



# **PROCUREMENT POLICY MANUAL**

**INFRASTRUCTURE DEVELOPMENT BANK OF ZIMBABWE  
[IDBZ]**

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# I. ABBREVIATIONS

AfDB	African Development Bank
AMC	Annual Maintenance Contract
BIS	Bid Security
BOQ	Bill of Quantities
CIF	Cost Insurance and Freight
CIP	Concise Institutional Plan
CEO	Chief Executive Officer
CN	Consignment Note
CW	Civil Works
DC	Direct Contracting
DDU	Delivery Duty Un-paid
EXCO	Executive Committee
GoZ	Government of Zimbabwe
GPN	General Procurement Notice
IBRD	International Bank for Rehabilitation and Development
IDA	International Development Association
IDBZ	Infrastructure Development Bank of Zimbabwe
ICB	International Competitive Bidding
IFB	Invitation for Bids
IPMU	Institution Project Monitoring Unit
ITB	Instructions to Bidders
ITC	Instructions to Consultants
LIB	Limited International Bidding
LOI	Letter of Invitation/ Letter of Intent
LCB	Local Competitive Bidding
MOU	Memorandum of Understanding
NGO	Non-Governmental Organization
NCB	National Competitive Bidding

NS	National Shopping
PC	Procurement Committee
PPDPA	Public Procurement and Disposal of Public Assets
QCBS	Quality Cost Based Selection
SI	Statutory Instrument
SPB	State Procurement Board
TEC	Technical Evaluation Committee
TOR	Terms of Reference
UC	Utilization Certificate
UNDB	United Nations' Business Development

## II. PREFACE

The “**Procurement Policy Manual**” provides the essential information on how procurement shall be handled for various requirements through the use of respective procurement procedures and brief step-by-step procedures for procurement of goods, works and services. This document is intended to guide the Bank’s procurement officials directly involved in the procurement activities. It also intends to help in understanding the procurement processes and to achieve uniformity in procurement processes followed under any specific project. The rights and obligations of the purchaser and the contractor of goods, services and works will be governed by the tender documents and by the contracts signed by the Bank or borrower and with the contractor and not by the guidelines stated in this document.

This Procurement Manual is only a guideline document. The procurement of all goods works and services by the IDBZ for its own needs or through the IDBZ for other parties will be carried out in accordance with the following documents:

- (i) **Guidelines:** Procurement Under IDBZ Budget, Loans and Grants dated August 2016 (Procurement Guidelines Goods, and Works) and related Standard Bidding Documents and Contracts; and
- (ii) "Guidelines: Selection and Employment of Consultants by IDBZ Borrowers" dated August 2016 and related Standard Bidding Documents and Contracts
- (iii) These guidelines shall also apply where the Bank is required to have oversight role for implementing agencies, counterparties and project promoters.

In the event of any discrepancies, this Procurement Policy will supersede the Procurement Procedures Manual (Procurement Procedures for Goods, Works and Non-Consulting Services and the Procurement Procedures for Consultancy Services).

While the documents listed above may relate to the Bank's lending operations, the Bank will use the same policies, procedures and documents, with necessary changes, to all procurement for its own requirements for goods, works and services (both consultancy and non-consulting services).

To achieve the better acceptability of the manual and to understand the difficulties at stakeholder's level, draft Procurement Policy Manual is sent to the internal senior staff for their comments. A meeting with select representatives from IDBZ shall be organized to arrive at common ground and finalize the "Procurement Manual".

### III. DEFINITIONS

“accounting officer”, in relation to—

(a) a procuring entity that is a Ministry or other entity for which there is a separate expenditure vote in the annual estimates of expenditure, means the person who is prescribed to be its accounting officer in terms of section 10 of the Public Finance Management Act [Chapter 22:19] (No. 11 of 2009);

(b) a procuring entity other than an entity referred to in paragraph (a), means such officer of the entity as may be prescribed;

“Authority” means the Procurement Regulatory Authority of Zimbabwe established by section 5;

“bid” means an offer, solicited by a procuring entity in accordance with this Act, which if accepted would bind the bidder to provide a procurement requirement in accordance with the procurement contract;

“bid security” means a monetary assurance given by a bidder and guaranteed by a bank or other third party that—

(a) if the bidder withdraws his or her bid before the end of the bidding period; or

(b) refuses to sign the procurement contract if selected;



the bidder will forfeit the bid security amount to the procuring entity; “bidder” means a potential party to a procurement contract with a procuring entity for the supply of a procurement requirement;

“bidding document” means a document provided by a procuring entity to bidders and indicating the form in which they are to submit their bids and the information they are to provide in their bids;

“bidding period” means the period described in section 39(1), within which bids may be submitted;

“Board” means the Board of the Authority;

“building” includes any man-made structure whatsoever or any part thereof, whether above or below the ground;

“challenge” means a challenge to procurement proceedings brought in terms of Part X;

“Chief Executive Officer” means the Chief Executive Officer of the Authority, appointed in terms of paragraph 12 of the First Schedule;

“conduct” includes an act or omission;

“conflict of interest” means a situation in which a public officer’s personal or family interests may benefit, directly or indirectly, from any conduct on his or her part, or any decision he or she may make, as a public officer,

“construction work” means all work associated with the construction, reconstruction, demolition, repair or renovation of any building or infrastructure, and includes—

(a) site preparation, excavation work, the installation of equipment or materials, decoration and finishing; and

(b) incidental services such as drilling, mapping, photography and environmental and seismic investigation, where—

(i) the services are provided pursuant to a procurement contract; and

(ii) the value of the services does not exceed that of fee construction work itself;

“consultancy service” means a service of an intellectual and advisory nature, and “consultant” shall be construed accordingly;

“contractor” means a person that enters into a procurement contract with a procuring entity;

“corruption” means any conduct that constitutes an offence under Part IX of the Criminal Law (Codification and Reform) Act [Chapter 9:23] or any attempt, conspiracy or incitement to commit such an offence;

“day” means a day of the week other than a Saturday, Sunday or public holiday ;

“e-procurement” means the procurement of goods, construction works or services through Internet-based information technology;

“electronic communication” means the transfer or recording of information through an electronic or similar medium;

“evaluation committee” means an evaluation committee appointed in terms of section 18;

“framework agreement” means an agreement between a procuring entity and a bidder (or bidders consisting of two or more competing suppliers of the procurement requirement) to establish the terms and conditions governing procurement contracts to be awarded during a period, in particular with regard to price and, where appropriate, the quantities envisaged; “goods” means things of any kind or description, including—

(a) raw materials, products and equipment; and

(b) things in solid, liquid or gaseous form; and

(c) electricity; and

(d) services incidental to the supply of the goods, where the value of the services does not exceed that of the goods themselves;

“hard copy”, in relation to a document, means a document that is written on paper;

“joint venture agreement” has the meaning given to it by section 2(2) of the Joint Ventures Act [Chapter 22:22] (No. 6 of 2015);

“lead procuring entity” means a procuring entity that conducts procurement on behalf of other procuring entities under an arrangement referred to in section 19(1);

“material deviation” has the meaning given to it in subsection (2);

“member” means the chairperson or any other member of the Board;

“Minister” means the Minister of Finance and Economic Development or any Vice-President or other Minister to whom the President may, from time to time, assign the administration of this Act;

“non-consultancy service” means a labouring or other service that is performed physically;

“parent body”, in relation to—

(a) a procuring entity that is a department, office or subdivision of a Ministry, means the Ministry;

(b) any other procuring entity, means—

(i) a person or authority that controls or is responsible for the activities, in particular the financial affairs, of the procuring entity; or

(ii) such other person or authority as may be prescribed;

“performance security” means a monetary assurance given by a bidder or contractor and guaranteed by a bank or other third party that the bidder or contractor will satisfactorily perform his or her obligations under the procurement contract;

“price”, in relation to a procurement requirement or procurement contract, means the price paid or to be paid by the procuring entity for the procurement requirement, or the cost of the procurement requirement to the procuring entity;

“procurement” means the acquisition by any means of goods, construction works or services (and for the purposes of sections 3(5), 4(1)(a) and (d) and 6(l)(a), includes the disposal of any asset in terms of Part XII);

“procurement activities” means any one or more of the totality of the specific activities or tasks required in any way to bring the procurement process to a successful conclusion or to ensure that the process has been conducted in accordance with this Act; “procurement contract” means a contract between a procuring entity and a contractor which results from procurement proceedings;

“procurement management unit” means a procurement management unit established in terms of section 17;

“procurement notice” means a notice published in terms of section 38(2);

“procurement proceedings” or “procurement process” means all stages or any stage of the procurement of goods, construction works or services conducted by a procuring entity from the pre-bid stage up to and including the award of the contract;

“procurement requirement” means the goods, construction work or service to be acquired by procurement;

“procuring entity” means—

(a) a Ministry, department or other division of the Government; or

(b) a corporate body established by or in terms of any Act for special purposes laid down in that Act; or

(c) any company in which the State has a controlling interest, whether by virtue of holding or controlling its shares or by virtue of a right of appointment of members to its controlling body or otherwise, and includes any company which is a subsidiary, as determined in accordance with section 143 of the Companies Act [Chapter 24:03], of such a company; or

(d) a provincial or metropolitan council or a local authority; or

(e) any partnership or joint venture between the State and any person, which is prescribed in terms of this Act or the Public Finance Management Act [Chapter 22:19] (No. 11 of 2009);

“public asset” means any asset of whatever nature, whether corporeal or incorporeal, belonging to or vested in the State or a procuring entity, but does not include any such asset exempted from the application of this Act by section 3(8);

“responsive bid” means a bid that meets the requirements of the procuring entity;

“service” means a procurement requirement that is performed through a consultancy or non-consultancy service;

“threshold” means a financial limit above or below which certain procurement proceedings may be applied under this Act;

“writing” includes printing, photography, electronic communication and any other method of representing words, figures and information in visible form that is reproducible in tangible form by the device that generated the visible words, figures or information.

(2) For the purposes of this Act, there shall be a material deviation between bidding documents or the terms and conditions of a procurement contract, on the one hand, and the performance of the procurement contract, on the other hand, if—

(a) the deviation affects in a substantial way the scope, quality or performance of the construction works, goods or services provided under the contract; or

(b) the deviation limits in any substantial way the rights or obligations of the parties under the contract; or

(c) rectification of the deviation would unfairly affect the competitive position of other bidders who presented substantially responsive bids.

## IV. CHAPTER 1

### 1.1 BACKGROUND

The IDBZ was formed on the 31<sup>st</sup> of August 2005, taking over the assets and liabilities of the former Zimbabwe Development Bank (“ZDB”). It was primarily set up as a vehicle for the promotion of economic development, economic growth, and improvement of the living standards of Zimbabweans through the development of infrastructure, which includes but not limited to energy, transport, water and sanitation, information communication technology (ICT) and housing. IDBZ is primarily a development finance institution established in terms of section 3 of the Infrastructure Development Bank of Zimbabwe Act [Chapter 24:14]. The Bank is also enjoined to develop institutional capacity in undertakings and enterprises involved in infrastructure development in Zimbabwe. The Infrastructure Development Bank of Zimbabwe (“IDBZ”) is a “Class A” Procuring Entity in line with Section 10(5) of the Public Procurement and Disposal of Public Assets Act [Chapter 22:23] (“PPDPA Act”) as read with the Second Schedule to the Regulations (S.I. 5 of 2018). The procurement activities of the Bank are thus regulated by the Procurement Regulatory Authority of Zimbabwe (“PRAZ”). This was pursuant to the gazette of the PPDPA Act and the Regulations in January 2018, as the Bank was not defined as a Procuring Entity in terms of the repealed Procurement Act [Chapter 22:14] prior to 1 January 2018. The Bank was therefore not regulated by the then State Procurement Board (“SPB”) before 2018. The history behind this was the existence of External Shareholders in the ZDB & IDBZ who required that its procurement should follow international best practices. Before the recent reforms, the framework in Zimbabwe (most developing countries) was perceived as inadequate. The Bank has, therefore, embarked on a robust drive to review its procurement processes to align them with the PPDPA Act and Regulations.

## **1.2 IDBZ PROCUREMENT GOAL**

The broad goal of the Infrastructure Development Bank of Zimbabwe with regards the development of the procurement policy framework is to improve the status of infrastructure by applying international ,regional and national procurement best practices and also to ensure that the best corporate governance practices are achieved

## **1.3 IDBZ OBJECTIVES**

The Policy on the Procurement of Goods, Works and Services seeks to:

- i. Ensure the procurement of goods, works and services of required quality and best value for money for the Bank to retain its competitive advantage in development finance and investment;
- ii. Ensure that the best corporate governance practices are achieved through compliance with the PPDPA Act [Chapter 22:23] together with the PPDPA Procurement Regulations (SI 5 of 2018);
- iii. Promote transparency, business efficiency and cost effectiveness in support of the Bank's day-to-day operations and the delivery of the development mandate;
- iv. Contribute to the promotion of indigenous entrepreneurs, as well as other social objectives;
- v. Allow sufficient flexibility to end-users, yet ensuring procurement is done competitively and in a risk-mitigating manner; prevent ambiguities in the implementation of the procurement process;
- vi. Achieve alignment with global procurement best practices;
- vii. Promote fairness and public confidence in the procurement process.



- viii. Achieving Value for Money (VfM) through maximizing on economy, efficiency, effectiveness, and equity. This ensures that the Bank obtains goods/works/services ethically at the best price, quality and quantity
- ix. To ensure that the procurement methods and procedures applied by the Bank in any given intervention are ‘fit for purpose’.
- x. Developing uniform procurement policies and processes for the entire Bank
- xi. Ensuring adherence to Procurement policies and procedures
- xii. Mitigation of procurement risk, ensuring legal compliance and establishing a clear procurement audit trail
- xiii. Promotion of transparency, business efficiency and cost effectiveness in the procurement activities of the Bank
- xiv. Ensuring that end user Terms of Reference (TORs)/specifications are adequately met
- xv. To achieve alignment with global procurement best practices
- xvi. To provide a service to the Bank by acting as the principal contact between vendors, service providers and the Bank.
- xvii. Development of a sufficient database of suppliers for the Bank
- xviii. Ensuring the effective management of SLAs after the selection of service providers

The modernization and alignment of the Bank’s procurement policy with the PPDPA Act and Regulations is aimed in particular at: (i) incorporating worldwide advances in public procurement practice; and (ii) providing greater flexibility in use of more appropriate instruments to improve value-for-money considerations while maintaining fiduciary standards. The Bank will continue to develop the necessary tools to allow procurement staff to discharge their fiduciary mandate. Enhanced reliance on

monitoring results and measuring performance and increased reliance on credible institutions and procedures will be an important cornerstone of the policy.

The policy will apply to the full procurement cycle (supply chain): from project design (focusing on broad institutional procurement arrangements, market analysis, strategic procurement planning, project appraisal, Financing/Framework Agreements and applicable rules and procedures) to contract execution and management, including measurement of overall and transactional performance, quality and results. The Bank shall adhere to the provisions of the PPDPA Act which includes “shared procurement” and handling procurement processes managed by executing and implementing agencies through Framework Agreements. The role of the Bank shall include capacity building, and in this stage shall address contract administration and monitoring through this policy. The Framework Agreements shall provide, on a project by project basis, procurement guidelines for each project/programme including oversight roles for implementing agents. The FA shall stipulate whether the procurement to be used shall be for prior review or post review of the Bank, whilst adhering to the PPDPA Act.

For purposes of this policy, a Framework Agreement (FA) is a long-term agreement with suppliers, contractors and providers of works, goods, consulting and non-consulting services which sets out terms and conditions under which specific procurements (call-offs) can be made throughout the term of the agreement. FAs are generally based on prices that are either pre-agreed or determined at the call-off stage through competition or a process allowing their revision without further competition. FAs may be permitted as an alternative to the Shopping and NCB methods for: (a) goods that can be procured off-the-shelf, or are of common use with standard specifications; (b) non-consulting services that are of a simple and non-complex nature and may be required from time to time by the same agency (or multiple agencies) of the Borrower; or (c) small value contracts for works under emergency operations. The Borrower shall submit to the Bank for its no objection the circumstances and justification for the use of an FA, the particular approach and model adopted, the procedures for selection and award, and the terms and

conditions of the contracts. FAs shall not restrict foreign competition and should be limited to a maximum duration of 3 (three) years. FA procedures applicable to the project are those of the Borrowers that have been deemed acceptable by the Bank and shall be described in the Budget/Trust /Loan Agreement. Maximum aggregate amounts for the use of an FA shall be set in the procurement plan in accordance with risks and in no case higher than the applicable NCB maximum aggregate amounts and shall be agreed with the Bank.

#### **1.4 IMPORTANT DETAILS**

1. The preparation of Terms of Reference, Specifications and Justifications shall be the responsibility of the procuring department/Unit/Division and must not be conducted by officers in the Procurement Management Unit / Secretariat
2. The procurement process shall be the responsibility of the Procurement Management Unit / Secretariat who shall receive statement of works/terms of reference and specifications and drawings from the relevant departments.
3. The Procurement Management Unit / Secretariat shall have full custody of the tender box but the keys shall be kept by the audit department.
4. EXCO shall approve the composition and appointment of the Evaluation Panel.
5. The composition of Evaluation Panel shall be revised/changed by EXCO based on each procurement process to be undertaken.
6. The Evaluation Panel shall produce reports on each procurement process.
7. The Procurement Committee shall review the Evaluation Panel's reports.

8. The Procurement Committee shall make recommendations to EXCO, based on procurement submissions from the Evaluation Panel.
9. Chief Executive Officer / Accounting Officer shall have authority to approve or decline Procurement Committee's recommendations.
10. The IDBZ Board of directors shall be updated with reports coming from CEO / Accounting Officer 's office especially on progress made on all procurement processes because the IDBZ Board will have approved the budget.
11. All Bank employees and other stakeholders are obliged to act transparently and ethically in all procurement procedures outlined in this Manual and other associates documents.
12. The Procurement Management Unit / Secretariat shall be responsible for
13. planning the procurement activities of the Bank; and
  - (b) securing the adoption of the appropriate method of procurement; and
  - (c) preparing bidding documents in compliance with provisions in or under this Act for the design of contract specifications and the evaluation criteria; and
  - (d) preparing bid notices and short-lists; and
  - (e) managing bidding processes, including pre-bid meetings, clarifications and the receipt and opening of bids; and
  - (f) managing the evaluation of bids and any post-qualification negotiations required; and
  - (g) supervising its procuring entity's evaluation committee and—
  - (i) ensuring that the committee has carried out its duties in accordance with this Act; and

- (ii) receiving evaluation reports from the committee and ensuring that they are correct and have been prepared in accordance with this Act; and
- (h) preparing evaluation reports, including contract award recommendations, where the value of the procurement is less than the prescribed threshold; and
- (i) submitting all evaluations to its procuring entity's accounting officer, with confirmation that the procedure followed has complied with this Act; and
- (j) preparing contract documents and amendments; and
- (k) managing procurement contracts or overseeing their management; and
- (l) preparing such procurement reports as may be required by the Bank's accounting officer or the Authority; and
- (m) exercising any other function conferred or imposed on the unit by or under this the PPDPA Act or by the accounting officer or the Bank

14. Where the level of a procuring entity's procurement activity does not justify the entity creating its own procurement management unit—

- (a) the entity's procurement activities shall be carried out by its parent body; or
- (b) if the entity's parent body is unable to carry out the entity's procurement activities, the entity's accounting officer may, subject to subsection (5) and any guidelines issued by the Authority—
  - (i) with the consent of the other procuring entity concerned, appoint another procuring entity's procurement management unit to conduct those activities; or

- (ii) appoint an independent procurement agent to conduct those activities.
15. Before taking action in terms of subsection (4)(b), an accounting officer shall satisfy himself or herself that his or her procuring entity has funds available to pay for the services provided by the other procuring entity or independent procurement agent concerned.
  16. the examination, clarification, evaluation and comparison of bids; is not disclosed to suppliers, contractors, service providers or consultants or to any other person not officially involved in the examination, evaluation, comparison or acceptance of bids.
  17. Requests for information or guidance on any procurement should be directed to the CEO/Accounting Officer through the Procurement Management Unit / Secretariat. All procurement within/by the Bank, whether for the Bank's own use/benefit or on behalf of its Clients/Partners, should only proceed after appropriate guidance has been obtained from the Bank Procurement Management Unit / Secretariat.

## V. CHAPTER 2

### 2.0 PROCUREMENT POLICY & VALUE THRESHOLD

#### 2.1 PROCUREMENT POLICY

**The procurement policy is envisioned to support IDBZ operations, maximize Value for Money based on considerations of Economy, Efficiency, Effectiveness and Equity through processes that are competitive, fair and transparent.**

These four critical principles which will be mutually supporting and reinforcing are briefly outlined below:

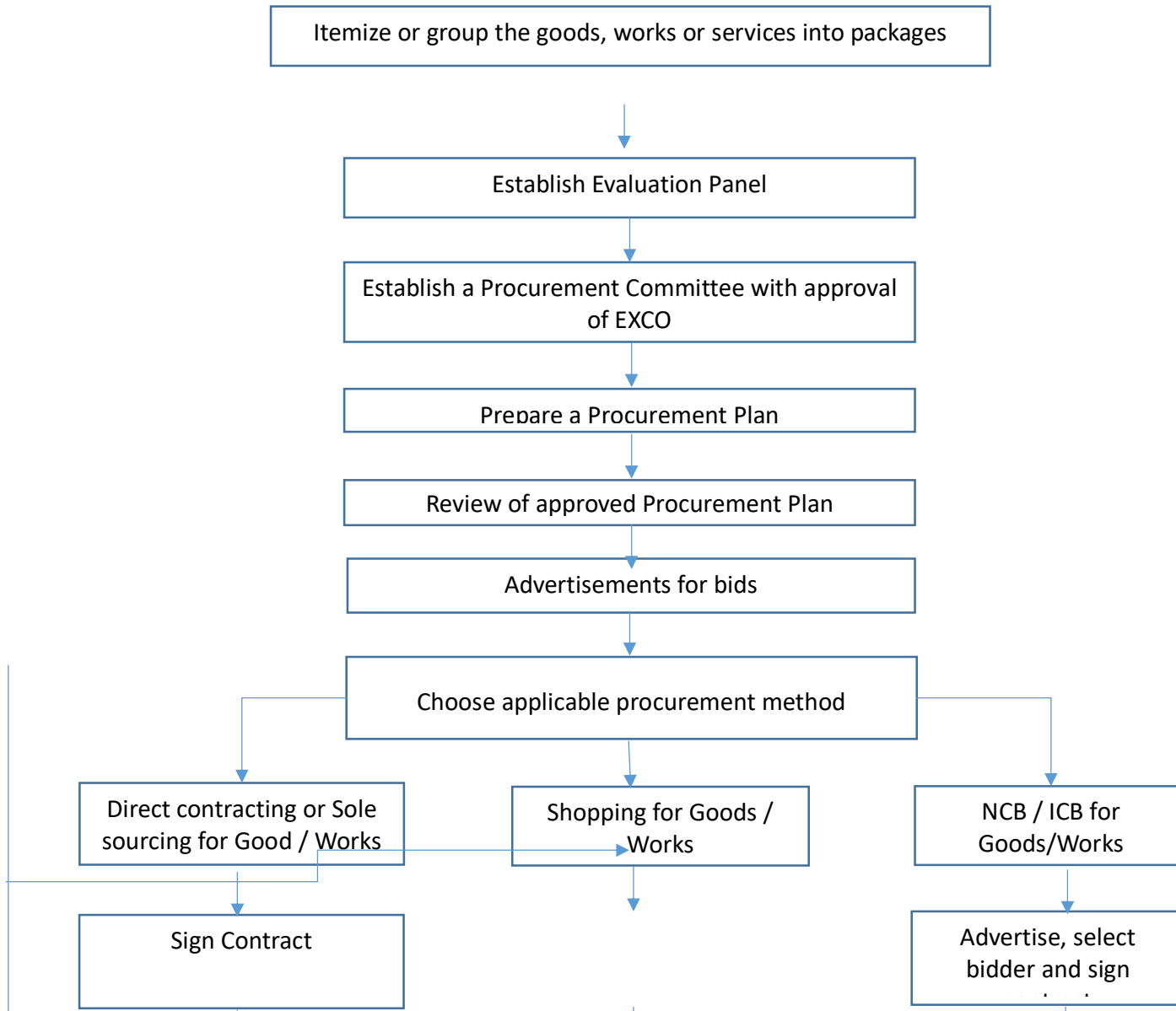
- ***Economy:*** total pricing of goods, works or services, including life-cycle costing, under a procurement process;
- ***Efficiency:*** proportionality, time-sensitivity and cost-effectiveness of a given procurement process, including transaction costs and execution or implementation capacity;
- ***Effectiveness:*** ultimate results or outcomes of a procurement process in the context of a development intervention, given particular execution or implementation capacity;
- ***Equity:*** transparency, openness and fairness (including absence of fraud, corruption, collusion, coercion and any illegal or unethical practices) in a procurement process that ensures integrity and credibility of outcomes.

## **2.2 PROCUREMENT PROCEDURES**

The procurement processes typically consist of identification of requirements, development of specifications, identification of suppliers of goods, works and services, tendering, contract management and evaluation including receipt and certification of goods, works and services.



**A. The flow chart given below broadly depicts the essential steps in the procurement process:**



Selection of bidder after EP reports to PC  
and PC reports to CEO

### 2.3 PROCUREMENT PLAN

The procurement plan shall state in general terms what products and services will be needed, when they will be required, their approximate costs and the procurement methods to be used.

The Procurement Plan shall be used as a tool for:

- helping the Bank allocate resources, estimate workloads, estimate time sensitivity and execute procurement processes in line with the project needs
- enabling the Bank to supervise procurements financed from the budget, loan or grant proceeds in an organized and systematic manner, and to monitor the project's general progress, including all procurement-related activities
- keeping stakeholders informed of the business opportunities provided by the project, so as to promote competition

The IDBZ shall prepare a procurement plan that shall be updated at the beginning of each year, which will be part of the Institutional Development Plan .The procurement plan shall be uploaded on the IDBZ website. The IDBZ procurement plan must reflect the actual IDBZ proposed procurement implementation needs for that year and shall be reviewed and agreed by EXCO with the final endorsement to be granted by the Chief Executive Officer of the Bank.

Any changes in the procurement plan shall be undertaken upon EXCO's approval

The Procurement Division shall prepare the procurement plan consolidating all departmental and various projects requirements. The procurement plans should cover goods, Works and consultancy services.

### **Procurement preparation**

(1) For the purposes of any procurement, a procurement management unit shall use only the standard bidding documents that are produced and issued by the Authority.

(2) A procuring entity shall ensure that, before initiating procurement proceedings, adequate funds have been budgeted and allocated to the procurement, including any funds required for the publication of notices:

Provided that the absence of budgeted or allocated funds shall not inhibit a procuring entity from concluding a framework agreement, as long as any carders made in pursuance of such agreement are, on the date of the order, financed by budgeted or allocated funds.

(3) Before initiating proceedings for a procurement contract that will commit the entity to make payments in subsequent financial years, a procuring entity shall—

(a) obtain approval from—

(i) the Minister responsible for finance, where the procuring entity is a Ministry or department of government; or

(ii) such other person as may be prescribed, in any other case; and

(b) ensure that funds for the current financial year are budgeted and allocated to the procurement; and

(c) ensure that funds for the procurement are included in budgets for subsequent financial years:

Provided that this paragraph shall not preclude the procuring entity from including provision in the procurement contract for a right to cancel the contract in the event that sufficient funding is not included in a budget for a subsequent financial year.

### **Planning of procurement**

- (1) A procuring entity shall plan its procurement with a view to achieving maximum value for public expenditure, so that the procurement is carried out within available financial resources and other applicable limitations and at the most favourable time.
- (2) So far as possible, a procuring entity shall aggregate its procurement requirements in order to achieve economies of scale and shall use framework agreements where appropriate.
- (3) Before commencing any procurement process, a procuring entity shall—
  - (a) investigate whether or not its requirements can be met internally, for example by the transfer of goods from one department to another; and
  - (b) ensure that an accurate estimate has been prepared of the cost of the procurement process, including the price of the procurement requirement and the cost of contingencies that may reasonably be expected to arise under the procurement contract; and
  - (c) ensure that the amount of the estimate referred to in paragraph (b) has been properly covered in the entity's budget for the current financial year.

### **Annual procurement plan**

- (1) For each financial year and no later than one month after the end of such, a procuring entity shall prepare a procurement plan which shall—
  - (a) be in accordance with a template prepared by the Authority; and
  - (b) contain at least such information as may be prescribed; and shall forward the plan without delay to the Authority.
- (2) The Authority and the procuring entity shall publish, in summary form, the list of goods, construction works and services included in the entity's annual plan for procurement during the coming financial year.

### **Individual procurement plan**

(1) In addition to its annual procurement plan prepared in terms of section 22, a procuring entity shall prepare an individual procurement plan for each individual procurement above the prescribed threshold value, which plan shall—

(a) be in accordance with a template prepared by the Authority; and

(b) contain at least such information as may be prescribed; and shall forward the plan without delay to the Authority.

(2) The Authority shall publish on its website every plan forwarded to it in terms of subsection (1).

### **24 Planning for shared procurement**

Where two or more procuring entities conduct their procurement by way of shared procurement arrangements in terms of section 19, the designated or lead procuring entity, on behalf of the others, may prepare the plans referred to in sections 21,22 and

23, and for that purpose the other entities shall provide it with the necessary information to enable it to prepare those plans and carry out the shared procurement activities.

### **Division of procurements**

(1) Subject to this section, a procuring entity may divide a procurement requirement, which could be procured in a single contract, into a package consisting of several lots which are to be bid together, where it is anticipated that the award of several separate contracts may result in the best overall value for the procuring entity or meet any environmental, social and economic objectives referred to in section 4(1)(e).

(2) A procurement requirement shall not be divided—

- (a) in order to avoid financial thresholds prescribed for the purposes of determining the appropriate procurement method, whether such division is by way of splitting a quantity of a single procurement requirement or splitting of a generic procurement requirement into several lots; or
  - (b) where the award of several separate contracts would create problems of compatibility or inter-changeability between goods, construction works or services procured as separate lots, or would unduly strain contract administration resources; or
  - (c) where the award of several separate contracts would invalidate or otherwise restrict any contractor's warranty or liability; or
  - (d) where the award of several separate contracts would increase the costs of servicing, maintenance or similar requirements.
- (3) Where a procurement requirement that could be procured through a single procurement contract is divided into lots, the procuring entity shall—
- (a) permit bidders to bid for a single lot, any combination of lots or all lots; and
  - (b) ensure, prior to awarding the contract, that the recommended contract award or combination of contract awards offers the best overall value for the procuring entity.

**Market consultations**

- (1) Before initiating any procurement procedure, a procuring entity may conduct market consultations with a view to preparing the contract specifications and informing potential bidders of the entity's procurement plans and requirements.
- (2) In the course of market consultations, a procuring entity may receive technical information and advice from independent experts or authorities and from potential bidders, and may use that information and advice in planning and conducting their procurement:

Provided that the procuring entity—

(a) shall ensure that its use of the information or advice does not distort competition and does not infringe the principles of non-discrimination and transparency; and

(b) without limiting paragraph (a), where the information or advice was supplied by a bidder, shall communicate the information or advice to all other bidders.



## 2.4 PROCUREMENT THRESHOLDS<sup>1</sup>

*The thresholds may be reviewed from time to time*

“threshold” means a financial limit above or below which certain procurement proceedings may be applied under this Policy

### A. MANAGING OWN PROCUREMENT (BELOW “PRAZ” PRESCIBED THRESHOLD)

#### 2.4.1 WORKS

Expenditure Category	Value* (Threshold per contract)	Procurement Method
Works q	(a) Works estimated to cost equal or less than the equivalent of twenty thousand United States dollars (US\$20,000) per Order	Request for Quotation Method (Shopping)
	(a) above twenty thousand United States dollars (\$20,000) but does not exceed five million United States dollars (\$5,000,000) per Contract / Framework Agreement	
	(b)	National Competitive Bidding (NCB)

(c) Works estimated to cost more than the equivalent of US\$10 million per contract	International Competitive Bidding (ICB)
(d) Works estimated to cost equal or more than <u>US \$ 1.00</u> per contract	Limited International Bidding (LIB)
(e) Works estimated to cost equal or more than <u>US \$ 1.00</u> per contract	Direct/Single Source Contracting

The IDBZ, when appropriate shall implement Public Private Partnership Agreements (PPAs) / Concessions or Joint Ventures under Goods, Works and Services categories.

#### 2.4.2 GOODS

Expenditure Category	Value* (Threshold per contract)	Procurement Method

<b>(a) Goods, Equipment &amp; Sundry</b>	(i) US \$ 10,000.00 equivalent or less per contract	Request for Quotation Method (Shopping)
	(ii) Contracts of more than US \$ 80,000.00 but less than US \$ 150,000.00 or equivalent.	National Competitive Bidding (NCB)
	(iii) Contracts of more than US \$ 150,000.00	(ICB) International Competitive Bidding  (LIB) Limited International Bidding  Direct Contracting

### 2.4.3 SERVICES

<b>Expenditure Category</b>	<b>Value* (Threshold per contract)</b>	<b>Procurement Method</b>
<b>Research contracts, professional services,</b>	(i) US \$ 5,000.00 equivalent or less per contract	Request for Quotation Method (Shopping)

<b>training, workshops and fellowships</b>	(a) Up to US \$20,000 per contract.	Quality Cost Based Selection (QCBS). And Quality Based Selection (QBS) And Selection based on a Fixed Budget (SFB)
	b) Up to US\$200,000 equivalent	Selection based on a Fixed Budget (SFB)
	(c) US\$100,000 equivalent or less per contract.	Selection Based on Least Cost Basis (LCBS)
	(d) US \$120,000 equivalent or more per contract.	Selection based on Consultant's Qualification (CQ)
	(e) US \$ 100,000 equivalent or more per contract.	Selection based Single Source Selection (SSS) basis.

## **VI. CHAPTER 3**

### **3.0 PROCUREMENT OF GOODS AND WORKS**

#### **3.1 MODES OF PROCUREMENT**

The methods of procurement to be followed for Goods & Works are:

- 3.1.1 National Competitive Bidding (NCB)
- 3.1.2 International Competitive Bidding (ICB)
- 3.1.3 Shopping
- 3.1.4 Direct Contracting (DC)
- 3.1.5 Limited International Bidding (LIB)
- 3.1.6 Informal / Selective / Closed Tendering (IT)
- 3.1.7 Private Partnership Agreements (PPA)

### **3.1.1 NATIONAL COMPETITIVE BIDDING (NCB)**

NCB also known, as Open Tender is the competitive bidding procedure normally used for procurement of Goods and Works. The procedures shall provide adequate competition among participants in order to ensure reasonable prices.

The **Procurement Steps** for NCB broadly consist of the following activities:

#### **A: PREPARATION OF TENDER DOCUMENT**

- i. The tender documents shall furnish all information necessary for a prospective bidder to prepare a tender for the goods and/ or works to be provided.
- ii. The Bid document should invariably contain standard bidding and contract conditions to make it self-explanatory. Some of the mandatory requirements in a bid document include- Invitation for bids, Instructions to Bidders, Contract Data including Bills of Quantities (BOQs) or Schedules of Quantities, General and Special Terms & Conditions, Award / Evaluation Criteria, Notification of Award, Execution of Contract, Quality Control, Payment Terms, Taxes and Duties, Completion Certificate, Warranty/ Defect Liability, Drawings and Specifications.
- iii. BOQs will indicate the description of items to be provided along with quantities and the phased manner in which the goods and /or works are required to be delivered and/or constructed.
- iv. Tender documents should state clearly whether the bid prices will be fixed or price adjustments will be made to reflect any changes in major cost components of the goods and/or works.

## **B: ADVERTISEMENT OF THE TENDER**

- i. Timely notification of bidding opportunities is essential in competitive bidding. Invitations shall be published in the national media with wide coverage and readership all over Zimbabwe.
- ii. The advertisement should also be placed on the IDBZ website.
- iii. The minimum time given for submission of bids shall be not less than 30 days in case of NCBs.
- iv. The last date and time of sale and receipt of bid/tender document should be clearly indicated in the notification/advertisement.

## **C: ISSUE OF TENDER DOCUMENT**

- i. Sale of tender documents should begin only after the publication of notification for tender in the media.
- ii. Tender documents should be made available to all who seek them after paying the requisite fees, if any, regardless of registration status and they should be allowed to bid. However, the request should be in writing along with the requisite fee of the tender/ bid, if any. Bidding documents will be sold till five (5) days prior to the opening of the tenders.
- iii. All queries regarding the Tender Documents shall be entertained up to the last five (5) days of the date of submission.
- iv. Tenders can be sold from different places but the bid/ tenders shall be received at one place only, to avoid problems arising out of late/delayed tender submission.
- v. Tender documents can also be made downloadable from IDBZ website. However the downloaded tender documents must be submitted with requisite tender fees in the form of bank Demand Draft without which the tender shall be rejected summarily.

## **D: OPENING OF THE TENDERS**

- i. The time, date and venue for the tender opening shall be mentioned in the IFB and bid documents.
- ii. Tenders/bids should normally be opened immediately after the deadline of time fixed for submission and on the same day.
- iii. Bidders representatives shall endorse the bid opening form to confirm the status of their bids as observed by the bid opening panel
- iv. Tenders shall be opened in public. The bidders or their representatives shall be allowed to be present at the time of opening of bids.
- v. All tenders received should be opened. No bid should be rejected at the time of bid opening except for late tenders. Late tenders shall be returned to the bidders unopened.
- vi. The name of the bidder and total amount of each bid along with important conditions like excise duty, sales tax, delivery terms, delivery period, special conditions and discounts, if any, shall be read out at the time of bid opening. Withdrawal notices and modifications to the tender shall be read out first followed by the tender sum of the bidder.
- vii. Minutes of bid opening must be prepared by bid opening officials and should be circulated to all members and bidders who were present on the bid opening session.
- viii. Any kind of discounts and warranties offered shall be clearly mentioned in the bid opening document.

## **E : TENDER EVALUATION AND COMPARISON**



- i. The criteria to be used in the evaluation of tenders and the award of contracts shall be made known to all bidders and not be applied arbitrarily.
- ii. The purpose of tender evaluation is to determine substantially responsive tenders with the lowest evaluated cost, but not necessarily the lowest submitted price, which should be recommended for award.
- iii. The bid/ tender price read out at the bid opening shall be adjusted at the time of evaluation with corrections for any arithmetical errors for the purpose of evaluation with the concurrence of the bidder/ contractor. Where there is a discrepancy between the rates in figures and in words, the rate in words will prevail. Where there is a discrepancy between the unit and the line item total resulting from multiplying the unit rate by the quantity, the unit rate will prevail.
- iv. The period for evaluation of bids shall not exceed fourteen (14) working days unless a longer period is justified.
- v. The Evaluation Panel shall prepare a detailed report on the evaluation and comparison of tenders setting forth the specific reasons on which the recommendations are based for the award of the contract.
- vi. The Procurement Committee shall review the Evaluation Panel's reports and make recommendations to the ExCo.
- vii. The ExCo shall make recommendations to the CEO.

#### **F : AWARD OF CONTRACT**

- The IDBZ shall conduct due diligence as necessary before award of contract.
- IDBZ shall award the contract within Seven (7) working days after the evaluation period to the bidder who has the necessary technical capability and financial resources and whose bid is substantially responsive to the tender documents and has the lowest evaluated cost.

- Single bids should also be considered for award, if it is determined that publicity was adequate, bid specification/ conditions were not restrictive or unclear and bid prices are considered reasonable in comparison to estimated price.

## **G : DISCLOSURE**

- i. For all procurements, information on pre-qualification and award of contract should be posted on the Bank's website on quarterly basis.

## **H: LAWS GOVERNING THE CONTRACT**

- i. The contract is governed by the laws of Zimbabwe in force.
- ii. The courts of the place from where the acceptance of tender has been issued shall alone have jurisdiction to decide any dispute arising out of or in respect of the contract.
- iii. Irrespective of the place of delivery, the place of performance or place of payment under the contract or the place of issue of advance intimation of acceptance of tender, the contract shall be deemed to have been made at the place from where the acceptance of the tender has been issued.

## **I: COMPLAINT REDRESSAL MECHANISM**

- i. In order to deal with the complaints received from the contractors/ suppliers effectively, a complaint handling mechanism should be available at the IDBZ Institutional level, and immediate action should be initiated on receipt of complaints to redress the grievances.
- ii. All complaints on receipt should be entered in a register. Within Seven (7) working days, these complaints should be discussed and mentioned in the evaluation report of the tender. If a complaint is received after award of contract, it should be recorded on the file and put up to the appropriate authority for a decision.
- iii. All complaints should be handled at a level higher than that of the level at which the procurement process is being undertaken and the allegations made in the complaints should be enquired into. If allegations are found to be true, appropriate remedial measures should be taken by the higher administrative authorities.
- iv. If an individual staff is found to have acted contrary to the Bank's procurement policies and procedurally or otherwise unethically,, suitable disciplinary proceedings should be initiated, against such staff under the applicable conduct rules. The existing provisions under the Zimbabwe employment laws should be followed in this regard.
- v. An appropriate response should also be sent to the complainant.

## **J: PROCUREMENT AUDIT**

All documents related to procurement should be filed and kept systematically and safely. In addition, the IDBZ Internal Audit Department will also have the right to conduct post review of the contracts. The concerned authorities will be required to make all relevant documentation available to the IDBZ Internal Audit as and when required.

**Review by the IDBZ** (also applicable to Procurement of Services)

- i. It is the Bank's policy that its procurement staff, borrowers, bidders, suppliers, and contractors under Bank financed contracts, observe the highest standard of ethics during the procurement and execution of such contracts. In pursuance of this policy, a provision should be included in bidding documents and contracts financed through the Bank budget that permit the Auditors deputed by the Bank to inspect bidders', suppliers', and contractors' accounts and financial records and other documents relating to the bid submission and contract performance.
- ii. Contracts which are (a) not subject to prior review by the Bank, and (b) awarded following these guidelines will be post reviewed by the Bank.
- iii. IDBZ will carry out post review either by themselves or by selected Consultants.
- iv. The IDBZ shall retain the intellectual property for all project documentation with respect to each contract during and after project implementation. This documentation would include, but not be limited to, the signed original of the contract, drawings and Specifications, project proposals, and recommendations for award etc.
- v. If the Bank determines that the goods, works or services were not procured in accordance with the agreed procedures, as reflected in the Contract Agreement and further detailed in the Procurement Plan approved by the Bank or that the contract itself is not consistent with such procedures, it may declare a mis-procurement as established in the Procurement Guidelines.

## **K: DOCUMENTATION**

The following basic records must be maintained:

- i. **Contract Order Log** - It contains a numerical brief record of all Purchase Orders (PO) issued. It contains Purchase Order nos., supplier's name, brief description of purchase, total value of the order, status of PO (Open/ Closed) etc.

- ii. **Vendor Record File** - contains the names, addresses of suppliers, materials that a vendor can supply, delivery and quality records.
- iii. **Rate Contract File** - contains the purchase records of items under a term contract. It is especially important when the contract is an open one against which orders may be placed.
- iv. **Purchase Reports** - Since the Procurement Department handles a sizable portion of organization finances; it is desirable to have some summary reports periodically (monthly/ quarterly/ half yearly/ annually) available to the management. Some important aspects of the report are; (a) Total value of purchase (b) Allocation of purchase value against major items (c) Budget for purchase for the next year (d) Proposal for revision of budget in current year

For further details and formats to be used in NCB, please visit IDBZ website: [www.idbz.co.zw](http://www.idbz.co.zw)

### **3.1.2 INTERNATIONAL COMPETITIVE BIDDING (ICB)**

This method is generally adopted where supplies cannot be met from indigenous [local] sources and need importing, and/ or foreign firms are expected to participate (irrespective of the value) and bring more competition.

#### **REQUIREMENTS TO BE FOLLOWED**

- i. Invitation for bids (IFBs) for ICBs shall be published in local and international media with wide coverage.
- ii. Apart from wide publicity (nationally, regionally and internationally), advertisement of IFBs shall be published in United Nation's Development Business (UNDB) and dg Market online portal e.g. Devex, and project website.

- iii. Use of standard IDBZ Bid Documents.
- iv. Sale of bid documents should start only after publication of invitation of bids in the media and UNDB/dg Market.
- v. Bidding period shall be up to 90 days from the start of the sale of the bid documents.
- vi. Domestic preference / Affirmative action shall be considered for domestic bidders as mentioned in the bid documents.
- vii. Other procedures for ICB will broadly be the same as that of open tender in respect of bid opening, bid evaluation, notification & publishing of award of contract, complaint redressal etc.
- viii. It is mandatory that procedures agreed with the IDBZ be followed for bidding, evaluation or bids, section, award of contracts and contract management for this method.

For further details of procedures for ICB and formats to be used, please visit IDBZ website: [www.idbz.co.zw](http://www.idbz.co.zw)

### **3.1.3 SHOPPING**

The following considerations should be kept in view for adopting this procurement procedure:

#### **1. General:**

- i. Shopping is a Procurement method based on comparing price quotations obtained from several national suppliers; usually at least three to ensure competitive prices.

- ii. Shopping is intended to be a simple and quick procurement method and is one of the least competitive procurement methods and may be abused unless it is carried out in compliance with legal agreements and observing a minimum formality in the process and with appropriate record keeping for verification and audit.
- iii. Shopping should not be used as an expedient to by-pass more competitive methods or fractioning of large procurement into smaller packages solely to allow the use of Shopping.

**2. To be used:**

To procure small amounts of off-the-Shelf goods or Standard Specification Commodities or simple Works for which more competitive methods are not justified on the basis of cost or efficiency;

**3. Requirements:**

- a. Request for quotation shall be written and sent by letter, fax, email telex, etc. (with proof of receipt and record keeping) and can also be displayed in the IDBZ website;
- b. The request shall include the description and quantity of the goods as well as the required delivery time and place for the goods or services, including any installation requirements as appropriate;
- c. The request shall indicate the date by which the quotations are needed.
- d. Prices for goods supplied from within the country (including previously imported items) are requested to be quoted ExW (ex-works, ex-factory, ex-warehouse, ex-showroom or off-the-shelf, as applicable) including all custom and excise duties and sale and other taxes already paid or payable on the raw materials and components; for goods offered from abroad (i.e., not previously imported) prices are requested CIF or CIP or DDU basis (in case of large purchases).

- e. In case of Works prices shall be requested inclusive of all taxes and duties payable by the contractor.
- f. Requests should be addressed to more than three firms that are reputable, well established and are suppliers of the goods or services being purchased, as part of their normal business (after verifying whether those being invited will make an offer or not) to ensure at least three quotations are received; In case unsolicited quotations are received, they may be accepted after carrying out a similar due diligence exercise to verify the nature and reputation of firm.
- g. Quotation should be submitted in writing i.e., by fax, telex, or letter (copies to be kept for records).
- h. No bid securities are required.
- i. Normally, requests for quotes should indicate the expected date of submission of quotes with a minimum of 14 days from the date of issue of request.
- j. If the IDBZ has not received at least three quotations within the time set, it should verify with the suppliers who have not submitted quotation, whether they intend to do so and how soon.
- k. Quotations should be compared after adding to the quoted price for goods, the estimated cost of inland transportation and insurance, if any, to the final destination. The lowest responsive offer is selected.
- l. IDBZ may exercise discretion in selecting a quotation that is not the lowest priced as far as there is good technical justification on the quality of the offered item, suitability of delivery schedule, etc. In such cases, such requirements should be indicated in the request for quote as well as in the evaluation note.
- m. Award decision and its rationale should be documented/ and kept for review by audit by the Bank (or by the Bank's auditors) as needed. The record should contain the list of firms invited, and the list and value of quotations received, comparative statements etc. The documents should clearly show that the award is based on sound technical and commercial criteria.



- n. All quotations must be requested to include the bid validity period and warranties provided.
- o. Purchase order shall incorporate the terms of accepted offer.

#### **3.1.4 SINGLE TENDER/ DIRECT CONTRACTING**

The procedure for Direct Contracting may be adopted if any one of the following conditions are met,

- (a) that the Single Tender system shall be adopted in case of articles including equipment/stationery, which are specifically certified as of proprietary in nature, or where only a particular firm is the manufacturer of the articles demanded or in case of extreme emergency.
- (b) that the single tender system without competition shall be an appropriate method under the following circumstances:
  - i. Extension of existing contracts for works or goods awarded with the prescribed procedures, justifiable on economic grounds;
  - ii. Standardization of equipment or spare parts to be compatible with existing equipment may justify additional purchases from the original supplier;
  - iii. The required item is proprietary and obtainable only from one source, and
  - iv. Works are small and scattered or are situated in remote locations where mobilization costs for contractors would be unreasonably high.

### **3.1.5 LIMITED INTERNATIONAL BIDDING**

Limited International Bidding (LIB) is essentially ICB by direct invitation without open advertisement. It may be an appropriate method of procurement where,

- (a) there are only limited numbers of suppliers, or
- (b) other exceptional reasons may justify departure from full ICB procedures.

Under LIB, the IDBZ shall seek bids from a list of potential suppliers broad enough to assure competitive prices, and such list should include all suppliers all over the country/region/world. Domestic preference is not applicable in the evaluation of bids under LIB. In all respects other than advertisement and preferences, ICB procedures shall apply, including the publication of award of contract in UNDB online and in dgMarket and use of the Banks Standard Bidding documents.

### **3.1.6 INFORMAL /SELECTIVE / CLOSED BIDDING (IT)**

Informal / Selective / Closed Tendering or Bidding is essentially the same as NCB except that the tenders are invited from the IDBZ registration Database through wide media coverage and the IDBZ website. The advertising period for Informal / Selective / Closed tendering shall be fifteen (15) working days or such other period as may be deemed necessary.

## **VII. CHAPTER 4**

### **4.0 PROCUREMENT OF CONSULTANCY SERVICES**

Definition of services includes training, workshops, research and studies, hiring of procurement agents, hiring of consultants and other similar contracting.

#### **4.1 METHODS FOR PROCUREMENT OF SERVICES**

1. Quality and Cost Based Selection (QCBS)
2. Quality Based Selection (QBS)
3. Fixed Budget Selection (FBS)
4. Least Cost Method (LCS)
5. Consultant Qualification Based Selection (CQS)
6. Single Source Selection (SSS)

## 4.2 QUALITY AND COST BASED SELECTION (QCBS)

QCBS uses a competitive process among shortlisted firms that takes into account the quality of the proposals and the cost of the services in the selection of the successful firm. The relative weight to be given to the quality and cost shall be determined for each case depending on the nature of the assignment. The selection process shall include the following steps,

- i. Advertisement for Expression of Interest (EOI)
- ii. Preparation of the Terms of Reference (ToR)
- iii. Preparation of cost estimate and the budget  
(to be used when the purchaser has no knowledge about the firms who could take up the assignment)
- iv. Evaluation of EOI to shortlist six (6) firms
- v. Preparation and issue of Request for Proposal (RFP) to short listed firms
- vi. Receipt of proposals
- vii. Opening and Evaluation of technical proposals
- viii. Public opening of financial proposals of firms technically qualified
- ix. Combined evaluation of technical and financial proposals
- x. Negotiations and award of the contract to the selected firm

#### **4.2.1 ADVERTISEMENT FOR EXPRESSION OF INTEREST**

Advertisement is issued in widely published the media to obtain expression of interest for the contract. In addition, contracts expected to cost more than US\$ 200,000 shall be advertised in UNDB online and in dgMarket.

#### **4.2.2 PREPARATION OF THE TERMS OF REFERENCE (TOR)**

The Terms of Reference developed will include:

- i. A precise statement of objectives
- ii. An outline of the tasks to be carried out
- iii. A schedule for completion of tasks
- iv. The support/inputs provided by the client
- v. The final outputs that will be required of the Consultant
- vi. Composition of Review Committee (not more than three members) to monitor the Consultant's works
- vii. Review of the Progress Reports required from Consultant
- viii. Review of the final draft report
- ix. List of key positions whose CV and experience would be evaluated.

#### **4.2.3 PREPARATION OF COST ESTIMATE**

The Cost Estimates or Budget should be based on the assessment of the resources needed to carry out the assignment, staff time, logistical support, and physical inputs (for example, vehicles, office space and equipment). Costs shall be divided in two broad categories, a) Fee or remuneration & b) Reimbursable costs.

#### **4.2.4 EVALUATION AND SHORTLISTING**

If the assignment has been advertised and expressions of interest received, EOIs shall be evaluated to shortlist six (6) firms. The short listing of at least six firms must be based on the eligibility criteria defined in the EOI and the short list shall not include Individual Consultants (Firms only shall be considered). In contracts below US\$ 500,000 equivalent, shortlisting may comprise national consultants only. Government owned enterprises can be considered for award of consultancy assignment provided they are otherwise eligible as per the Bank's guidelines.

#### **4.2.5 PREPARATION AND ISSUANCE OF THE REQUEST FOR PROPOSALS (RFP)**

The RFP shall include,

- i. Letter of Invitation (LOI)
- ii. Instructions to Consultants (ITC) with Data Sheet
- iii. Evaluation Criteria
- iv. Technical Proposal - Standard Form
- v. Financial proposals - Standard Form

- vi. Terms of Reference (ToR)
- vii. Standard Forms of contract

#### **4.2.6 RECEIPT OF PROPOSALS**

The time allowed for submission of proposals shall depend on the assignment, but normally shall not be less than four weeks or more than three months. The firms may request clarifications about the information provided in the RFP. The clarifications must be given in writing and copied to all the shortlisted firms. The technical and financial proposals shall be submitted at the same time but in separate sealed envelopes. The technical proposals shall be opened immediately by the committee, after the closing time for submission of proposals. The financial proposals shall remain sealed, and only firms that pass the technical score shall be invited for opening of their financials. Any proposals received after the closing time shall be returned unopened. The Evaluation Panel shall prepare a combined technical and financial evaluation report.

#### **4.2.7 EVALUATION OF PROPOSALS**

The evaluation of the proposals will be in two stages first quality and then cost. Financial proposals shall be opened only after approval of the technical recommendations of the technical evaluation report by EXCO.

The total score shall be obtained by weighing the quality and cost scores and adding them. The weight for the cost shall be chosen, taking into account the complexity of the assignment and the relative importance of quality. The weight for cost shall normally be 20 points out of a total score of 100. The proposed weightings for quality and cost shall be specified in the RFP. The firm obtaining highest total score shall be invited for the negotiations.

#### **4.2.8 NEGOTIATIONS AND AWARD OF CONTRACT**

- i. Negotiations shall include discussions of the TORs, the methodology, staffing, client’s inputs, and special conditions of the contract. These discussions shall not substantially alter the original TORs or the terms of the contract, lest the quality of the final product, its cost, and the relevance of the initial evaluation be affected. Major reductions in work inputs should not be made solely to meet the budget. The final TORs and the agreed methodology shall be incorporated in “Description of Services,” which shall form part of the contract.
- ii. The selected firm should not be allowed to substitute key staff, unless both parties agree. If this is not the case, the firm may be disqualified and the process continued with the next ranked firm. The key staff proposed for substitution shall have qualifications equal to or better than the key staff initially proposed.
- iii. Firms shall be disqualified for proposing common or the same key staff on the same project.
- iv. Financial negotiations shall include clarification of the consultants’ tax liability and how this tax liability has been or would be reflected in the contract. As Lump-Sum Contracts payments are based on delivery of outputs (or products), the offered price shall include all costs (staff time, overheads, travel, hotel, etc.). Consequently, if the selection method for a Lump-sum contract included price as a component, this price shall not be negotiated. In the case of Time-based Contracts, payment is based on inputs (staff time and reimbursables) and the offered price shall include staff rates and an estimation of the amount of reimbursables. When the selection method includes price as a component, negotiations of staff rates should not take place, except in special circumstances, like for example, staff rates offered are much higher than typically charged rates by consultants for similar contracts. Consequently, the prohibition of negotiation does not preclude the right of the client to ask for clarifications, and, if fees are very high, to ask for change of fees, after due consultation with the Bank. Reimbursable are to be paid on actual expenses incurred at cost upon presentation of receipts and therefore are not subject to negotiations. However, if the client wants to define ceilings for unit prices of certain reimbursables (like travel or hotel rates), they should indicate the maximum levels of those rates in the RFP or define a per diem in the RFP.



- v. If the negotiations fail to result in an acceptable contract, the client shall terminate the negotiations and invite the next ranked firm for negotiations. The Bank shall be consulted prior to taking this step.

### **4.3 QUALITY-BASED SELECTION (QBS)**

QBS is appropriate for the following types of assignments:

- (a) Complex or highly specialized assignments for which it is difficult to define precise TORs and the required input from the consultants.
- (b) Assignments that have a high downstream impact and in which the objective is to have the best experts.
- (c) Assignments that can be carried out in substantially different ways, such that proposals will not be comparable.

4.3.1 In QBS, the RFP may request submission of a technical proposal only (without the financial proposal), or request submission of both technical and financial proposals at the same time, but in separate envelopes (two-envelope system).

4.3.2 If technical proposals alone were invited, after evaluating the technical proposals using the same methodology as in QCBS, the IDBZ shall ask the consultant with the highest ranked technical proposal to submit a detailed financial proposal. The IDBZ and the consultant shall then negotiate the financial proposal, including remuneration and other expenses and the contract. All other aspects of the selection process shall be identical to those of QCBS.

### **4.4 SELECTION UNDER A FIXED BUDGET (FBS)**

This method is appropriate only when the assignment is simple and can be precisely defined and when the budget is fixed. The RFP shall indicate the available budget and request the consultants to provide their technical and financial proposals in separate envelopes, within the budget. Evaluation of all technical proposals shall be carried out first as in the QCBS method, then the price proposals opened in public and prices read out aloud. Proposals that exceed the indicated budget shall be

rejected. The Consultant who has submitted the highest ranked technical proposal among the rest shall be selected and invited to negotiate a contract.

#### **4.5 LEAST-COST SELECTION (LCS)**

This method is only appropriate for selecting consultants for assignments of a standard or routine nature (audits, engineering design of non-complex works, and so forth) where well-established practices and standards exist. Under this method, a “minimum” qualifying mark for the “quality” is established. Proposals, to be submitted in two envelopes, are invited from a short list. Technical proposals are opened first and evaluated. Those securing less than the minimum qualifying mark are rejected, and the financial proposals of the rest are opened in public. The firm with the lowest price shall then be selected.

#### **4.6 SELECTION BASED ON THE CONSULTANTS’ QUALIFICATIONS (CQS)**

This method may be used for small assignments for which the need for preparing and evaluating competitive proposals is not justified. In such cases, prepare the TORS, request EOIs and information on the consultants’ experience and competence relevant to the assignment, establish a short list, and select the firm with the most appropriate qualifications and references. The selected firm shall be asked to submit a combined technical-financial proposal and then be invited to negotiate the contract.

#### **4.7 SINGLE-SOURCE SELECTION (SSS)**

Single-source selection of consultants does not provide the benefits of competition in regard to quality and cost, lacks transparency in selection, and could encourage unacceptable practices. Therefore, single-source selection shall be used only in **exceptional** cases.

4.7.1 Single-source selection may be appropriate only if it presents a clear advantage over competition: (a) for tasks that represent a natural continuation of previous work carried out by the firm (see next paragraph), (b) in emergency cases, such as in response to disasters and for consulting services required during the period of time immediately following the emergency, (c) for very small assignments, or (d) when only one firm is qualified or has experience of exceptional worth for the assignment.

4.7.3 When continuity for downstream work is essential, the initial RFP shall outline this prospect, and, if practical, the factors used for the selection of the consultant shall take the likelihood of continuation into account. Continuity in the technical approach, experience acquired, and continued professional liability of the same consultant may make continuation with the initial consultant preferable to a new competition subject to satisfactory performance in the initial assignment. For such downstream assignments, the client shall ask the initially selected consultant to prepare technical and financial proposals on the basis of TOR furnished by the client, which shall then be negotiated.

4.7.4 If the initial assignment was not awarded on a competitive basis or was awarded under tied financing or if the downstream assignment is substantially larger in value, a competitive process acceptable to the Bank shall normally be followed in which the consultant carrying out the initial work is not excluded from consideration if it expresses interest. The Bank will consider exceptions to this rule only under special circumstances and only when a new competitive process is not practicable.

#### **4.8 SELECTION OF INDIVIDUAL CONSULTANTS**

Individual consultants are employed on assignments for which (a) teams of personnel are not required, (b) no additional outside (home office) professional support is required, and (c) the experience and qualifications of the individual are the

paramount requirement. When coordination, administration, or collective responsibility may become difficult because of the number of individuals, it would be advisable to employ a firm.

4.8.1 Individual consultants are selected on the basis of their qualifications for the assignment. Advertisement is not required and consultants do not need to submit proposals. Consultants shall be selected through comparison of qualifications of at least three candidates among those who have expressed interest in the assignment or have been approached directly. Individuals considered for comparison of qualifications shall meet the minimum relevant qualifications.

4.8.2 Individual consultants may be selected on a sole-source basis with due justification in exceptional cases such as: (a) tasks that are a continuation of previous work that the consultant has carried out and for which the consultant was selected competitively; (b) assignments with total expected duration of less than six months; (c) emergency situations resulting from natural disasters; and (d) when the individual is the only consultant qualified for the assignment.

## **4.9 TYPES OF CONTRACTS**

4.9.1 **Lump Sum Contract:** Lump sum contracts are used mainly for assignments in which the content, duration of the services and the required output of the consultants are clearly defined. Payments are linked to outputs (deliverables), such as reports, drawings, and bills of quantities, bidding documents, and software programs. Lump sum contracts are easy to administer because payments are due on clearly specified outputs.

4.9.2 **Time-Based Contract:** This type of contract is appropriate when it is difficult to define the scope and the length of services, either because the services are related to activities by others for which the completion period may vary, or because the input of the consultants required to attain the objectives of the assignment is difficult to assess. This type of contract is widely used

for complex studies, supervision of construction, advisory services, and most training assignments. Payments are based on agreed hourly, daily, weekly, or monthly rates for staff (who are normally named in the contract) and on reimbursable items using actual expenses and/or agreed unit prices. The rates for staff include salary, social costs, overheads, fees (or profit), and, where appropriate, special allowances. This type of contract shall include a maximum amount of total payments to be made to the consultants. This ceiling amount should include a contingency allowance for unforeseen work and duration, and provision for price adjustments, where appropriate. Time-based contracts need to be closely monitored and administered by the client to ensure that the assignment is progressing satisfactorily and that payments claimed by the consultants are appropriate.

For various formats to be used for procurement of services, please visit IDBZ website: [www.idbz.co.zw](http://www.idbz.co.zw)

## **VIII. CHAPTER 5**

### **5.0 PROCUREMENT ADMINISTRATION AND MANAGEMENT**

#### **5.1 Establishment of Suppliers or Consultants Data Base by the Bank:**

The Bank shall advertise requesting submission of expressions of interests on various areas of specialty and profession and a criteria on how to evaluate the submitted expressions of interests. Suppliers or Consultants shall be requested to register online on the IDBZ website. The request for expressions of interests or invitation to register shall call for the following information:

Company registration certificate, CR14 Form, Tax Clearance, summary of similar projects implemented by the registering organizations, catalogue for the organization, confirmation that the company is not under liquidation, relevant company experience, referral letters, company physical location, valid and current bank account etc.

Individual consultants shall also submit certified copies of their credentials, curriculum vitae of the individual, and reference details of the individual and reference of previously performed assignment. Full contact details of both individual consultants, firm consultants and suppliers. Evaluation Committee shall be formulated and they shall be changed based on the specific areas of profession being solicited. This process shall encourage the suppliers to register to the Bank database. When the Bank

requires to hire or procure services of both firms and individual consultants it shall be retrieve from the database. The service provider shall be advised to submit their proposals and get evaluated.

## **5.2 On-going Training of Procurement Staff**

The Bank shall ensure that its Procurement Division staff are trained in procurement policies and procedures at least once a year to benefit from previous experience and promote knowledge transfer.

**ANNEXES**

**ANNEXE 1**

**Monitoring Information System Reports to be submitted by Logistics undertaking Procurement under IDBZ Project**

**Contract Monitoring Reporting**

**(To be submitted on a Quarterly Basis)**

S l N o	Cont ract/ Refe renc e No. and Date	Bri ef De scri p tio n of Pro cur e me nt	Categ ory Good s/ Work s/ Servi ces/ Cons ultant s/ Other s	Meth od of Procu reme nt	Est im a ted Co st (U S\$ )	Da te of Iss uin g Eo Is	Dat e of Issu ing Invi tatio n	Date of Rece iving Quot ation / Bids/ Prop osals	No of Bid ders Res pon ded	No. of Bidd ers Foun d Fully Resp onsiv e	Co ntra ct Aw ard Dat e	Contra ct Value		Contract Completi on date		Nam e of Cont racto r/ Con sulta nt	Re mar ks	
												U S \$	R s	As per Co ntra ct	Ac tua l			



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Please use the abbreviations: W = Works, G=Goods, Services=S, Consulting Firms=CF, Individual Consultants=IC, Other=OT (and please specify);

Please use the abbreviations: ICB, NCB, IS (for International Shopping), NS (for National Shopping), SS or Single Source), DC, QCBS, QBS, LCS, FBS, CQS, OT (for other & please specify) Quarterly reports should be submitted by the M&E to the PC/CEO on the contract awarded.

**ANNEXE II**  
**IMPORTANT ASPECTS OF PROCUREMENT**

**1. IMPORTANT ASPECTS OF SHOPPING TO REMEMBER**

<b>Important Aspects</b>	<b>Brief Description</b>
<b>Advertisement</b>	No need for advertisement in the media, however the advertisement can be displayed in the IDBZ website
<b>Minimum Quotations</b>	3 quotations or more
<b>Time for Bid Submission</b>	Not less than 2 weeks.
<b>Negotiation</b>	There should not be any negotiations either for price or terms & conditions of the tender submitted with suppliers.
<b>Validity of Tender</b>	<ol style="list-style-type: none"> <li>1. Bidders shall be required to submit tender valid for the period specified in the tender documents.</li> <li>2. Generally 30 to 40 days for Shopping.</li> </ol>
<b>Bid Security</b>	Not required.
<b>Examination of Tenders</b>	<ol style="list-style-type: none"> <li>1. The Procurement Committee entrusted with evaluation of tenders shall ascertain whether the tenders:               <ol style="list-style-type: none"> <li>i. Meet the eligibility requirements specified;</li> <li>ii. Have been properly signed;</li> <li>iii. Are valid for the period specified in the tender document;</li> <li>iv. Are substantially responsive (commercially and technically) to the tender documents; and</li> <li>v. Are otherwise generally in order.</li> </ol> </li> <li>2. If the bidder meets the above stipulations indicated in the bid</li> </ol>

	documents, it is determined as substantially responsive and is considered further for evaluation.
<b>Terms &amp; Methods of Payment</b>	Payment terms shall be set in accordance with deliverables

## 2. IMPORTANT ASPECTS OF NCB/ICB TO REMEMBER

<b>Important Aspects</b>	<b>Brief Description</b>
<b>Standards &amp; Technical Specifications</b>	<ol style="list-style-type: none"> <li>1. The bid documents shall include generally accepted standards of technical specifications.</li> <li>2. Unbiased technical specification shall be prepared with no mention of brand names and catalogue numbers by a committee of experts associating the trade representative, if required.</li> <li>3. The functional performance, design, quality, packaging and additional requirements should be clearly spelt out in the specifications.</li> <li>4. The specifications should be generic and should not appear to favour a particular brand or supplier.</li> <li>5. Preparation of technical specifications, bill of quantities and engineering drawings must be completed before tendering. Specifications for the items to be procured should be drawn up in every case with clarity.</li> <li>6. No deviations from the specifications after opening of tender should be allowed.</li> </ol>
<b>Advertisement</b>	<ol style="list-style-type: none"> <li>1. Invitation shall be published in media with wide coverage and readership.</li> </ol>

	<ol style="list-style-type: none"> <li>2. In case of ICB's also publish in the "United Nation's Development Business (UNDB)" and dgMarket online and forward to embassies and trade representatives of countries of likely suppliers of goods and also who have expressed interest in response to the General Procurement Notice (GPN)</li> <li>3. The advertisement should also be placed at the project website.</li> </ol>
<b>Time for Submission of Bids</b>	<ol style="list-style-type: none"> <li>1. Not less than 4 weeks for NCB.</li> <li>2. Not less than 6 weeks for ICB.</li> </ol>
<b>Bid Security</b>	<ol style="list-style-type: none"> <li>1. Bid security to be submitted by the bidders on the same day together with bids. The bid amount must be the same as specified in the bidding document through a bank certified cheque from reputable commercial bank.</li> </ol>
<b>Performance Security Deposit</b>	<ol style="list-style-type: none"> <li>1. Tender documents for works and goods shall require performance security in an amount sufficient to protect the implementing agency in case of breach of contract by the contractor/supplier.</li> <li>2. The Performance Security shall be in the form of a bank guarantee specified in the tender document.</li> <li>3. The performance security deposit may be forfeited in a case where the contractor/supplier fails to perform in accordance with the contract terms and conditions.</li> </ol>

<b>Retention Money</b>	<b>Retention</b> is a percentage of the amount certified as due to the contractor on an interim certificate, that is deducted from the amount due and retained by the client. The purpose of <b>retention</b> is to ensure that the contractor properly completes the activities required of them under the contract.
<b>Pre-Bid Conference</b>	1. A pre-bid conference (date/venue to be indicated in the IFB published in the media and bid document) may be arranged wherein potential bidders may meet with the representatives of the implementing authority to seek clarifications on the tender documents. Copy of minutes of the pre-bid conference should be furnished to the bidders who had already purchased the bid documents and also supplied along with the bid document sold to the parties purchasing the document subsequent to the pre-bid conference.
<b>Examination of Tenders</b>	<p>The Evaluation Committee entrusted with evaluation of tenders shall ascertain whether the tenders:</p> <ol style="list-style-type: none"> <li>i. Meet the eligibility requirements specified;</li> <li>ii. Have been properly signed;</li> <li>iii. Are accompanied by the required earnest money and valid for the period specified in the tender document;</li> <li>iv. Have quoted for the entire schedule/ packing and are in the required currency as indicated in the bid documents;</li> <li>v. Have proper Manufacturer's Authorization letter</li> <li>vi. Are substantially responsive (commercially and technically) to the tender documents; and</li> </ol>

	<ul style="list-style-type: none"> <li>vii. Have the technical and financial capability as per specified tender evaluation criteria to successfully execute the contract. For ensuring financial capacity a minimum turnover requirement should be indicated in bid document.</li> <li>viii. Are otherwise generally in order.</li> <li>ix. If the bidder meets the above stipulations indicated in the bid documents, it is determined as substantially responsive and is considered further for evaluation.</li> <li>x. Historical data in relation to the tender like annual reports, turn over details, etc., if not received along with the bidder, can be requested from the bidder after opening of bids and should be submitted within a reasonable time span (say 7-10 working days).</li> </ul>
<p><b>Post-Qualification of Bidders</b></p>	<p>In case the pre-qualification of the bidders has been carried out, and the tenders have been issued to the pre-qualified bidders, the tenders shall be recommended for award on the basis of being lowest substantially responsive bids.</p> <ul style="list-style-type: none"> <li>i. If bidders have not been pre-qualified, the implementing agency shall determine whether the bidder whose bid has been determined to offer the lowest evaluated cost has the technical capability and financial resources to effectively carry out the contract as offered in the bid.</li> <li>ii. The criteria to be met shall be set out in the tender documents, and if the bidder does not meet them, the bid shall be rejected.</li> <li>iv. In such an event, the implementing agency shall make a similar determination for the next-lowest evaluated bidder and so on.</li> </ul>
<p><b>Bid Validity</b></p>	<p>Bidders shall be required to submit tender valid for the period specified in the tender documents.</p>

	<p>i Normally, in case of NCB/ ICB, the bid validity period shall not exceed 90 days after the date of bid opening.</p>
<p><b>Bid Validity Extension</b></p>	<p>As far as possible contract should be finalized within the original validity of the offers mentioned in the tender document.</p> <p>i An extension of bid validity, if justified by exceptional circumstances with the approval of next higher authority, shall be requested in writing from all bidders (of valid tenders only) before the expiry date.</p> <p>ii Bidders shall have the right to refuse to grant such an extension without forfeiting their Bid Security, but those who are willing to extend the validity of their bid shall also be required to provide a suitable extension of Bid Security as specified in the tender document.</p> <p>i Prior concurrence of the Bank would be obtained if (a) for the first request for extension if it is longer than four weeks; and (b) for all subsequent requests for extension irrespective of the period (such concurrence will be considered by Bank only in cases of Force Majeure and circumstances beyond the control of the Purchaser/ Employer).</p>
<p><b>Rejection of All Tenders</b></p>	<p>Tender documents usually provide that implementing agency may accept or reject any tenders.</p> <p>i Rejection of all tenders is justified when none of the tenders are substantially responsive. However, lack of competition shall not be determined solely on the basis of the number of bidders.</p> <p>ii If all tenders are rejected, the IDBZ shall review the causes justifying the rejection and consider making revisions to the conditions of contract, design and specifications, scope of the contract, or a combination of these, before inviting new tenders.</p> <p>i If the rejection of all tenders is due to lack of competition, wider advertising shall be considered. If the rejection is due to most or all of the tenders being nonresponsive, new tenders may be invited.</p> <p>v Rejection of all tenders and re-inviting new tenders, irrespective of value shall be referred to the next higher authority for approval.</p>

	<p>Before re-inviting tenders the specifications may be reviewed for revision, if any.</p> <p>v Rejection of tenders (ICB/ NCB), irrespective of the value, will require IDBZ's approval.</p>
<b>Repeat Orders (Goods/ Equipment)</b>	<p>Quantities in contracts awarded may be increased up to 10% of the quantity originally ordered by repeat orders after recording reasons, provided that such orders shall be given before the date of the expiry of last supply and also subject to the condition that prices have since not reduced and purchases were required on urgency basis.</p> <p>iIf the threshold of 10% is exceeded, prior concurrence of the Bank shall be obtained.</p>
<b>Extension of Contract (Works)</b>	<p>Contracts under NCB method may be increased/ decreased up to 10% of the quantity originally ordered by amending the order/ contract after recording reasons, provided that such orders shall be given before the date of contractual completion and also subjected that works were required on urgent basis.</p> <p>iThe variation in requirement shall be appropriately indicated in the bid document.</p> <p>iiIt should be justifiable on economic grounds/ without change in costs.</p>
<b>Rebidding</b>	<p>Rebidding shall not be carried out without the prior concurrence of the Bank.</p> <p>iThe system of rejecting the bids falling outside a pre-determined margin or bracket of prices shall not be used.</p>
<b>Negotiation</b>	<p>There should not be any negotiations either for price or terms and conditions of the tender submitted. Negotiations shall be undertaken for Terms of Reference or on Bills of Quantities</p>
<b>Confidentiality</b>	<p>After the public opening of tenders, information relating to the examination, clarification, and evaluation of tenders and recommendations concerning awards shall not be disclosed to bidders or other persons not officially concerned with this process until the successful bidder is notified of the award of the contract.</p>



<b>Terms &amp; Methods of Payment</b>	Payment terms for ICB and NCB are provided in the bidding documents and should be followed as it is.
<b>Liquidated Damages</b>	Provisions for liquidated damages shall be included in the conditions of contract for the delay in the delivery of goods or completion of works.
<b>Fraud &amp; Corruption</b>	The borrowers (including beneficiaries of Bank loans), as well as Bidders, Suppliers, Contractors, and Consultants under Bank-financed contracts shall observe the highest standard of ethics during the procurement and execution of such contracts.