPs, guidelines of the CPs' will prevail over these SOPs.

1.3.2. Scope

These SOPs cover the entire procurement cycle, from planning procurement to final delivery/contract completion. The SOPs have been developed to best international practice standards. They provide guidance on all methods of procurement for goods, consulting and non-consulting services and works.

1.4. SOPs Structure and Format

1.4.1. Structure

Procurement of all values follow the same public procurement process that is broken down into these six stages:

- Procurement Planning
- Preparation of Solicitation Documents
- Management of the solicitation process
- Bid evaluation
- Contract award
- Contract management and administration

The SOPs are structured around these key stages. The SOPs contain the relevant step-by-step guidelines for each of the stages. In addition, where required, the SOPs contain references to the Guidance Notes (GNs), contained in the Appendix that provide in-depth guidance on particular aspects of the procurement process.

1.4.2. Format

The SOPs follow a standard format, to make it easier to find and follow the required information. Each SOP contains the following information:

- (a) **Summary of Procedure:** the summary of the procedure to assist in understanding where the procedure fits within the overall Procurement process;
- (b) **Applies to:** details to which Methods of Procurement and types of Purchases it relates to;
- (c) **Purpose of Procedure:** the purpose of the procedure is provided to assist in understanding the importance of following the procedure and the reasons for the rules to be applied;
- (d) **Staff Involved:** a description of the staff involved in the particular stage of the procurement process defined in the SOP;
- (e) **Step-by-step Instructions:** to be conducted and breaking the overall procedure into small steps is easier to follow and, in some instances, schematics of the process are provided;
- (f) **Approvals Required:** details of the approvals required, to ensure that the appropriate details are obtained in time;
- (g) **Documents/ Records Required:** lists and the content of the documents and/or records required of each procedure to assist the procurement staff in maintaining adequate procurement records;
- (h) **Next Steps:** a statement of the next step in the overall procurement process to facilitate management of the procurement process.

SOP 1: THE ANNUAL PROCUREMENT PLANS

Summary of Procedure:

This SOP explains the need for Annual Procurement Plans and provides advice on how they may be produced.

Reference: Public Procurement Act No. 8 of 2020: Section 57: Procurement Planning; Public Procurement Regulations 2022: Regulations 59: Annual Procurement Planning and Publication and Regulation (4): Contents of Annual Procurement Plan

Purpose of Procedure: The planning of procurement is an essential step in achieving the goals and objectives for the procurements of ZNPHI. Lack of, or ineffective, planning of procurement can lead to delays, lack of transparency, mis-procurement, higher costs and damage to the reputation of ZNPHI.

Applies to: Zambia National Public Health Institute (ZNPHI) Programmes.

Basic Requirements:

1. All Zambia National Public Health Institute (ZNPHI) departments, are required to devise a mechanism for making work plans to assist Procurement and Supplies Unit in making annual procurement plans. This mechanism should contain required step-by-step actions.
2. **The Annual Procurement Plan should be formulated at the same time as the annual budget forecast**, since the annual activities of individual departments, necessarily depend on the money that is made available for procurement. However, they can also be formulated / revised during the course of a financial year, whenever need arises.
3. **Procurement planning for the next financial year should begin in August through October each year soon after the annual departmental work plans and draft annual budget forecast has been completed.** Draft departmental procurement plans should be available by the end of October and the final and approved Annual Procurement Plan by end December. They should be finalized as soon as the anticipated final budget figures for the new financial year have been notified. However, the Plan can also be formulated / revised during the course of a financial year, in case additional supplementary grant is available.
4. **Changes to an annual procurement plan may be required due to (a) shortage of funds in quarterly releases (b) availability of supplementary funds or (c) in the case of budgetary reallocations.**

5. **The implementation of the procurement plans should be reviewed on a quarterly basis and adjustments made, if required.**

Staff involved and Responsibilities

- Heads of Departments in ZNPHI shall ensure the preparation of the annual procurement plan for their respective entities and propose the necessary amendments
- The Head PSU in ZNPHI shall ensure the preparation of the aggregated annual procurement plan for ZNPHI which must be formally approved by the Controlling Officer and the Zambia Public Procurement Authority.
- All stakeholders are responsible for monitoring the implementation of their respective annual procurement plans.

Step-by-step instruction

1. The department heads in ZNPHI shall submit to PSU their annual work plans for the next fiscal year in accordance with Annual Procurement Plan Template not later than October.
2. PSU shall review the work plans and draft procurement plans of the departments and formulate the consolidated annual procurement plan for ZNPHI.
3. The Director General shall approve the annual procurement plan of ZNPHI not later than December.
4. A copy of the approved annual procurement plan shall be submitted to ZPPA as soon as it is approved.
5. The annual procurement plan shall be published in accordance with the requirements of the PPA 2022 (see also SOP 2).
6. The annual procurement plan may be amended on request by the user department through the submission of a justified request.
7. PSU shall review the request and amend the annual procurement plan accordingly.
8. The amended annual procurement plans shall be approved by the DG and published (see also SOP 2).
9. End-users shall monitor the implementation of their institution's procurement plan on a quarterly basis.
10. Head of PSU in ZNPHI shall review the overall implementation of the aggregated procurement plan of the Institute and report any significant issue to the Controlling Officer for adequate follow-up action

Approvals required

The Controlling Officer shall approve the consolidated Procurement Plan of ZNPHI and any amendments.

Documents/Records Required

Since Procurement Plans are required by Law it is assumed that they may need to be retained for monitoring purposes by the Zambia Public Procurement Authority. Since **Record of Procurement Proceedings**, requires Procuring Entities (PEs) to keep **a record of their procurement proceedings for a minimum period of seven years, copies of annual procurement plans should be retained for a minimum of ten years also**. The Expenditure Ceilings and budget instructions are required as an input for the procedure.

Additional Information:

For additional information on Procurement Planning, see Guidance Notes on **SOP 1 in the Appendix**.

SOP 2: ANNOUNCEMENT OF ANNUAL PROCUREMENTS PLANNED

Summary of Procedure:

This SOP explains how announcements of annual procurements planned should be made.

Reference: Public Procurement Act 2020: Section 57: Procurement Planning; Public Procurement Regulations 2022: Regulations 59 (4): Annual Procurement Planning and Publication

Applies to: ZNPHI Programmes.

Staff involved and responsibilities:

The PSU at ZNPHI shall be responsible for publishing the annual procurement plans.

Method:

1. The ZNPHI PSU shall list all the individual procurements which will require procurement by the Open Bidding, Direct Bidding or Limited Selection procurement methods in the forthcoming financial year;
2. Turn to SOP 11: Publishing an Invitation to Bid Notice and follow the procedure for communicating this list to the ZPPA;
3. Provide the name, telephone number and email address (if available) of a contact person within the ZNPHI Procurement Unit to whom enquiries should be addressed; and
4. Request the ZPPA to post the list with the ZNPHI's name, address, telephone number, email address (if available) and name of the Procurement Unit 's nominated contact person on the ZPPA website.

Approvals Required:

The Controlling Officer shall approve the notice for publication of the annual procurement plan.

Documents/Records Required:

Keep a copy of the list and the letter on file for a minimum of seven years, since it is likely that this annual list will become a document, which will need to be monitored to check compliance with the law. The Annual Procurement Plan is an input for this procedure.

SOP 3: PROCUREMENT REQUISITION

Summary of Procedure:

This SOP outlines the procedure for initiating procurement by raising a Procurement Requisition (PR) and obtaining approval to proceed with the procurement. It applies to all methods of procurement. A procurement requisition is a document used to initiate the procurement of goods, works and services.

Reference: Public Procurement Act, Section 41; Regulation 63

Purpose of Procedure:

The Procurement Requisition is raised by End Users and Stores officers to instruct the Procurement Unit to initiate the procurement process. It serves a number of purposes, including:

- documenting the need for the goods, works or services required;
- confirming the availability of funding, based on the estimated value of the procurement requirement;
- confirming that the goods required are at the minimum level of existing stocks in stores; replenishment to maintain maximum or minimum stocks;
- establishing the chain of responsibility for authorising the procurement for purposes of pre- and post-procurement monitoring

Applies to:

Method: This SOP applies to all methods of procurement.

Type: This SOP applies to goods, works, routine services and consulting services.

Responsibilities: The End user and Stores Officer are responsible for raising a procurement requisition and obtaining all necessary approvals; Chief Accountant and Procurement Officer

Step-by-Step Instructions:

1. The End User or Stores Officer initiates the procurement process by raising a Procurement Requisition using the appropriate form complete with the following details:

- statement of requirements (A detailed description of requirements should be attached to the Procurement Requisition form)
- the estimated value of the goods, works or services.

- details of the funds budgeted for the requirement, including any funds from future budgets for multiyear contracts
2. The End User or Stores Officer should refer to the annual procurement plan to determine when to raise a PR and how much to procure. Ideally all requests for procurements must be based on the procurement plan.
 3. The PR should be routed through accounts to obtain confirmation of the availability of funding for the requirement.
 4. The budget holder should initial the PR before passing it onto the Controlling Officer for authorisation.
 5. Check outstanding purchase orders to verify that remaining budgeted monies are available for additional procurements.
 6. Following the receipt of the PR, the Procurement Unit should examine it for accuracy and completeness, in terms of mandatory details such as specification; quantity; estimated cost; availability of a budget and ensure that it has been duly authorised by the Controlling Officer or by a person who has been delegated to do so in writing.
 7. If the PR is not accurate or complete, the PU should return it to the initiator.
 8. The Procurement Unit will allocate a procurement reference number to each procurement requirement and open a procurement file. The end user or stores officer should also keep a copy of the requisition for their own records.

Records: The Procurement Unit, will open a procurement file for the requirement. The end user or stores officer should also keep a copy of the requisition for their own records.

Approvals Required: The Procurement Requisition form must be signed by the End User to confirm the specification and the need for the goods or works or services and by Accounts to confirm availability of budget. The Controlling Officer is mandated to authorise all Procurement Requisitions.

Documents/Records Required:

The Procurement Unit, will open a procurement file for the requirement. The end user or stores officer should also keep a copy of the requisition for their own records. The following documents are required as an input for this process: Annual Procurement Plan; Procurement File and Procurement Requisition Register.

Next Steps:

- Proceed to electronic government procurement (eGP) system if requirement is in electronic Annual Procurement Plan (eAPP).

- Proceed to SOP 4: Selecting a Procurement Method and Planning the Procurement.

SOP 4: SELECTING A PROCUREMENT METHOD AND PLANNING THE PROCUREMENT

Summary of Procedure:

This SOP provides a procedure for selecting the appropriate method of procurement for each procurement requirement and planning the conduct of the procurement process. The two parts of this procedure are interdependent, as the timing of the procurement process cannot be planned, unless the method is known, but the results of the draft procurement plan may lead to a change in procurement method, to accommodate urgent requirements or limited sources.

Within the context of this SOP, planning refers to planning for an individual procurement requirement. SOP 1 covers overall procurement planning, such as that conducted as part of the annual budgeting process.

Reference: Public Procurement Regulations 2022: Regulation 59: Procurement Methods; Regulation 33: Individual Procurement Plans

Applies to:

Method: This SOP applies to all methods of procurement. The method of procurement will be selected as part of this procedure.

Type: This SOP applies to goods, works, non-consulting services and consulting services.

Purpose of Procedure:

Public procurement typically has a number of objectives, which may include:

- ensuring fair competition for suppliers;
- obtaining value for money;
- ensuring timely delivery of goods, works or services;
- obtaining goods, works and services of the appropriate quality; and
- minimising the costs of conducting the procurement process and administering contracts.

Instructions on selecting the procurement method and procurement planning are designed to achieve the optimum balance between these competing objectives in each case.

Staff involved and Responsibilities

The PU is responsible for recommending the procurement method to be used and planning the procurement. This should be done in conjunction with the end user, to ensure that it meets the end user's needs.

The PU is responsible for obtaining any necessary approvals from the AA.

Step-by-Step Instructions:

1. Review the information on the requisition and description of requirements. Seek clarification from the end user or stores officer, where required. Ensure the budget is accurate.
2. Select the most appropriate procurement method, taking into account the estimated value, when the items are required, the potential sources for the procurement and any other relevant details. (See Guidance Note 1 to SOP 4 in the Appendix: Additional Notes to the SOPs for details on the conditions of use for each procurement method).
3. Consider whether the procurement should be international or national (see Guidance Note 2 to SOP 4 in the Appendix: Additional Notes to the SOPs for further details).
4. Prepare a procurement plan, based on the proposed method of procurement (see Guidance Note 3 to SOP 4 in the Appendix: Additional Notes to the SOPs for details to be included).
5. Check with the end users that the plan is acceptable and will enable them to meet the objectives of the procurement. Adjust the plan or change the procurement procedure/ method.
6. Seek approval from the AA, where the recommended method is not either Petty Procurements or Simplified bidding.

Additional Information:

For additional information, see Guidance Notes for SOP 4 in the Appendix.

Approvals Required

The PU is responsible for obtaining any necessary approvals from the AA.

Documents/Records/Information Required:

A record of the procurement plan must be kept on the procurement file.

Next Steps:

- Proceed to SOP 5: Conducting a pre-qualification for Open Bidding, where pre-qualification is to be conducted.
- Proceed to SOP 6: Obtaining and assessing Expressions of Interest (EOI), for Request for Proposals (RFP), where EOI's are to be obtained.
- Proceed to SOP 7: Preparing an invitation to tender notice, for Open Bidding without pre-qualification.
- Proceed to SOP 8: Developing a shortlist for Limited Bidding and Simplified Bidding or for Limited Selection, where no Expressions of Interest are to be obtained.
- Proceed to SOP 10: Drafting a Request for a Quotation Document.

SOP 5: CONDUCTING PRE-QUALIFICATION OF SUPPLIERS

Summary of Procedure:

The pre-qualification procedure obtains and assesses information on the eligibility and qualifications of potential bidders, in order to restrict actual bidding to a list of qualified bidders. This is achieved through the publication of a pre-qualification notice, the receipt of submissions and the evaluation of submissions against pre-defined criteria.

Reference: Public Procurement Regulations 2022: Regulations 77: Pre-qualification of Suppliers and Contractors, Regulation 79: Pre-qualification Documents.

Applies to:

Method: Pre-qualification may be used under the Open Bidding method, for procurement of a particularly high value or complexity, but its use is not mandatory under the PPR2022. A decision on whether or not to use pre-qualification should be made at the procurement planning stage.

Pre-qualification may also be conducted for a group of similar contracts, with the list of qualified suppliers used as a basis for preparing shortlists for use in Open Bidding, Limited bidding and Request for Quotations and for identifying a sole supplier.

Type: Pre-qualification may be used for goods, works or routine services.

Pre-qualification for consulting services (under the RFP method) is achieved through obtaining and assessing EOIs – see SOP 6 for guidance.

Purpose of Procedure:

Pre-qualification is used to identify bidders who have adequate capabilities, resources and experience to perform a contract, prior to the invitation and submission of detailed bids. This can be beneficial for high value or complex procurement because:

- the preparation of detailed bids can be costly and this may discourage competition if bidders feel that they are competing against a large number of bidders;
- the evaluation of a large number of detailed bids can require excessive time and resources from the PE; and
- the supplier's capabilities, resources and experience may be key to the successful performance of the contract and therefore bidding should be limited to eligible and qualified bidders only.

Pre-qualification for a group of similar contracts can be beneficial, as it avoids the need for repeated pre-qualification procedures and also allows a bidder to be pre-qualified up to a certain value or size of contract or contracts.

Staff involved and Responsibilities

The PU manages the pre-qualification process, consulting with the end-user or other technical specialist, on drafting the pre-qualification criteria. Advice should also be sought, where required, on the application of the criteria.

Step-by-Step Instructions:

The pre-qualification process is effectively a mini bidding process, involving the invitation, receipt and evaluation of applications to pre-qualify. These instructions therefore make reference to the relevant SOPs for general guidance on the various steps in the "bidding" process.

1. Select the appropriate standard pre-qualification document, as notified for use by the ZPPA.
2. Complete the pre-qualification document, completing the data sheet, the qualification criteria and a description of the type of goods, works or services to which the pre-qualification applies.
3. Draft an invitation to pre-qualify notice – see SOP 11 (Invitation to Bid Notice) for general guidance.
4. Submit the pre-qualification document and invitation to pre-qualify notice to the Approvals Authority (AA) for approval, together with the other documents required, prior to issue.
5. Publish the notice – see SOP 11 for general guidance.
6. Issue pre-qualification documents to all bidders who request them – see SOP 12 for general guidance.
7. Receive applications up until the deadline – see SOP 15 for general guidance. Late applications must not be accepted.
8. Open the applications and record the names of all applicants. No public bid opening is required.
9. Assess each application against the criteria defined in the pre-qualification document and determine whether each bidder is qualified or not qualified. Record the results of the evaluation.
10. Prepare a list of pre-qualified bidders and obtain approval from the AA for the evaluation and the pre-qualified list. This approval can normally be obtained at the same time as approval for the bidding document.
11. Copies of all the pre-qualification documents, including those of the suppliers who were not successful, should be sent to the appropriate authority for inclusion in any supplier database for future reference.

N.B. It is just as important to know about suppliers who are NOT qualified as it is to have the details of those who are qualified.

Approvals Required:

The AA must approve the pre-qualification document and invitation to pre-qualify notice before issuance. The AA will also approve the list of pre-qualified bidders, when approving the subsequent bidding document.

Documents/Records Required:

The pre-qualification document must be drafted using the appropriate standard pre-qualification document notified by the ZPPA. A copy of the approved completed pre-qualification document, and the AA's written approval using Form SPF 3 (Decision of Authority), must be retained on the procurement file.

The procurement file must also contain records of:

- the potential bidders to whom the pre-qualification document is issued;
- the potential bidders submitting applications;
- the evaluation of applications; and
- the list of pre-qualified bidders.

Supplier Database:

Copies of all the pre-qualification documents, including those of the suppliers who were not successful, should be sent to the appropriate authority for inclusion in any supplier database for future reference.

N.B. It is just as important to know about suppliers who are NOT qualified as it is to have the details of those who are qualified.

Next Steps:

Proceed to SOP 9: Drafting a Bidding Document or Request for Proposals document.

SOP 6: OBTAINING AND ASSESSING EXPRESSIONS OF INTEREST

Summary of Procedure:

The expression of interest (EOI) procedure obtains and assesses information on the qualifications and experience of potential bidders, in order to restrict actual bidding to a list of qualified bidders. This is achieved through the publication of a notice calling for expressions of interest, the receipt and assessment of expressions of interest and the development of a limited shortlist.

Reference: Public Procurement Regulations 2022: Regulation 112, Selection of Bidders, Regulation 113(2), Notices Inviting Expressions of Interest, Regulation 114 (2), Evaluation of Expressions of Interest and Development of Shortlists.

Applies to:

Method: The expressions of interest procedure may be used under the Request for Proposals (RFP) method only. Its use is not mandatory, but it is recommended for all but the smallest and simplest assignments.

The development of a shortlist without use of the Expressions of Interest Procedure is covered by SOP 8

Type: The EOI Procedure is used for consulting services only.

Purpose of Procedure:

The EOI procedure is a form of pre-qualification procedure for consulting services. It is used to identify bidders who have adequate capabilities, personnel and experience to perform a consulting assignment, in order to establish a limited shortlist and invite detailed proposals from three to six qualified bidders. The EOI procedure offers the following benefits:

- publication of a notice calling for EOIs assists ZNPHI in identifying potential suppliers. Consulting assignments can vary greatly and be highly complex or specialised, making the identification of competent sources difficult.
- only a limited number of suppliers are required to prepare detailed proposals and keep key staff available for the validity period. Suppliers are more likely to commit resources to proposal preparation and keep staff available if they feel that they are only competing against a limited number of suppliers.
- the PE does not require excessive time and resources for the evaluation of a large number of detailed proposals, including complex methodologies and several CVs.
- bidding is limited to suppliers likely to have the capabilities, personnel and experience required for the successful performance of the contract. The qualifications of both the supplier and its key staff are critical in the delivery of consulting assignments.

Staff involved and Responsibilities

The PU manages the EOI procedure, consulting with the end-user or other technical specialist, in assessing the EOIs received and developing the shortlist.

Step-by-Step Instructions:

1. Draft a notice calling for Expressions of Interest – (see Guidance Note 1 to SOP 6 in the Appendix: Additional Notes to the SOPs for details of the content).
2. Submit the EOI notice to the AA for approval prior to publication.
3. Publish the notice – see SOP 11 for general guidance.
4. Receive EOIs up until the deadline – see SOP 15 for general guidance. Late EOIs must not be accepted.
5. Open the EOIs and record the names of all applicants. No public bid opening is required.
6. Assess the EOIs for the key skills, experience or capabilities required for the assignment.
7. Prepare a shortlist of three to six bidders who are the best qualified for the proposed assignment. Obtain approval of the AA for the shortlist when obtaining approval for the RFP document.

Approvals Required:

The AA should approve the notice calling for EOIs before publication. The AA will also approve the shortlist of bidders, when approving the subsequent RFP document.

Documents/Records Required:

A copy of the published EOI notice, and the AA's written approval on Form SPF 3 must be retained on the procurement file.

The procurement file must also contain records of:

- the potential bidders submitting EOIs;
- the evaluation of the EOIs; and
- the shortlist of bidders.

Next Steps:

Proceed to SOP 9: Drafting a Bidding Document or Request for Proposals document

SOP 7: PREPARING AN INVITATION FOR BIDS NOTICE

Summary of Procedure:

This SOP provides guidance on the information to be included in an invitation for bids notice, for publication as part of the bidding method. Guidance on publication of the notice is included in SOP 11.

Reference: Public Procurement Regulations 2022: Regulation 82, Inviting Bids

Applies to:

Method: An Invitation for Bids notice is required under the Open Bidding method, where no pre-qualification has been conducted.

This SOP can also be used to provide general guidance on the preparation of an invitation to pre-qualify notice – see SOP 5 for guidance on the use of pre-qualification.

Type: Invitation for Bids notices are required for goods, works and non-consulting services.

Opportunities to bid for consulting services are advertised through a notice requesting Expressions of Interest (EOI) – see SOP 6.

Purpose of Procedure:

Invitation for Bids (or pre-qualify) notices are published in order to:

- attract the widest possible competition, which should assist the PE in obtaining value for money; and
- offer all potential bidders a fair opportunity to bid for government funded contracts.

Staff Involved and Responsibilities

The PU is responsible for the preparation of the Invitation for Bids or Pre-qualify notice and for fixing price of bidding documents (see Guidance Note 3 to SOP 7 in the Appendix: Additional Notes to the SOPs for consideration which need to be taken into account when fixing the price).

Step-by-Step Instructions:

1. Complete all required information using the standard notice format (See SOP 11 Publishing). (See Guidance Notes 1 and 2 to SOP 7 in the Appendix: Additional Notes to the SOPs for details of the information to be included).
2. Submit the draft notice to the AA for approval along with the draft Bidding Document, or in the case of pre-qualification, with the draft Pre-Qualification Document, as notified by the ZPPA in accordance with Section 60 of the PPA 2020: Solicitation Documents and Regulation 85 of the PPR2022: Contents of solicitation documents.

Approvals Required:

The invitation for bids or pre-qualification notice must be approved by the AA prior to its publication. This approval should be obtained at the same time as approval for the Solicitation or Pre-qualification document.

Documents/Records Required:

A copy of the published Invitation for Bids or Pre-qualification notice, and the AA's written approval on Form SPF 3, must be retained on the procurement file.

Next Steps:

Proceed to SOP 9: Drafting a Bidding Document or Request for Proposals

SOP 8: DEVELOPING A SHORTLIST

Summary of Procedure:

This SOP outlines the procedure for developing a shortlist of bidders, where competition is restricted and no notice has been published.

Reference: Public Procurement Regulations 2022: Regulation 51: Shortlists and Regulation 84: Shortlists under Limited Selection

Applies to:

Method: The development of a shortlist is required where the number of suppliers is likely to be restricted as in Limited Bidding, which includes methods such as Direct Bidding and Single Sourcing. It also applies when using Simplified Bidding method.

It may also be required under Request for Proposals, where no notice calling for EOIs has been published. Guidance on developing a shortlist where EOIs have been received is included in SOP 6. Use of the EOI procedure is recommended for consulting services, unless the proposed contract is of low value and complexity.

Guidance on developing a list of pre-qualified bidders, under the Open Bidding method, is contained in SOP 5.

Type: A shortlist may be required for the procurement of goods, works, non-consulting services or consulting services.

Purpose of Procedure:

The shortlist is intended to ensure effective and real competition, where open competition, through the publication of a notice, is not appropriate or not feasible.

Staff Involved and Responsibilities

The PU is responsible for developing shortlists, in consultation with the end-user or other technical specialist where appropriate.

Step-by-Step Instructions:

1. Where this procedure is used for Direct Bidding or Single Sourcing, ensure that the grounds for such restricted bidding are known, as this affects the development of the shortlist. Grounds will be either that only a limited number of sources exist or that the value of the procurement or the limited time in case of extreme urgency does not justify an Open Bidding procedure. Request for Quotations is always used on grounds of the relatively low value of the procurement.
2. Identify all, or at least a reasonable number of, potential sources of the goods, works or services to develop a "long list" – (see [Guidance Note 1](#) to SOP 8 in the Appendix: Additional Notes to the SOPs for possible sources of information). Some work on the identification of potential sources is

likely to have been done at the procurement planning stage and reference should be made to this.

3. Prepare a shortlist, based on the initial “long list”. Where competition is restricted because the goods, work or services are only available from a limited number of suppliers, all potential sources must be included on the shortlist. Where competition is restricted because of the relatively low value of the procurement, a minimum of three bidders must be included on the shortlist. (See Guidance Note 2 to SOP 8 in the Appendix: Additional Notes to the SOPs for considerations that need to be taken into account when making the shortlist).

Approvals Required:

The shortlist must be approved by the AA before issue of the solicitation documents. Approval should be sought at the same time as approval for the Bidding document.

Documents/Records Required:

A record of the approved shortlist must be kept on the procurement file. A record should also be kept of the reasons for the inclusion of each source.

Next Steps:

- For RFP proceed to SOP 9: Drafting a Bidding Document or Request for Proposals document.
- For RFQ proceed to SOP 10: Drafting a Request for Quotations document.

SOP 9: DRAFTING AN INVITATION FOR BIDS DOCUMENT OR REQUEST FOR PROPOSALS DOCUMENT

Summary of Procedure:

This SOP provides the standard operating procedure for drafting a Bidding Document, using one of the Standard Bidding Documents issued by the ZPPA in accordance with Section 14: **Bidding Documents** of the PPA2020. It also provides the procedure for obtaining approval for the completed document, prior to issue.

Reference: Public Procurement Act 2020: Section 14: Solicitation Documents

Applies to:

Method: Solicitation documents are required for Open Bidding and Limited Bidding. The RFP document used for the RFP method is also a Solicitation Document and therefore this Procedure applies.

The Simplified Bidding method uses a Request for Quotations document – see SOP 10 for details.

Type: This SOP applies to goods, works, non-consulting services and consulting services, although different standard documents should be used for each.

Purpose of Procedure:

The Solicitation Document is critical to the success of the bidding process. It informs bidders of:

- the precise description of the goods, works or services required, keeping in view the requirements of Section 59 of PPA2020 and Regulations 65, of PPR2022 regarding statement of requirements (specifications);
- the Regulations for the bidding process;
- the evaluation criteria and methodology which will be applied;
- any eligibility and qualification criteria which will be applied; and
- the type and conditions of the proposed contract.

A well drafted solicitation document should result in a successful procurement process. Therefore, this document must be approved by the AA, prior to issue.

In order to minimise the chance of poorly drafted, incomplete or inaccurate documents of the wrong format being used, the procurement unit must make use of Standard Bidding Documents. These will be either those they currently have in use, provided these are not inconsistent with those issued by ZPPA or else those issued by the ZPPA in accordance with Section 14 of PPA2020.

Staff Involved:

The PU is responsible for filling the necessary data in the invitation for bids document (IFB) or RFP, in consultation with the end-user who raised the

requisition. The PU may seek advice/ assistance from technical specialists, where required.

The PU is responsible for obtaining approval from the AA prior to issue of the document.

Step-by-Step Instructions:

1. Select the appropriate Standard Bidding Document for the requirement from the list of SBDs issued by the ZPPA– this requires consideration of the type of contract to be used.
2. Consult with the end-user, and technical specialists if required, regarding finalisation of the description of requirements for inclusion in the document. Include the final description (specification) in the appropriate Description Section of the SBD chosen.
3. Complete the Bid Data Sheet in the SBD with details of the bidding process e.g. the bid closing time and date, the time when bids will be opened, the address for submission, the evaluation criteria to be applied, any additional qualification criteria to be applied etc. Note that the Bid Data Sheet may modify the Instructions to Bidders (ITB) in the SBD– the text of the ITB itself must NOT be modified.
4. Complete the Special Conditions of Contract included with the SBD with the conditions which will apply to the contract e.g. payment terms, delivery/completion period, warranty, liquidated damages. Note that the Special Conditions of Contract will modify the General Conditions of Contract – the text of the General Conditions of Contract must NOT be modified.
5. The contract form included with the SBD should be left blank for inclusion in the bidding document, as these details can only be completed when the successful bidder has been decided.
6. Ensure that any related documents have been prepared e.g. the Invitation for Bids Notice (see SOP 7) or Developing a Shortlist (See SOP 8 for guidance).
7. Submit the draft Bidding Document, and related documents, to the AA for approval.

Approvals Required:

The approval for the solicitation documents must be obtained from the AA prior to the issue of the Solicitation Documents or the publication of the Invitation for Bids notice.

Approval for any Invitation for Bids notice, shortlist or list of pre-qualified bidders should be sought at the same time.

Additional Information:

For additional information, see Guidance Notes on SOP 9 in the Appendix.

Documents/Records Required:

Bidding documents should be drafted using the appropriate SBD already in use with the PE, or else as issued by the ZPPA. A copy of the approved Bidding Document, along with the AA's approval, must be retained on the procurement file.

Next Steps:

- Proceed to SOP 11: Publishing an Invitation for Bids Notice for Open Bidding (where no pre-qualification has been conducted).
- Proceed to SOP 12: Issuing invitation documents for all other methods.

SOP 10: REQUEST FOR QUOTATIONS

Summary of Procedure:

This SOP provides the standard operating procedure for drafting a RFQ document. It also provides the procedure for obtaining approval for the completed document, prior to issue.

Reference: Public Procurement Act 2020: Section 44, Simplified Bidding; Public Procurement Regulations 2022: Regulation 141; Use of Simplified Bidding procedures, Regulation 142: Contents of Request for Quotations Document

Applies to:

Method: A RFQ document is required for the Simplified bidding procurement method only.

Type: This SOP applies to goods, works and routine services, although different standard documents should be used for each.

Limitation: This Procurement Method may only be used for procurement estimated to cost less than the financial limit specified.

Purpose of Procedure:

Request for Quotations (RFQ) shall be used for the procurement of simple, uncomplicated goods of standard and firm specifications or very specifically defined and continuously used services. RFQ objectives

- Convey users' requirements and rules governing the Bidding process
- Obtain best value for the organisation;
- Protect the reputation for fairness and transparency of an organisation; and
- Ensure compliance with the Procurement policies and
- The Solicitation Documents inform the Bidders of the:
 - precise description of the procurement required;
 - rules for the Bid process;
 - evaluation criteria and methodology which will be applied;
 - qualification criteria which will be applied;
 - type and conditions of the proposed Contract

Staff Involved and Responsibilities

The Procurement Unit (PU) is responsible for drafting the RFQ document, in consultation with the end-user who raised the procurement requisition. The PU should seek advice from technical specialists, where required.

The PU is responsible for obtaining approval from the Controlling Officer.

Step-by-Step Instructions:

1. The Procurement Unit should examine the PR and verify completeness and adequacy of the description of requirements (Specifications for Goods, TORs for Consulting and Non-Consulting Services, SOW for Works) for inclusion in the RFQ and all other details.
2. The Procurement Unit should then draw up a list of Suppliers that it intends to invite to submit quotations. A Procurement Unit shall include sufficient bidders in a shortlist of bidders to ensure effective competition, but in any case, shall obtain no less than three quotations.
3. The contents of Request for Quotations documents varies from one requirement to another. The document structure, however, generally includes some or all of the following items:
 - Letter of invitation.
 - Instruction to suppliers (language, currencies, deadlines, documents required, procedures.)
 - Schedule of requirements.
 - Technical description (specifications, TOR, SOW including design/drawings/BoQ and technical specifications for works).
 - Minimum qualification requirements and documents evidencing compliance of offeror with such requirements.
 - Terms and conditions
4. Submit the draft RFQ document and shortlist to the Controlling Officer for approval.
5. The PU will then send the approved RFQ document to the short listed suppliers, to provide written quotations. RFQ must be dispatched to all bidders or collected by bidders at the same time.

Approvals Required:

The Controlling Officer is responsible for authorising the Request for Quotations

Documents/Records Required:

A record of the issue of bidding documents must be completed and kept on file. At a minimum, this record must include:

- the name and address of each bidder, to whom the document was issued;
- the date of receipt of the request for the documents, where applicable;
- the date of issue of the document;
- the method of dispatch of the document;
- the signature of the official responsible for the issue of the documents

Next Steps:

Proceed to SOP 12: Issuing Invitation Documents

SOP 11: PUBLISHING AN INVITATION FOR BIDS NOTICE

Summary of Procedure:

This SOP outlines the procedure for publishing an Invitation for Bids Notice. Guidance on the preparation of Invitation for Bids Notices can be found in SOP 7.

Reference: Public Procurement Regulations 2022: Regulation 17: Publication and Distribution of Notices.

Applies to:

Method: The publication of an invitation for bids notice is required under the Open Bidding method, where no pre-qualification has been conducted.

This SOP also applies to the publication of an Invitation for Pre-Qualification Notice (See SOP 5) under Open Bidding and notices calling for EOs where Open Selection procurement method is used. (See SOP 6 and SOP 9).

No publication of notices is required for other methods.

Type: The publication of notices may apply to goods, works, non-consulting services and consulting services.

Purpose of Procedure:

Invitation notices are published in order to:

- attract the widest possible competition, which should assist the PE in obtaining value for money or in preparing a strong shortlist of bidders; and
- offer all potential bidders a fair opportunity to bid or pre-qualify for contracts financed from public funds.

Staff Involved and Responsibilities

The PU is responsible for organising the publication of notices. Where publication is to include trade journals, the PU should consult the end user, or other technical specialist, on the appropriate journals.

Step-by-Step Instructions:

1. All Invitation for Bids, Invitation for Pre-Qualifications and Invitations for Expressions of Interest should be published in the government Gazette.
2. The Invitation for Bids, Invitation for Pre-Qualifications or Invitations for Expressions of Interest should also be advertised in daily newspapers having a wide circulation in Zambia.
3. To the extent feasible, on the ZNPHI website,and the ZPPA website.
4. **N.B.** The publication date in the Gazette will mark the starting date of the bidding period and will therefore be the date from which minimum response time (bidding periods) are calculated.
5. For international bidding, arrange publication in appropriate publications of wide international circulation, such as internationally recognised newspapers, relevant trade journals, the internet, etc. When a Cooperating Partner (CP) is financing the procurement, notices must be placed in accordance with the CP's guideline.
6. Ensure that sufficient copies of the bidding or pre-qualification document are available at the PU's offices for distribution from the first publication date.

Approvals Required:

The draft advertisement notice should be approved by the AA before it is published in the newspapers.

Format of the Advertisement:

The format of the advertisement should be as laid out below in the Standard Format for Advertisement for Open Bidding (see below)

Documents/Records Required:

A copy of the published notice must be kept on file. (This does not need to be a reproduction from a newspaper or any other publication, so long as the text of the file copy is the same as that published).

Next Steps:

Proceed to SOP 12: Issuing Invitation Documents

STANDARD FORMAT FOR ADVERTISEMENT FOR OPEN Bidding

Zambia National Public Health Institute

(Title/Name of Bid)

Procurement Number: _____

The Zambia National Public Health Institute (Zambia National Public Health Institute (ZNPHI)) has (allocated/received) funds (*if already received, state source of funds*) for the procurement of (insert title of the goods, works or services) and now invites sealed bids from eligible bidders for the supply of:

(Insert brief summary or list of the required goods, works or services)

(Insert brief narrative giving background information or further specification if necessary)

Bidding is open to all suppliers/contractors who can demonstrate (list criteria for eligibility)

Interested bidders may inspect the bid document on the ZNPHI [website](#), or at the address below (insert hours between which the documents are available for inspection). Bidding documents may be procured upon payment of a non-refundable fee of (insert fee amount, currency and payment format).

Bids must be delivered to the address below on or before (insert date and time of bid closing). All bids must be accompanied by;

- a bid security of not less than (insert fixed figure or percentage of the bid price) or Bid Securing Declaration (*insert only the selected form of security*);
- (list all other required documents and samples where applicable)

Bids will be opened on (date) at (time), in the presence of bidders and/or their representatives who choose to attend, at the address below. (If at a different address, state the address). Late bids will be rejected and returned unopened to bidders.

Head Procurement and Supplies Unit
Zambia National Public Health Institute
P.O. Box 30502
Lusaka

Telephone Number: +260 211.....

SOP 12: ISSUING INVITATION DOCUMENTS

Summary of Procedure:

This SOP provides the procedure for the physical issue or sale of bidding documents to bidders and keeping records of the documents issued. The procedure applies equally to the issue of other invitation documents, such as Pre-qualification, RFP and RFQ documents.

Guidance on the preparation of the documents is included in SOP 9 and SOP 10.

Reference: Public Procurement Regulations 2022: Regulation 87: Issue and Sale of Solicitation Documents, Regulation 86: Issue of Solicitation Documents

Applies to:

Method: This SOP applies to the Open Bidding, Limited Bidding, Open Selection, Limited Selection and Simplified Bidding methods.

Type: This SOP applies to goods, works, non-consulting services and consulting services.

Purpose of Procedure:

Solicitation and other invitation documents must be issued or sold promptly, to provide bidders with sufficient time to prepare and submit their bids. Delays in issuing solicitation documents may result in reduced competition, which itself may lead to the cancellation of a bidding process or higher prices for ZNPHI.

Bidders must be issued with the same information, within the same period of time, to ensure that the procurement process is fair.

It is essential that records are kept of the documents issued, in case of queries or complaints from bidders. Where a fee is charged for documents, it is essential that records are kept of payments received.

Staff Involved and Responsibilities

The PU is responsible for managing the issue of Solicitation Documents. This function may be delegated to an accounts or other administration department where appropriate, or where this facilitates the collection of fees for the documents.

Step-by-Step Instructions:

1. Where documents are being issued to bidders on a shortlist or pre-qualified list, the documents must be dispatched to all bidders at the same time. A record must be kept of the issue of documents.
2. Where an invitation for bids or pre-qualification notice is being published, bidders may request to preview the documents prior to procurement. Arrangements must be put in place to permit previews, at the address and time stated in the published notice. Zambia National Public Health

Institute must also ensure that sufficient copies of the solicitation document will be available for issue by the date of publication of the first notice.

3. Where a fee is charged for the documents, arrangements must be put in place for receiving and confirming payments and issuing receipts. The precise arrangements will depend on the method of payment required.
4. Documents must be dispatched promptly to all bidders who respond to any notice and pay any required fee. Documents must be dispatched within two working days of payment of the fee. A record must be kept of the issue of documents.

Approvals Required:

No approvals are required to issue Solicitation Documents. Approval of the Solicitation Documents and of the Bid Advertisement will already have been obtained from the AA.

Documents/Records Required:

A record of the issue of bidding documents must be completed and kept on the procurement file. At a minimum, this record must include:

- the name and address of each bidder, to whom the document was issued;
- the date of receipt of the request for the documents, where applicable;
- confirmation of the payment of any required fee;
- the date of issue of the document;
- the method of dispatch of the document; and
- the signature of the official responsible for the issue of the documents.

Next Steps:

- Proceed to SOP 13: Managing a pre-bid conference and site visits, where a conference or visit is required.
- Proceed to SOP 14: Handling bidder clarifications, modifications and extensions, where any clarifications, modifications or extensions are requested by bidders or issued by ZNPHI
- Proceed direct to SOP 15: Receiving Bids, if neither of the above procedures apply.

SOP 13: MANAGING A PRE-BID CONFERENCE AND SITE VISIT

Summary of Procedure:

This SOP provides the procedure for managing pre-bid conferences, where ZNPHI briefs bidders on the procurement requirement and responds to questions from bidders, in order to assist them in preparing their bids. It also provides the procedure for site visits, where bidders are given the opportunity to view the site where goods are to be installed or works or services performed.

Reference: Public Procurement Regulations 2022: Regulation 93: Pre-Bid Conferences and Site Visits

Applies to:

Method: Pre-bid conferences and/or site visits may be conducted under Open Bidding, Limited Bidding, Open Selection and Limited Selection.

Conferences or visits are not mandatory, but may be arranged where the procurement is highly technical, where a significant number of requests for clarification are likely to be received, or where knowledge of the site is important to bid preparation. The need for pre-bid conferences or site visits must be considered at the procurement planning stage and appropriate provisions included in the bidding document.

Pre-bid conferences and site visits should not normally be required under the Simplified Bidding method, as this method is only used for simple, low value procurement requirements.

Type: Pre-bid conferences and/or site visits may be required for goods, works, non-consulting services or consulting services. A site visit is always recommended for works contracts.

Purpose of Procedure:

Pre-bid conferences and site visits are intended to provide a structured way of providing additional information for bidders, which cannot easily be included in a bidding document. A pre-bid conference or site visit can offer the following benefits:

- Zambia National Public Health Institute is able to provide additional information to bidders, ensuring that all bidders receive the same information.
- bidders are assisted in preparing bids which should be based on more detailed and accurate information, responsive to ZNPHI's needs and less likely to include reservations, conditions or caveats.
- Zambia National Public Health Institute is able to get early warning of any unforeseen queries or problems, while there is still time to modify the bidding document if necessary.
- the majority of likely requests for clarification can be addressed at the same time.
- the possibility of contractual disputes, caused by a bidder's misunderstanding of ZNPHI's requirements, is reduced.

Staff Involved and Responsibilities

The PU has the overall responsibility for managing pre-bid conferences and site visits. The end user, or other technical specialist, must be closely involved to provide responses on technical issues.

Step-by-Step Instructions:

1. Consider the need for a pre-bid conference or site visit at the procurement planning stage and include details of the location, date and time in the solicitation document and any invitation to bid notice. They should be held early during the bidding period, to allow bidders time to take the information into account in preparing their bids. Where both a pre-bid conference and a site visit are to be held, they should be arranged to coincide wherever possible, particularly where international bidders are likely.
2. Ensure that arrangements are made in advance, including booking a meeting room, ensuring that sufficient appropriate staff are available, ensuring that access to the site is possible at the appointed time, making appropriate safety arrangements on site if required, preparing an agenda for the conference etc.
3. Brief all staff involved on the procedure for the pre-bid conference and/or site visit, including the responsibilities of each staff member and anticipated questions and answers.
4. The management of the pre-bid conference will be determined by the agenda prepared by ZNPHI. Typically, this might include opening and welcome remarks by ZNPHI, a brief presentation by ZNPHI on the procurement requirement, questions by bidders and closing. Where requests for clarification have been received prior to the conference, these may be used to determine the agenda and prepare responses.
5. The management of any site visit will be determined by the nature and size of the site and the type of procurement envisaged. Bidders should be given a tour of as much of the site as possible and allowed to view any facilities which are being provided by ZNPHI.
6. Record full details of the pre-bid conference and/or site visit – see Documents/ Records Required section below.
7. Following completion of the pre-bid conference and/or site visit, issue a record of the meeting to all bidders who were issued with bidding documents, regardless of whether they attended the conference. The record issued must include all questions raised and the formal clarifications issued.
8. Where necessary, issue a formal modification of the bidding document and/or extension to the bidding deadline. If required, such modification or extension must be communicated to all those who have procured bid documents.

Approvals Required:

No approvals are required, unless the pre-bid conference results in substantial modifications to the solicitation document.

Documents/Records Required:

A record of the pre-bid conference and/or site visit must be completed, kept on the procurement file and distributed to all bidders who were issued with the solicitation document. At a minimum, this record must include:

- the date, time and location of the pre-bid conference and/or site visit;
- a list of all persons who attended, including both ZNPHI staff and bidders;
- a list of all questions asked and the responses given; and
- any other information provided to bidders.

Next Steps:

- Proceed to SOP 14: Handling bidder clarifications, modifications and extensions, if further clarifications or modifications need to be issued or an extension is required.
- Proceed to SOP 15: Receiving bids, if no further clarifications, modifications, or extensions are required.

SOP 14: HANDLING BIDDER CLARIFICATIONS, MODIFICATIONS AND EXTENSIONS

Summary of Procedure:

This SOP establishes standard procedures for responding to bidder clarifications, issuing modifications to a bidding document and granting extensions of the bid deadline.

Bidder clarifications are requests from bidders for clarification of a particular element of the solicitation document, to which ZNPHI is required to issue a formal response to all bidders;

Modifications are formal amendments to the solicitation document, which ZNPHI may choose to make, either in response to a bidder clarification or on its own initiative;

Extensions are formal extensions by ZNPHI of the deadline for submission of bids, to give bidders more time in which to prepare their bids, normally in response to a bidder clarification or modification.

In case any modification or extension is considered inevitable by the ZNPHI, the same would be notified by ZNPHI in the same manner as adopted for the original advertisement.

Reference: Public Procurement Regulations 2022: 89: Clarification, modifications and Amendment of Solicitation Document, Regulations 90 and 91: Extension of Bidding Period

Applies to:

Method: This procedure may apply under any method where a formal invitation document has been issued i.e. to Open Bidding, Limited Bidding, Open Selection, Limited Selection and Simplified Bidding.

Where no requests for clarification are received and ZNPHI has no reason to modify a document or extend the bid deadline, the procedure will not be required.

Type: This SOP applies to goods, works, non-consulting services and consulting services.

Purpose of Procedure:

Ideally, bidder clarifications, modifications and extensions to the bid deadline should not be required. However, where they are required, it is important that clarifications, modifications and extensions are issued promptly and in sufficient time before the bid closing date. It is also essential that the same information is issued to all bidders at the same time.

Mishandling of bidder clarifications, modifications and extensions may result in complaints from bidders, unnecessary delays to the bidding process or a reduced number of bids.

Staff Involved and Responsibilities

The PU should manage requests for clarifications and the issue of any modifications to the solicitation document or extensions to the bid deadline. The PU should consult with the end user, or other technical specialist, where required on clarifications or modifications to be issued. Where any substantial change is made to the original, approved solicitation document, the PU must first consult the PC for approval.

Step-by-Step Instructions:

1. A clarification or modification can be issued, or an extension of the bidding deadline given, either in response to a request for clarification from a bidder or on ZNPHI's own initiative. Where a request is received from a bidder, ensure that it is received before the latest date for clarifications stated in the solicitation document. Where it is received later, send a reply stating that the request was received after the latest date for clarification requests and that therefore no response can be given.
2. Agree on the appropriate response to the request for clarification, or agree any modification that ZNPHI considers necessary. Consult with the end user, or technical specialist, where appropriate.
3. Consider whether the clarification or modification is likely to have a significant impact on the preparation of bids and therefore, whether an extension to the bidding deadline should be given.
4. Draft a formal clarification or modification. Where the clarification is in response to a request from a bidder, ensure that the response includes a description of the request, but without identifying the bidder who made the request. Ensure that any extension to the bidding deadline is clearly

stated, giving the time and date of the new deadline. State also the revised time and date for any public bid opening.

5. If the clarification or modification involves a substantial change to the solicitation document, obtain PC approval before re-issue.
6. Issue the same clarification, modification or extension to all bidders at the same time, keeping a record of its issue. Where a pre-bid conference is to be held, formal issue of the clarification, modification or extension may be delayed until after the pre-bid conference. However, ZNPHI must still prepare the clarification, modification or extension, as information will need to be provided at the pre-bid conference and a formal clarification, modification or extension must be issued after the conference.
7. If any extension to the bidding deadline has been given, ensure that arrangements for the receipt of bids and any public bid opening are revised e.g. revise room bookings, advise relevant staff of the new time and date etc.

Approvals Required:

The PC approval is required for any clarification or modification which involves a substantial change to the original solicitation document. The PC will render its decision in the usual way.

Documents/Records Required:

A record must be kept on the procurement file of the issue of all clarifications, modifications or extensions to the bid deadline. At a minimum, this record must include:

a copy of the clarification, modification or extension letter sent; and
evidence of despatch to all bidders e.g. fax confirmations, copies of letters posted etc.

Next Steps:

Proceed to SOP 15: Receiving Bids

SOP 15: RECEIVING BIDS

Summary of Procedure:

This SOP provides a procedure for the receipt of bids, closing bidding at the time of the deadline and safe-keeping of bids until the time for bid opening.

Reference: Public Procurement Regulations 2022: Regulation 94: Receipt of Bids (for goods, works and non-consulting services); Regulation 124: receipt of Proposals (for consulting services)

Applies to:

Method: The formal receipt of bids applies to the Open Bidding, Open Selection, Limited Bidding and Limited Selection procurement methods.

The procedure may also apply to Simplified Bidding procurement method.

Type: This SOP applies to goods, works, non-consulting services and consulting services.

Purpose of Procedure:

This procedure for the formal receipt of bids, closing of bidding and safe-keeping of bids is essential to the integrity of the bidding process for the following reasons:

- it ensures that bidding is closed at the precise date and time of the deadline and that no late bids are accepted.
- it ensures that a record is kept of all bids submitted on time, to help avoid the opening of any late bids submitted at the opening.
- it ensures that submitted bids are kept unopened until the time for the public bid opening, to promote fair competition.

Staff Involved and Responsibilities

The PU will manage the receipt of bids, the closing of bidding and shall be responsible for the safe-keeping of bids until they are delivered to the relevant Bid Opening Committee for opening.

Step-by-Step Instructions:

1. Make a locked and sealed bid box available during the bidding period, to allow bidders to deposit their bids in the box – see Para 2 below for details of bid boxes. The bid box must be in a location which is accessible to the public during normal working hours. The bid box must be labelled with the procurement reference number, particularly where several bid boxes are in use at any one time, for bids closing at different times.
2. The Bid Box should be large enough to receive a substantial number of large documents. The opening or slit in the Bid Box should be large enough to allow the passage of large documents.
3. Separate arrangement should be in place for receipt of samples.

4. Ensure that staff have been nominated to manage the bid closing and that they know the date and time of the closing. These staff must be at the location for bid receipt *before* the time of bid closing.
5. Seal the bid box slit at the *precise* date and time of the deadline for bidding.
6. Take the sealed bid box, to the location for the bid opening and deliver it into the custody of the Bid Opening Committee member responsible for the bid opening. The bid box must not be opened or left unsupervised between the bid closing and the bid opening.

Additional Information:

For additional information on receiving bids, see Guidance Notes on SOP 15 in the Appendix.

Approvals Required:

No approvals are required, although the member of the Bid Opening Committee responsible for the bid opening may wish to witness the closing of bidding at the time of the deadline.

Next Steps:

- Proceed to SOP 16: Opening bids (one stage – single envelope) for Open Bidding, and Limited Bidding.
- Proceed to SOP 17: Opening bids (one stage – two envelopes) for Open Selection and Limited Selection.

SOP 16: OPENING BIDS (SINGLE STAGE SINGLE ENVELOPE)

Summary of Procedure:

Bids which have been received on time are opened publicly, in the presence of bidders, and summary details read out and recorded.

Reference: Public Procurement Act 2020: Opening of Bids; Public Procurement Regulations 2022: Regulation 96: Bid Security and Bid Securing Declaration

Applies to:

Method: This procedure applies to Open Bidding and Limited Bidding procurement methods.

The RFP method will include a one stage - two envelope bid opening – see SOP 17 for guidance.

No public bid opening is required for the Simplified Bidding procurement method.

Type: This SOP applies to goods, works and non-consulting services.

Purpose of Procedure:

The public bid opening is an important step in the bidding process as:

- opening bids publicly helps to demonstrate that the bidding process is transparent and increases bidders' confidence in the public procurement process;
- reading out prices should avoid any disputes regarding price changes at a later date; and
- the formal procedure, which coincides with the bid closing, should prevent late bids from being included in the evaluation.

Staff Involved and Responsibilities

The PU shall manage the bid opening procedure.

Step-by-Step Instructions:

1. All bids shall be opened on a day other than a public holiday, or the day following a public holiday (this includes weekends).
2. Prepare the room prior to the bid opening time. Staff must ensure that appropriate resources, both physical and human, are available to manage the bid opening.
3. The person presiding at the bid opening must ensure that all staff involved understand their respective roles in the procedure.
4. The person presiding at the bid opening should welcome bidders to the opening and request them all to sign the record of attendance. He/she should briefly explain the procedure which will be followed, which is normally opening of the sealed bid box, counting of all bids, opening of bids, reading out and recording of information by the PU, opportunity for

bidders to ask questions, closing of meeting and removal of bids for safe-keeping and evaluation.

5. The seal of the Bid Box should be shown to those present at the bid opening meeting and then broken.
6. The bid box should be opened and all bids removed and counted.
7. First, envelopes marked "Withdrawal" should be opened one at a time. These should be read out and the envelope containing the corresponding bid located and returned to the bidder unopened. The withdrawal must be noted on the record of the bid opening.

N.B. "Withdrawals" refer to bidders who, having submitted a bid well in advance, wish to withdraw their bids and do not wish to have their bids considered.

8. Next, envelopes marked "Modification" should be opened one at a time and the envelope containing the corresponding bid located and opened. Details of the modified bid should be read out and recorded, ensuring that the details relate to the modified, not the original, bid. Both the original bid and modification should be stamped on key pages and signed or initialled by the chairperson of the opening.

N.B. "Modifications" refer to bidders who, having submitted a first bid well in advance, have then modified the terms of their bid (e.g. as a result of an unexpected change in the price of a key manufacturing input) and have placed another envelope marked "Modification" into the Bid Box before the date and time of bid opening.

9. After counting the remaining bids, each bid envelope should be marked with a serial number starting with the number "1".
10. List the bids in numerical order. The bids should then be opened, one at a time, and the relevant details read out and recorded as a line item against each serial number.
11. Each bid should be stamped on key pages and signed or initialled by the person presiding at the bid opening. Each bid should also be marked with a number (1, 2, 3 etc.), corresponding to its number on the Bid Opening record. With the exception of late bids, the PU must not make any comments regarding the acceptance or rejection of any bid. Any missing or incorrect documents should be noted in the record of bid opening, but not commented on.
12. When all bids received on time have been opened, read out and recorded, the chairperson should allow bidders to ask questions.
13. The person presiding at the bid opening should close the Bid Opening meeting, reminding bidders that they must not seek to influence the evaluation and that the Bid Evaluation results will be announced in due course in accordance with Regulation 121: **Notice of Best Evaluated Bidder** contained in PPR2022.

14. Copies of the bid opening record should be distributed to bidders on request. The original record should be added to the procurement file.
15. All bids should be immediately taken to a place of safe keeping, until the evaluation committee is ready to meet. Any bid securities must also be kept securely.
16. Where bid openings for more than one bidding process are conducted at the same time, they must be conducted consecutively, with one opening completed, recorded and bids removed, before the next opening commences.

Approvals Required:

No approvals are required for the public bid opening. The Head, Procurement shall appoint PSU staff to manage the process.

Additional Information:

For additional information on opening bids (one stage – single envelop), see Guidance Notes 1, 2 & 3 to SOP 16 in the Appendix

Documents/Records Required:

A record of the bid opening must be completed and kept on the procurement file. At a minimum, this record must include:

- the names of all bidders whose bids were opened;
- the unit rate and total prices of the bids read out;
- the presence or absence of a bid security if one was required and the form and amount of the security;
- the number of copies of the bid received; and
- any withdrawals or modifications.

Copies of the record must be distributed to bidders on request.

Next Steps:

Proceed to SOP 18: General Evaluation Procedures for goods, works and routine services.

SOP 17: OPENING BIDS (SINGLE STAGE TWO ENVELOPES)

Summary of Procedure:

The outer envelopes of bids, which have been received on time, are opened publicly, in the presence of bidders, to obtain the separate envelopes containing the technical and financial proposals within. The technical proposals are then opened and summary details read out and recorded.

Bid security is the part of evaluation of any firm and should be submitted (if the amount is specified in the ITB) along with technical proposal, and if required in percentage of the cost of bid price then with the financial proposal. Technical proposal envelopes which do not contain any Bid Security (where required in the ITB) are rejected and are not evaluated further.

Financial proposals are kept sealed until the technical evaluation has been completed and approved.

The financial proposals of bids proceeding to the financial evaluation are opened publicly at a separate bid opening meeting, at a date and time notified to the bidders whose technical proposals have been evaluated and accepted after the technical evaluation. Total prices quoted, together with all itemised unit prices, together with the technical scores awarded to bidders in the technical evaluation, are read out and recorded.

The financial proposals envelopes of bidders, whose technical proposals are not found acceptable by the Evaluation Committee or not contain or deficient Bid Securities (if required in percentage of the bid price), are returned to them unopened.

Reference: Public Procurement Regulations 2022: Regulation 126: Opening of Technical Proposals and Regulation 133: Financial Opening.

Applies to:

Method: This SOP applies to the Open Selection and Limited Selection methods.

Type: This SOP applies to consulting services.

Purpose of Procedure:

The public bid opening is an important step in the bidding process as:

- opening bids publicly helps to demonstrate that the bidding process is transparent and increases bidders' confidence in the public procurement process;
- reading out technical scores and prices at the financial opening should avoid any disputes regarding changes of price or the evaluation results at a later date; and
- the formal procedure, which coincides with the bid closing, should prevent late bids from being included in the evaluation.

Staff Involved and Responsibilities

The Head, PSU shall appoint PSU staff to manage the bid opening procedures.

Step-by-Step Instructions for Technical Opening:

1. All bids shall be opened on a day other than a public holiday, or the day following a public holiday (this includes weekends).
2. Prepare the room prior to the bid opening time. Staff must ensure that appropriate resources, both physical and human, are available to manage the bid opening efficiently.
3. The person presiding at the bid opening must ensure that all staff involved understand their respective roles in the procedure.
4. The chairperson should welcome bidders to the technical opening and request them all to sign the record of attendance. He/she should briefly explain the procedure which will be followed, which is normally opening of the sealed bid box, counting of bids, opening of outer envelopes, opening of technical proposals, reading out and recording of information by ZNPHI, opportunity for bidders to ask questions, closing of meeting and removal of proposals for safe-keeping and evaluation.
5. The sealed tender box should be shown to the meeting and opened publicly. All proposals are removed and counted. Each bid envelope counted should be marked with a serial number starting from 1. List the bids in numerical order.
6. First, envelopes marked "Withdrawal" should be opened one at a time. These should be read out and the envelope containing the corresponding proposal located and returned to the bidder unopened. The withdrawal must be noted on the record of the bid opening.

N.B. "Withdrawals" refer to bidders who, having submitted a bid well in advance, wish to withdraw their bids and do not wish to have their bids considered.

7. Next, envelopes marked "Modification" should be opened one at a time and the envelope containing the corresponding proposal located and the outer envelope opened. The envelopes marked "technical proposal" should be opened and details of the modified proposal should be read out and recorded, ensuring that the details relate to the modified, not the original, proposal. Both the original technical proposal and any modification should be stamped on key pages and signed or initialled by the chairperson.

N.B. "Modifications" refer to bidders who, having submitted a first bid well in advance, have then modified the terms of their bid (e.g as a result of an unexpected change in the price of a key manufacturing input, or, in the case of consulting services, as the result of a key member of a consulting team proposed no longer being available for the assignment), and have placed another envelope marked

“Modification” into the Tender Box before the time and the date of Bid Opening.

8. The outer envelopes of all other proposals should then be opened, one at a time, the technical proposals within them opened and relevant details read out and recorded. Each technical proposal should be stamped on key pages and signed or initialled by the chairperson of the bid opening. Each proposal should also be marked with a number (1, 2, 3 etc), corresponding to its number on the bid opening record. Late proposals shall not be accepted. The PU must not make any comments regarding the acceptance or rejection of any proposal. Any missing or incorrect documents should be noted in the record of bid opening, but not commented on.
9. When all proposals received on time have been opened, read out and recorded, the chairperson should allow bidders to ask questions.
10. The chairperson should close the bid opening meeting, reminding bidders that they must not seek to influence the evaluation and that bidders whose proposals are proceeding to the financial evaluation will be notified of the arrangements for the financial opening in due course.
11. Copies of the bid opening record should be distributed to bidders on demand. The original record should be added to the procurement file.
12. All technical proposals should be taken immediately to a place of safe keeping, until the evaluation committee is ready to meet. All financial proposals and any Bid Securities must also be kept securely.
13. Where bid openings for more than one procurement process are conducted at the same time, they must be conducted consecutively, with one opening completed, recorded and proposals removed, before the next opening commences.

Step-by-Step Instructions for Financial Opening:

1. Ensure that all bidders whose proposals are proceeding to the financial opening have been notified of the time, date and location for the opening, not less than one week before the meeting
2. Prepare the room prior to the bid opening time. Staff must ensure that appropriate resources, both physical and human, are available to manage the bid opening efficiently.
3. The person presiding at the opening must ensure that all staff involved understand their respective roles in the procedure.
4. The chairperson should welcome bidders to the financial opening and request them all to sign the record of attendance. He/she should briefly explain the procedure which will be followed, which is normally reading out technical scores, opening of financial proposals, reading out and recording of financial information by ZNPHI, opportunity for bidders to ask

questions, closing of meeting and removal of financial proposals for safe-keeping and evaluation.

5. Read out the names of all bidders whose proposals are proceeding to the financial evaluation and their respective technical scores. The PU must not discuss these scores or the results of the technical evaluation in any way.
6. Open the financial proposals, one at a time, and read out and record the relevant details, ensuring that in compliance with PPR2022 Regulation 98: **Financial Opening** Sub-Regulation (3) the total bid price of each bid is read out. Each financial proposal should be stamped on key pages and signed or initialled by the chairperson of the financial opening. The PU must not make any comments regarding the prices or the financial evaluation.
7. When all relevant financial proposals have been opened, read out and recorded, the chairperson should allow bidders to ask questions.
8. The chairperson should close the bid opening meeting, reminding bidders that they must not seek to influence the financial evaluation and that the bid evaluation report will be announced in due course in accordance with Regulation 121 of PPR2022.
9. Copies of the bid opening record should be distributed to bidders on demand. The original record should be added to the procurement file.
10. All financial proposals should immediately be taken to a place of safe keeping, until the evaluation committee is ready to meet.
11. Where bid openings for more than one procurement process are conducted at the same time, they must be conducted consecutively, with one opening completed, recorded and proposals removed, before the next opening commences.

Approvals Required:

No approvals are required for the public bid opening. The Head, Procurement shall appoint PSU staff to manage the process.

Additional Information:

For additional information on opening bids (one stage – two envelopes), see Guidance Notes on SOP 17 in the Appendix.

Documents/Records Required:

Records of both the technical and financial bid opening meetings must be completed and kept on the procurement file.

At a minimum, the record of the technical opening must include:

- the names and addresses of all bidders whose proposals were opened;
- the presence or absence of a Bid Security if one was required and the form and amount of the security;

- the number of copies of the technical proposal received; and
- any withdrawals or modifications.

At a minimum, the record of the financial opening must include:

- the names of all bidders whose proposals are proceeding to the financial evaluation;
- the technical score of each bidder proceeding to the financial evaluation;
- the total price of each financial proposal; and
- the number of copies of the financial proposal received.

Copies of the record must be distributed to bidders on request.

Next Steps:

Proceed to SOP 22: General evaluation procedures for consulting services or SOP 18 in case of goods and routine services as the case may be.

SOP 18: GENERAL EVALUATING PROCEDURES FOR GOODS, WORKS AND NON-CONSULTING SERVICES

Summary of Procedure:

This SOP sets out the general procedures for evaluating bids for goods, works and non-consulting services. It must be read in conjunction with the relevant SOP for the particular evaluation methodology to be used, which will be either:

- SOP 19: Evaluating Offers for Goods;
- SOP 20: Evaluating Offers for Services;
- SOP 21: Evaluating Offers for Non-consulting Services.

Evaluations will vary for goods, works and non-consulting services, but the evaluation methodology will always consist of three stages:

1. A preliminary screening, to eliminate bids which do not comply with the basic requirements of the Bidding Document and bidders who do not meet mandatory eligibility requirements;
2. A detailed evaluation, to determine whether bids are substantially responsive to the technical and commercial requirements of the Bidding Document; and
3. A financial evaluation to compare the costs of responsive bids and determine which is the successful bid and should be recommended for award of contract.

Reference: Public Procurement Act 2020: Section 98; Public Procurement Regulations 2022:

Applies to:

Method: The general principles in this SOP apply to evaluations under the Open Bidding, Limited Bidding, and Simplified Bidding methods.

Type: The general principles in this SOP apply to the evaluation of bids for goods, works and non-consulting services. The detailed methodologies for each individual procedure are included in SOP 19, SOP 20 and SOP 21 respectively.

The evaluation of proposals for consulting services, under the Request for Proposals method, is covered by SOP 22.

Purpose of Procedure:

The purpose of evaluation is to objectively assess and compare all bids received, using a pre-defined methodology and criteria, to determine which is the successful bidder to whom a contract should be awarded. A well conducted evaluation should ensure that:

- Competition is fair and that all qualified bidders have an equal opportunity of winning contracts financed by public funds;

(**N.B.** The term “Public Fund” is defined in Public Procurement Act 2020.
- The goods, works or services procured under the contract are of appropriate quality; and
- That ZNPHI obtains the best Value for Money (VFM).

Staff Involved and Responsibilities:

The PU has the overall responsibility for evaluations, but will but will involve the end user and other technical specialists, as required. Where appropriate, the ZNPHI will establish an Evaluation Team. The evaluation team will conduct the evaluation.

Step-by-Step Instructions:

Read this section in conjunction with the detailed step-by-step instructions in SOP 19, SOP 20 and SOP 21, as appropriate.

1. The Head of the PU and the Controlling Officer should identify appropriate members of staff to conduct the evaluation – (see Guidance Note 1 to SOP 18 in the Appendix) for assistance in selecting staff.
2. Review and list the requirements, instructions and evaluation criteria specified in the Bidding Document and ensure that these are clearly understood. Seek clarification from the person responsible for writing the Bidding Document, where necessary. The evaluation must apply the criteria specified in the Bidding Document only, and no new or varied criteria may be added.
3. The member of the PU responsible for managing the evaluation should meet with any selected evaluator(s) to review the evaluation methodology and criteria specified in the Bidding Document and ensure that it is fully understood by all evaluators.
4. Conduct a preliminary screening – (see Guidance Note 2 to SOP 18 in the Appendix for further details). Eliminate bids which do not pass the preliminary screening. List the failed bids, with bid number, name of supplier, and reason for rejection on a separate sheet (sheets) of paper.
5. Conduct a detailed examination of the bids which passed the preliminary screening – (see Guidance Note 3 to SOP 18 in the Appendix for further details). (See also Guidance Note 4 to SOP 18) for assistance in determining responsiveness and identifying material and non-material deviations.
6. Correct bids or seek clarifications from bidders as required – (see Guidance Note 5 to SOP 18 in the Appendix on areas where clarifications are permitted and the procedure for clarification and correction of bids).
7. Conduct a financial evaluation of the bids which passed the detailed evaluation to determine the lowest priced bid – (see Guidance Note 6 to SOP 18 in the Appendix for further details). (See also Guidance Note 7 to SOP 18 in the Appendix on the correction of arithmetic errors and Guidance Note 8 to SOP 18 in the Appendix on the application of discounts).
8. Where required, conduct a Qualification on the successful bidder – see SOP 26 for guidance.
9. Prepare the Evaluation Report for submission to the AA for approval with the Evaluation Committee's clear recommendation.

10. The AA will render its decision in accordance with the Levels of Authority (LoA).

If the evaluation process is delayed for whatever reason, and the evaluation cannot be completed within the period of bid validity, request all bidders to extend the validity of their bids – (see Guidance Note 9 to SOP 18 in the Appendix for details of the procedure).

Approvals Required:

Approval of the AA is required for the completed evaluation report – see Documents/Records Required below for guidance on preparing the evaluation report. No communications accepting or rejecting any bid, or indicating which is the successful bid, must be sent to any bidder before this approval is obtained and the results of the bid evaluation shall have been announced in accordance with the Regulations.

Documents/Records Required:

The approved Evaluation Report, following the general format and all supporting documents used in conducting the evaluation, must be kept on the procurement file.

Minutes of the evaluation meetings and copies of all correspondence with bidders, such as letters relating to clarifications, the correctness of adjustments to arithmetic errors, or extensions of the bid validity, must also be kept on the procurement file.

The Evaluation Report should include at least the following information:

- The results of the preliminary screening with the list of rejected bidders and a brief statement of why the bid was rejected;
- The results of the detailed technical and commercial evaluation;
- A List of any bids which were rejected as non-responsive and the reasons for the rejection
- Details of any non-material deviations, errors or omissions accepted, clarified or corrected and, where relevant, the way in which deviations or omissions have been quantified and taken into account in the financial evaluation;
- The price of each bid as read out at the bid opening;

- The evaluated price of each bid following any correction or adjustments to the price and the conversion to a single currency (if required);
- The ranking of the bids according to their evaluated price;
- A statement of which bid has the lowest evaluated price and is therefore the recommended bidder bid; and
- The results of any qualification.

The Evaluation Report must contain clear recommendations to the AA on:

- The recommended bidder bid and the price of the proposed contract; and
- Whether any discussion on delivery period or other contract terms should be held with the recommended bidder.

The Evaluation Report must be signed by all staff who have been involved in the evaluation.

Next Steps:

Read this SOP together with the relevant SOP 19, SOP 20 and SOP 21 and SOP 26 if qualification is required, then:

- Proceed to SOP 27: Conducting Negotiations, where discussions are required.

Where no negotiations are required:

- Proceed to SOP 30: Issuing a Notice of Acceptance under the Open Bidding, and Selective Bidding.
- Issuing of a Notice of Acceptance to the successful bidder must only be done after 10 days window period and the unsuccessful bidders have already been informed from day one.

SOP 19: EVALUATING OFFERS FOR GOODS

Summary of Procedure:

This SOP provides the standard operating procedure for the evaluation of bids for the supply of goods. It must be read in conjunction with SOP 18: General Evaluation Procedures for Goods, Works and Non-consulting Services.

The evaluation methodology for goods consists of three stages:

- a preliminary screening, to eliminate bids which do not comply with the basic requirements of the bidding document and bidders who do not meet mandatory eligibility requirements;
- a detailed evaluation, to determine whether bids are substantially responsive to the technical specification and commercial requirements stated in the bidding document and to eliminate bids which are not responsive; and
- a financial evaluation to compare the costs of responsive bids and determine which is the lowest priced bid.

The successful bid will be the lowest priced bid, which is substantially responsive to requirements of the bidding document.

Reference: Public Procurement Regulations 2022: Regulations: Evaluation Committee and responsibilities; Regulation 97: Details of Evaluation Methodology and Criteria; Regulation 98: Correction of non-conformities, Errors and Omissions; Regulation 100: Clarification of Bids; Regulation 101: Preliminary Examination; Regulation 102: Technical Evaluation; Regulation 103: Financial Evaluation and Comparison; Regulation 104: Evaluation of Quotations

Applies to:

Method: This SOP applies to the Open Bidding, Restricted Bid Bidding, and Simplified Bidding methods.

Type: This SOP applies to evaluations for goods only.

The evaluation of bids for works and non-consulting services is covered by SOP 20 and SOP 21 respectively. Evaluations for consulting services under the RFP method are covered by SOP 22.

Purpose of Procedure:

The purpose of the evaluation methodology for goods is to determine the lowest priced bid, which is responsive to the requirements of the bidding

document. This ensures that the procurement unit only procures goods which meet its specification, but does not pay any more than necessary for those goods.

Staff Involved and Responsibilities:

The PU has the overall responsibility for evaluations for goods, but will obtain technical advice from the end user, or other technical specialists, as required when determining the responsiveness of bids to the technical specification in the bidding document.

Where appropriate, the PU will establish an evaluation team to conduct the evaluation – see SOP 21 and the Appendix: Guidance Notes to SOP 18 for further guidance.

Step-by-Step Instructions:

1. The Controlling Officer shall appoint member(s) of staff to manage the evaluation – (see the Appendix: Guidance Notes to SOP 18 for guidance).
2. Review and list the requirements, instructions, specifications and evaluation criteria specified in the Bidding Document and ensure that these are clearly understood. Seek clarification from the person responsible for writing the Bidding Document or preparing the specification where necessary.
3. The member of the PU responsible for managing the evaluation should meet with any selected evaluator(s) to review the evaluation methodology and the specifications and criteria included in the Bidding Document and ensure that these are fully understood by all evaluators.
4. Conduct a preliminary screening – see SOP 18 for guidance. Eliminate bids which do not pass the preliminary screening.
5. Conduct a detailed evaluation to determine whether bids are substantially responsive to the minimum specification and the commercial requirements included in the bidding document – (see Guidance Notes 1 and 2 to SOP 19 in the Appendix for further detail). See SOP 18 for guidance on determining responsiveness, seeking clarifications and correcting minor deviations, errors and omissions. Eliminate bids which are not substantially responsive.
6. Start the financial evaluation by determining the evaluated price of each bid - see SOP 18 for further details and Guidance Note 3 to SOP 19 in the Appendix for the application of non-price criteria for goods.

7. Rank the bids according to their evaluated price. Identify the lowest priced bid, which will be the successful bid.
8. Where required, conduct a qualification on the successful bidder – see SOP 26 for guidance.
9. Prepare an evaluation report for submission to the AA for approval – see SOP 18 for details of the contents of the report.

Approvals Required:

Approval of the AA is required for the completed evaluation report. No communications accepting or rejecting any bid, or indicating which is the successful bid, must be sent to any bidder before this approval is obtained and the results of the bid evaluation have been announced in accordance with Public Procurement regulations.

Documents/Records Required:

The approved evaluation report, also using (Least Cost Evaluation) and all supporting documents used in conducting the evaluation, must be kept on the procurement file – see SOP 21 for further guidance on the contents of the evaluation report.

Next Steps:

Read this SOP together with SOP 18, and SOP 26 if qualification is required, then:

- Proceed to SOP 27: Conducting Negotiations, where negotiations are required.

Where no negotiations are required:

- Proceed to SOP 30: Issuing a Notice of Acceptance under the Open Bidding and Limited Bidding

SOP 20: EVALUATING OFFERS FOR WORKS

Summary of Procedure:

This SOP provides the standard operating procedure for the evaluation of bids for the provision of works. It must be read in conjunction with SOP 18: General Evaluation Procedures for Goods, Works and Non-consulting Services.

The evaluation methodology for works consists of three stages:

- a preliminary evaluation, to eliminate tender bids which do not comply with the basic requirements of the Bidding Document and bidders who do not meet mandatory eligibility requirements;
- a detailed evaluation, to determine whether bids are substantially responsive to the commercial and technical requirements stated in the Bidding Document and to eliminate bids which are not responsive; and
- a financial evaluation to compare the costs of responsive bids and determine which is the lowest priced bid.

The successful bid will be the lowest priced bid, which is substantially responsive to requirements of the bidding document.

Reference: Public Procurement Regulations 2022: Regulations: Evaluation Committee and responsibilities; Regulation 97: Details of Evaluation Methodology and Criteria; Regulation 98: Correction of non-conformities, Errors and Omissions; Regulation 100: Clarification of Bids; Regulation 101: Preliminary Examination; Regulation 102: Technical Evaluation; Regulation 103: Financial Evaluation and Comparison; Regulation 104: Evaluation of Quotations

Applies to:

Method: This SOP applies to the Open Bid Bidding, Limited Bidding and Simplified Bidding methods.

Type: This SOP applies to evaluations for works only.

The evaluation of bids for goods and non-consulting services are covered by SOP 19 and SOP 21 respectively. Evaluations for consulting services under the RFP method are covered by SOP 22.

Purpose of Procedure:

The purpose of the evaluation methodology for works is to determine the lowest priced bid, which is responsive to the requirements of the bidding document. This ensures that the procurement unit only procures work of the

required standard, but does not pay any more than necessary for the performance of those works.

Staff Involved and Responsibilities:

The Evaluation Committee has the overall responsibility for evaluations for works. The Controlling Officer shall appoint, on recommendation by the PU, the members of the evaluation committee to conduct the evaluation – see SOP 18 and guidance Notes to SOP 18 in the Appendix for further guidance.

Step-by-Step Instructions:

1. The head of the PU should identify appropriate member(s) of staff and recommend to the Controlling Officer for appointment to the evaluation committee to manage the evaluation – see SOP 18 for guidance.
2. Review and list the requirements, instructions, description of works and evaluation criteria specified in the Bidding Document and ensure that these are clearly understood. Seek clarification from the person responsible for writing the Bidding Document or preparing the description of works where necessary.
3. The PU should meet with the members of the evaluation committee to review the evaluation methodology and the description of works and criteria included in the Bidding Document and ensure that these are fully understood by all evaluators.
4. Conduct a preliminary screening – see SOP 18 for guidance. Eliminate bids which do not pass the preliminary screening.
5. Conduct a detailed evaluation to determine whether bids are substantially responsive to the commercial and technical requirements included in the bidding document – (see Guidance Note 1 to SOP 20 for further details). See SOP 21 for guidance on determining responsiveness, seeking clarifications and correcting minor deviations, errors and omissions. Eliminate bids which are not substantially responsive.
6. Start the financial evaluation by determining the evaluated price of each bid - see SOP 18 for further details and see Guidance Note 2 to SOP 20 for the application of non-price criteria for works.
7. Rank the bids according to their evaluated price. Identify the lowest priced bid, which will be the successful bid.
8. Check that the prices of the lowest evaluated bid are not seriously unbalanced or front loaded and request further price analysis if required.

9. Where required, conduct a qualification of the successful bidder – see SOP 26 for guidance.
10. Prepare an evaluation report for submission to the AA for approval – see SOP 18 for details of the contents of the report.

Approvals Required:

Approval of the AA is required for the completed evaluation report. Evaluation Reports are submitted for approval by the AA. No communications accepting or rejecting any bid, or indicating which is the successful bid, must be sent to any bidder before this approval is obtained and the results of the bid evaluation shall have been announced in accordance with the Public Procurement Regulations.

Documents/Records Required:

The approved evaluation report, and all supporting documents used in conducting the evaluation, must be kept on the procurement file – see SOP 18 for further guidance on the contents of the evaluation report.

Next Steps:

Read this SOP together with SOP 18, and SOP 26 if qualification is required, then:

- Proceed to SOP 27: Conducting Negotiations, where negotiations are required.

Where no negotiations are required:

- Proceed to SOP 30: Issuing a Notice of Acceptance under the Open Bidding and Limited Bidding.

SOP 21: EVALUATING OFFERS FOR NON-CONSULTING SERVICES

Summary of Procedure:

This SOP provides the standard operating procedure for the evaluation of bids for the provision of non-consulting services. It must be read in conjunction with SOP 18: General Evaluation Procedures for Goods, Works and Non-consulting Services.

The evaluation methodology for non-consulting services consists of three stages:

- a preliminary screening, to eliminate bids which do not comply with the basic requirements of the Bidding Document and bidders who do not meet mandatory eligibility requirements;
- a detailed evaluation, to determine whether bids are substantially responsive to the commercial and technical requirements stated in the Bidding Document and to eliminate bids which are not responsive; and
- a financial evaluation to compare the costs of responsive bids and determine which is the lowest priced bid.

The successful bid will be the lowest priced bid, which is substantially responsive to requirements of the Bidding Document.

Reference: Public Procurement Regulations 2022: Regulations 64: Evaluation Committee and responsibilities; Regulation 97: Details of Evaluation Methodology and Criteria; Regulation 98: Correction of non-conformities, Errors and Omissions; Regulation 100: Clarification of Bids; Regulation 101: Preliminary Examination; Regulation 102: Technical Evaluation; Regulation 103: Financial Evaluation and Comparison; Regulation 104: Evaluation of Quotations

Applies to:

Method: This Procurement Procedure applies to the Open Bid Bidding, Limited Bidding and Simplified Bidding methods.

Type: This SOP applies to evaluations for non-consulting services only.

The evaluation of bids for goods and works are covered by SOP 19 and SOP 20 respectively. Evaluations for consulting services under the Request for Proposals method are covered by SOP 22.

Purpose of Procedure:

The purpose of the evaluation methodology for non-consulting services is to determine the lowest priced bid, which is responsive to the requirements of the Bidding Document. This ensures that the procurement unit only procures services of the required standard, but does not pay any more than necessary for the performance of those services.

Staff Involved and Responsibilities:

The Evaluation Committee has the overall responsibility for evaluations for non-consulting services. The Controlling Officer shall appoint, on recommendation by the PU, the members of the evaluation committee to conduct the evaluation. The Controlling Officer shall appoint, on recommendation by the PU, the members of the evaluation committee to conduct the evaluation, see SOP 18 and Guidance Notes to SOP 18 in the Appendix for further guidance.

Step-by-Step Instructions:

1. The head of the PU should identify appropriate member(s) of staff and recommend to the Controlling Officer for appointment to the evaluation committee to manage the evaluation, see SOP 18 for guidance.
2. Review and list the requirements, instructions, terms of reference and evaluation criteria specified in the Bidding Document and ensure that these are clearly understood. Seek clarification from the person responsible for writing the Bidding Document or preparing the terms of reference where necessary.
3. The PU should meet with the members of the evaluation committee to review the evaluation methodology and the terms of reference and criteria included in the Bidding Document and ensure that these are fully understood by all evaluators.
4. Conduct a preliminary screening, see SOP 18 for guidance. Eliminate bids which do not pass the preliminary screening.
5. Conduct a detailed evaluation to determine whether bids are substantially responsive to the commercial and technical requirements included in the Bidding Document (see Guidance Note 1 to SOP 21 in the Appendix for further detail). See SOP 18 for guidance on determining responsiveness, seeking clarifications and correcting minor deviations, errors and omissions. Eliminate bids which are not substantially responsive.
6. Start the financial evaluation by determining the evaluated price of each bid (see SOP 18 for further details).

7. Rank the bids according to their evaluated price. Identify the lowest priced bid, which will be the successful bid.
8. Where required, conduct a qualification of the successful bidder (see SOP 26 for guidance).
9. Prepare an evaluation report for submission to the AA for approval (see SOP 18 for details of the contents of the report).

N.B. The detailed evaluation of bids for non-consulting services will often require input from technical staff and/or staff representing the end user.

N.B. “Bidder’s qualification and experience of similar service etc.” also need to be included in evaluation criteria as pre-qualification and /or qualification are not mandatory under the regulations.

Approvals Required:

Approval of the AA is required for the completed evaluation report. Evaluation Reports are submitted for approval. No communications accepting or rejecting any bid, or indicating which is the successful bid, must be sent to any bidder before this approval is obtained and the results of the bid evaluation shall have been announced in accordance with regulations.

Documents/Records Required:

The approved evaluation report, and all supporting documents used in conducting the evaluation, must be kept on the procurement file (see SOP 18 for further guidance on the contents of the evaluation report)

Next Steps:

Read this SOP together with SOP 18 and SOP 26 if qualification is required, then:

- Proceed to SOP 27: Conducting Negotiations, where negotiations are required.

Where no negotiations are required:

- Proceed to SOP 30: Issuing a Notice of Acceptance under the Open Bidding and Limited Bidding methods.

SOP 22: EVALUATION OF CONSULTING SERVICES PROPOSALS.

Summary of Procedure:

It covers all methods used to procure consulting services which include open and limited selection, direct bidding and simplified bidding.

Depending on the nature and complexity of assignments, different selection methods may be selected, which include:

- Quality and Cost Based Selection (QCBS);
- Quality Based Selection (QBS);
- Selection under Fixed Budget (FBS);
- Selection of Consultants Qualifications (CQS)
- Selection Based on Least Cost.
- Selection of individual consultants
- Single source selection (SSS)

Reference: Public Procurement Regulations 2022: Regulation: Evaluation Committee and Responsibility; Regulation 127: Preliminary Examination; Regulation 128: Scoring of Proposal for Technical Evaluation; Regulation 129.

Applies to:

Method: The general principles in this SOP apply to all evaluations under the RFP method.

Type: The general principles in this SOP apply to the evaluation of proposals for consulting services only.

Purpose of Procedure:

The purpose of evaluations for consulting services is to assess and compare all proposals received, in as objective a manner as possible, using a pre-defined methodology and criteria, in order to determine, the best evaluated proposal, to be awarded a contract. A well conducted evaluation for consulting services should ensure that:

- competition is fair and that all Bidders have an equal opportunity of winning a contract;
- the Supplier selected has appropriate staff and experience to successfully perform the Consulting Services; and
- the Consulting Services procured under the Contract offers an appropriate balance of quality and cost, depending on the objectives and circumstances of the procurement requirement

Staff Involved and Responsibilities:

- Where appropriate, the PU will propose members of an evaluation team with joint responsibility for conducting the entire evaluation. The Procurement Unit has the overall responsibility for evaluations. However, the Controlling Officer is responsible for appointing an evaluation committee. The staff that are appointed to an evaluation committee should have the requisite technical knowledge of the services and are able to represent the end user of the services. The evaluation committee will have joint responsibility for conducting the entire evaluation.

Step-by-Step Instructions:

1.0 Bids should be evaluated within the period of bid validity. However, if for any reason this period is insufficient, the procuring agency may request bidders to extend the validity of their proposals and bid bonds at any point during this process if required.

2.0 Definitions

“Consultancy contracts” are contracts for consulting services of intellectual and advisory nature”.

“Consulting Services” mean any one or a combination of the following:

- Advisory and review services;
- Pre-investment or feasibility studies;
- Designs;
- Construction supervision;
- Management and related services; and
- Other technical services or special studies

An ad hoc evaluation committee is appointed by the Controlling Officer and is responsible for the evaluation of both technical and financial proposals.

- Members shall have skills, knowledge, and experience relevant to the procurement.
- Where internal capacity is lacking, a consultant may be appointed.
- A person appointed to the evaluation committee shall not take part in the decision of the Procurement Committee on that procurement requirement.
- The bid evaluators should aim to submit the completed BER containing the required summary to the Approval Authority within 21 working Days from the starting date of the evaluation.

3.0 Preparation formalities

- Before commencing the evaluation, the evaluation committee shall:

- collect all key information pertaining to the bidding so that it is readily available and the evaluation process is kept in proper perspective
- discuss the criterion to ensure all have a common understanding
- Criteria for bids examination and evaluation applied must be contained in the solicitation document.
- Criteria not included in the solicitation document shall not be used.
- Disclosure of Interest or its absence, must be made by evaluation committee members.

4.0 Common Evaluation Process Steps

- During the evaluation each member independently conducts the evaluation for each proposal and award scores accordingly.
- The Bid evaluators should aim to submit the completed BER containing the required summary to the Approval Authority within 21 working Days from the starting date of the evaluation.
- Disclosure of Interest or its absence, must be made by evaluation committee members.

5.0 Clarification and Alteration of Bids

- No bidder shall be permitted to alter its bid after the bids have been opened;
- Only clarifications, which do not change the substance or price of the bid may be requested and accepted; and
- Clarifications sought and received, during evaluation shall be in writing.

6.0 Confidentiality of Procedures

- No information relating to: -
 - examination;
 - clarification;
 - evaluation of bids; and recommendations concerning awards; shall be communicated to any person not officially concerned with these procedures until the announcement of the award of the contract to the successful bidder has been made

7.0 Specific Evaluation Steps

7.1 Evaluation procedures for consultancy proposals vary between the different selections methods, but all consist of three stages.

7.1.1 **Preliminary examination.** At this stage, bids are examined to determine if they meet the basic requirements of the RFP document and mandatory eligibility aspects. Typically, at this stage the following elements are examined

- Inclusion of all the documents required
- Correct authorisations
- Signature of CV's
- Sufficient validity of proposal

Bids which do not comply with the basic requirements of the Solicitation Documents and do not meet mandatory qualification requirements are eliminated from further consideration.

N.B It applies to all selection methods.

7.1.2 **Detailed (technical) evaluation.** This stage is to determine whether proposals are responsive to the terms of reference in the RFP Document, to assess the relative quality of the proposals, using a merit point scoring system and to determine which proposals should proceed to the financial opening and evaluation. Generally, in terms of detailed (technical) evaluation, the following elements are scored:

- Specific experience of consultant relevant to assignment
 - (a) Experience of firm
 - (b) Experience in assignments of similar nature
- Adequacy of proposed work plan and methodology in responding to the TOR
 - (a) Technical approach and methodology
 - (b) Proposed work plan
 - (c) Understanding the TOR
- Qualifications and competence of key staff
- Local participation (award points for each national among the key staff)
- Transfer of knowledge and skills.

The committee shall compile the scores from each member and calculate the average score for each proposal.

Compare the technical score of each proposal against the minimum technical threshold specified in the RFP document. Eliminate any proposals which do not reach this threshold.

Prepare a technical evaluation report and seek the approval of the Procurement Committee

Notify bidders whose proposals are being rejected. Enclose their unopened financial proposals with the notification, together with any Bid Securities, which were enclosed with their Technical Proposals.

Notify bidders whose proposals reached the required threshold of the date, time and location for the financial tender opening and conduct the tender opening

N.B. This stage applies to all section methods.

7.1.3 Financial Evaluation.

The approach and determination of the most competitive price and consequently the selection of the best evaluated proposal, is dependent on the selection method chosen.

- Upon acceptance of the technical evaluation by the Approval Authority, notify Bidders whose Bids are being rejected, stating that their financial Bids will be returned unopened after completion of the evaluation process.
- Notify Bidders whose Bids reached the threshold of the date, time and location for the financial opening and conduct the opening
- The financial proposals of technically qualified firms will be opened publically in presence of firms or their representatives who choose to attend. The name of the firm, the technical quality scores, and the quoted prices shall be announced, and recorded when the financial proposals are opened.
- An evaluation committee shall determine the evaluated price for each proposal by:
 - correcting any arithmetical errors
 - determining whether the financial proposals are complete
 - Converting all proposals to a single currency
- The financial evaluation procedures for the various selection methods are as follows:
 - (a) Quality and Cost Based Selection (QCBS), under this method, the successful Bid will be the proposal with the highest combined (price and technical) score.**
 - The technical and financial scores of each proposal shall be weighted, using the weights stated in the solicitation document
 - The weighted technical and financial scores shall be added together, to give a total score for each proposal

- The proposal with the highest total score shall be the best evaluated bid and shall be recommended for award of contract, subject to any negotiations required
- (b) **Quality Based Selection (QBS).** Under this method, the successful Bid will be the proposal with the highest technical score
- Rank the Bids according to their technical scores. Identify the Bid with the highest technical score
 - Notify Bidders whose proposals are being rejected, stating that their financial proposals will be returned unopened after completion of the evaluation process.
 - The bid with the highest technical score is opened and subjected to a financial evaluation, subject to any negotiation required.
- (c) **Least Cost Selection (LCS).** Under this method, the successful Bid will be the one with the lowest evaluated price.
- Notify Bidders whose proposals are being rejected, stating that their financial proposals will be returned unopened after completion of the evaluation process.
 - Notify Bidders whose Bids reached the threshold of the date, time and location for the financial opening and conduct the opening.
 - Start the financial evaluation by determining the evaluated price of each.
 - Rank the Bids according to their evaluated price. Identify the Bid with the lowest price, which will be the successful Bid.
- (d) **Fixed Budget Selection (FBS).** Under this method the successful Bid will be the highest technical score and the price does not exceed the pre-disclosed budget.
- The EC will compare the evaluated price of the Bids to the budget that was disclosed to Bidders in the Solicitation Documents. Any Bid that exceeds this Budget shall be rejected.
 - The Bid with the highest technical score that is within the budget is the successful Bid.
- (e) **Consultant's Qualifications (CQS).** Under this method the Consultant selected will meet the minimum technical standards and be the lowest cost.

Approvals Required:

Approval of the Procurement Committee is required for the completed technical evaluation report, prior to proceeding with the financial bid opening and evaluation.

Approval of the Procurement Committee is subsequently required for the combined technical and financial evaluation or the financial report only depending on the method of selection that is applied. No communications accepting any proposal, or indicating which the successful proposal is, must be sent to any bidder before this approval is obtained and the results of the bid evaluation have been announced.

Additional Information:

For additional information, see Guidance Notes on SOP 22 in the Appendix.

Documents/Records Required:

The Approved technical and financial evaluation reports, and all supporting documents used in conducting the evaluation, such as signed individual score sheets and minutes of meetings of the evaluators, must be kept on the Procurement file.

Next Steps:

Read this SOP together with the relevant SOP 23, SOP 24 or SOP 25, then:

- Proceed to SOP 27: Conducting Negotiations, where negotiations are required.
- Proceed to SOP 30: Issuing a Notice of Acceptance, where no negotiations are required.

SOP 23: EVALUATING PROPOSALS FOR CONSULTING SERVICES USING QUALITY AND COST BASED SELECTION (QCBS)

Summary of Procedure:

This SOP provides the standard operating procedure for the evaluation of proposals for consulting services, using the QCBS methodology. It must be read in conjunction with SOP 22: General Evaluation Procedures for Consulting services.

The evaluation methodology for QCBS consists of three stages:

- a preliminary screening, to eliminate proposals which do not comply with the basic requirements of the RFP document and bidders who do not meet mandatory eligibility requirements;
- a detailed technical evaluation to assess the quality of proposals, using a merit point system and to eliminate proposals which do not meet the specified minimum score; and
- a financial evaluation to compare the costs of proposals which reached the minimum score, to award financial scores and to weight the technical and financial scores to give a total score for each proposal.

The successful proposal will be the proposal with the highest total score.

Reference: Public Procurement Regulations 2022: Regulation 130 and 134

Applies to:

Method: This SOP applies to the RFP method, where QCBS is used. SOP 24 and SOP 25 also apply to the RFP method, but apply when Quality Based Selection (QBS) or Least Cost Selection (LCS) is used.

Type: This SOP applies to evaluations for consulting services only.

Evaluations for goods, works and non-consulting services, under the Open Bidding, Restricted Bidding, Limited Bidding and Simplified Bidding methods are covered by SOP 18, SOP 19, SOP 20 and SOP 21.

Purpose of Procedure:

The purpose of the QCBS evaluation methodology is to determine the proposal which offers the best overall value to the procurement unit, taking into account both the quality and the price of proposals.

Staff involved and Responsibilities:

The Evaluation Committee has the overall responsibility for evaluations using the QCBS methodology under the direction of the AA, and will comprise staff, with knowledge of the type of consulting services required, to evaluate the technical aspects of the proposals and award scores.

The Controlling Officer will establish an evaluation team with joint responsibility for conducting the entire evaluation (see SOP 22 above and the Guidance Notes to SOP 22 in the Appendix for further guidance).

Step-by-Step Instructions:

1. The head of the PU should identify and recommend to the Controlling Officer for appointment, appropriate members of staff to manage the evaluation (see SOP 22 and the Guidance Notes to SOP 22 in the Appendix for guidance).
2. Review the basic requirements of the RFP Document and conduct a preliminary screening – (see SOP 22 and the Guidance Notes to SOP 22 in the Appendix for guidance). Eliminate proposals, which do not pass the preliminary evaluation.
3. The PU should meet with the evaluation committee, to review the terms of reference, the criteria and the maximum number of points for each criterion specified in the RFP Document and ensure that they are fully understood by all evaluators. Seek clarification from the person responsible for writing the RFP document or drafting the terms of reference, where necessary.
4. Conduct a detailed technical evaluation, assessing whether the proposals are responsive to the terms of reference and awarding merit point scores, to determine the (average) technical score of each proposal (see SOP 22 and the Guidance Notes to SOP 22 in the Appendix for the detailed procedure for merit point evaluations).
5. Compare the technical score of each proposal against the minimum technical threshold specified in the RFP document. Eliminate any proposals which do not reach this threshold or which the evaluators agree are not responsive to important aspects of the terms of reference.
6. Prepare a technical evaluation report and seek the approval of the AA for the report (see the Documents/Records Required Section below for guidance on the contents of the report).
7. Notify bidders whose proposals are being rejected. Enclose their unopened financial proposals with the notification, together with any Bid Securities, which were enclosed with their Technical Proposals, when applicable.

8. Notify bidders whose proposals reached the required threshold of the date, time and location for the financial bid opening and conduct the bid opening (see SOP 17 for further guidance on the financial opening).
9. Start the financial evaluation by determining the evaluated price of each proposal (see SOP 22 and the Guidance Notes to SOP 22 in the Appendix for further details).
10. Award financial scores to each proposal, based on their evaluated price (see Guidance Note 1 to SOP 23 in the Appendix for details).
11. Weight the technical and financial scores, using the weights stated in the RFP Document and add the weighted scores together to obtain the total score for each proposal (see Guidance Note 2 to SOP 23 in the Appendix for details).
12. Rank the proposals according to their total scores. Identify the proposal with the highest total score, which will be the successful proposal.
13. Prepare a financial evaluation report and seek approval of the AA for the report – see the Documents/Records Required Section below for guidance on the contents of the report.

Approvals Required:

Approval is required for the technical evaluation report prior to the opening of financial proposals.

Approval of the AA is then required for the financial evaluation report, following completion of the evaluation.

Documents/Records Required:

The approved technical and financial evaluation reports, and all supporting documents used in conducting the evaluation, such as signed individual score sheets and minutes of meetings of the evaluators, must be kept on the procurement file.

Evaluation reports must be signed by all staff who have been involved in the evaluation.

The technical evaluation report should include the following information:

- the results of the preliminary screening;

- The presence or absence of Bid Security (where required) for the specified amount, in the format specified, valid for the required period and provided by an appropriate financial institution;
- the technical scores of each evaluator for each proposal;
- a written summary of the relative strengths and weaknesses of each proposal;
- any proposals which were rejected for being non-responsive to important aspects of the terms of reference and the reasons;
- an analysis of any discrepancies in scores between evaluators and a summary of any discussions held and adjustments made;
- the total technical score for each proposal;
- results of the interviews where held;
- which proposals reached the minimum technical threshold and a recommendation to open the financial proposals of these bidders; and
- a recommendation to reject all other proposals.

The financial evaluation report should include the following information:

- the total proposal prices and technical scores read out at the financial proposal opening;
- the evaluated price of each proposal, following any corrections or adjustments to the price and the conversion to a single currency;
- the financial scores of each proposal and the methodology for allocating financial scores;
- the weighting of technical and financial scores;
- the total score for each proposal; and
- a statement of which proposal had the highest total score and is therefore the successful proposal.

The financial evaluation report must contain clear recommendations on:

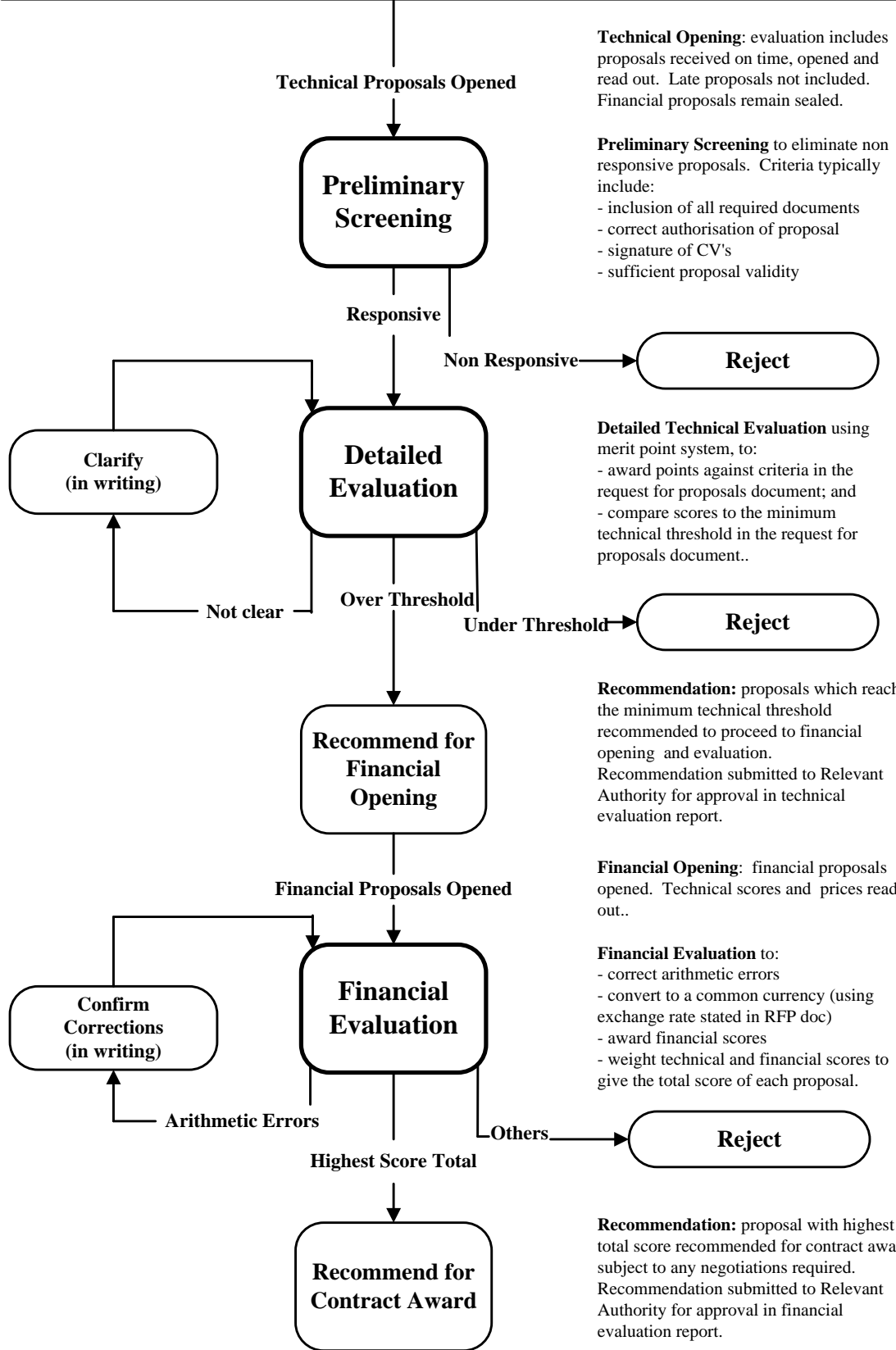
- the successful proposal and the price of the proposed contract; and
- whether any discussion should be held with the successful bidder.

Next Steps:

Read this SOP together with SOP 22, then:

- Proceed to SOP 27: Conducting Negotiations, where negotiations are required.
- Proceed to SOP 30; Issuing a Notice of Acceptance, where no negotiations are required.

Evaluation Procedure for Quality and Cost Based Selection



SOP 24: EVALUATING PROPOSALS FOR CONSULTING SERVICES USING QUALITY BASED SELECTION (QBS)

Summary of Procedure:

This SOP provides the standard operating procedure for the evaluation of proposals for consulting services, using the Quality Based Selection (QBS) methodology. It must be read in conjunction with SOP 22: General Evaluation Procedures for Consulting services and the Guidance Notes to SOP 22. Additional Notes to the SOPs.

The evaluation methodology for QBS consists of three stages:

- a preliminary screening, to eliminate proposals which do not comply with the basic requirements of the RFP document and bidders who do not meet mandatory eligibility requirements;
- a detailed technical evaluation to assess the quality of proposals, using a merit point system and to determine the highest quality proposal; and
- a financial evaluation to examine the financial proposal of the bidder with the highest technical score only and prepare for any discussions.

The successful proposal will be the proposal with the highest technical score.

Reference: Public Procurement Regulations 2022: Regulation 131 and 135: Technical Evaluation for Quality Based Selection; Regulation 100: Financial Evaluation for Quality Based Selection

Applies to:

Method: This SOP applies to the RFP method, where QBS is used. SOP 23 and SOP 25 apply to the RFP method, where QCBS or LCS is used.

Type: This SOP applies to evaluations for consulting services only.

Evaluations for goods, works and non-consulting services, under the Open Bidding, Restricted Bidding, Limited Bidding and Simplified Bidding methods are covered by SOP 18, SOP 19, SOP 20 and SOP 21.

Purpose of Procedure:

The purpose of the QBS evaluation methodology is to determine the proposal which offers the best quality for the procurement unit, without any reference to price, where obtaining the highest possible technical quality is the main objective of the procurement.

Staff involved and Responsibilities:

The evaluation committee has the overall responsibility for evaluations using the QBS methodology, under the overall direction of the AA. The Controlling Officer on recommendation by the PU will establish an evaluation team with joint responsibility for conducting the entire evaluation (see SOP 22 and the Guidance Notes to SOP 22 in the Appendix for further guidance).

Step-by-Step Instructions:

1. The head of the PU should identify and recommend to the Controlling Officer for appointment, appropriate members of staff to manage the evaluation (see SOP 22 and the Guidance Notes to SOP 22 in the Appendix for guidance).
2. Review the basic requirements of the RFP document and conduct a preliminary evaluation (see SOP 22 and the Guidance Notes to SOP 22 in the Appendix for guidance). Eliminate proposals which do not pass the preliminary screening.
3. The PU should meet with the evaluation committee to review the terms of reference, the criteria and the maximum number of points for each specified in the RFP Document and ensure that they are fully understood by all evaluators. Seek clarification from the person responsible for writing the RFP Document or drafting the terms of reference, where necessary.
4. Conduct a detailed technical evaluation, assessing whether the proposals are responsive to the terms of reference and awarding merit point scores, to determine the (average) technical score of each proposal (see SOP 22 and the Guidance Notes to SOP 22 in the Appendix for the detailed procedure for merit point evaluations). (conduct interviews if required)
5. Rank the proposals according to their technical scores. Identify the proposal with the highest technical score, which will be the successful proposal, subject to satisfactory discussions. Eliminate all other proposals.
6. Prepare a technical evaluation report and seek the approval of the AA for the report (see the Documents/Records Required section below for guidance on the contents of the report).
7. Notify bidders whose proposals did not obtain the highest technical score that their proposals are not proceeding to the financial evaluation. The letter should not reject the proposals at this stage, but should state that they may be considered for financial evaluation and discussions, if discussions

with the highest ranked bidder fail. Any Bid Security should also be retained until the procedure is completed and a winning bidder chosen.

8. Notify the bidder whose proposal obtained the highest technical score of the date, time and location for the financial bid opening and conduct the bid opening (see SOP 17 for further guidance on the financial opening).
9. Examine the financial proposal, correcting any arithmetic errors and checking whether all relevant costs have been included in the proposal. Assess whether the proposal prices offer value for money to the procurement unit, decide whether discussions are required and prepare for discussions.
10. Prepare a financial evaluation report and seek the approval of the AA for the report (see the Documents/Records Required section below for guidance on the contents of the report).

Approvals Required:

Approval of the AA is required for the technical evaluation report prior to the opening of the financial proposal of the best ranked bidder.

Approval of the AA is then required for the financial evaluation report, following completion of the evaluation and prior to any discussions.

Approval of the AA will again be required for the opening of any other financial proposals, where discussions with the highest ranked bidder fail.

Documents/Records Required:

The approved technical and financial evaluation reports, and all supporting documents used in conducting the evaluation, such as signed individual score sheets and minutes of meetings of the evaluators, must be kept on the procurement file.

Evaluation reports must be signed by all staff who have been involved in the evaluation.

The technical evaluation report should include the following information:

- the results of the preliminary screening;
- the presence, or absence, of any required Bid Security, for the specified amount, in the required format, valid for the required period and provided by an appropriate financial institution;
- the technical scores of each evaluator for each proposal;

- a written summary of the relative strengths and weaknesses of each proposal;
- any proposals which were rejected for being non-responsive to important aspects of the terms of reference and the reasons;
- an analysis of any discrepancies in scores between evaluators and a summary of any discussions held and adjustments made;
- the total technical score for each proposal;
- result of the interview where held;
- which proposal obtained the highest technical score and a recommendation to open the financial proposal of this bidder only; and
- a recommendation to reject all other proposals, following conclusion of a contract with the successful bidder.

The financial evaluation report should include the following information:

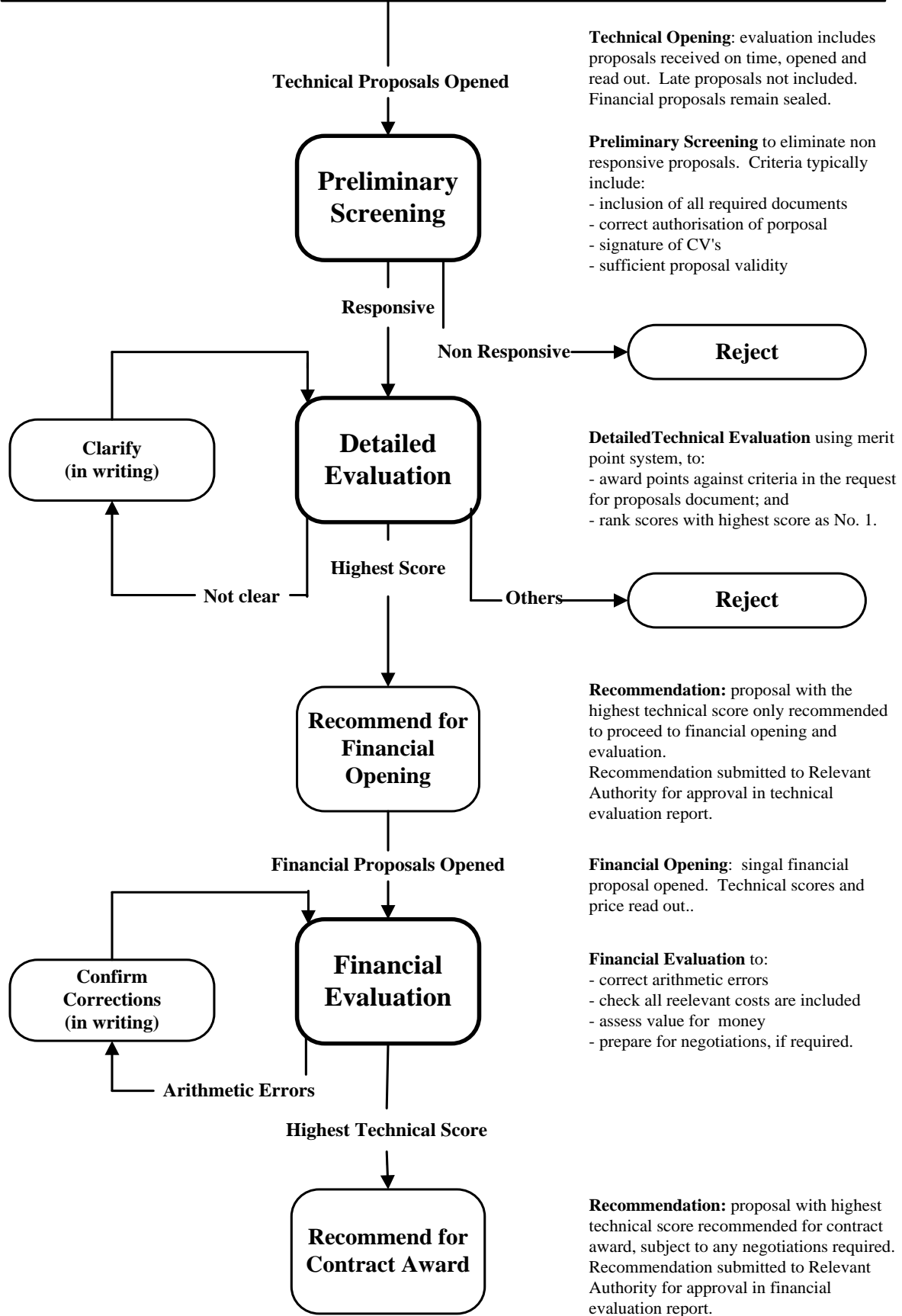
- the total proposal price and technical score read out at the financial proposal opening;
- the evaluated price of the proposal, following any corrections or adjustments to the price;
- a statement that this proposal had the highest technical score and is therefore the successful proposal, subject to satisfactory discussions; and
- recommendations regarding any required discussions with the selected bidder.

Next Steps:

Read this SOP together with SOP 22 and the Guidance Notes to SOP 22 in the Appendix, then:

- Proceed to SOP 27: Conducting Discussions, where negotiations are required.
- Proceed to SOP 30: Issuing a Notice of Acceptance, where no negotiations are required.

Evaluation Procedure for Quality Based Selection



SOP 25: EVALUATING PROPOSALS FOR CONSULTING SERVICES USING LEAST COST SELECTION (LCS)

Summary of Procedure:

This SOP provides the standard operating procedure for the evaluation of proposals for consulting services, using the Least Cost Selection (LCS) methodology. It must be read in conjunction with SOP 22: General Evaluation Procedures for Consulting services and the Guidance Notes to SOP 22. Additional Notes to the SOPs

The evaluation methodology for LCS consists of three stages:

- a preliminary screening, to eliminate proposals which do not comply with the basic requirements of the RFP document and bidders which do not meet mandatory eligibility requirements;
- a detailed technical evaluation to assess the quality of proposals, using a merit point system and to eliminate proposals which do not meet the specified minimum score; and
- a financial evaluation to compare the costs of proposals which reached the minimum score and determine which is the lowest priced proposal.

The successful proposal will be the proposal with the lowest evaluated price.

Reference: Public Procurement Regulations 2022: Regulation 130; Technical Evaluation for QCBS, LCS, FBS; Regulation 137: Financial Evaluation for Least Cost Selection

Applies to:

Method: This SOP applies to the RFP method, where LCS is used. SOP 23 and SOP 24 apply to the RFP method, where QCBS or QBS is used.

Type: This SOP applies to evaluations for consulting services only.

Evaluations for goods, works and non-consulting services, under the Open Bidding, Restricted Bidding, Limited Bidding and RFQ methods are covered by SOP 18, SOP 19, SOP 20 and SOP 21.

Purpose of Procedure:

The purpose of the LCS evaluation methodology is to determine the lowest priced proposal, which meets the minimum quality standard set by the procurement unit in the RFP document. This ensures that the procurement unit

procures consulting services of the required standard, but does not pay any more than necessary for those services.

Staff involved and Responsibilities:

The evaluation committee has the overall responsibility for evaluations using the LCS methodology, under the overall direction of the AA. The Controlling Officer, on recommendation from the PU, will establish an evaluation committee with joint responsibility for conducting the entire evaluation (see SOP 22 and the Guidance Notes to SOP 22 in the Appendix for further guidance).

Step-by-Step Instructions:

1. The head of the PU should identify and recommend to the Controlling Officer appropriate members of staff to manage the evaluation (see SOP 22 and the Guidance Notes to SOP 22 in the Appendix for guidance).
2. Review the basic requirements of the RFP document and conduct a preliminary screening (see SOP 22 and the Guidance Notes to SOP 22 in the Appendix for guidance). Eliminate proposals, which do not pass the preliminary screening.
3. The should meet with the evaluation committee to review the terms of reference, the criteria and the maximum number of points for each criterion specified in the RFP Document and ensure that they are fully understood by all evaluators. Seek clarification from the person responsible for writing the RFP Document or drafting the terms of reference, where necessary.
4. Conduct a detailed technical evaluation, assessing whether the proposals are responsive to the terms of reference and awarding merit point scores, to determine the (average) technical score of each proposal (see SOP 22 and the Guidance Notes to SOP 22 in the Appendix for the detailed procedure for merit point evaluations). (Conduct interview if required)
5. Compare the technical score of each proposal against the minimum technical threshold specified in the RFP Document. Eliminate any proposals which do not reach this threshold or which the evaluators agree are not responsive to important aspects of the terms of reference.
6. Prepare a technical evaluation report and seek approval from the AA for the report (see the Documents/Records Required Section below for guidance on the contents of the report).

7. Notify bidders whose technical proposals are being rejected. Enclose their unopened financial proposals together with any Bid Securities enclosed with their Technical Proposals.
8. Notify bidders whose proposals reached the threshold of the date, time and location for the financial bid opening and conduct the bid opening (see SOP 17 for further guidance on the financial opening).
9. Start the financial evaluation by determining the evaluated price of each proposal (see SOP 22 and the Guidance Notes to SOP 22 in the Appendix for further details).
10. Rank the proposals according to their evaluated price. Identify the proposal with the lowest price, which will be the successful proposal.
11. Prepare a financial evaluation report and seek approval of the AA for the report (see the Documents/Records Required section below for guidance on the contents of the report).

Approvals Required:

Approval of the AA is required for the technical evaluation report prior to the opening of financial proposals. Approval of the AA is then required for the financial evaluation report, following completion of the evaluation.

Documents/Records Required:

The approved technical and financial evaluation reports, and all supporting documents used in conducting the evaluation, such as signed individual score sheets and minutes of meetings of the evaluators, must be kept on the procurement file.

Evaluation reports must be signed by all staff who have been involved in the evaluation.

The technical evaluation report should include the following information:

- the results of the preliminary screening;
- the presence, or absence, of any required Bid Security for the specified amount, in the format specified, valid for the required period and provided by a reputable financial institution;
- the technical scores of each evaluator for each proposal;
- a summary of the relative strengths and weaknesses of each proposal;

- any proposals which were rejected for being non-responsive to important aspects of the terms of reference and the reasons;
- an analysis of any discrepancies in scores between evaluators and a summary of any discussions held and adjustments made;
- the total technical score for each proposal;
- results of the interviews where held;
- which proposals reached the minimum technical threshold and a recommendation to open the financial proposals of these bidders; and
- a recommendation to reject all other proposals.

The financial evaluation report should include the following information:

- the total proposal price and technical scores read out at the financial proposal opening;
- the evaluated price of each proposal, following any corrections or adjustments to the price and the conversion to a single currency;
- the ranking of the proposals, according to their evaluated price; and
- a statement of which proposal had the lowest evaluated price and is therefore the successful proposal.

The financial evaluation report must contain clear recommendations on:

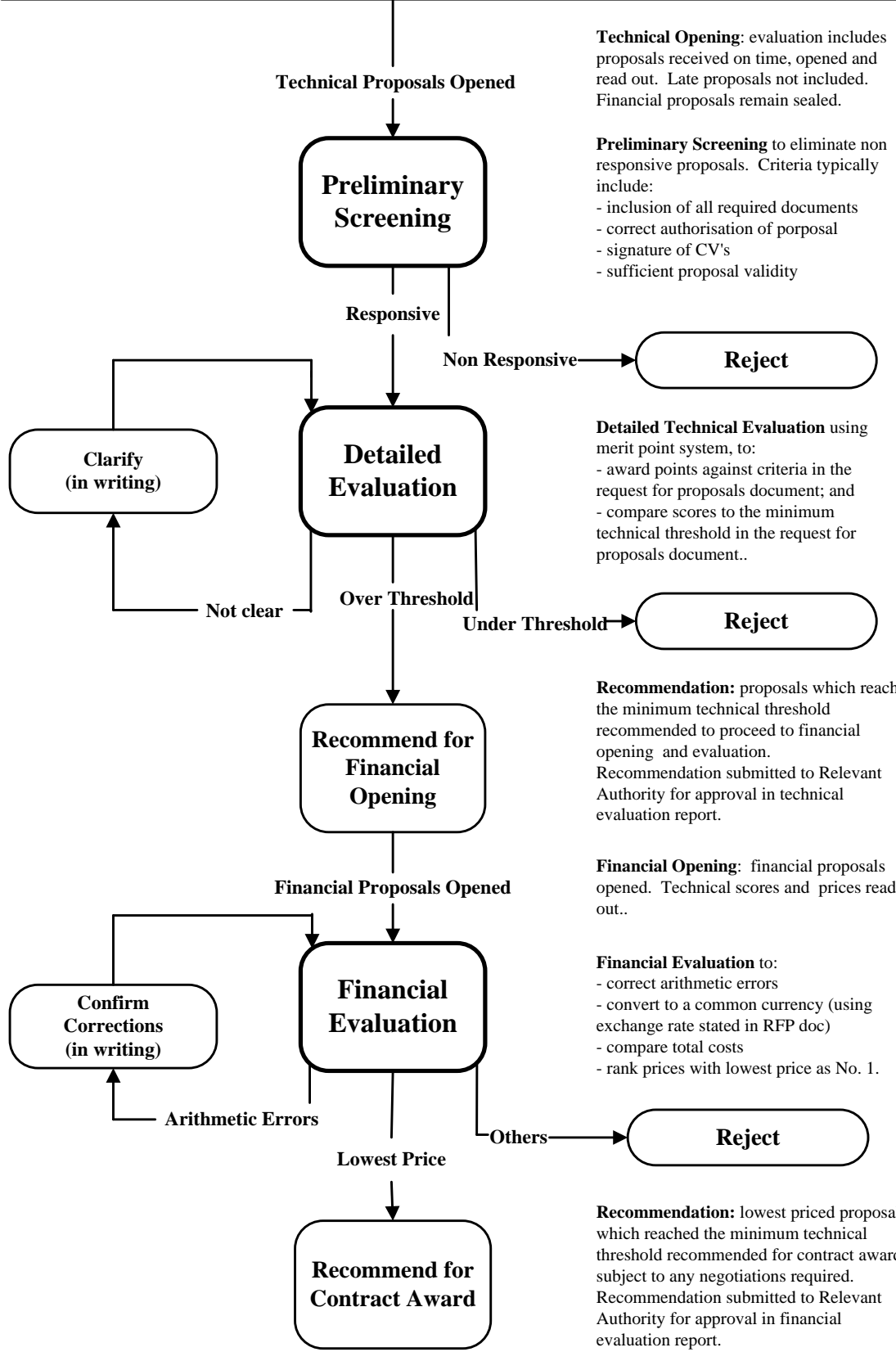
- the successful proposal and the price of the proposed contract; and
- whether any discussions should be held with the successful bidder.

Next Steps:

Read this SOP together with SOP 22 and the Guidance Notes to SOP 22 in the Appendix, then:

- Proceed to SOP 27: Conducting Discussions, where negotiations are required.
- Proceed to SOP 30: Issuing a Notice of Acceptance, where no negotiations are required.

Evaluation Procedure for Least Cost Selection



SOP 26: CONDUCTING A POST QUALIFICATION

Summary of Procedure:

This SOP explains the procedure for conducting a Post Qualification under the Regulations on the successful bidder, to establish whether the bidder is qualified to perform the proposed contract satisfactorily. It also provides procedures for verifying pre-qualification information, following the evaluation process.

Reference: Public Procurement Regulations 2022: Regulation 107: Post-qualification

Applies to:

Method: Post Qualification may apply under the Open Bidding and Limited Bidding methods if specified in the Bidding Document.

A decision as to whether Pre-Qualification or Post Qualification (or both) is required should be taken at the procurement planning stage.

Post Qualification will not normally be required under the simplified Bidding method, since contracts will be of relatively low value and complexity, and quotations will be invited from known suppliers. Post Qualification will not normally be required under the RFP method, as the successful bidder's experience and staff are taken into account in the short-listing or evaluation process.

Type: Post Qualification is used for goods, works and non-consulting services.

Purpose of Procedure:

Post Qualification is conducted to check whether a successful bidder has the resources, experience and qualifications required to satisfactorily perform a contract. As Post Qualification is conducted before a contract is awarded, and the contract denied if the bidder is not qualified, it should reduce the likelihood of defaults or poor performance under a contract. It is recommended in all cases where the procurement unit has no previous experience of the supplier.

Staff involved and Responsibilities:

Post Qualification will normally be conducted by the evaluation committee. Where required, technical advice will be sought, normally from the member of staff who provided technical inputs to the evaluation.

Step-by-Step Instructions for Post Qualification:

1. Identify the successful bidder through the evaluation process.
2. Review the Bidding Document for details of the Post Qualification criteria set and the evidence of Post Qualification eligibility requested from bidders.
3. Examine the evidence submitted by the successful bidder and assess whether it meets the criteria. Seek clarifications or updated information from the bidder if required. Where Post Qualification requires a visit to the successful bidder, or any other checks, which are likely to incur significant costs, obtain approval of the evaluation report from the AA before incurring expenditure.
4. Where the successful bidder is eligible and qualified to supply, include this information in the evaluation report and proceed to submit the completed report, with the recommendation for award of contract, to the AA for approval.
5. Where the successful bidder is not eligible or not qualified, conduct a Post Qualification check on the bidder with the next lowest evaluated price and repeat this process as required until an eligible and qualified bidder is identified. Include the results of all Post Qualification checks in the evaluation report, which should be submitted to the AA for approval, with reasons why any bidder was determined not to be either eligible or qualified and a clear recommendation for contract award. Bidders must not be rejected prior to obtaining AA approval of the Post Qualification results.

Step-by-Step Instructions for Verification of Pre-Qualification Information:

1. Identify the successful bidder through the evaluation process.
2. Review the pre-qualification document for details of the pre-qualification criteria set (if applicable) and the subsequent bidding document for updated information requested from bidders.
3. Examine the updated information submitted by the successful bidder and assess whether it still meets the original pre-qualification criteria. Seek clarifications or further updates from the bidder as required.
4. Where the provisionally successful bidder is still qualified, include this confirmation in the evaluation report and proceed to submit the completed report, with the recommendation for award of contract, to the AA for approval.
5. Where the successful bidder is no longer either eligible or qualified, verify the pre-qualification information of the bidder with the next lowest

evaluated price and repeat this process as required until an eligible and qualified bidder is identified. Include the results of all checks on pre-qualified bidders in the evaluation report, which should be submitted to the AA for approval, with reasons why any bidder was determined to be no longer eligible or no longer qualified and a clear recommendation for contract award. Bidders must not be rejected prior to obtaining approval from the AA of the Post Qualification results.

Approvals Required:

Approval from the AA for the results of the Post Qualification will be required. This should be obtained by inclusion of the Post Qualification results in the evaluation report (see SOP 18 for further details).

Documents/Records Required:

A record of the Post Qualification must be completed and kept on the procurement file. A summary of the Post Qualification results must be included in the evaluation report.

Next Steps:

Post Qualification is normally conducted at the end of the evaluation process, prior to completion of the evaluation report. Therefore:

- Return to SOP 19, SOP 20 or SOP 21 on evaluation as appropriate.

SOP 27: CONDUCTING NEGOTIATIONS

Summary of Procedure:

This SOP provides guidance on when negotiations/ discussions are permitted, what areas may be subject to negotiations/ discussions and the procedure for holding negotiations with a bidder.

Reference: Public Procurement Regulations 2022: Regulation 109: Scope of Negotiations; Regulation 110: Procedure for Negotiations

Applies to:

Method: Negotiation/ discussions may be required under the Open Bidding, Limited Bidding and RFP methods.

Negotiation/ discussions should not be held under the Simplified Bidding method.

Type: This SOP applies to negotiation/ discussions for contracts for goods, works, non-consulting services and consulting services.

Purpose of Procedure:

The purpose of negotiation/ discussions is to discuss and finalise certain details of a contract with the successful bidder, prior to contract placement. Negotiation/ discussions should lead to a contract which is acceptable to both parties and should therefore reduce the likelihood of disputes or the need for contract amendments.

Negotiation/ discussions are not held with the intention of making substantial changes to a contract or of obtaining price reductions from the lowest evaluated responsive bidder, with the exception of negotiations following an evaluation using the Quality Based Selection methodology, where there has been no competition on price.

Staff involved and Responsibilities:

The evaluation committee has the overall responsibility for negotiation/ discussions, under the overall direction of the AA, as they will be familiar with the Bidding Document and the successful bid. Negotiation/ discussions will always be conducted by a minimum of two staff of the evaluation committee.

Step-by-Step Instructions:

1. The evaluators should make recommendations in the evaluation report, as to whether negotiation/ discussions are required and the issues to be

negotiated. The recommendation to negotiate must be approved by the AA before any preparations are made.

2. The head of the PU should identify appropriate member(s) of staff from among the evaluation committee to manage the negotiation/ discussions (see Guidance Note 1 to SOP 27 in the Appendix for assistance in selecting appropriate staff).
3. Invite the successful bidder for negotiation/ discussions, proposing the time, date and location for negotiation/ discussions. The invitation letter may state that the bidder's bid has been evaluated as the successful bid, but it is important that no contractual commitment is made to the bidder i.e. the letter must not make any reference to the bid being accepted or a contract being awarded.
4. The negotiators should begin by reviewing the bidding document, the bid from the successful bidder and the evaluation report.
5. Identify areas where negotiation/ discussions are required (see Guidance Note 2 to SOP 27 in the Appendix for areas which negotiation/ discussions are permitted to cover). For each area, identify the objectives which ZNPHI wishes to achieve. Where possible, quantify these objectives and set maximum and minimum negotiating/ discussing parameters.
6. Hold the negotiation/ discussions with the successful bidder. It is important that the negotiators do not commit the procurement unit to any arrangements or agreements during the negotiation/ discussions.
7. Prepare a record of the negotiation/ discussions and make recommendations on how to proceed (see Guidance Note 3 to SOP 27 in the Appendix for assistance on likely recommendations).
8. Seek approval from the AA for the recommendations and proceed as appropriate. Where the recommendation is for further negotiation/ discussions with the successful bidder or negotiation/ discussions with the next lowest evaluated responsive bidder, repeat this process from Step 3 onwards.

Approvals Required:

The results of any negotiation/ discussion, and the resulting recommendations, must be approved by the AA before announcement of evaluation report or any contract award or other commitment is made to any bidder.

Documents/Records Required:

A record of any negotiation/ discussions must be completed and kept on the procurement file. At a minimum, this record must include:

- the name of the bidder with whom negotiation/ discussions were held and the names of the bidder's representatives;
- the names of all staff involved in the negotiation/ discussions;
- the time, date and location of the negotiation/ discussions;
- the areas subject to negotiation/discussion and the main points or requests made on each side;
- the final agreement reached on each area of negotiation;
- any points where agreement was not reached or further discussion is required.

The record of the negotiation/ discussions must be signed by all staff of the procurement unit involved in the negotiation/ discussions.

Any other correspondence or information relating to the negotiation/ discussions must also be kept on the procurement file, including letters inviting the bidder to negotiate and the procurement unit's preparation of its negotiating position.

Next Steps:

Assuming that the negotiation/ discussion has been successful, and that the procurement unit is now able to consider awarding a contract, proceed to SOP 30: Issuing a Notice of Acceptance.

SOP 28: CANCELLING PROCUREMENT PROCEEDINGS

Summary of Procedure:

This SOP provides a standard operating procedure for cancellation of procurement proceedings at any point prior to award of contract.

Where there is a need to cancel a requirement after contract award, SOP 35: Terminating a Contract will apply.

Reference: Public Procurement Regulations 2022: Regulation 25: Cancellation of Procurement Proceedings

Applies to:

Method: This SOP applies to all procurement methods, whenever required.

Type: This SOP applies to goods, works, non-consulting services and consulting services, when required.

Purpose of Procedure:

The cancellation of procurement proceedings should be avoided, wherever possible, as it means a waste of time and resources for both the procurement unit and the bidders. However, where it is in the public interest to do so, procurement proceedings may be cancelled at any stage prior to the award of a contract. This SOP establishes a procedure to ensure that any unavoidable cancellations are handled properly and in a manner which is fair to all bidders.

Staff involved and Responsibilities:

The cancellation of procurement proceedings will be conducted by the PU, although the need to cancel may be identified by other staff, such as the user department.

Step-by-Step Instructions:

1. Identify the need to cancel procurement proceedings (see Guidance Note 1 to SOP 28 in the Appendix for grounds which may justify a cancellation). Discuss and agree the need with all relevant parties, including the PU, the end user and any staff providing financial information.
2. Where no invitation document or notice has yet been issued, ensure that all relevant staff are notified. No further action is required.
3. Where an invitation document or notice has been issued, seek the approval of the AA to cancel. Approval must be obtained as promptly as possible, so that bidders do not waste or spend further time or resources in the

preparation of bids or in maintaining Bid Securities (if applicable). The request for AA approval to cancel must state in full the reasons for cancellation.

4. Prepare a notice cancelling the procurement proceedings, which must be identical for all bidders or potential bidders. This notice should normally state the grounds for cancellation, to avoid enquiries from numerous bidders. However, the notice does not have to justify the grounds for cancellation.
5. Where the cancellation is prior to the bidding deadline, send the notice to all bidders who have been issued with the bidding document. Check the bid box and any other records of receipt and return unopened all bids which have already been received.
6. Where the cancellation is after the bidding deadline, send the notice to all bidders who submitted bids. Promptly return any unopened bids (including separately sealed financial proposals in the case of the RFP method) and any Bid Securities received.
7. Consider whether to refund to suppliers the fees paid for the procurement of Bidding Documents. Where cancellation is caused by acts of the procurement unit, such as inadequacy of funds, changes to the technical or contractual requirements, or a decision that the procurement is no longer required, then the procurement unit should refund the cost of the bidding documents to all bidders who procured them.
8. Where cancellation of the proceedings is caused by the bidders (e.g. collusion among bidders), refunding the fees may not be appropriate.

Approvals Required:

Approval of the AA is required prior to cancellation of the procurement proceedings, unless the cancellation is before the issue of any invitation document or notice.

Documents/Records Required:

A record of the cancellation notice sent to all bidders, along with AA's approval of the cancellation, must be kept on the procurement file. The procurement file must also contain information on the decision to cancel the procurement proceedings, including the grounds for cancellation.

Next Steps:

No further action is required following cancellation. Any new procurement proceedings, in place of the cancelled procurement, should start from the appropriate point of the procurement process e.g. requisition stage, if the description of or budget for the requirement has changed substantially or preparation of bidding document stage, if a revised bidding document is required.

SOP 29: AWARD OF CONTRACT

Summary of Procedure:

This SOP provides guidance how to conduct review of the procurement and contracting process. It provides for independent written advice on the acceptability of the procurement process undertaken, and the proposed commitment of funds by the highest level procurement authority through contracts or purchase orders (awarding authority). The award phase marks the successful conclusion of the procurement process and the starting point for contract finalization and execution.

Reference: Public Procurement Act 2020: Section 72; Public Procurement Regulations 2022: Regulations 177

Applies to:

Method: This SOP applies to the Open Bidding, Open Selection, Limited Bidding and Limited Selection methods of procurement.

Type: This SOP applies to all procurements using the above specified procurement methods.

Purpose of Procedure:

The purpose of conducting a review prior to authorising awards is to:

- Provide an independent and unbiased review of recommendations for contracts or purchase orders.
- Ensure that the procurement process was fairly conducted and followed the appropriate policies and procedures.
- Confirm the necessary budget for the contractual commitment is available.
- Confirm that the recommendation for award and terms of contract represent best value for money and that it is in the interests of the ZNPHI to select the chosen supplier.
- Seek approval from the appropriate authority to contractually commit the ZNPHI to procure the goods, services or works.

Staff involved and Responsibilities:

The PU has the overall responsibility for managing this process. The user department will provide technical input to this process.

Step-by-Step Instructions:

1. The bid evaluation report should reflect the logical sequence of the bid evaluation process. The report should be prepared by the Evaluation Committee (EC) Secretary with support from committee members. The evaluation report should include at least the following information:
 - the results of the preliminary examination
 - the results of the detailed technical and commercial evaluation;
 - any bids which were rejected and the reasons for rejection;
 - details of any non-material deviations, errors or omissions accepted, clarified or corrected and, where relevant, the way in which deviations or omissions have been quantified and taken into account in the financial evaluation;
 - the price of each bid read out at the bid opening;
 - the evaluated price of each bid, following any correction or adjustments to the price and the conversion to a single currency;
 - the ranking of the bids, according to their evaluated price;
 - a statement of which bid has the lowest evaluated price and is therefore the successful bid; and
 - the results of any post-qualification
 - The evaluation report must contain clear recommendations to the PC on:
 - the successful bid and the price of the proposed contract; and
 - whether any negotiations should be held with the successful bidder
 - The evaluation report should be proof read by all evaluators and be signed by all staff who were involved in the evaluation.
2. The Procurement Unit should repackage the report and submitted it as procurement committee paper, to the Procurement Committee, to make an award decision.
3. The Head Procurement will present the Procurement Committee Paper and recommendations to the Procurement Committee and provide clarifications in case of uncertainties. Such a member should have no voting power in the PC.
4. In considering the report and recommendations of the Evaluation Committee, the Procurement Committee must act independently from the Evaluation Committee. The Public Procurement Act and its Regulations prohibits a member of the EC or an advisor or person assisting the EC from participating in the PC decision making process.

5. The PC acting independently from the EC, makes its own decisions which maybe:
 - Accept and authorise the EC recommendation(s)
 - Defer making a decision and ask for EC to provide clarifications or re-evaluate the bid.
 - Cancel the bid process.
 - Reject the recommendation of the EC. Where the PC decides to reject the recommendation of the EC, the reasons should be recorded in writing and forwarded to the chairperson of the EC.

N. B. The PC decision to either reject or defer is basically based on the view that the EC's recommendation does not sufficiently indicate that all relevant factors have been taken into account, and the recommendation does not symbolise a logical, justifiable conclusion based on all relevant information at the PC's disposal.

6. The procurement committee renders decisions unanimously
7. A contract award decision by the Procurement Committee shall not constitute a contract, but only a decision as to the winning or recommended bidder.
8. **No-Objection.** Grant and Loan funded procurements requires a “no objection” to the result of the procurement process, before announcing the award. The purpose of this “no objection” is to ensure that the procurement was conducted in compliance with the applicable policies, guidelines and systems of the funders.
9. **Notification of Award for Open or Limited Bidding or Selection:** Once the contract has been awarded, the other, unsuccessful bidders should be formally advised of the award but not of the final price. Upon receipt of approval by the Procurement Committee the Procurement Unit shall simultaneously publish the award in accordance with the requirements of the Act and Regulations. In the event that the method of procurement such as Limited Bidding/Selection were used for emergency procurements, the requirements to publish and wait can be waived with the approval of the PC.
10. **Waiting Period:** ZNPHI shall not award a Contract to the successful Bidder until 10 working Days have elapsed from the date of publication of the 'Best Evaluated Bidder' and no application for review has been received.
11. **Application for Review:** In the event of an application or applications for review have been received (in writing) within ten (10) working days' time period, permitted, the Contract award shall be suspended until the challenge has been resolved.
12. If the award of contract fails, or is stopped for any reason, the second highest bidder can be brought in.

Approvals Required:

Approval of the Procurement Committee is required for the completed evaluation report. No communications accepting or rejecting any bid, or indicating which the successful bid is, must be sent to any bidder before this approval is obtained and the results of the bid evaluation s have been announced.

Documents/Records Required:

The approved evaluation report), all supporting documents used in conducting the evaluation and minutes of the Procurement meeting, must be kept on the procurement file.

Next Steps:

Proceed to SOP 30: Issuing a Notice of Acceptance

SOP 30: ISSUING A NOTICE OF ACCEPTANCE

Summary of Procedure:

This SOP sets out the procedure for issuing a Notice of Acceptance to form a contract by accepting the bid or proposal of the successful bidder. It is of great importance that this procedure is handled properly, as the Notice of Acceptance is normally a contractually binding notice, which results in the entry into force of a contract.

It is important to note that this SOP provides the most commonly used procedure for sending Notices of Acceptance. If the bidding document states an alternative procedure for the notice or an alternative means of entry into force of the procurement contract, the terms of the bidding document will prevail over this SOP.

Reference: Public Procurement Regulations 2022: Regulation 180: Contract Award under Open or Limited Bidding or Selection

Applies to:

Method: Unless the bidding document states otherwise, a Notice of Acceptance is normally used under the Open Bidding, Limited Bidding, Two-Stage Bidding and RFP methods.

Under the Simplified Bidding method, acceptance of a quotation is normally through issue of a Purchase Order

Type: This SOP applies to goods, works, non-consulting services and consulting services.

Purpose of Procedure:

Sending a Notice of Acceptance to the successful bidder provides a rapid means of forming a contract, rather than waiting while the complete contract document is prepared. This offers a number of potential benefits:

- the contract comes into force at once, meaning that delivery or mobilisation periods start sooner and overall contract completion should be achieved sooner;
- where the validity of a bid is due to expire shortly, it can be accepted quickly, before there is a need to request an extension to the validity, with the risk that the bidder is not prepared to extend the validity.

Staff involved and Responsibilities:

Notices of acceptance will be sent by the PU, once all required approvals from the AA have been obtained.

Step-by-Step Instructions:

1. Ensure that approval of the decision to award the contract has been received in writing from the AA.
2. Ensure that the Evaluation Report has been published/ announced in accordance with the Regulations.

N.B. The Regulations prohibit the award of a contract, or the Issue of a Notice of Acceptance, until ten days after publication/ announcement of the Best Evaluated Bid.

3. Obtain any other necessary approvals, including financial approval for commitment of the required funds.
4. Ensure that the successful bidder's bid is still valid and that any modifications to the bid have been confirmed in writing by the bidder.
5. Prepare the notice of acceptance, refer to Documents/Records Required below for guidance on the content. Ensure that the notice is signed by the authorised signatory of the procurement unit.
6. Dispatch the notice to the successful bidder, keeping evidence of dispatch, such as proof of posting, fax confirmation slip etc. The contract has now entered into force (unless otherwise stated in the bidding document, the bid is no longer valid or the notice of acceptance contains any provisions which are contrary to the bid i.e. a counter-offer).
7. Ensure that confirmation of receipt of the Notice of Acceptance is received from the bidder.

Approvals Required:

Approval of the contract award decision by the AA is required prior to the issue of any Notice of Acceptance. The necessary funds must also be committed prior to issue of the Notice of Acceptance and a record of the financial commitment entered into the Register of Commitments for Record of Commitments.

Documents/Records Required:

A copy of the Notice of Acceptance, along with the approval of the notice by the AA, must be kept on the procurement file. Evidence of dispatch of the

notice must also be kept on the procurement file; this is of critical importance as the contract enters into force when the notice is dispatched.

At a minimum, the Notice of Acceptance must include:

- the name and address of the procurement unit, which is party to the contract;
- the name and address of the supplier;
- the date of the notice;
- the reference number of the procurement transaction;
- a brief description of the goods, works or services procured;
- the date and any reference number of the bidder's bid;
- reference to any clarifications or other correspondence which modifies the bidder's bid;
- the currency and amount of the contract award;
- a statement of any items which are specifically excluded from the contract award e.g. certain lots included in the bid or any change in quantities;
- a statement that the supplier should begin performance of the contract;
- a statement that a full contract is being prepared and will be sent to the supplier for signature in due course;
- a request that the supplier confirm receipt of the Notice of Acceptance and confirm that it is proceeding with contract performance;
- instructions on any immediate actions required from the supplier e.g. provision of a performance security;
- the signature of the authorised signatory of the procurement unit.

Next Steps:

Proceed to SOP 31: Contract Approval

SOP 31: Contract Approval

Summary of Procedure:

This SOP defines the general parameters for contract approval, describes the necessary administrative review and approval process and designates who, within ZNPHI, is authorized to sign contracts.

Reference: Public Procurement Act, clauses 72 (2) (e); Regulations 181 (2)

Purpose of Procedure:

A contract is a legally binding agreement between two or more parties and its contents reflect the parties' mutual obligations to one another. Agreement and obligations – means a set of promises exchanged between the parties.

Enforceable – means that if a party fails to do what they promised to do (breach), a court of law will enter an order to remedy the breach, *i.e.*, make the offended party whole.

Therefore, for a contract to be enforceable, the parties must have reached a meeting of the minds, or in other words, agree on the same terms, conditions, and subject matter.

Contracts therefore, must be clearly written and must clearly communicate the terms and conditions, *i.e.*, obligations; promises.

The terms, conditions, and obligations must be consistent throughout the document or an explanation given as to why they are not and which controls

Applies to:

Method: This SOP applies to all methods of procurement whose value is K500,000.00 and above (Open bidding and selection; Limited bidding and selection; Direct Bidding and Selection)

Type: This SOP applies to goods, works, non-consulting services and consulting services.

Staff involved and Responsibilities:

The Procurement Unit is responsible for the preparation of contract documents, obtaining all necessary approvals, getting the approved contract document signed and issuing the document.

It is the overall responsibility of the Controlling Officer to ensure that this procedure is adhered to for each procurement contract.

Step-by-Step Instructions:

1. Following the issue of the notice of bid or proposal acceptance in accordance with rule, the Procurement Unit shall prepare a written contract, using the contract included in the solicitation documents. The procurement unit must ensure that the required number of copies of the approved contract and secure the pages in such a way that pages cannot be replaced or lost. The number of copies required must be at least three – for the contract manager; contractor/supplier and one for ZNPHI.
2. After being satisfied that the contract is correct, it must be submitted to the Attorney General for review and approval. All contracts prior to the signing shall be reviewed and approved in writing as to legal form and validity by the Attorney General.
3. The above stated approval shall not be required with respect to contracts extensions or renewals thereof if the form has received prior written approval from the AG and the current version contains no substantive changes or additions other than those pertaining procurement solely to the description of the project, the monetary terms, or the term of the contract or extension.
4. After the contract has received written approval by the AG, it may be signed. The Controlling Officer is the only authorized signatory.
5. Where there is no waiting period or after the waiting period has expired and no appeals has been received or where an appeal has been received and dealt with, ZNPHI will issue a letter of Bid acceptance and send to the Best Evaluated Bidder;
6. The successful bidder or consultant should sign and return a copy of the contract within 14 working days.
7. Where required, the Supplier shall be required to submit a Performance Security within 14 working days of the signing of the Contract or the date of the letter of Bid acceptance, whichever is earlier.

Approvals Required: Approvals are required from the Attorney general; Controlling Officer and Contractor/Supplier.

Documents/Records Required:

Copies of the notification letters and any debriefing letters sent to unsuccessful suppliers must be kept on the procurement file. A copy of any published contract award notice must also be kept on the procurement file.

SOP 32: MANAGING A CONTRACT

Summary of Procedure:

This SOP provides a general procedure for managing contracts, following the issue of a contract document or purchase order.

Contract management procedures are largely determined by the terms and conditions of each individual contract and the description of requirements for the goods, works or services. Therefore, this SOP provides general rules and principles only and staff must be guided by the contents of each contract. Guidance notes are included on the particular requirements of administering goods, works and services contracts.

Reference: Public Procurement Act 2020: Section 76: Contract Management; Public Procurement Regulations 2022: Regulation 213: Selection of Contract Manager; Regulation 214: Contract Management Responsibilities.

Applies to:

Method: This SOP applies to all method of procurement i.e. Open Bidding, Limited Bidding/Selection, Open Selection, and Simplified Bidding.

Type: This SOP applies to goods, works, non-consulting services and consulting services.

Purpose of Procedure:

Effective contract management is critical to successful contract implementation and meeting the objectives of the procurement requirement. Contract management procedures are designed to ensure that:

- the supplier performs the contract in accordance with the agreed price, terms and conditions specified in the contract;
- ZNPHI fulfils its obligations and duties under the contract; and
- swift remedial or preventative action is taken when problems arise or are foreseen.

Staff involved and Responsibilities:

The Contract Manager has the overall responsibility for contract management, but will draw on other resources, such as technical expertise, payment services, legal services and supply management systems, as required. Where such other services and systems are used, the Contract Manager will remain responsible for monitoring their performance and ensuring that their activities, in relation to the contract, are completed on time and in accordance with procurement rules. Day-to-day contract administration will often be assigned to an end user or technical expert.

Step-by-Step Guidelines Instructions:

1. The Controlling Officer shall designate the most appropriate person or team to manage the contract see Guidance Note 1 to SOP 32 in the Appendix for further details.

2. Ensure that a signed copy of the contract or confirmation of the purchase order is received from the supplier.
3. Ensure that any required performance security or advance payment security is received from the supplier.
4. Ensure that ZNPHI meets any immediate obligations, such as payment of an advance payment, opening of a letter of credit or assistance with obtaining visas for the supplier's foreign staff.
5. Prepare a contract implementation plan, showing key milestones, such as dates for mobilisation, deliveries or completion of certain deliverables or sections of work, and ZNPHI's obligations, such as providing access to a works site, payment or approval of reports.
6. Monitor the performance of both parties against the contract implementation plan. Take action as required to address any problems or delays, whether actual or anticipated (see Guidance Notes 2, 3 and 4 to SOP 32 for details of the normal contract management responsibilities for goods, works and services respectively).
7. Ensure that all deliveries, targets or deliverables are completed by the supplier.
8. Check all payment documentation and authorise payments, using ZNPHI's normal accounting and disbursement systems.

Where contract amendments are required at any stage, see SOP 33 for further details.

Approvals Required:

Approval of the AA is required for any contract amendments (see SOP 33 for further guidance).

Payments must be approved in accordance with ZNPHI's normal finance and accounting procedures.

No other approvals are required for contract management.

Documents/Records Required:

All correspondence and documentation relating to contract management must be kept on the procurement file. In particular, records are required of:

- all invoices and other payment documents;
- all documentation relating to contract performance, such as delivery notes, progress reports and other deliverables;
- all contract variations;
- all contract amendments;
- all documents relating to claims under the contract, including warranty claims;
- all documents relating to contract disputes and dispute resolution.

Next Steps:

- Proceed to SOP 33: Amending a Contract, where any amendment is required.
- Proceed to SOP 34: Completing a Contract, when all contractual obligations have been completed.
- Proceed to SOP 35: Terminating a Contract, where termination is required.

SOP 33: AMENDING A CONTRACT

Summary of Procedure:

This SOP provides the standard operating procedure for amending a contract, when required, during the period of performance of the contract.

Reference: Public Procurement Act 2020: Section 77 Amendment of Contract; Public Procurement Regulations 2022: Regulation 217: Contract Amendments

Applies to:

Method: This SOP applies to all methods of procurement i.e. Open Bidding, Limited Bidding, Open Selection and Simplified Bidding.

Type: This SOP applies to goods, works, routine services and consulting services.

Purpose of Procedure:

Ideally, a contract which has been placed should not need any amendment, but sometimes it is necessary to make changes to the terms and conditions of a contract or the description of requirements. Contract amendments provide a formal, legal way of amending a contract and of ensuring that both parties have agreed to the changes.

Staff involved and Responsibilities:

The Procurement Unit is responsible for preparing all contract amendments and obtaining Procurement Committee (PC) approval, although the request for the amendment will normally come from the contract administrator, who may be outside of the Procurement Unit.

Step-by-Step Instructions:

1. Identify the need for a contract amendment – this will normally be done by the contract administrator. A contract amendment is required where ZNPHI wants to change any terms or conditions of the contract e.g. the delivery or completion period, the technical description of the goods, works or services, the quantity of an item procured, the price, etc.
2. Provide full details on the amendment required to the Procurement Unit.
3. The Procurement Unit will discuss the amendment with the supplier, if required.
4. Prepare the contract amendment (see Guidance Note 1 to SOP 33 in the Appendix for the details to include).

5. Obtain PC approval.
6. Obtain any other necessary approvals, including financial approval for commitment of any additional funds.
7. Make the required number of copies of the approved contract amendment. The number of copies required must be at least two; one for the supplier and one for ZNPHI.
8. The authorised signatory for ZNPHI should sign all copies of the contract amendment.
9. Send all copies of the contract amendment to the supplier, with a covering letter instructing the supplier to counter-sign all copies, retain one for his records and return all other signed copies to ZNPHI.

Approvals Required:

Approval from the AA is required for all contract amendments.

Documents/Records Required:

A copy of all contract amendments, signed by both parties, along with AA's approval for each amendment, must be kept on the procurement file.

Next Steps:

- Return to SOP 32: Administering a Contract

SOP 34: COMPLETING A CONTRACT

Summary of Procedure:

This SOP provides the standard operating procedure for completing a contract and closing the procurement file, once all contractual obligations of both parties have been fulfilled.

Reference: No reference

Applies to:

Method: This SOP applies to all methods of procurement i.e. Open Bidding, Limited Bidding/Selection, Open Selection and Simplified Bidding.

Type: This SOP applies to goods, works, routine services and consulting services.

Purpose of Procedure:

It is important that contracts are formally reviewed and the procurement file closed, once all contract activities and obligations have been completed. This procedure should ensure that the contract has in fact been completed and that no outstanding items, claims or payments are overlooked. It also ensures that files are archived for the appropriate period of time (seven years) and available for audit purposes.

Staff involved and Responsibilities:

The Procurement Unit is responsible for completing contracts and closing the file, in conjunction with the designated contract manager.

Step-by-Step Instructions:

1. The Procurement Unit or contract manager will identify that all contractual obligations and warranty periods have been completed.
2. The Procurement Unit should review the contract and the procurement file to check that the contract is in fact completed (see Guidance Note 1 to SOP 34 in the Appendix for a checklist).
3. Close the file and archive it, if required.
4. Ensure that the closed file is listed in the Procurement Unit's records and is marked with the date which it must be retained (Seven years from closure).

Approvals Required:

No approvals are required for contract completion and closure of the procurement file.

Documents/Records Required:

All records relating to the review of the contract must be kept on the procurement file. The PU must maintain a register of:

- all procurement files closed;
- the date of closure of each file; and

- the date until which the file must be maintained, which is seven years from the date of cancellation of the procurement or completion or termination of the contract, as appropriate. **(See Public Procurement Regulations 2022: Regulation 16: Records of Procurement Process and Contract Management)**

Next Steps:

- Proceed to SOP 36: Post-contract Supplier Performance Evaluation

SOP 35: TERMINATING A CONTRACT

Summary of Procedure:

This SOP provides the procedure for terminating a contract, after it has been awarded.

Where a procurement requirement needs to be cancelled prior to contract award, SOP 28: Cancelling Procurement Proceedings will apply.

Reference: Public Procurement Regulations 2022: Regulation 219: Contract Termination

Applies to:

Method: This SOP applies to all methods of procurement i.e. Open Bidding, Limited Bidding/Selection, Open selection and Simplified Bidding.

Type: This SOP applies to goods, works, routine services and consulting services.

Purpose of Procedure:

Contracts should not be terminated, where termination can be avoided. However, sometimes it is necessary to terminate a contract:

- to avoid or minimise further loss to ZNPHI or poor performance by the supplier;
- where contract performance has become impossible; or
- where a supplier is no longer qualified or has engaged in corrupt practices.

Staff involved and Responsibilities:

The Procurement Unit is responsible for terminating contracts, subject to PC approval to terminate.

Step-by-Step Instructions:

1. Identify the need to terminate the contract.
2. Check the contract or purchase order document, to confirm the conditions of contract relating to termination (see Guidance Note 1 to SOP 35 in the Appendix for details). Identify which of the grounds for termination will be used and ensure that ZNPHI has sufficient justification for using the selected grounds. Seek legal advice prior to proceeding.

3. Estimate the amount of money, if any, which will be due to the supplier following termination.
4. Prepare a formal notice, terminating the contract and stating the grounds for termination.
5. Obtain PC approval of the notice and the justification for terminating. Ensure that the PC is informed of the costs of terminating the contract.
6. Issue the termination notice and ensure that it is received and acknowledged by the supplier.
7. Take any follow-up action required, including making any payments due to the supplier under the contract and referring any default or corrupt practices by the supplier to ZPPA.
8. Refer to SOP 34: Completing a contract, for guidance on archiving the procurement file.

Approvals Required:

Approval is required from the PC, prior to terminating a contract.

Documents/Records Required:

A copy of the notice terminating the contract, and the PC approval to terminate, must be kept on the procurement file. Any other correspondence or documentation relating to the termination must also be kept on the procurement file.

Next Steps:

No further action is required following termination of a contract. Any new procurement proceedings, in place of the terminated contract, should be treated as a completely separate procurement process and start from the requisition stage i.e. SOP 3. Consideration should be given to the reasons resulting in termination of the contract, to ensure that they are not repeated in any new procurement process.

A full report should be written explaining the termination, and drawing conclusions from the events. Was the supplier properly qualified? If he was not, how did he manage to persuade ZNPHI to place the contract with his firm? Was there corrupt practice? If so, have those responsible been identified, disciplined or removed?

If the supplier terminated the contract because of failure by ZNPHI, what was the cause of the failure and how can ZNPHI ensure that this does not happen again? Is there a need for improved procedures or changed policies? It is particularly harmful to the reputation of government if suppliers cancel contracts with government for cause. Everything possible must be done to guard against this happening.

- Proceed to SOP 36: Post-contract Supplier Performance Evaluation

SOP 36: POST-CONTRACT SUPPLIER PERFORMANCE EVALUATION AND REPORT

Summary of Procedure:

This SOP explains the procedure for evaluating the performance of suppliers and for preparing a short Supplier Evaluation Report at the conclusion of a procurement.

Reference: No reference in [Public Procurement Regulations 2022](#)

Applies To: All ZNPHI procurements.

Type: This Procurement Procedure applies to all kinds of procurement

Purpose of Procedure:

1. To improve ZNPHI's knowledge of good and bad suppliers by keeping a Supplier Database. This information may also be shared with ZPPA. Much time can be wasted, and much money lost, in dealing with incompetent or dishonest suppliers.
2. To review the PU's own performance. This will help to identify any delays or problems caused by its own procedures or performance. Delays caused by long approval processes etc. in turn have a "knock-on effect" on the period of bid validity, prices and the ability of ZNPHI to conclude procurement before the end of the financial year. Any such delays should be noted and quantified. Only by identifying these bottlenecks through a post-contract review of its own performance will it be possible for the ZNPHI to press for remedial action.

Staff involved and Responsibilities:

The PU is responsible for evaluating the performance of the supplier throughout the course of the contract. If there have been any problems in the execution of the contract, these will already have been documented on the procurement file. **See SOP 32: Administering a Contract, SOP 33: Amending a Contract, SOP 34: Completing a Contract**

Step-by-Step Instructions:

1. Adverse Contract Events. Make a list of any events that adversely affected the performance of the contract, and that were the direct responsibility of the contractor, e.g. failure to deliver on time, quality not up to specification, incorrect labeling, failure to advise that goods were ready for inspection, request for price increase, failure to rectify defects etc.
1. List any mitigating circumstances that adversely affected the supplier's performance, but were not his fault, e.g. war, riot, insurrection, unusual weather conditions, interruptions of electricity supply, unexpected import restrictions, lack of fuel, etc.

2. List any attempt to offer inducements (bribes) or to intimidate procurement staff. Inducements can be offered in return for “turning a blind eye” to breaches of contract or poor quality of goods or packaging, ignoring late delivery etc. Attempts to intimidate can include threats to report staff to some higher authority (usually an influential politician or the police), if they do not do as the supplier wishes.
3. Make a recommendation as to whether the supplier should be used, or not used, again. In the case of straightforward supplies of goods, this can be done on a Pass-Fail basis. However, when suppliers are rated as failing, adequate reasons should be provided in the report to justify the recommendation.
4. Place one copy of the report on the Procurement File in the PU. Make a second copy of the report available to the proposed Supplier Database that may be established in the future.

Approvals Required:

No approvals are required for the Supplier Performance Report. The report should represent the consensus view of all those who were involved in the procurement.

Documents/Records Required:

The report should be attached to the Procurement File concerned.

Next Steps:

This SOP is complete in itself. There are no further steps.

APPENDIX: GUIDANCE NOTES

SOP 1: THE ANNUAL PROCUREMENT PLANS

Guidance Note 1 – Preparing the Overall Procurement Plan

In combining the departmental work plans into an overall procurement plan, the Procurement Unit should consider:

- aggregating common requirements where possible, to achieve lower unit costs and reduce procurement transaction costs;
- the use of framework or indefinite quantity contracts for items which are needed frequently or where demand cannot be accurately forecast;
- dividing requirements into lots for bidding purposes or combining similar requirements, as lots within a single bid;
- combining requirements with other procuring entities, where appropriate, such as where another procuring entity has expertise in the procurement of the items required;
- the benefits of pre-qualifying suppliers for particular, commonly required goods, works or services;
- any measures which can be taken to reduce the likelihood of emergency, single source procurement, such as pre-qualifying suppliers for emergency drugs;
- the benefits of standardisation for commonly required items or items requiring maintenance, repair or a stock of spare parts or consumables;
- the application of any applicable measures for the promotion of small- and medium-sized enterprises (SMEs), Citizen Economic Empowerment (CEE); and
- any other relevant factors.

The overall procurement plan should include a list of all expected contracts for goods, works and services and the following information should be provided for each:

- a breakdown of the items to be included in each contract;
- details of the estimated prices for each item and estimated ancillary costs for freight, insurance, delivery, reimbursables etc.;
- details of the expected availability of funds for each procurement requirement;
- a timetable of when the goods, works or services are required, including any requirement for phased deliveries or a precise date, when a

contract is required to be in place prior to the expiry of another contract e.g. where a contract for on-going services, such as cleaning or security, is due to expire;

- the expected sources of supply for the goods, works or services, including an assessment of whether procurement will be local or international;
- the anticipated timetable for conducting the procurement process, including any pre-qualification required, and expected delivery, mobilisation or completion times, as appropriate;
- the proposed contracting approaches for each requirement e.g. use of framework contract, lump sum contracts etc.; and
- identify the individual officers to manage each procurement from the start to the completion of the entire process.

Based on the information for each contract, summary information should be calculated, relating to the overall procurement workload, programme and budget. This should be related to the existing resources in the Procurement Unit, both physical and human, and any recommendations for changes in resources made. The procurement plan should also identify any requirements for specialist resources, such as technical specialists for preparing descriptions of requirements or conducting technical evaluations.

SOP 4: SELECTING A PROCUREMENT METHOD AND PLANNING THE PROCUREMENT

Guidance Note 1 – Selecting a Procurement Method

The preferred methods of procurement are:

- Open Bidding for goods, works and routine services; and
- Open selection for consulting services.

However, alternative methods may be used where the estimated value of the procurement is below the thresholds specified in the ZPPA circulars or where specified other conditions are met. The conditions of use for each method, along with the thresholds, are summarised below:

Open Bidding is the preferred method of procurement for goods, works and routine services.

Limited Bidding may be used where:

- the goods, works or services are only available from a limited number of suppliers; or
- the time and cost of considering a large number of bids is disproportionate to the value of the procurement.

Two-Stage Bidding may be used where:

- it is not feasible to fully define the technical or contractual aspects of the procurement at the outset of the proceedings; or
- because of the complex nature of the procurement, ZNPHI may wish to consider various technical or contractual solutions and to negotiate with bidders about the relative merits of those variants before deciding on the final technical or contractual specifications.

Open Selection is the preferred method of procurement of consulting services.

Simplified Bidding may be used for:

- goods, which are readily available “off-the-shelf” and do not require manufacturing to particular specifications, where the estimated value does not exceed ZMW500,000;
- small works, where the estimated value does not exceed ZMW 500,000.00; or
- consulting services, where the estimated value does not exceed ZMW 300,000.00.

Direct Bidding is not encouraged, but may be used where:

- the estimated value does not exceed ZMW 10,000.00 for goods, works or consulting services;
- only one supplier is able to fulfil the requirement, as it is the only one with the technical capability, capacity or legal right to provide the goods, works or services e.g. the goods are patented;
- there is an emergency need and engaging in any other procurement method would be impractical. An emergency is not any requirement which is urgent, but only a requirement where there is an imminent threat to the physical safety of the population or of damage to property; or looming national/ regional disaster or an outbreak/ epidemic or any other natural disaster that requires immediate procurement response.
- additional goods, works or services must be procured from the same supplier for reasons of standardisation or for compatibility with existing goods, works or services. Compatibility may include the technical compatibility of equipment or a need to maintain a supplier's warranty or liability obligations. In using this reason for single source procurement, procuring entities must consider the effectiveness of the original procurement, must ensure that the additional procurement is limited in relation to the value of the original procurement, up to 15% of the original contract value, must ensure that the price for additional items is reasonable and must demonstrate that alternatives are unsuitable.

Guidance Note 2 – International or National Procurement

Once the procurement method has been decided, ZNPHI must consider whether the procurement should be international or national.

For **procurement methods** (i.e. Open Bidding, Limited Bidding, Two-Stage Bidding and Open Selection), international bidding may be held where:

- the estimated value exceeds ZMW 5 million for goods, ZMW50million for works or ZMW500,000.00 for consulting services;
- the goods, works or services are not available from at least three suppliers in Zambia, at a competitive price and under competitive conditions; or
- where a national procurement procedure has failed to identify a suitable supplier.
- Rules for international bidding are the same as for national bidding, except that:
- the notice of invitation for bids, invitation to pre-qualify or invitation to submit expressions of interest, shall be published in the international media of wider circulation; and
- the minimum bidding period is longer than national bidding.

For **Simplified Bidding**, the procedure shall be local where the goods, works or services are ordinarily available, at competitive prices, from at least three suppliers in Zambia.

Guidance Note 3 – Preparing a Procurement Plan

No procurement plan is required for Single Source Procurement, which is under the threshold for low value requirements. Only a very brief procurement plan is required for procurement using the Simplified Bidding method.

The procurement plan for each requirement should include:

a plan of the timescales for each step in the procurement process, including the anticipated manufacturing and delivery or mobilisation and completion periods, as appropriate. This plan should show the total elapsed time before delivery or completion of the goods, works or services. For goods which are normally stocked in stores, the procurement plan should be integrated with stores information on stock levels, usage rates and in-country distribution systems. The plan should also take into account the time necessary for obtaining all necessary approvals during the procurement process;

- whether any additional qualification criteria are required in addition to the mandatory qualification criteria and whether or not pre-qualification should be conducted – see Desk Instruction 28 for further guidance;
- the proposed type of contract. Consideration should be given to the use of framework or indefinite quantity contracts, for items which are needed repeatedly or continuously over a period of time;
- any need for phased delivery of items, particularly where items are to be held in stores or have limited shelf-life;
- likely potential sources and whether they are local or international;
- the availability of resources within the Procurement Unit and elsewhere for implementation of procurement procedures and administration of the contract. The plan should specifically refer to any specialist, technical advice required and whether it is available within ZNPHI, from other government bodies or from external sources;
- a forecast of the funding required and when it will be required, based on the anticipated date of contract, delivery or completion periods and payment terms. This information should be integrated with budgeting information;
- consideration as to whether the procurement requirement can be combined with other requirements, for purposes of economy and efficiency;
- consideration of how the procurement will be packaged into lots, if applicable;
- consideration of any applicable measures to promote the participation of SME's and citizen companies.

SOP 6: OBTAINING AND ASSESSING EXPRESSIONS OF INTEREST

Guidance Note 1 – EOI Notices

A notice calling for EOI's should normally include the following information:

the name and address of ZNPHI;

- a brief description of the project, if any, of which the assignment forms a part;
- a brief description of the proposed contract;
- a statement of the information required from potential bidders, such as descriptions of similar work performed and indications of the type of staff available for the assignment;
- instructions on the location and deadline for submission of EOI's;
- any special instructions on the sealing and labelling of EOI's.

SOP 7: PREPARING AN INVITATION TO BID NOTICE

Guidance Note 1 – Invitation for bids Notices

The invitation for bids notice must include at least the following information:

the name and address of ZNPFI;

- a brief description of the goods, works or services required, including the location for delivery or performance and the time for delivery or completion;
- the address for viewing and obtaining the bidding documents;
- the price, if any, for the procurement of the bidding documents and the currency and means of making payment – see guidance note 3 below on establishing the price of bidding documents;
- the language(s) in which the bidding documents are available;
- the location, date and time of any pre-bid conference and/or site visit to be held if necessary;
- instructions on the location and time deadline for submission of bids.

Guidance Note 2 – Invitation to Pre-qualify Notices

The invitation to pre-qualify notice must include at least the following information:

- the name and address of ZNPFI;
- a brief description of the goods, works or services subject to the pre-qualification and an indication of whether pre-qualification is for a single contract or a group of contracts;
- the address for viewing and obtaining the pre-qualification documents;
- the price, if any, for the procurement of the pre-qualification documents and the currency and means of making payment;
- the language(s) in which the pre-qualification documents are available;
- instructions on the location and time deadline for submission of applications to pre-qualify.

Guidance Note 3 – Price of Bidding Documents

Procuring entities may charge a fee for bidding documents in order to cover the cost of printing and distributing the document. The fee must not be set at a level which includes any element of profit for ZNPFI. In determining whether to charge a fee and the fee to charge, procuring entities should consider:

- the size of the document, which will affect printing and distribution costs. For example, a bidding document for a large construction contract may include several separate volumes of drawings and bills of quantities, whereas a bidding document for simple goods may be only 50-100 pages;
- the likely location of potential bidders. Distribution to international bidders will incur a greater cost than distribution to local bidders.
- the method of distribution. In some cases, distribution by courier, rather than normal postal services, may be required, which is likely to increase costs. Where documents can be distributed by electronic means, costs should be minimal.

SOP 8: DEVELOPING A SHORTLIST

Guidance Note 1 – Identifying Potential Sources

Information on suppliers who may be included in a shortlist can be found from a number of sources. These might include:

- any registration scheme or database maintained by the Zambia Public Procurement Authority (ZPPA) and or by ZNPHI;
- pre-qualification exercises conducted for this type of goods, works or services;
- previous bids received or contracts placed by ZNPHI, or another procuring entity;
- information available from trade or professional bodies, such as the National Council for Construction (NCC) of Zambia, Association of Consulting Engineers of Zambia, Zambia Institute of Architects;
- chambers of commerce in Zambia and abroad;
- trade representatives within embassies for foreign sources;
- existing knowledge of the market by either procurement or technical specialists;
- market research, using trade journals, the internet, trade directories etc.

Guidance Note 2 – Developing the Shortlist

Where a limited shortlist of bidders is developed from a “long list” of potential sources, the following factors should be considered:

- there should be a rotation of different bidders on successive shortlists i.e. the same supplier should not be included every time, where numerous sources exist;
- suppliers who are not expected to be able to submit responsive bids or meet qualification requirements should not be included;
- a shortlist should not consist entirely of bidders with the same ownership;

- for goods, a shortlist should not consist entirely of bidders offering the same brand of goods;
- suppliers included on the list of debarred/black listed suppliers issued by ZPPA must not be included on a shortlist;
- some short listed bidders may choose not to submit bids. Therefore, it is recommended that more than three sources are included on the shortlist, so that at least three bids are received. The number of sources included should be proportionate to the value of the procurement requirement;
- where the goods, works or services are available at competitive prices from at least three sources in Zambia, the shortlist may be restricted to local suppliers. International bidders must be included where at least three, competitive local sources do not exist or where a national bidding procedure has failed.

SOP 9: DRAFTING A BIDDING DOCUMENT OR REQUEST FOR PROPOSALS DOCUMENT

Guidance Note 1 – Choice of Standard Bidding Document:

The Zambia Public Procurement Authority (ZPPA) issues and/or approves the following standard bidding documents for use in public procurement:

Standard Bidding Document for the procurement of goods;

Standard Bidding Document for the procurement of goods (framework contract);

Standard Bidding Document for the procurement of works;

Standard Bidding Document for the procurement of minor works;

Standard Bidding Document for the procurement of routine services;

Standard Request for Proposals for consulting services (complex, time-based assignments);

Standard Request for Proposals for consulting services (complex, lump sum assignments).

SOP 15: RECEIVING BIDS

Guidance Note 1 – Bid Boxes

The bid box must have two different locks and the two keys must be held by the Procurement Committee (PC) Chairperson and the PC.

The bid box must have an opening which is sufficiently large to allow the deposit of most bids, but not so large that a person could reach inside the bid box and remove a bid.

Ideally, the bid box opening for depositing the bids must have a slanting, downward slope for dropping down of bids but difficult to retrieve/ remove the bids.

SOP 16: OPENING BIDS (SINGLE STAGE – SINGLE ENVELOP)

Guidance Note 1 – Resources for Bid Opening:

Physical resources for an efficient bid opening include:

- a room which is accessible to bidders, arranged so that bidders' representatives are seated at a short distance from the table where the opening is to be conducted. It is important that bidders witness, rather than participate in, a bid opening procedure;
- office materials, such as scissors, marker pens, seal tape etc. for opening and marking of bids;
- a copy of the bidding document, in case there is a need to refer to the bidding instructions or other details;
- blank forms for recording bid details and sufficient pens;
- blank attendance forms and pens, for all bidders and other attendees to sign their attendance.

Prompt access to photocopying facilities for distributing copies of the bid opening record will also be required.

Sufficient staff should be on hand to ensure that the opening proceeds efficiently. Different staff should normally be responsible for the following tasks:

- chairing the opening procedure;
- opening the bids, numbering and passing the bids to the chairperson to read out;
- recording the details of the bid opening;
- ensuring the safe-keeping of opened bids;
- ensuring that bidders sign the attendance record.
- removal of recorded bids for safe custody.

Guidance Note 2 – Information to be Read Out:

Information to be read out should be as stated in the bidding document.

This must include at least:

- the name and address of each bidder;
- the total price of each bid, stating the currency and amount.

It may also include:

- the presence or absence of a bid security, and the form and amount of the bid security, where one was requested in the bidding document;
- any other details stated in the bidding document.

No additional information concerning any bid should be read out, other than that required by the bidding document.

Guidance Note 3 – Key Pages:

The key pages, which require stamping, and signing or initialling should be determined by the chairperson of the bid opening. As guidance, they should include at least:

- the bid submission form and any joint venture agreements where available;
- any pages with financial information, such as price schedules;
- technical specifications/ drawings.

Stamping and signing of standard literature and brochures is not normally required.

In determining the key pages, it should be remembered that stamping and signing of excessive numbers of pages can be time-consuming, especially where a large number of bids are received.

Stamping and signing is only required on the original of the bid and not any copies.

Guidance Note 4 – Questions from Bidders:

Information given should normally be restricted to that which is included in the bidding document. Staff should seek to refer bidders back to the bidding document, rather than risk giving contradictory responses.

Staff managing a public bid opening must take care not to answer questions regarding the acceptance or rejection of bids, or to discuss the specific details of any bid. A standard response of “that will be decided by the evaluation committee” may be given to such questions.

The names of staff who will be evaluating the bids must not be revealed under any circumstances, even if the information is requested by bidders. This confidentiality regarding the names of evaluators should reduce opportunities for bidders to seek to influence the evaluation.

SOP 17: OPENING OF BIDS (SINGLE STAGE – TWO ENVELOPS)

Guidance Note 1 – Resources for Bid Opening:

Physical resources for an efficient bid opening include:

- a room which is accessible to bidders, arranged so that bidders’ representatives are seated at a short distance from the table where the opening is to be conducted. It is important that bidders witness, rather than participate in, a bid opening procedure;
- office materials, such as scissors, marker pens, Seal tape etc. for opening and marking of bids;
- a copy of the Request for Proposals document, in case there is a need to refer to the bidding instructions or other details;
- blank forms for recording bid details and sufficient pens;
- blank attendance forms and pens, for all bidders and other attendees to sign their attendance;
- details of the technical scores to be read out before the financial proposal opening.

Prompt access to photocopying facilities for distributing copies of the bid opening record will also be required.

Sufficient staff should be on hand to ensure that the opening proceeds efficiently. Different staff should normally be responsible for the following tasks:

- chairing the bid opening procedure;
- opening the proposals, numbering and passing the proposals to the chairperson to read out;

- recording the details of the bid opening;
- ensuring the safe-keeping of both opened proposals and the sealed financial proposals at the first stage;
- ensuring that bidders sign the attendance record.
- removal of financial proposals for safe custody.

Guidance Note 2 – Information to be Read Out at Technical Proposals

Opening:

Information to be read out should be as stated in the Request for Proposals document.

This must include at least the name and address of each bidder, including the names of all parties to a joint venture, consortium or association.

It may also include:

- the presence or absence of a bid security, and the form and amount of the bid security, where one was requested in the Request for Proposals document;
- any other details stated in the Request for Proposals document.

No additional information concerning any proposal should be read out, other than that required by the Request for Proposals document.

No financial information will be read out, as financial proposals will remain sealed at this stage.

Guidance Note 3 – Key Pages of Technical Proposal:

The key pages, which require stamping and signing or initialling should be determined by the chairperson of the bid opening. As a guide, they should include at least the technical proposal submission form. The sealed envelope containing the financial proposal should also be stamped and signed. Stamping and signing of standard literature and brochures is not normally required.

In determining the key pages, it should be remembered that stamping and signing of excessive numbers of pages can be time-consuming.

Stamping and signing is only required on the original of the technical proposal and not any copies.

Guidance Note 4 – Questions from Bidders:

Information given should normally be restricted to that which is included in the Request for Proposals document and, in the case of a financial opening, the technical scores which have been read out. Staff should seek to refer bidders back to the Request for Proposals document, rather than risk giving contradictory responses.

Staff managing a public bid opening must take care not to answer questions regarding the acceptance or rejection of proposals, or to discuss the specific

details of any proposal, score or price. A standard response of “that will be decided by the evaluation committee” may be given to such questions.

The names of staff who will be evaluating the bids must not be revealed under any circumstances, even if the information is requested by bidders. This confidentiality regarding the names of evaluators should reduce opportunities for bidders to seek to influence the evaluation.

Guidance Note 5 – Information to be Read Out at Financial Opening:

The technical scores of each bidder must be read out, prior to the opening of the financial envelopes.

The name of each bidder and the total price of the financial proposal should be read out.

No additional information concerning any proposal should be read out. The breakdown of any technical score or price must not be read out.

Guidance Note 6 – Key Pages of Financial Proposal:

The key pages, which require stamping, and signing or initialling should be determined by the chairperson of the opening. As guidance, they should include at least:

- the financial proposal submission form;
- the summary of costs.

The chairperson may also choose to stamp and sign pages giving the breakdown of costs.

In determining the key pages, it should be remembered that stamping and signing of excessive numbers of pages can be time-consuming.

Stamping and signing is only required on the original of the financial proposal and not any copies.

SOP 18: GENERAL EVALUATING PROCEDURES FOR GOODS, WORKS AND NON-CONSULTING SERVICES

Guidance Note 1 – Selecting Staff to Conduct Evaluations

The Procurement Unit has the overall responsibility for conducting evaluations and preparing evaluation reports, to be submitted to the PC for approval. However, evaluations will frequently require inputs from other staff, particularly those with technical knowledge of the goods, works or services being procured. The Head of the Procurement Unit must select the most appropriate member or members of staff to conduct each evaluation. The appropriate number and type of staff will depend on the type, value and complexity of the procurement but should not be less than three members. However:

- an evaluation under the Simplified Bidding method for routine stationery items could be conducted entirely by one member of the Procurement Unit;
- an evaluation for a construction contract will require inputs from at least one civil works engineer;
- any evaluation of a high value should be conducted jointly by an evaluation team.

Each evaluation should be allocated to a member of the Procurement Unit to manage. That member of staff will then be responsible for coordinating any inputs from other staff, ensuring that the evaluation is conducted on time and in accordance with all applicable rules and procedures and preparing an evaluation report.

Where an evaluation is particularly high value or complex, the entire evaluation should be allocated to an evaluation team, rather than an individual, to manage. In this case, the Head of the Procurement Unit should nominate, and seek approval of the Controlling Officer, one member to chair the evaluation team.

In identifying staff to provide inputs to an evaluation or to be members of an evaluation team, the Head of the Procurement Unit must consider the type of skills, knowledge or experience needed, which might include:

- procurement and contracting skills;
- technical knowledge;
- financial management skills;
- legal expertise;
- representation by the end user; and
- specialist knowledge or experience, such as Small Medium Enterprises (SME)/ Citizen Economic Empowerment (CEE) promotion programmes or Preferential Procurement schemes, if that is part of the bid evaluation and contract award criteria contained in the bidding document.

It is important that PC members are not involved in conducting evaluations, but only in approving completed evaluation reports. PC members must not be selected as evaluators, as this would result in them reviewing and approving their own work.

Guidance Note 2 – Preliminary Screening

The preliminary screening is conducted to determine whether bids comply with the basic instructions and requirements of the bidding document. It enables the evaluators to eliminate the weakest bids, without the time and effort spent in conducting a detailed evaluation. Where no pre-qualification has been conducted, the preliminary screening can also be used to assess whether

bidders meet the mandatory eligibility and qualification requirements – see Desk Instruction 28 for further guidance on qualifications.

The preliminary screening is conducted on a pass or fail basis, with bids that are not substantially compliant being rejected. The criteria to be used for the preliminary screening depend on the requirements and instructions of the bidding document, so the preliminary screening must always start with a review of the bidding document to list the requirements to be met. As a guide only, the preliminary screening might typically include checks of the following:

- submission of a bid security, if one was required, in the correct form and amount and from an acceptable financial institution;
- submission of an original and the correct number of copies of the bid;
- submission of all forms and documents required, including, in particular the bid submission form and any required price schedules;
- signature and authorisation of the bid in accordance with the instructions in the bidding document, including any required power of attorney;
- correct bid validity period;
- the bid is for all items included in the bidding document, or in a particular lot, if so required by the bidding document;
- submission of any additional documentation or samples required; and
- whether the bidder meets the mandatory eligibility and qualification requirements.

Guidance Note 3 – Detailed Evaluation

The detailed evaluation must only be conducted on bids which passed the preliminary screening.

The detailed evaluation is conducted to determine whether bids are substantially responsive to the technical and commercial requirements of the bidding document. The technical evaluation is conducted on a pass or fail basis; only bids which are responsive, or substantially responsive, to the requirements of the bidding document are included in the subsequent financial evaluation. Non-responsive bids are eliminated from the evaluation.

The ways of assessing responsiveness will vary considerably between evaluations for goods, works and routine services. Therefore, further guidance on the detailed evaluation is included in Desk Instructions 13A, 13B and 13C respectively.

Guidance Note 4 – Determining Responsiveness

In evaluating bids, the evaluator(s) is required to decide whether a bid is “responsive” (i.e. meets ZNPHI's requirements) or “non-responsive” (i.e. does not meet ZNPHI's requirements).

In practice, few bids are perfect and therefore the key test is whether a bid is “substantially responsive”. A “substantially responsive” bid is defined as a bid which conforms to all the instructions, requirements, terms and conditions of the bidding document without material deviation, reservation, or omission. In other words, minor (or “non-material”) errors or problems can be accepted by the evaluator(s) or corrected by the bidder, while bids with major (or “material”) errors or problems must be rejected.

As a general rule, a material deviation, reservation, or omission is one that –

- affects the scope, quality or performance of the goods, works or services in a substantial way; or
- would limit ZNPHI's rights or the bidder's obligations under the contract in a substantial way; or
- would unfairly affect the competitive position of other bidders if it were corrected.

Determining whether a deviation is material or non-material is a decision for the evaluator(s). The decision must be based on the contents of the bid only. Additional information or previous knowledge of a product or bidder must not be taken into account.

What is a material or non-material deviation will vary between different procurement procedures, depending on the particular requirements of each? However, decisions on what constitute material and non-material deviations must be applied consistently to all bids which are part of the same evaluation process.

In deciding whether deviations are material or non-material, the evaluator(s) should consider the impact on key factors, such as cost, risk, time and quality of the procurement. As a guide, material deviations, reservations or omissions are likely to include:

- unacceptable schedules for delivery or completion;
- unacceptable technical details, such as design, materials, workmanship, specifications, standards or methodologies; and
- unacceptable counter-proposals on key contract terms and conditions, such as payment terms, price adjustment, liquidated damages, sub-contracting or warranty.

As a guide, non-material deviations, reservations or omissions are likely to include:

- minor differences in delivery or completion schedules, where time is not critical;
- the omission of minor items;
- arithmetic errors;

- alternative technical details, such as design, materials, workmanship, specifications, standards or methodologies, which are substantially responsive and acceptable to ZNPHI; and
- minor amendments to contract terms and conditions, which are acceptable to ZNPHI.

Where a bid is determined to be substantially responsive, the evaluator(s) may waive, clarify or correct the non-conformity, error or omission in the bid – see guidance note 5 below for further details.

Guidance Note 5 – Bid Clarifications from Bidders and Corrections

Where information contained in a bid is unclear, the evaluator(s) may seek clarification of the information from the bidder. Clarifications cannot be used to amend the price of the bid (with the exception of the correction of arithmetic errors), to correct material deviations or to make other significant changes to any aspect of the bid.

Requests for clarification must be addressed to the bidder in writing and must state that a written response is required by a specified date. The request must also state that failure by the bidder to respond to the request may result in the rejection of his bid.

Where a bid includes non-material deviations, errors or omissions, the evaluator(s) may choose to accept or to correct them. In order to make the evaluation fair to all bidders, the non-conformity should be quantified and expressed in monetary terms, wherever possible. This amount should then be added to the bid price, for purposes of the financial evaluation only, to reflect the price or cost of the missing or non-conforming item.

For example, where a bid for goods does not include the price of a spare part or consumable item, the price of the missing item should be added to the bid price, using the highest price for the same item from the other bids.

As a further example, where a bid includes a slightly later delivery date than required by the bidding document and this delay is acceptable to ZNPHI, the late delivery could be quantified and expressed in monetary terms, using the monetary penalties for liquidated damages contained in the draft contract.

Guidance Note 6 – Financial Evaluation

The financial evaluation must only be conducted on bids which were determined to be substantially responsive during the detailed evaluation.

The financial evaluation is conducted to determine the evaluated price of bids, rank the bids according to their evaluated price and identify the lowest priced bid. This will be the successful bid, which should be recommended for award of contract.

Unless otherwise required by the instructions in the bidding document, the procedure for determining the evaluated price of each bid is as follows:

- determine the total bid price, including or excluding particular costs, as indicated in the bidding document e.g. the bidding document may give particular instructions on the inclusion of all taxes and duties in the bid price or the exclusion of provisional sums and contingencies, but the inclusion of competitively priced day works, in bids for works;
- correct any arithmetic errors – see guidance note 7 below;
- apply any non-conditional discounts offered by bidders – see guidance note 8 below;
- convert all bids to a single evaluation currency for purposes of comparison, using the currency and the date and source of the exchange rate specified in the bidding document;
- make adjustments for any non-material nonconformities, errors or omissions;
- apply any non-price criteria specified in the bidding document;
- apply any preferential procurement margins; and
- determine the total evaluated price of each bid.

Where the evaluation is for a procurement requirement consisting of more than one lot and bidders are permitted to offer discounts which are conditional on the award of contracts for more than one lot, these must be taken into account in a further financial evaluation at this stage – see guidance note 8 below.

Guidance Note 7 – Arithmetic Errors

In conducting a financial evaluation, arithmetic errors may be corrected by the evaluator(s). The procedure for correcting arithmetic errors is normally stated in bidding documents and the procedure stated must be used. This is normally the procedure stated below.

Where no specific procedure is stated in the bidding document, the following procedure should be applied:

- if there is a discrepancy between the unit price and the total price that is obtained by multiplying the unit price and quantity, the unit price shall prevail and the total price shall be corrected, unless in the opinion of the evaluator(s) there is an obvious misplacement of the decimal point in the unit price, in which case the total price as quoted shall govern and the unit price shall be corrected;
- if there is an error in a total corresponding to the addition or subtraction of subtotals, the subtotals shall prevail and the total shall be corrected; and
- if there is a discrepancy between words and figures, the amount in words shall prevail, unless the amount expressed in words is related to an

arithmetic error, in which case the amount in figures shall prevail subject to the notes above.

Bidders should be notified in writing of any arithmetic corrections made and requested to agree to the corrections in writing.

Guidance Note 8 – Discounts

Bidders are permitted to offer discounts to their bid prices, provided that any discounts are included in their bid. Discounts, or any other change in price, are not permitted after the bid closing date. **Non-conditional discounts should be taken into account in the evaluated price of the bids.**

Prompt payment discounts, which are conditional on prompt payment by ZNPHI, must not be taken into account in the financial evaluation, but should be included as a contract term, if the bid is accepted.

If so stated in the bidding document, bidders may be permitted to offer conditional (or gross) discounts i.e. discounts which are conditional on the simultaneous award of contracts for more than one lot. **Conditional discounts should be excluded from the main financial evaluation.**

Following completion of the financial evaluation and determination of the successful bid(s), a further financial comparison should be conducted to take any conditional discounts into account. This comparison must identify the best overall value for money for ZNPHI i.e. the combination of contract awards which offers the lowest total price.

Guidance Note 9 – Requesting Extensions to Bid Validity

The bid validity period requested in the bidding document should normally be sufficient to enable ZNPHI to undertake the evaluation, obtain PC approval and place a contract. Therefore, extensions to the validity of bids should not normally be required.

Where an extension to the validity of bids is required, all bidders should be requested, in writing, to extend the validity of their bids for an additional specified period of time. This request should be issued with a reasonable period before the expiry of the validity of bids, to give sufficient time for responses to be received.

Bidders must not be permitted to change the price, or any other details, of their bid, when extending the validity.

Where a bid security is required, bidders extending the validity of their bids must also extend the validity of their bid securities by the same period of time. Any bidder is free to refuse to extend the validity of his bid, without forfeiting any bid security submitted.

SOP 19: EVALUATING OFFERS FOR GOODS

Guidance Note 1 – Detailed Technical Evaluation

The technical evaluation for goods is conducted by comparison with the specification in the bidding document. This specification provides a minimum standard which bids must reach. bids which do not reach this standard are non-responsive. bids which equal or slightly exceed the standard are responsive. The evaluation is conducted on a pass or fail basis, so no extra credit or benefit is given to bids which slightly exceed the standard, except where this is provided for by non-price criteria – see guidance note 3 below. Substantially responsive bids may be considered to have passed the technical evaluation.

For example, if the specification in the bidding document for a photocopier specified a copy speed of 25 pages per minute:

- a bid offering a copy speed of 15 pages per minute would be non-responsive;
- a bid offering a copy speed of 24 pages per minute *may* be substantially responsive, if the evaluator(s) so decide;
- a bid offering a copy speed of 25 pages per minute would be responsive;
- a bid offering a copy speed of 33 pages per minute would be responsive, but would receive no additional preference in the evaluation compared to the bid offering 25 pages per minute.

In conducting the technical evaluation, all aspects of the technical specification must be considered and technical advice sought, where required. In particular, technical advice and advice from the end user on the precise purpose and use of the goods will be required in determining whether deviations from the specification are material or non-material. For example:

- failure to offer the specified engine size would almost certainly be a material deviation in an evaluation for a vehicle;
- failure to offer the specified colour of vehicle may be a non-material deviation if the vehicle is for general use, but may be a material deviation if the vehicle is for police or military use and requires a particular colour or markings for identification or camouflage purposes.

Guidance Note 2 – Detailed Commercial Evaluation

The commercial evaluation is conducted by assessing whether the bid conforms, or substantially conforms, to all the terms, conditions and requirements of the bidding document. The criteria will therefore depend on the bidding document, but might include:

- acceptance of key contract conditions, such as payment, warranty and liquidated damages;

- delivery schedule for goods within the time period specified;
- completion schedule for incidental services within the time period specified, where installation and commissioning or user training is required;
- availability of spare parts and consumable items;
- service arrangements, such as a requirement for a local agent.

As with the technical evaluation, the commercial standard must be set by the terms and conditions of the bidding document and bids should be evaluated as responsive or non-responsive against this standard. No extra benefit should be given to bids which exceed the standard required, except where this is done through the application of non-price criteria – see guidance note 3 below.

Guidance Note 3 – Non-Price Criteria

The successful bid for goods is normally the lowest priced bid, which has met technical and commercial requirements, as determined by the detailed evaluation. However, procuring entities are permitted to apply non-price criteria, as long as they are specified in the bidding document.

Non-price criteria must be given a relative weight or expressed in monetary terms wherever possible. Examples of non-price criteria might include:

- a penalty for late delivery and/or a bonus for early delivery, based on the delivery schedule stated in the bidding document. Penalties and bonuses could be expressed in monetary terms, by increasing or reducing the evaluated price by a specified amount for each day or week that delivery will be late or early. The amount could be calculated using the rates normally applied to liquidated damages for late deliveries;
- a penalty for payment terms, which require payment earlier than specified in the bidding document. The penalty could be expressed in monetary terms, by calculating the interest which would be earned on the money, using a defined interest rate;
- inclusion of the estimated cost of spare parts and/or consumable items for a specified period of operation. This could be expressed in monetary terms, by requiring bidders to provide prices for a specified list of items, which would be added to the evaluated price;
- inclusion of the costs of operating and maintaining equipment during its projected lifetime;
- a penalty or bonus for productivity or performance of equipment below or above a specified level.

SOP 20: EVALUATING OFFERS FOR WORKS

Guidance Note 1 – Detailed Commercial and Technical Evaluation

The detailed evaluation is conducted by assessing whether the bid conforms, or substantially conforms, to all the terms, conditions and requirements of the bidding document. The criteria will therefore depend on the bidding document, but might include:

- acceptance of key contract conditions, such as payment, price adjustment, warranty, insurance, liquidated damages, dispute resolution, liability and performance security, or inclusion of only minor deviations which are acceptable to ZNPHI and can be quantified in the evaluation;
- completion schedule for the works within the time period specified and/or meeting key milestones of the construction programme;
- equipment, material, workmanship and design of the standards or codes specified in the bidding document or equivalent;
- use of construction methods specified in the bidding document or acceptable alternatives;
- suitability of the bidder's key staff, taking into account their qualifications and experience;
- bid based on the design specified in the bidding document or an acceptable alternative design, where alternatives are permitted by the bidding document;
- compliance with applicable regulations, such as those concerning labour; and/or
- sub-contracting within the amounts and in the manner permitted by the bidding document and sub-contractors meeting requirements specified in the bidding document.

The standard for responsiveness must be set by the terms, conditions and requirements of the bidding document and bids should be evaluated as responsive or non-responsive against this standard. Bids which are substantially responsive may be accepted, although the minor deviations, errors or omissions should be quantified and taken into account in the financial evaluation. No extra benefit should be given to bids which exceed the standard required, except where this is done through the application of non-price criteria – see guidance note 2 below.

The detailed evaluation of bids for works will require technical input from staff qualified in the relevant field and staff representing the end user.

Guidance Note 2 – Non-Price Criteria

The successful bid for works is normally the lowest priced bid, which has met technical and commercial requirements, as determined by the detailed evaluation. However, procuring entities are permitted to apply non-price criteria, as long as they are specified in the bidding document.

Non-price criteria must be given a relative weight or expressed in monetary terms wherever possible. Examples of non-price criteria might include:

- a penalty for late completion and/or a bonus for early completion, based on the completion schedule stated in the bidding document. Penalties and bonuses could be expressed in monetary terms, by increasing or reducing the evaluated price by a specified amount for each day or week that delivery will be late or early. The amount could be calculated using the rates normally applied to liquidated damages for late deliveries.
- a penalty for payment terms, which require payment of any sums earlier than specified in the bidding document. The penalty could be expressed in monetary terms, by calculating the interest which would be earned on the money, using a defined interest rate.

SOP 21: EVALUATING OFFERS FOR NON-CONSULTING SERVICES

Guidance Note 1 – Detailed Commercial and Technical Evaluation

The detailed evaluation is conducted by assessing whether the bid conforms, or substantially conforms, to all the terms, conditions and requirements of the bidding document and responds adequately to the terms of reference. The criteria will therefore depend on the bidding document, but might include:

- acceptance of key contract conditions, such as payment, insurance, dispute resolution and liability or inclusion of only minor deviations which are acceptable to ZNPFI and can be quantified in the evaluation;
- suitability of the bidder's key staff, taking into account their qualifications and experience;
- equipment, material and workmanship of the standards specified in the bidding document or equivalent;
- acceptable methodology for performance of the services;
- compliance with applicable regulations, such as those concerning labour; and/or
- sub-contracting within the amounts and in the manner permitted by the bidding document and sub-contractors meeting requirements specified in the bidding document.

The standard for responsiveness must be set by the terms, conditions, requirements and terms of reference in the bidding document and bids should be evaluated as responsive or non-responsive against this standard. Bids which are substantially responsive may be accepted, although the minor deviations, errors or omissions should be quantified and taken into account in the financial evaluation. No extra benefit should be given to bids which exceed the standard required, except where this is done through the application of non-price criteria – see guidance note 2 below.

The detailed evaluation of bids for routine services will often require input from technical staff and/or staff representing the end user.

SOP 22: GENERAL EVALUATING PROCEDURES FOR CONSULTING SERVICES

Guidance Note 1 – Selecting Staff to Conduct Evaluations

The Procurement Unit has the overall responsibility for conducting evaluations and preparing evaluation reports, to be submitted to the PC for approval. However, evaluations for consulting services will always require inputs from other staff, as merit point systems require scores to be given by a number of staff, in order to arrive at an average score.

Each evaluation should be allocated to a member of the Procurement Unit to manage process. That member of staff will then be responsible for coordinating the inputs from other staff, including obtaining and comparing individual scores, ensuring that the evaluation is conducted on time and in accordance with all applicable rules and procedures and preparing an evaluation report.

Where an evaluation is particularly high value or complex, the entire evaluation should be allocated to an evaluation team, rather than an individual, to manage. In this case, the Head of the Procurement Unit should nominate one member, but seek the Controlling Officer's approval, to chair the evaluation team.

The Head of the Procurement Unit must select the most appropriate members of staff to provide inputs to an evaluation, with particular attention to those responsible for awarding merit point scores. Staff involved in awarding scores to proposals for consulting services must have knowledge or experience of the services being procured and the evaluators must include staff that is able to represent the needs of the end user.

In identifying staff to provide inputs to an evaluation or to be members of an evaluation team, the Head of the Procurement Unit must consider the type of skills, knowledge or experience needed, which might include:

- procurement and contracting skills;
- technical knowledge;
- financial management skills;
- legal expertise;
- representation by the end user; and
- specialist knowledge or experience, such as SME and CEE promotion programmes or preference schemes.

It is important that PC members are not involved in conducting evaluations, but only in approving completed evaluation reports. PC members must not be selected as evaluators, as this would result in them reviewing and approving their own work.

Guidance Note 2 – Preliminary Screening

The preliminary screening is conducted to determine whether proposals comply with the basic instructions and requirements of the request for proposals document. It enables the evaluators to eliminate the weakest proposals, without the time and effort spent in conducting a detailed merit point evaluation. The preliminary screening can also be used to assess whether bidders meet the mandatory qualification requirements – see Desk Instruction 28 for further guidance on qualifications.

The preliminary screening is conducted on a pass or fail basis, with proposals that are not substantially compliant being rejected. The criteria to be used for the preliminary screening depend on the requirements and instructions of the request for proposals document, so the preliminary screening must always start with a review of the request for proposals document to list the requirements to be met. As guidance only, the preliminary screening might typically include checks of the following:

- submission of an original and the correct number of copies of the proposal;
- submission of all forms and documents required, including, in particular the proposal submission form;
- signature and authorisation of the proposal in accordance with the instructions in the request for proposals document, including any required power of attorney;
- signature of curriculum vitae by proposed consultants, if required;
- submission of a separately sealed financial proposal;
- correct proposal validity;
- submission of any additional documentation required; and
- whether the bidder meets the mandatory qualification requirements.

Guidance Note 3 – Detailed Evaluation using the Merit Point Scoring System

The detailed evaluation must only be conducted on proposals which were determined to be substantially responsive during the preliminary screening.

The merit point scoring system is used to assess the relative quality of proposals. A variable number of points are awarded to each proposal for pre-determined criteria out of a maximum number of points stated in the request for proposals document. This gives a score indicating the relative quality of each proposal. The scores of several evaluators are used to calculate an average score for each proposal, which becomes the total technical score for that proposal.

The procedure for merit point scoring systems is as follows:

1. All evaluators should jointly discuss the criteria and any sub-criteria, to ensure that all evaluators have a common understanding of the criteria and their relative importance.

2. Each evaluator should conduct an evaluation of each proposal, independently from all other evaluators. Consider each proposal and award scores out of the maximum number of points against each criterion. Record all scores and sign the score sheet.
3. Where a number of points are allocated to performance at interview, conduct interviews – see guidance note 4 below for further details.
4. The Procurement Unit will collect scores, compile them on a single score sheet and calculate average scores for each proposal. To calculate the average, add the scores of all evaluators together and divide by the number of evaluators.
5. The Procurement Unit will compare the scores of each evaluator for each proposal, in order to check that there has been a consistency of approach and a common understanding of the criteria and each proposal. Any significant deviations from the average score or inconsistencies in scoring should be identified and evaluators may be called upon to explain their scores, at a meeting of all evaluators.
6. In exceptional cases, where the evaluators agree that there has not been a consistency of approach or where discussions reveal a misunderstanding of a criterion, the scoring method or a proposal, one or more evaluator may be permitted to adjust his individual scores. No evaluator shall be obliged to make adjustments to his scores. The original score sheets must be retained and revised scores recorded on a new score sheet. Where any scores are revised, the Procurement Unit will collect and compile scores again and recalculate the average score for each proposal.

The proposals which pass the detailed evaluation and proceed to the financial evaluation are determined by the individual evaluation methodology.

Guidance Note 4 - Conducting Interviews

Interviews may be conducted as part of a merit point evaluation, provided that this was clearly stated in the RFP document. Bidders must be given reasonable notice of the arrangements for any interview. ZNPHI should be flexible as to the precise date and time for the interview, to give the bidder a reasonable opportunity to attend, particularly where foreign bidders are invited for interview.

Interviews should be conducted after evaluation against all other technical evaluation criteria. In the case of QCBS and LCS, only bidders who are still able to reach the minimum technical threshold should be invited for interview. In the case of QBS, only bidders who are still able to attain the highest technical score should be invited for interview.

Interviews should only be held with key staff or consultants of the bidder, such as the team leader.

Interviews should be managed by the Procurement Unit, but involve the staff responsible for the merit point evaluation, or nominated representatives from among those staff. The questions and approach to be addressed at the interview should be planned and agreed in advance by all staff involved in the merit point evaluation.

Detailed minutes of the interview must be kept and of the subsequent discussion and decision on the number of points to be awarded. These minutes should form part of the technical evaluation report.

Guidance Note 5 – Financial Evaluation

The proposal or proposals proceeding to the financial evaluation will be determined by the relevant methodology for the technical evaluation.

The financial evaluation is conducted to determine the evaluated price of proposals, compare the proposals and determine the successful proposal i.e. the proposal which should be recommended for award of contract. The financial evaluation and the determination of the successful proposal differ between different evaluation methodologies.

Unless otherwise required by the evaluation methodology or the instructions in the request for proposals document, the procedure for determining the evaluated price of each proposal is as follows:

- determine the total proposal price, including or excluding particular costs, as indicated in the request for proposals document e.g. the request for proposals document may state that all taxes and duties are to be included in the evaluation;
- correct any arithmetic errors – see guidance note 6 below;
- assess whether all items are included in the proposal price and add the cost of any missing items;
- convert all proposals to a single evaluation currency for purposes of comparison, using the currency and the date and source of the exchange rate specified in the request for proposals document;
- apply any margin of price preference;
- determine the total evaluated price of each proposal.

Guidance Note 6 – Arithmetic Errors

In conducting a financial evaluation, arithmetic errors may be corrected by the evaluator(s). The procedure for correcting arithmetic errors is normally stated in bidding and request for proposals documents and the procedure stated must be used. This is normally the procedure stated below.

Where no specific procedure is stated in the request for proposals document, the following procedure should be applied:

- if there is a discrepancy between the unit price and the total price that is obtained by multiplying the unit price and quantity, the unit price shall

prevail and the total price shall be corrected, unless in the opinion of the evaluator(s) there is an obvious misplacement of the decimal point in the unit price, in which case the total price as quoted shall govern and the unit price shall be corrected;

- if there is an error in a total corresponding to the addition or subtraction of subtotals, the subtotals shall prevail and the total shall be corrected; and
- if there is a discrepancy between words and figures, the amount in words shall prevail, unless the amount expressed in words is related to an arithmetic error, in which case the amount in figures shall prevail subject to the notes above.

Bidders should be notified in writing of any arithmetic corrections made and requested to agree the corrections in writing.

Guidance Note 7 – Requesting Extensions to Proposal Validity

The proposal validity period requested in the request for proposals document should normally be sufficient to enable ZNPHI to undertake both the technical and financial evaluations, obtain Procurement Committee (PC) approval and place a contract. Therefore, extensions to the validity of proposals should not normally be required.

Where an extension to the validity of proposals is required, all bidders should be requested, in writing, to extend the validity of their proposals for an additional specified period of time. This request should be issued with a reasonable period of time before the expiry of the validity of proposals, to give sufficient time for responses to be received.

Bidders must not be permitted to change their financial proposal, or any details of their proposal, when extending the validity.

SOP 23: EVALUATING PROCEDURES FOR CONSULTING SERVICES USING QCBS

Guidance Note 1 – Awarding Financial Scores

Financial scores must be awarded using the method specified in the RFP document. This is normally as follows:

- the lowest priced proposal is given a financial score of 100
- all other proposals are given a financial score proportionate to this, using the formula $S_f = 100 \times F_m/F$, in which

S_f denotes the financial score of the proposal under consideration;

F_m is the price of the lowest price proposal;

F denotes the price of the proposal under consideration.

For example, if prices were as follows:

Proposal A	K 500,000
Proposal B	K 450,000
Proposal C	K600,000

- Proposal B has the lowest price and would be awarded 100 points.
- The formula would be applied to Proposal A as follows: $100 \times 450,000/500,000 = 90$ points.
- The formula would be applied to Proposal C as follows: $100 \times 450,000/600,000 = 75$ points.

Alternatively, a directly proportional or other methodology may be used in allocating financial scores, providing it has been fully described in the RFP document.

Guidance Note 2 – Weighting Scores to Calculate the Total Score

The technical and financial scores must be weighted using the weights stated in the RFP document. This is normally in the range of 70-90% for the technical score and in the range of 10-30% for the financial score. The combined weights must always total 100%.

To determine the weighted scores, multiply the actual technical and financial scores by the percentage weights stated in the RFP document.

To determine the total score, simply add the weighted technical and financial scores together.

The example in the table below shows the technical and financial scores received by a proposal, the weights stated in the RFP document, the calculation required, the weighted scores and the total score:

	Original Scores	Weight in RFP document	Calculation	Weighted Scores
Technical	75	80%	$75 \times 80/100$	60
Financial	85	20%	$85 \times 20/100$	17
Total		100%		77

SOP 27: CONDUCTING NEGOTIATIONS

Guidance Note 1 – Selecting Staff to Conduct Negotiations

The Procurement Unit has the overall responsibility for conducting negotiations and making recommendations on the results to the PC. However, negotiations will always be conducted by a minimum of three people, who will include staff with technical knowledge of the goods, works or services being procured and who are able to represent the needs of the end user.

Negotiations should normally be managed by the member of the Procurement Unit who managed the evaluation, although additional procurement staff with greater experience or particular skills may also be involved. That member of staff will then be responsible for coordinating inputs from other staff, ensuring that the negotiations are conducted in accordance with all applicable rules and procedures and preparing minutes of the negotiations and recommendations for the PC.

The Head of the Procurement Unit must select the most appropriate members of staff to conduct negotiations. Where it offers benefits of continuity or significantly reduces the amount of preparation work required, staff who contributed to the evaluation should be used, as they will already be familiar with the requirements of ZNPHI, as defined in the bidding document, the contents of the successful bid, the reasons why negotiations were recommended, the areas requiring negotiations and the objectives of those negotiations. The appropriate number and type of staff will depend on the type, value and complexity of the procurement, the areas which require negotiations and the extent of the negotiations.

In identifying staff to be involved with negotiations, the Head of the Procurement Unit must consider the type of skills, knowledge or experience needed, which might include:

- procurement and contracting skills, including experience of negotiations;
- technical knowledge;
- legal expertise;
- representation by the end user.

It is important that PC members are not involved in conducting negotiations, but only in approving the results and recommendations, so that they do not end up reviewing and approving their own work.

Guidance Note 2 – Areas which may be subject to Negotiations

Negotiations may not relate to the price or substance of bids or proposals, but only to minor technical, contractual or logistical details. As guidance only, negotiations may normally relate to the following areas:

- minor alterations to technical details, such as the terms of reference, the specification or drawings;

- minor amendments to the Special Conditions of Contract;
- finalising the payment arrangements;
- mobilisation arrangements;
- agreeing final delivery or completion schedules to accommodate any changes required by ZNPHI;
- the proposed methodology or staffing;
- inputs required from ZNPHI;
- clarifying details that were not apparent or could not be finalised at the time of bidding;
- the bidder's tax liability in Zambia.

Negotiations must not be used to:

- substantially change the technical quality or details of the requirement, including the tasks or responsibilities of the bidder or the performance of the goods;
- substantially alter the terms and conditions of contract stated in the invitation document;
- reduce unit rates or reimbursable costs;
- reduce work inputs solely to meet the budget; or
- substantially alter anything which formed a crucial or deciding factor in the evaluation of the bids or proposals.

In the case of consulting services, the bidder should not be allowed to substitute key staff, unless ZNPHI and the bidder agree that delays in the procurement process, changes in the terms of reference or other unavoidable circumstances make it necessary.

Guidance Note 3 – Recommendations following Negotiations

Following negotiations, the recommendations made to the PC may include:

- proceed with contract award to the successful bidder, incorporating the revisions agreed during negotiations;
- revise the objectives of the negotiations and negotiate further on specified areas;
- terminate the negotiations, where they have failed to result in an acceptable contract, reject the bidder and award the contract or hold negotiations with the next best ranked bidder;
- cancel the procurement proceedings, where it is believed that the original bidding document was flawed, the need has changed or the budget is insufficient for the requirement.

SOP 28: CANCELLING PROCUREMENT PROCEEDINGS

Guidance Note 1 – Grounds for Cancellation

The cancellation of procurement proceedings should be avoided wherever possible, but is permitted where it is in the public interest. Where cancellation is required, it should be done as early in the procurement process as possible. In particular, ZNPHI should seek to avoid cancelling procurement proceedings where bids have already been opened.

The grounds for cancelling procurement proceedings must be approved by the PC, but as guidance might include:

- there is no longer any need for the procurement in question;
- the technical, contractual or other details have changed to such an extent that it is more appropriate to issue a new bid, than to modify the existing bidding document;
- there is evidence of collusion among bidders;
- adequate funding is no longer available for the requirement;
- there is a lack of responsive bids
- the applicable procurement laws, rules and regulations have changed and or were erroneously overlooked at the time of starting the procurement process i.e. World Bank/ Donor procedures, rules and regulations should apply instead of the ZPPA rules and regulations.

SOP 32: MANAGING A CONTRACT

Guidance Note 1 – Selecting a Contract Manager

The Head of the Procurement Unit should select the most appropriate person or persons to administer each contract, taking into account the skills or experience required, the time required for contract administration and any requirements to work closely with the end user. Where a contract is particularly large or complex, a contract management team may be formed.

The Procurement Unit will retain overall responsibility for contract management, but the member of staff with day-to-day responsibility for the contract will often come from outside the Procurement Unit. For example, the Procurement Unit will normally retain control of contract amendments, payments and dispute resolution, but may allocate day-to-day liaison with a team of consultants or supervision of a construction contract to the end user.

In selecting the person responsible for day-to-day contract management, the Head of the Procurement Unit should consider the following guidance:

- where supervision needs to be conducted by a person with appropriate technical skills, such as for construction contracts or the installation of complex plant and machinery, contract management is best allocated to the end user or an external consultant;
- where contract management is likely to be time-consuming or require skills not available within MOGE, an external contract manager should be appointed, such as a project manager for a major construction contract;
- where goods are to be received and issued by stores, contract management is best allocated to the stores staff;
- where goods are to be delivered directly to the end user, contract management is best allocated to either the end user or procurement staff, although there may still be a need for the goods to be included in ZNPHI's records of assets;
- where a consultant is required to work with the end user in conducting a study, providing advice or building capacity, contract management is best allocated to the end user and particular counterpart staff may need to be designated to work with the consultant;
- where services are provided in support of the general management or administration of ZNPHI, contract management is best allocated to the member of staff responsible for that function, such as a Transport Officer

for a vehicle repair contract or the Human Resource and Administration Department for cleaning services.

Issues relating to contractual disputes or a supplier's failure to perform and any requirement for amendment of the contract must be referred to the Procurement Unit.

Contract Managers must make use of ZNPHI's existing systems for making payments or seeking legal advice.

Guidance Note 2 – Contract Management for Goods

Contract management for goods focuses on ensuring that goods are delivered on time, that the goods are acceptable to ZNPHI, in terms of agreed price, quantity, quality and supporting documentation, and that ZNPHI meets its obligations to pay for the goods delivered.

For goods contracts, the contract manager is typically responsible for:

- ensuring that the actual dates when deliveries are due, are agreed with the supplier, based on the date of contract effectiveness;
- expediting during the delivery period, to ensure that manufacturing, insurance for goods, freight-forwarding and deliveries are proceeding on schedule;
- witnessing tests or approving samples, where required;
- arranging collection, freight-forwarding, customs clearance or delivery, where ZNPHI is responsible for any of these tasks;
- arranging for receipt and inspection of the goods;
- checking all documentation relating to the goods, such as delivery notes, and ensure that documentation is correct before signing;
- recording any missing, damaged or incorrect items and initiating claims against insurance policies or the supplier;
- reporting any contractual problems or requests for contract amendments to the Procurement Unit;
- checking invoices and supporting documentation for payment are correct and arranging payment;
- managing any securities, such as performance or payment securities, by ensuring that they are kept securely, ensuring that extensions to their validity are obtained in good time, when required, reducing their value, when required and releasing them promptly, when all obligations have been fulfilled;
- ensuring all documentation and information relating to warranties and warranty claims are in good order;
- ensuring that assets are registered and labelled, where required; and

- ensuring all user guides, manuals, licences etc. are kept with the goods or in an appropriate place.

Goods should be recorded in ZNPHI's asset records and issued to the end user in accordance with applicable stores and supply management procedures.

Guidance Note 3 –Contract Management for Works

Contracts management for works is often complex and time-consuming, as it involves supervision of the progress of the works, ordering variations where unforeseen conditions are encountered and measuring the work completed for payment purposes. For major contracts, ZNPHI will normally use a full-time supervising engineer or project manager, who will exercise control and supervision of the contact on behalf of ZNPHI. Where a project manager is used, ZNPHI must:

- ensure that the role of the project manager is clearly defined, in particular his powers to issue contract variations, which result in changes to the overall cost, completion date, quality and design of the works and to settle disputes;
- establish arrangements for keeping ZNPHI informed of contract progress, variations issued and any disputes; and
- designate a contract manager within ZNPHI, who will be the contact point for the project manager.
- This contract manager is typically responsible for:
 - ensuring that the actual mobilisation and completion dates are agreed with the supplier, based on the date of contract effectiveness;
 - monitoring the overall progress of the works and the performance of the project manager;
 - referring any requests for contract variations, which are outside the authority of the project manager, to the PC through the Procurement Unit, or other designated authority, for approval;
 - reporting any contractual problems or requests for contract amendments to the Procurement Unit;
 - checking invoices and supporting documentation for payment are correct and arranging payment;
 - managing any securities, such as performance or payment securities, by ensuring that they are kept securely, ensuring that extensions to their validity are obtained in good time, when required, reducing their value, when required and releasing them promptly, when all obligations have been fulfilled;

- ensuring all final acceptance and hand-over arrangements are completed and documented satisfactorily; and
- ensuring all final drawings, manuals etc. are received and kept in an appropriate place.

Guidance Note 4 –Contract Management for Services

Contract management for services focuses on ensuring that services are delivered on time and to an acceptable quality at an agreed price/ fees. This can be difficult, as the quality of services, particularly consulting services, can be subjective and difficult to measure. A good working relationship with the service provider and ongoing monitoring of services is therefore important, to ensure successful contract performance.

ZNPHI must also ensure that it meets its obligations, particularly where the performance of consulting services is dependent on certain inputs or information from ZNPHI or where staff must be made available to benefit from capacity building initiatives.

For services contracts, the contract manager is typically responsible for:

- ensuring that the actual dates for mobilisation, key milestones or deliverables and completion are agreed with the supplier, based on the date of contract effectiveness;
- monitoring contract performance to ensure that levels of service are maintained and that deliverables are submitted or completed on time;
- ensuring that all required reports are submitted on time;
- ensuring that, where required, ZNPHI provides written comments or approvals to deliverables or reports in a timely manner;
- ensuring that any resources, assistance or counterpart staff to be provided by ZNPHI are made available at the appropriate time;
- checking invoices and supporting documentation for payment are correct and arranging payment;
- managing any securities, such as performance or payment securities, by ensuring that they are kept securely, ensuring that extensions to their validity are obtained in good time, when required, reducing their value, and releasing them promptly, when all obligations have been fulfilled;
- notifying the service provider in writing of any failings in performance or failure to meet targets; and
- ensuring all reports or deliverables are kept in an appropriate place and circulated or implemented as required.

SOP 33: AMENDING A CONTRACT

Guidance Note 1 – Contents of a Contract Amendment

The contents of a contract amendment will be determined by the reason for the amendment and the term or condition which is being amended. However, all contract amendments must include the following details:

- the reference number and date of the contract which is being amended and a brief description of the subject of the contract;
- the number of the contract amendment i.e. “Contract Amendment No 1, 2, 3 etc.” depending on the number of times the amendments are made;
- the date of the contract amendment;
- a clear statement of the part of the contract which is being amended, including relevant clause or annex numbers;
- a clear statement of how the contract is amended e.g. “the completion period is hereby extended by one week, to give a revised completion period of thirteen weeks” or “the quantity for item 3 is hereby increased by two (2) to give a revised quantity of five (5)”;
- where the contract price is being amended, a clear statement of the amount by which the contract is increased or decreased and the revised total contract price i.e. “the contract price is hereby increased by a sum of K10,000.00 giving a revised total contract price of K125,000.00”;
- a statement that all other terms and conditions of the contract remain unchanged.

SOP 34: COMPLETING A CONTRACT

Guidance Note 1 – Contract Completion Checklist

Before closing a procurement file, the Procurement Unit should check that:

- all goods have been delivered, works completed and handed-over, services performed and contract deliverables received;
- there are no outstanding claims for missing or damaged items against either the supplier or an insurance company;
- all necessary payments have been made;
- the total payment is correct, taking into account any contract amendments, job variations, price variations and the amortisation of any advance payment;
- all guarantees and securities have been returned;
- all necessary documentation is in place and correct; and
- the overall performance of the supplier has been reviewed and the Procurement Committee (PC) has been advised of any serious failings.

SOP 35: TERMINATING A CONTRACT

Guidance Note 1 – Typical Grounds for Termination

The grounds for termination of a contract will depend on the terms and conditions of the individual contract concerned. The following notes provide guidance on typical grounds for termination of a contract, but it is essential that ZNPHI is guided by the contract document itself:

- **Termination for convenience:** most contracts include a condition which enables ZNPHI to terminate the contract for its own convenience, without there having been any default by the supplier. Where ZNPHI terminates for its own convenience, it must make payment for all goods, works or services satisfactorily completed prior to termination and any other expenses incurred by the supplier.
- **Termination for default:** most contracts include a condition which enables ZNPHI to terminate the contract, where the supplier has failed to perform its obligations under the contract or to comply with an agreement reached through arbitration or other dispute resolution mechanism. The contract will often specify a procedure by which ZNPHI must formally notify the supplier of the default and give them time to correct the default, before actually terminating the contract. Where ZNPHI terminates because of the supplier defaulting, it is normally permitted to procure the goods, works or services from another source and charge the original supplier for any additional costs incurred.
- **Termination for corrupt practices:** most contracts include a condition which enables ZNPHI to terminate the contract, where the supplier has engaged in corrupt or fraudulent practices in competing for or implementing the contract. As with termination for default, ZNPHI is normally permitted to procure the goods, works or services from another source and charge the original/defaulting supplier for any additional costs incurred.
- **Termination for insolvency:** most contracts include a condition which enables ZNPHI to terminate the contract, where the supplier has become bankrupt or insolvent. In such cases, there is normally no compensation to the supplier.
- **Termination for force majeure:** most contracts include a condition which enables ZNPHI to terminate the contract, where the supplier has been unable to perform the contract for a specified period of time, due to an event of force majeure. In such cases, ZNPHI must normally make payment for all goods, works or services satisfactorily completed prior to termination and any other expenses incurred by the supplier.

ZNPHI should note that a contract will also give the supplier grounds for termination, which normally include failure by ZNPHI to make payments which

are overdue by a specified period of time, force majeure or failure of ZNPHI to comply with an agreement reached through arbitration or other dispute resolution mechanism.