



**RWANDA AIRPORTS COMPANY LTD PROCUREMENT  
MANUAL 2021**

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**Revised January, 2021**

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## **CHAPTER 1: DEFINITION OF TERMINOLOGIES USED IN THIS PROCUREMENT GUIDELINES**

**1.1 Procuring entity-** means Rwanda Airports Company Ltd.

**1.2 Award** - Decision by the procuring entity's tender committee or any other team with the powers to recommend the successful bidder.

**1.3 Bid** - Document from a bidder describing its bid/proposal

**1.4 Tender notice** - Advertisement by which eligible providers are invited to submit written offers to provide or acquire works, services and supplies respectively.

**1.5 Bid period** - Period between the date of publication of the invitation to bid and the closing date for the submission of bids.

**1.6. Bid Security** - Guarantee by a bank or other relevant financial institution to allow the prospective bidder to participate in bidding process.

**1.7 Bid validity period** - Period of time subsequent to the bids opening for which the bid price and the conditions of the bid are not subject to any change by the bidder. Timeframe in which a bid is valid.

**1.8. Bidder** - A physical or juridical person who has already shown his/her interest in procurement proceeding.

**1.9 Bidding documents** – means the document prepared by the procuring entity containing information required for preparation of bids, evaluation criterion, the award process and the tender execution requirements;

**1.10 Consultant** - Individual or a firm contracted by the Procuring entity to carry out consultancy services.

**1.11 Consultant Services** - Refers to activities of an intellectual or of immaterial nature.

**1.12 Contract** - Means an agreement, memorandum of understanding, letters of intent, guarantees, and any other similar or analogous documents to which the procuring entity is a signatory.

**1.3 Contract management** - Management of a contract including performance and compliance with the terms and conditions of the contract by the provider and the procuring entity.

**1.14 Day-** Refers to every weekday including holidays unless stated otherwise by the procuring entity in either the bidding document, contract or any other official document.

**1.15 Emergency-** Means circumstances, which are urgent and unforeseeable and not caused by dilatory conduct.

**1.16 Dilatory conduct-** Means an action taken with an intention of causing a delay.

**1.17 End users** - Includes all departments or Units within RAC.

**1.18 Framework Contract** - Contractual arrangement which allows RAC to procure works, services or supplies that are needed continuously or repeatedly at an agreed price over a period of time, through the placement of a number of orders as and when need arises.

**1.19 Goods or supplies** - Means objects of every kind and description including raw materials, products, and equipment be it in solid, liquid or gaseous form, electricity, as well as services that are linked to the supply of the goods if the value of those services does not exceed that of the goods.

**1.20 Tender Committee** - Committee that is responsible for opening, evaluation, recommending the award of the contract and any other activity as may be determined by the procuring entity.

**1.21 Lowest-evaluated bid** - Bid which is determined to be the most technically and economically responsive after evaluating all terms and conditions of the bid;

**1.22 Performance security** - Guarantee issued by a bank or any other financial institution established to guarantee RAC that in case the contract is not performed, be it technically or at the level of deadlines, the RAC would receive the amount provided for such a guarantee;

**1.23 Pre-qualification** - examination process designed to ensure that invitations to bid are confined to capable providers;

**1.24 Prequalified providers** - Means providers registered by RAC for service delivery as and when need arises.

**1.25 Procurement** - Process of acquiring goods, works, and services as may be needed by the procuring entity to achieve its objective.

**1.26 Procurement process** - Successive stages in the procurement cycle including planning, choice of procedure, measures to solicit offers from bidders, receipt and opening of bids, evaluation, award of contract and contract management.

**1.27 Proposal** - Means an offer made by a consultant in response to a request for proposal (RFP) addressed to it by the procuring entity on the basis of appropriate terms of reference.

**1.28 Provider** - Natural person or an incorporated body including a consultant, contractor or supplier licensed by a competent authority to undertake business activities;

**1.29 Quotation** Means an offer made by a provider (supplier) in response to a request for goods/supplies addressed to it by RAC based on specifications.

**1.30 Record** - Document relating to any stage of a procurement or disposal process

**1.31 Services** - Object of procurement, other than works and supplies and shall include both professional and non-professional and commercial types of services as well as services which are incidental to such services.

**1.32 Specification** - Description of an object of procurement or disposal in accordance with national and international standards.

**1.34 Supplier or contractor** - Potential party or the party to a procurement contract with the procuring entity.

**1.35 Terms of Reference** - Document prepared by RAC defining the requirements for an assignment and means to be made available, concerns to be taken into account as well as the expected results;

**1.36 Works** - Includes any work associated with the construction, reconstruction, demolition, repair, or renovation of a building or structure, on the surface or underground, and includes the preparation excavation, erection, assembly, installation; testing and commissioning of any plant, equipment or materials. This shall include turnkey projects, build own and operate projects, build operate and transfer projects or any arrangement following in this nature.

## **CHAPTER 2: BACKGROUND TO THE MANUAL**

Whereas Law N°03/2017 of 21/02/2017, establishing Rwanda Civil Aviation Authority (RCAA) changed its mandate where it only carries out functions related to regulatory and oversight of the aviation industry in Rwanda;

Whereas MININFRA designated Rwanda Airports Company Limited (RAC Limited) as an organ to which all contracts, movable and immovable assets as well as liabilities in connection with the commercial responsibility that was carried out by RCAA established by Law No 53/2011 of 14/12/2011 now repealed by Law n°007/2019 of 13/04/2019; were transferred as required by the aforementioned law;

Whereas the commercial mandate of RCAA and the management and operation of airports as per the Law No 53/2011 of 14/12/2011 now repealed by Law n°007/2019 of 13/04/2019 is now the responsibility of RAC Limited, a subsidiary of Aviation Travel and Logistics (ATL Ltd.), a holding company established by the Government of Rwanda to bundle air transport products and services in Rwanda;

Whereas RCAA and RAC Limited entered into a separation agreement in February 2018 with respect to among other things the transfer of all contracts, movable and immovable assets as well as liabilities to RAC Limited;

In the framework of allocating efficiently its resources, the Rwanda Airports Company Board of Directors meeting, in its session of 22<sup>nd</sup> February 2018 directed RAC Management to develop its own applicable procurement manual;

Fundamentally, procurement relies on the principle of value for money, transparency, fairness, Competition, efficiency and accountability as a foundation for sound Procurement practices. As a private operating company, Value for money principle shall take priority to other principles mentioned above.

The use of this Manual aims at defining ways of acquiring goods, works and services that are of higher quality and at the best prices in the context of principles indicated in para 2 above.

The Manual is benchmarked on the National Procurement Guidelines and to the best Practices.



## **CHAPTER 3: GENERAL PROVISIONS.**

### **3.1: Application of the Manual**

The procedures and guidelines contained in this procurement manual are intended to provide guidelines and policies on the procurement procedures to be followed by RAC when conducting procurement proceedings using internal funds and funds received from the Government of Rwanda (GoR). For projects funded by development partners and/or donor funds, procurement procedures for such funding agencies shall be applicable. For Government funded projects, regulations of this manual shall be applied.

### **3.2: Scope of the Manual**

The guidelines contained in this manual cover the whole procurement cycle from initiation through to contract completion. They provide guidance on all methods of procurement for goods, works, consultancy and non-consultancy services, internal procurement approvals and on the contracts management aspects.

### **3.3: Legal Basis**

This procurement guiding manual is based on:

Law N°03/2017 of 21/02/2017 changing the mandate of Rwanda Civil Aviation Authority.

Designation by MININFRA of Rwanda Airports Company Limited (RAC Limited) as an organ to which all contracts, movable and immovable assets as well as liabilities in connection with the commercial responsibility that was carried out by RCAA established by Law No 53/2011 of 14/12/2011 were transferred.

Separation agreement signed between the Ministry of infrastructure, Rwanda Civil Aviation Authority and Rwanda Airports Company, February 2018 with respect to among other things the transfer of all contracts, movable and immovable assets as well as liabilities to RAC Limited.

### **3.4: Review and update of Manual**

This procurement manual is subject to continuous upgrading to cater for changes in the operating business environment; the changes in the procuring entity's needs, administrative structures and operations; and the adoption of new improved procedures and practices. Any changes thereof, shall require further approvals from RAC Board of Directors or any other body entrusted with such powers of approval.

### **3.5: Ethical Conduct**

RAC referred to as Procuring entity in this manual shall always conduct procurement operations in an ethical and just manner without compromising value for money.

### **3.6: Reporting Hierarchy**

The procurement unit and the internal tender Committee or any other body in charge of tender award shall report to Managing Director or any other office depending on the organizational structure of RAC. Periodic reports shall be submitted to such supervising office.

Procurement office shall ensure that, no procurement information is left un-reported. The report should include but not limited to tenders in process, tenders awarded, contract amount per tender Vs the budget, tenders delayed, reasons for delay, challenges faced and the envisaged solutions among others.

### **3.7: Confidentiality**

In any case, unless it is required by procurement supervising office or Board of directors, it is prohibited for the personnel involved in the procurement process to communicate to external parties, the confidential or commercial information obtained by people involved in the procurement process.

### **3.8: Conflict of interest**

Unless it is considered more profitable, otherwise procurement entity's policy on procurement requires bidders to provide professional, objective and impartial advice and at all times hold the RAC interests paramount, without any consideration for future work, and that in providing advice they avoid conflicts with other assignments and their own corporate interests. Conflict of interest shall but not limited to the following circumstances

Conflict between consulting activities and procurement of goods, works, or non-consulting services (i.e., services other than consulting services covered by this manual: A firm that has been engaged by the procuring entity to provide goods, works, or non-consulting services for a project, or any affiliate that directly or indirectly controls, is controlled by, or is under common control with that firm, shall be disqualified from providing consulting services resulting from or directly related to those goods, works, or non-consulting services. Conversely, a firm hired to provide consulting services for the preparation or implementation of a project, or any affiliate that directly or indirectly controls, is controlled by, or is under common control with that firm, shall be disqualified from subsequently providing goods,

works, or services (other than consulting services covered by this manual) resulting from or directly related to the consulting services for such preparation or implementation.

Conflict among consulting assignments: Neither consultants (including their personnel and sub-consultants), nor any affiliate that directly or indirectly controls, is controlled by, or is under common control with that firm, shall be hired for any assignment that, by its nature, may be in conflict with another assignment of the consultants. As an example, consultants assisting a client in the preparation of auction of assets shall neither purchase, nor advise purchasers of, such assets. Similarly, consultants hired to prepare Terms of Reference (TOR) for an assignment shall not be hired for the assignment in question.

Relationship with procuring entity's staff: bidders (including their experts and other personnel, and sub-consultants) that have a close business or family relationship with a professional staff who are directly or indirectly involved in any part of: (i) the preparation of the TOR/technical specifications/BOQ for the tender, (ii) the selection process for the contract, or (iii) the supervision of such contract may not be awarded a contract, unless the conflict stemming from this relationship has been resolved in a manner acceptable throughout the selection process and the execution of the contract. Such relationships may include;

- a. A member of senior management (Directors and Managing Director) of the procuring entity and his/her direct ascendant.
- b. RAC staff is not allowed to bid for RAC contracts.
- c. A member of Procurement entity's tender Committee, or a staff in the Procurement unit; his direct relative (father, mother, son, daughter, brother, sister, husband, wife, father in law, mother-in law, grandfather or grandmother).
- d. The companies in which the above listed persons are shareholders (pecuniary interests)

A bidder shall submit only one proposal/bid, either individually or as a joint venture partner in another proposal. If a consultant, including a joint venture partner, submits or participates in more than one proposal, all such proposals shall be disqualified. This does not, however, preclude a consulting firm to participate as a sub-consultant, or an individual to participate as a team member, in more than one proposal when circumstances justify and if permitted by the Request for proposal (RFP). Otherwise this shall be a conflict of interest and an attempt to collusion.



### **3.10: Gratuities or Gifts**

No member of the Procuring entity's tender committee or a staff in the procurement unit shall ask for or accept gratuities, favours, gifts or a commission from a given bidder. Such act shall be sanctioned in accordance with applicable laws in Rwanda.

## **CHAPTER 4: INTERNAL TENDER COMMITTEE**

RAC shall have the duty to set up a tender Committee referred to as the Internal Tender Committee (ITC). Members of the committee shall be appointed by the Managing Director or any other competent authority based on the integrity, Technical expertise, gender, and experience among others.

### **4.1: Composition of ITC**

It is advisable for the ITC members to be an odd number (3, 5, 7 etc). The term of office shall be three (3) years renewable only once. After an interval of one term of office, a former member of ITC may again be appointed on the committee. Tender committee, shall be composed of Chairman person, Vice Chairperson and Members.

The following people shall not be appointed as members of the ITC: MD, DMD, Logistics unit staff, Finance staff, Internal Audit Unit staff and Legal Unit staff. The staff mentioned here may be allowed to be part of ITC where RAC does not have other staff to compose the minimum number. Any of these persons is allowed to participate in the evaluation process only if a tender was requested by his/her office and his/her technical competence is paramount for selection of the contractor. All ITC Members including any other evaluation member are equally accountable for the decision taken.

Procurement office unit staff appointed shall act as ITC Secretary and member of ITC.

Reversal of ITC recommendation shall require prior consent of all ITC members or the majority. Any reversal of ITC recommendation, shall be done in writing by the Managing Director proposing such reversal with reasons for reversal thereof.

### **4.2: Obligations of Internal Tender committee**

The below points are not conclusive but rather indicative: RAC may amend, add or reduce functions of its ITC depending on the nature of its business. The below points are guidelines: Providing advice on bidding documents before their publication/advertisement. Each member has a maximum of two (2) days to provide his/her input beyond which all components of the

tender document shall be assumed acceptable and Procurement office shall proceed with securing approvals for the tender document.

Opening the bids and prepare bids opening reports

Evaluation of bids in accordance with bids evaluation criteria pre-established with assistance from the end-user.

Providing recommendations on all issues relating to tenders.

To approve / recommend any amendment to be carried out on the procurement contract.

Negotiation of contracts including contract price as well as other terms and conditions of the contract with assistance from end-user (s)

Due diligence on tenders where applicable. Relevancy of due diligence can be determined ITC at any stage of procurement process before contract signature.

Conducting site visits where applicable with end-user and a representative from procurement office

ITC Chairperson shall review all notifications and draft contracts and sign on the transmission slip as approval before such documents are sent to MD for approval.

#### **4.3: Obligations of procurement office**

Preparation of procurement plan and secure its signature.

Receiving all procurement requisitions in accordance with the procurement plan

Preparation of the tender documents and follow up for approvals

Preparation of tender notices, publication in relevant media outlets

Publication and issuance of tender documents, Requests for proposals to bidders

Submission of all required documents to ITC members for deliberations and recommendations

Response to requests for clarifications from bidders. Where applicable, procurement office shall seek for appropriate inputs before responding to the bidder. Appropriate inputs shall be given to procurement office not more than 2 days from the date of request. Failure to give inputs within 2 days, the immediate supervisor will be requested to intervene.

All correspondences during bidding period shall be done through procurement office and shall be done in writing. All communications in relation to clarifications shall be copied to

ITC Members and the end-user. Response can be done by a formal letter or through email correspondence depending on the mode in which the request was requested.

Preparation of notification letters regarding results of bids evaluation

Preparation of responses to claims if any with inputs from relevant personnel where applicable

Preparation of procurement contracts and follow up for approvals

Being part of the contracts management for administrative aspect of the contract only.

Technical aspects are managed by the user office which prepared technical requirements.

Proper filing of all procurement records.

Sharing approved ITC minutes for the follow up of implementation

Communicating to ITC on required urgent required actions including site visits

#### **4.4: Internal Tender committee meetings**

The Internal Tender Committee is chaired by the Chairperson or by the Vice-Chairperson in his/her absence. Meeting intervals may vary depending on availability of members, emergency or any other reason and meeting minutes should be done and filed. Results of ITC deliberations and recommendations are confidential to non-RAC ITC members and is punishable by the relevant laws in Rwanda. All ITC recommendations must be approved by Managing Director or any other authorized person before implementation. ITC recommendations and records with associated documents are valid for a period of five (5) years and shall be kept for this period.

#### **4.5: Invitation for the Internal Tender committee**

The invitation for the meeting is prepared and sent by the secretary through email and any other appropriate means/method to all the members. It has to clearly specify the venue, the agenda, and the time for the meeting. Invitation shall be sent to ITC Members at least one (1) day before the day of the meeting except in cases of justifiable emergencies.

#### **4.6: Quorum of Internal Tender committee**

The quorum shall be two thirds (2/3) of the total number of members. Unless of an official absenteeism of an ITC Member, delegation of powers by a member of the ITC is not acceptable. In cases where decisions and/or urgent recommendations or decisions are required, only three (3) members shall be allowed to take such decisions.

#### **4.7: Decision Making of Internal Tender committee**

The decisions of the tender committee are made by consensus. In case the consensus is not reached the decision supported by the majority should prevail. An ITC member (s) who does not consent to a given decision should put his/her view in writing within an evaluation report or any other document upon which the decision is taken. The Managing Director shall evaluate such divergence in views and determine the appropriate course of action.

#### **4.8: Minutes of the Internal Tender committee**

The minutes of the ITC meeting are comprised with the following:

- The agenda, the date and the venue

- The items or tenders that have been evaluated and/or discussed

- The recommendations made thereof

The minutes should be part of the supporting document for any procurement approval where necessary. Draft minutes shall be shared by ITC secretary to all ITC Members before signature for review. All ITC members who attended the meeting shall sign Minutes after which Minutes are sent to the MD or any other authorized person for approval.

#### **4.9: Hiring an expert to assist Internal Tender committee**

RAC may hire consultants to assist in the evaluation of bids or at any procurement process step especially when the scope of the bid or contract requires particular expertise not available in the company. However, the ITC shall be accountable of the recommendations made, and in no way shall the ITC be bound to accept the recommendations of the hired consultant.

#### **4.10: Allowances for Internal Tender committee members**

Tender Committee members should be entitled to a monthly allowance of 100,000 Rwandan francs per month net of taxes.

### **CHAPTER 5: PRE-REQUISITE FOR CONTRACT AWARD**

#### **5.1: Post qualification of bidders/due diligence**

Before awarding the tender, RAC may need carrying out a due diligence exercise to ascertain at least the previous performance track record by the main company or affiliated companies in Rwanda and elsewhere, ownership, background information, technical and financial capabilities, members of the board and etc, before issuance of the notification. Due diligence



may be done to verify either all the above or some of the above requirements depending on the nature and specific requirements for a given tender.

Post qualification is not mandatory on all tenders. It would depend on the sensitivity of the tender. Sensitivity shall be determined during preparation of the tender document in which post qualification criterion shall be indicated.

Due diligence exercise may be done by RAC ITC members or independent Government bodies upon request by RAC based on location, resources, capability and sensitivity of the tender. Results of due diligence may lead to disqualification of a bidder if all or the majority of ITC Members do consent to it. There should be a fair and an impartial due diligence report submitted to RAC Managing Director.

The detailed reasons for rejection of a bidder (s) as a result of the due diligence process, may be considered confidential, it may be known to only the Managing Director, Deputy Managing Director and/or ITC Members in cases where security concerns are involved.

In the event where the lowest evaluated bidder has been rejected resulting from due diligence, the second responsive bidder should be considered and so continues. Once all bidders are rejected after due diligence, the tender should be cancelled and re-tendered. Alternatively, a less competitive procurement method may be resorted to if acquisition of goods, works or services are urgently needed for public interest or security interest.

## **5.2: Negotiation of tenders**

Negotiations regarding terms of contract and/or the prices are normal and acceptable on all procurement categories. The number of members of the Negotiation is composed of ITC Members and the end –user where his/her presence is paramount especially for guidance on technical aspects.

The number of negotiators may vary depending on the value and complexity of the procurement, but should in all cases be comprised of at least three (3) members. Negotiators shall discuss and finalise certain details of a contract with the successful bidder, prior to contract placement. Negotiations should lead to a contract which is acceptable to both parties and therefore reduce the likelihood of disputes or the need for contract amendments.

Negotiations may depend on proposed bidder's offer which is either seemingly high compared to the market price or any other reason as may be determined by the procuring entity.

Negotiations can be carried out by a joint physical meeting, video conferencing or through email exchanges in case the bidder is un-able to physically attend the negotiation meeting (s) or un-able to use video conferencing facilities. Negotiation sessions shall be attended by the acceptable number of negotiators.

Negotiations shall be carried out at any step of procurement before contract signature. Invitation for contract negotiation shall be prepared and sent by procurement office to the successful bidder either as a letter signed off by the MD or any other person duly authorized to sign or as an email addressed to the bidder. Any of these communication mode is acceptable.

Minutes of negotiation should be done and signed by the two parties in negotiation. Except for the follow up of implementation of a contract or negotiated agreements, telephone communications are not allowed. RAC Managing Director or any other authority entrusted to sign the procurement contract shall approve minutes of contract negotiation or reject it with written observations addressed to the negotiation team. In any case, negotiation team should be independent with freedom of action without any influence. In cases where there is no consensus on results of contract negotiation between the approving authority and the negotiation team, an advice shall be sought from independent review committee.

## **CHAPTER 6: INDEPENDENT REVIEW COMMITTEE**

An independent review panel is hereby established for the purpose of conducting

Independent administrative reviews of complaints from bidders

An Independent Review Committee within RAC shall be appointed by RAC MD and approved by the management meeting.

The members of Tender Committee, Procurement unit shall not be part of the RAC Independent Review committee. The committee shall at least be composed of five (5) members including Chairperson and Vice chairperson. The composition shall include the legal advisor.

The term of office shall be three (3) years renewable only once. Two (2) members of the panel shall be replaced after three (3) years. The remaining members shall be replaced after expiry of second the term of office.

The selection criteria of team members shall be based on, knowledge in procurement, integrity, gender and technical Expertise.

### **6.1: Allowances for the independent review panel.**

The independent review panel is entitled to an allowance of 50,000 Frw net of taxes per person for case completed.

### **6.2: Quorum of Independent review panel**

The quorum shall be two thirds (2/3) of the total number of members. Unless of an official absenteeism of an IRP Member, delegation of powers by a member of the IRP is not acceptable. In cases where decisions and/or urgent recommendations or decisions are required, only three (3) members shall be allowed to take such decisions.

### **6.3: Decision Making of Independent review panel**

The decisions of the IRP are made by consensus. In case the consensus is not reached, the decision supported by the majority should prevail. An IRP member (s) who does not consent to a given decision should put his/her view in writing within IRP report or any other document upon which the decision is taken. The Managing Director shall evaluate such divergence in views and determine the appropriate course of action.

### **6.4: Review of the complaint**

The Independent Review Committee shall have maximum Fourteen (14) calendar days to submit their decisions. Such a decision shall always be in writing submitted to MD. A decision taken by the independent review panel which in view of ITC is not correct, ITC has the right to request in writing to the independent review panel to review the decision taken. Such a request shall be made within a maximum of five (5) working days from the date ITC became aware of such a decision.

Any decision taken by RAC within 5 days of provisional notification may be subject to review, provided that the petitioner fulfils appeal requirements. However, any decision concerning the following matters shall not be subject to review:

- a. The selected procurement method
- b. The rejection of all bids for public interests or for reasons known to RAC.

### **6.5: Functions of the Independent Review Committee**

- 6.5.1 Review the appeal submitted by a dissatisfied party.
- 6.5.2 Conduct investigations where necessary to facilitate them taking appropriate decisions

- 6.5.3 Seeking for necessary procurement documents for review before decision taking.
- 6.5.4 Preparation and submission of the review reports and recommendations therein.
- 6.5.5 The entire review process with recommendations thereof shall be completed within fourteen (14) calendar days from the date of receipt of the complaint.

## **6.6: Administrative Review and Appeal**

This guideline sets out the procedure to apply for a review of any conduct in the procurement proceedings with respect to violation of RAC procurement policy.

An administrative review is done when there are complaints from bidders, claiming to have lost or are at the risk of losing a tender due to a breach of procurement guidelines by RAC. A bidder shall not apply for administrative review or complain after 5 days given to bidders to lodge protests if any. A complaint which does not fulfil the requirements of the application for Administrative Review shall be dismissed by ITC through MD without further due consideration of the content of the claim.

## **6.7: Contents of a complaint**

A complaint to RAC shall fulfil the following requirements:

- 6.7.1: Indicate the name and contact details of the bidder or the person representing the bidder;
- 6.7.2: Indicate the procurement requirement to which the complaint relates;
- 6.7.3: Include a record of the correspondences regarding the complaint, between the RAC and the bidder (if any);
- 6.7.4: Indicate the grounds of the complaint;
- 6.7.5: Indicate the corrective measures requested by the bidder from RAC

A complaint that does not fulfil the above requirement shall be dismissed without consideration of its content.

## **6.8: Receipt of a complaint**

At the first level the appeal must reach RAC within Five (5) calendar days from reception of the provisional notification letter. The Procurement unit with the assistance of end user department where his/her technical input is required shall respond to the bidder within maximum fourteen (14) calendar days from the date of receipt of the claim by the procurement unit. In case the bidder is not satisfied with a response given at the first level,

he/she shall have maximum of three (3) calendar days to lodge his appeal to the RAC Independent Review Committee.

The responsibilities for the independent review panel shall be to receive the appeals of dissatisfied bidders against the decision taken before contract signature, analyse and recommend to the MD of the appropriate decision to be taken. Decisions taken by IRP shall be signed by IRP chairperson and disseminated to the complaining bidder and copy MD and ITC chairperson for implementation.

When the bidder is not satisfied, he/she may appeal to the Board of Directors within a maximum of three (3) days from the date of receipt of the rejection of its appeal to the independent review panel. At this level, the bidder shall pay 0.5% of the total bid value non-refundable before lodging an appeal. For framework contracts without a fixed total contract value, the bidder shall pay a fixed fee of 100,000 Frw or its equivalency in USD.

The appeal fee shall be deposited on RAC bank account. Proof of payment shall be part of documents to be submitted to the Board by the bidder while appealing.

The Board has a maximum of 14 working days to respond to the bidder regarding the outcome of its appeal.

The decision of the Board of directors shall be final; it shall not be appealed against.

If the appeal by the bidder to the Board is deemed reasonable and the bidder deserves his/her rights, a written instruction will be issued from the Board to RAC MD for implementation with copy to the complainant. RAC has a maximum of 21 days to implement such an instruction. In circumstances where RAC is un-able to implement such a decision within this period, it will formally notify the complainant and inform him/her of the possible period for implementation of the decision from the Board with a copy to the Chairperson of the Board of Directors.

The Independent Review Panel may recommend one or more of the following remedies, unless it dismisses the complaint:

Denouncing actions or decisions of ITC which are contrary to the provisions of this procurement manual

Annulling in whole or in part an act or decision of ITC contrary to this Manual

Ordering re-evaluation of the bids and indicate the grounds for such an order;

Ordering that the procurement proceedings be cancelled.

## **CHAPTER 7: DEBARMENT/BLACKLISTING OF BIDDERS**

The responsibility for debarment of bidders rests within the powers of Board of Directors.

A bidder may be debarred from participation in RAC tenders on the following grounds:

Providing false information in the process of submitting a bid or prequalification application.

In that case, the debarment shall be for a maximum period of six (6) years;

Collusion between the bidder and an official in the procuring entity concerning the formulation of terms of reference or the bidding document, or connivance to interfere with the participation of competing bidders. In that case, the debarment shall be for a maximum period of eight (8) years;

Fraudulent pricing, connivance in order to interfere with fair participation of competing bidders. In that case, the debarment shall be for a maximum period of Eight (8) years;

For poor or non-performance of a procurement contract for reasons that are not linked with the procuring entity; for a maximum period of six (6) years.

Recidivism (recurring offence) shall lead to indefinite debarment. RAC has the right to reject a bid from any bidder who is under debarment by any entity within or outside Rwanda.

When a bidder is blacklisted by either RAC or any other entity and the owner of the blacklisted company opens a new company, operates another company with proof that such other company (ies) belong to the owner of the black listed company, such companies will also not be allowed to participate in RAC tenders.

A bidder that withdrew from the tender or refused to enter into the contract for reasons not caused by RAC shall be debarred for a maximum period of three (3) years in addition to seizure of the bid security. This is also applicable to joint venture partners.

### **7.1: Procedures for debarment.**

A debarment procedure should be initiated by Internal Tender Committee to the Managing Director. MD shall analyse the request and submit it to the Board of directors for appropriate action.

The Board of Directors may seek information from all relevant parties after receipt of a request to start a debarment process.

The debarment shall be after an exhaustive review and the final decision for debarment of the bidder (s) shall rest with the Board of Directors;

The decision of the Board shall be final and shall not be appealed against by the bidders within RAC.

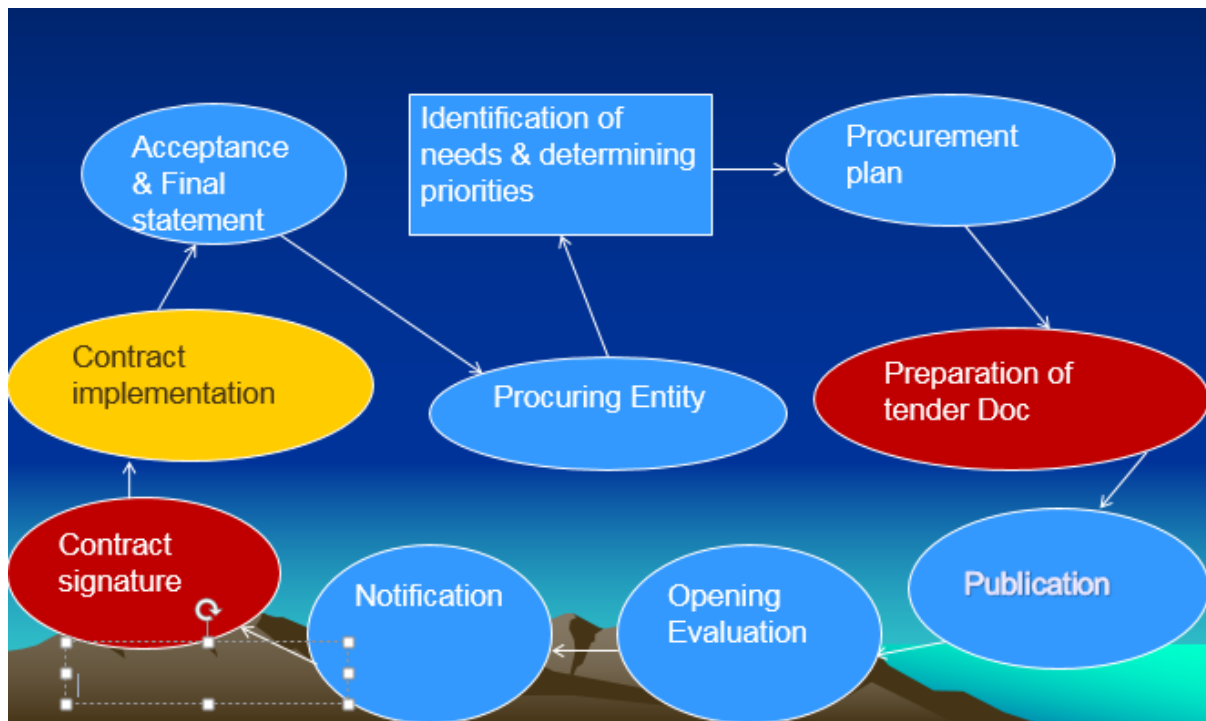
The debarred bidder shall be informed in writing about the outcome of the Board deliberations. Board decision shall be prepared in terms of minutes and signed by Board members after which a formal communication shall be sent to the bidder by RAC about the decision by the Board of Directors.

Bidders who are on the blacklist by other institutions shall also not be eligible for tender award within the period of backlist.

A list of debarred companies shall be published on RAC website immediately after debarment.

### CHAPTER 8: PROCUREMENT STAGES

This part is structured around key stages of the procurement process. The stages below are indicative. RAC may expand it but not recommended to skip some stages.



The above indicative procurement cycle is further broken into more details in the table below.

<b>Planning and Initiation</b>	
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	<ul style="list-style-type: none"> <li>• Procurement Planning</li> <li>• Requisitioning</li> </ul>	<ul style="list-style-type: none"> <li>• Description of Requirements</li> <li>• Selection of a Procurement method</li> </ul>
<b>Preparation of tender Documents and Invitations</b>	<ul style="list-style-type: none"> <li>• Pre-qualification</li> <li>• Expression of Interest</li> <li>• Preparation of Invitation Notice</li> <li>• Preparation of Bidding document</li> </ul>	
<b>Bidding Process</b>	<ul style="list-style-type: none"> <li>• Publication of Notices or request for quotation.</li> <li>• Issue of Documents</li> <li>• Pre-Bid Meetings and Site Visits</li> <li>• Responding to Bidder Clarifications</li> </ul>	
<b>Evaluation Process</b>	<ul style="list-style-type: none"> <li>• Bid Receipt</li> <li>• Bid Opening</li> </ul>	<ul style="list-style-type: none"> <li>• Evaluation for goods, non- consultancy services and works</li> <li>• Evaluation for consultancy services</li> <li>• Post-qualification and due diligence process</li> <li>• Negotiation</li> <li>• Cancellation of Procurement Proceedings where necessary</li> </ul>
<b>Contract Award Process</b>	<ul style="list-style-type: none"> <li>• Provisional Notifications;</li> <li>• Contract Documents and Purchase Orders</li> <li>• Contract Award Notices,</li> <li>• Debriefing Unsuccessful Bidders /Consultants</li> <li>• Administrative Review</li> </ul>	
<b>Contract Administration, Management and Completion</b>	<ul style="list-style-type: none"> <li>• Contract Administration</li> <li>• Contract Amendments</li> <li>• Contract Completion</li> <li>• Contract Termination</li> </ul>	
<b>Record Management</b>	<ul style="list-style-type: none"> <li>• Records management</li> </ul>	

The procurement process has been broken down into small steps, with each step providing the guideline for a specific process.



### **8.1: Procurement Initiation and Planning**

It is important to prepare procurement plan. It can be an annual plan or any other period deemed appropriate by RAC.

### **8.2: Procedures for procurement planning**

The procurement unit shall be responsible for:

Preparing and consolidating RAC procurement plan. It shall obtain the departmental work plans that contain the various activities to be carried out by the department and the budget.

Compile the various goods, works, consultancy services and other services that will be required by the user department;

Indicate in which period during the financial year the particular goods, works, consultancy services or other services will be obtained;

Indicate the source of funding for the items required;

Send the departmental procurement plans to the respective units for their verification before approval of the procurement plan for implementation.

### **8.3: procurement plan.**

User departments should send approved departmental needs to finance office to be captured in the Budget.

Every financial year or any other period deemed appropriate, Procurement office shall prepare a master procurement plan for all tenders to be processed during a specific period. The procurement plan shall be submitted to the Management for approval before its implementation. In case, acquisition of goods, works or a service is urgently required before approval of the procurement plan, Managing Director may authorize such acquisition. However, such tenders should not go beyond 20% of the tenders in the procurement plan.

The procurement plan may be revised/updated more than once in a year but not more than three times per year to suit current requirements of the procuring entity. Revision may include new activities, change of dates, reduction on the scope, change of the procurement method and any other changes as may be deemed appropriate by the procuring entity.

Procurement plan revision/update shall require approval of the management before implementation.

RAC should endeavor avoiding processing un-planned tenders. In circumstances where, there is an urgent need for acquisition of goods, works or services which are not planned for, a justification note indicating the level of urgency and consequences of not acquiring shall be prepared by the user office, approved by Managing Director and Director of finance to ascertain that funds will be availed for the payment of the contract. In such a case, the procurement process shall be initiated. Otherwise, the procurement process shall not be initiated.

#### **8.4: Procurement Requisitions**

All staff should ensure that procurement requisitions are prepared and approved by relevant authority before commencement of the procurement process. A procurement requisition may be a hard copy or an electronic one so as long as it has an approval from the relevant authority.

Requisition forms to be complied with by all staff should be the one approved by the management.

#### **8.5: Requisition approvals**

The requisition of the activity that is not in the approved procurement plan shall require obtaining an approval from the Managing Director or any other relevant authority as well as Director of finance ensuring that funds will be available.

All procurement requisitions shall be comprised of a copy of the budget where it exists, detailed description of goods, services or works to be procured. Requisitions shall be signed by the unit director, chief logistics, budget officer, Director of finance, Deputy Managing Director, the Managing Director, and submitted to procurement office for initiation of the procurement process. Procurement unit shall present procurement requisitions to the Internal tender committee for appropriate recommendations. Procurement unit has the right to reject a requisition that does not fulfil the above requirements.

#### **8.6: Documents comprising procurement requisitions:**

A requisition should be completed and passed to the Procurement Unit who should open a procurement file for the requirement. The requisition form should include but not limited to:

The name of the User Department raising the requisition and the contact name

A list of the goods, works or services required, including technical specifications, quantities and units of measure or terms of reference depending on the type of procurement to be initiated.

The location for delivery or performance of the goods, works or services;

The date or dates for delivery, completion or performance of the goods, works or services;

Confirmation of availability of funding. Finance office should be part of signatory on the requisition to confirm availability of funds.

Confirmation that the items were not available from stores, where appropriate; and

Approval to proceed with the procurement.

A copy of the available budget should always be attached on the requisition by the end- user for it to be approved.

### **8.7: Developing technical specifications for Goods**

The specifications shall define the technical characteristics and quality standards of the goods required by the procuring entity. Well prepared specifications will facilitate the preparation of bids by bidders and the evaluation of bids.

The description of technical specifications should be prepared at the stage of preparing a procurement requisition and should be an attachment to the procuring requisition and duly signed by he/she who prepared it.

The specifications document is a key document, which is used throughout the procurement process. It is used to:

Informs the Procurement Unit and the Internal Tender Committee what the User Department needs to procure in details.

Inform bidders of the procuring entity's requirements through inclusion in the bidding document or any other form of document issued to the bidder.

Provides the technical standards against which bids are evaluated;

Form part of the contract, defining the goods to be supplied; and

Set the technical standards against which the goods supplied can be inspected prior to acceptance.

Avoids substandard supplies and hence enhances value for money.

Where required, RAC shall seek technical advice from external specialists/consultants in preparing specifications/ToRs where there is no availability of technical skills internally for developing technical specifications/ToRs for the required goods, works or services.

A specification shall contain a complete, precise and unambiguous description of the supplies required and shall include, where appropriate:

A clear definition of the scope of the proposed purchase;

The purpose and objectives of the proposed purchase;

A full description of the requirement;

A generic specification to an appropriate level of detail;

A functional description of the qualities, including any environmental or safety features required of the subject of the procurement;

Performance parameters, including outputs, timescales, and any indicators or criteria by which the satisfactory performance of the specification can be judged;

Dimensions, symbols, terminology, language, packaging, marking and labeling requirements; and any other relevant standards.

In circumstances where an item cannot easily be described, use of samples should be acceptable. In such cases, all the potential suppliers shall be availed a uniform opportunity to examine the sample before submitting their offers.

No specification shall be issued with reference to a particular trademark, brand name, patent, design, type, specific origin, producer, manufacturer, codes or numbered item, except where, for compatibility purposes or, the purchase has to be made from the previous vendor. (For example, in the case of procurement of compatible spare parts). In cases where there is no any other way of describing an item other than refereeing to the above prohibitions, the word “or equivalent” should be added in order for the procurement process to be accommodative.

## **8.8 Delivery Schedules**

The delivery schedule should specify the delivery period and place for each of the goods. Where any related works or services are included, the delivery schedule should also state the completion period of the related works or services and the site. In preparing the delivery schedule, the following guidance should be taken into account:

The delivery and completion periods shall be realistic. Unrealistically short delivery or completion expectations may result in restricted competition or may prompt complaints from prospective bidders. The contract should specify if partial delivery is acceptable or not. If the contract does not allow partial delivery, receiving unit should also not accept partially delivered goods.

The delivery and completion periods are best expressed as a number of days, weeks or months from the date of contract award, as precise dates cannot be determined until the contract has been placed.

The delivery period should take into account whether the procurement is of standard, readily available goods or goods which are likely to be manufactured.

The delivery period shall take into account whether the goods are likely to be available in Rwanda or require importing. Where the goods are likely to be sourced internationally, the location of the goods and likely transport times should be considered while determining delivery period.

In circumstances where contract execution has been delayed beyond contract delivery period agreed upon in the contract due to reasons not caused by RAC, liquidated damages of 1/1000 for the total contract value shall be applicable per day of delay. For framework contracts, 1/1000 shall be applicable on the total cost of the local purchase order.

Liquidated damages shall not go beyond 10% of the total contract value or LPO amount. Beyond this period, the contract may be terminated on discretion of RAC. Once the contract is not terminated, penalties will continue to accrue until full delivery

#### **8.9.1 Composition of the reception committee**

The committee for reception of goods, works or services completed, shall comprise of members from Procurement unit, tender committee, end-user department.

#### **8.9.2 Procedure for receiving goods, works and services**

The committee shall receive the request for reception or hand over and take time to analyze all the documents involved.

### **8.10. Reception and approval of goods, works and services**

#### **8.10.1 Reception of Goods**

The reception committee shall analyze the Contract and its addendums if any, tender document, bid, guaranties, delivery note, list of the items supplied and its authenticity against technical specifications and other correspondences if any.

#### **8.10.2 Reception of works**

The reception committee shall analyze the Contract and its addendums if any, tender document, bid, guaranties, quality of works executed against the bills of quantities and other correspondences if any. The committee may conduct site visit if applicable and may recommend for good completion of contract if the contract was completed successfully.

#### **8.10.3 Reception of services**

The reception committee shall analyze the Contract and its addendums if any, request for proposal, proposal, quality of reports against terms of reference and other correspondences if any.

## **8.11: Preparing Terms of Reference for Services**

### **8.11.1: ToR for non- consultancy Services**

The ToR shall provide sufficient information to enable bidders to understand the services required by RAC and shall be complete, precise and clear. Well-prepared terms of reference will facilitate the preparation of bids by bidders and the evaluation of bids by RAC evaluation team(s). The precise contents of the ToR will be determined by the individual assignment, but shall include the following details, where applicable:

The purpose/objective of the assignment and what it is expected to achieve;

A description of the scope of the services required;

The location or locations for performance of the services e.g. specify the address, where services are to be performed on RAC's premises;

The role, qualifications and experience of any key staff required;

The duration of the contract or expected completion date;

The hours of work or hours when the service provider will have access to the site;

An estimate of the amount or value of work involved, where the scope of the services cannot be precisely defined e.g. repair and maintenance services for generators for a one-year period;

Any facilities, services or resources to be provided by RAC to the service provider;

Any particular equipment to be provided by the service provider

Any required performance targets or response times e.g. routine repairs must be completed within 3 days;

Arrangements for reporting to RAC, including lines of communication and the contact point for management and administration of the assignment;

Any other details or requirements relevant to the assignment.

### **8.11.2: ToR for Consultancy Services**

The ToR shall provide sufficient information to enable bidders to understand the services required by RAC. They shall be complete, precise and clear, but shall not be over-prescriptive, where the success of an assignment is largely dependent on the skills and experience of the consultants. Well prepared ToR will facilitate the preparation of proposals by consultants and the evaluation of proposals.

The precise contents of the terms of reference will be determined by the individual assignment, but shall include the following details, where applicable.

The background to the assignment, including details of any larger project which the assignment will be part of;

The objectives of the assignment and what it is expected to achieve;

A description of the scope of the services required;

The specific deliverables required, such as study reports and recommendations, software, databases, bidding documents, drawings, specifications, maps, software, training materials etc and the dates by when they are required;

Requirements for the transfer of knowledge or training programs where applicable

The role, qualifications and experience of any key staff required;

The period of the assignment and expected completion dates;

Any facilities, services or resources to be provided by RAC, including any counterpart staff;

Arrangements for reporting to RAC, including lines of communication and the contact point for management and administration of the assignment;

A schedule of any reports required, including inception, progress and final reports;

Any other details or requirements relevant to the assignment.

### **8.12: Documents/Records Required**

A copy of the ToR must be attached to the procurement requisition form, which shall be kept on the procurement file. The User Department shall retain a copy of the requisition and ToR for their own reference.

The User Department shall send the complete Procurement Requisition approved by the MD to the Procurement Unit.

The Procurement Unit shall then proceed to select the appropriate procurement method and conduct the bidding process.



## **CHAPTER 9: PROCUREMENT METHODS**

### **9.1: Open Competitive Bidding method**

Open National Competitive Bidding (NCB) is a procurement method which is open to participation on equal terms by all providers through advertisement of the procurement opportunity in the national widely read newspapers. Open domestic bidding shall be used to obtain maximum possible competition and value for money. Nothing shall prevent a foreign or international bidder from participating in open National Competitive bidding

Open international Competitive bidding (ICB) is the procurement method which is open to participation on equal terms by all providers, through advertisement of the procurement opportunity in the international newspapers, magazines, journals, websites and which specifically seeks to attract foreign providers. Open international competitive bidding is used to obtain the maximum possible competition and value for money, where national providers may not necessarily make this achievable.

The procurement of Goods/works/services above one million (1,000,000 Rwf) shall be carried out in accordance with open competitive bidding. However, according to the nature and conditions of the tender, RAC may have recourse to other procurement methods in accordance with the provisions of this Manual. However, due to emergency situations, request for quotation, single source or restricted tendering may be opted irrespective of the cost. Goods, works or services that are not readily available on the local market, RAC may use international open competitive method if the goods, works or services are not urgently needed.

### **9.2: Restricted tendering method**

Restricted national or international bidding is the procurement method where bids are obtained by direct invitation without open advertisement. Restricted national or international bidding is used to obtain competition and value for money to the extent possible, where the value or circumstances do not justify or permit the open bidding procedure. The list of firms to which ITB letters shall be sent to shall be more than one bidder and shall be approved by ITC before invitation.

RAC shall proceed to use the restricted tendering method in the following conditions:

- a. For procurement of items available only from a limited number of suppliers or service providers;

- b. If the time and cost required to examine and evaluate a large number of bids would be disproportionate to the value of products;
- c. If the goods/works/services are of highly complex or specialized nature.
- d. If the tender involves security concerns, Airport security agents shall recommend more than one company and the tender committee will select one among the recommended companies to be awarded tender.

### **9.3: Request for quotations**

The quotation method is a simplified procurement method which compares price quotations obtained from a number of providers.

The quotation method shall be used to obtain competition and value for money to the extent possible, where the value or circumstances do not justify or permit open or restricted bidding procedures.

The quotation method shall be used in works, goods and services.

RAC may resort to request for quotations for the procurement of goods, services or works readily available on the market and have standard specifications. RAC may resort to request for quotations for the procurement of goods, services or construction works if;

The goods, works, or services required have not been captured in the existing annual framework contracts and yet are urgently required for smooth RAC operations. All end users should endeavour exhausting their requirements to avoid missing items in the contracts, otherwise adequate justifications shall be given by the end user before approval of such requests.

There is an unexpected event or circumstance that has arisen in RAC and may require immediate intervention.

The needed goods, service or works involve security concerns that require immediate intervention and recourse to Open competitive method may take longer.

If an open competitive method has been entered into and did not yield any results. For example, if there is no bidder after an open competitive method, if all bidders were not qualified for tender award, or if the contract has been terminated and there is a need for continuity of service without taking longer. However, there should be no deliberate actions for contract terminations or disqualifications of bidders intended to use a request for quotation.

The threshold for a request for quotation of works, goods, and services shall be 50 million Rwandan francs and below.

#### **9.4: Community participation.**

The beneficiary community may participate in the delivery of services if it is established that this method may contribute to the economy, create employment and enhance their involvement in the activities of which they are beneficiaries provided that RAC benefits value for money in this arrangement.

This shall be carried out by an award of a procurement contract to the beneficiary community by RAC and a contract shall be signed between the two parties specifying the obligations of each party.

RAC may organize the community participation where:

Assisted by local authorities, RAC organizes a meeting of the beneficiary community whereby the latter is informed of the activity, the scope of their participation and the benefit to the community in return;

During the meeting, the representative of RAC explains to the community the document containing obligations of both sides, the appropriate payment, the period after which participants shall be paid, payment modalities and any other details related to execution;

After the meeting the RAC establishes a list of community members committed to participate in works execution and everyone affixes the signature or fingerprint;

RAC requires the community to avail their representative in all communication and transaction processes of both sides;

RAC shall avail technical equipment needed for the execution and shall inform the community of ordinary equipment they should bring themselves for the execution;

For the supervision of works execution, RAC shall use its relevant staff and may hire a consultant to technically assist the community if needed;

With help of supervisors, every participant shall sign on daily basis in the register or on a card prepared for that purpose;

RAC shall pay participants and before execution every participant shall be required to provide her/his full identification and if necessary her/his bank account where the payment may be deposited;

In cases where RAC is unable to organize the community participation, it shall delegate another public body capable to manage that activity like local leadership.

#### **9.5: Direct Purchase**

Items whose value does not exceed 1,000,000 Rwf shall be procured through direct purchasing. For such goods, payments shall be done without going through tendering process and tender committee approvals.

#### **9.6: Single-source procurement**

RAC may procure works, goods or services by soliciting a bid, proposal or a price quotation from a single qualified bidder. Single source procurement method shall as much as possible be discouraged and shall be done on core business of the airport more especially supplies, services or works that involve security elements. It may be used in such circumstances as listed below:

Supplies (spare parts, accessories or in whole) that are subject to an industrial property, that is protected by patent rights with proof thereof.

The use and/or utilization of supplies that are conditioned by the specificity or technical compatibility of equipment available in the RAC;

In case of proven deficiency (failure) of the successful bidder, the nature of emergency of procurement may require to do so. This may relate but not limited to failure to sign the contract, failure to submit a performance security or failure to reach a consensus in the negotiation of a contract otherwise whose signature would lead to financial loss for RAC.

In case of termination of the contract by either party or withdraw by the supplier from a procurement contract the nature of emergency of procurement may require to do so. Unforeseen circumstances (force majeure) without dilatory conduct on RAC's part may also lead to single sourcing.

Specific purchases or contracts which are urgently required to have immediate impact on improving the quality care and the physical environment of an airport to meet the public's expectations,

Used for additional works, goods and services not exceeding 30% of the initial tender/contract value when they cannot be technically separated from the initial tender. The additional works, goods and services shall be subject to an additional contract as an addendum.

Purchases from a sole manufacturer or Authorized representative of the manufacturers for supply, installation and maintenance of specialized equipment with proof thereof.

Procurement of supplies or spare parts or maintenance of security equipment's, single source method may be applicable from a manufacturer or its authorized representative in situations where a specific equipment is preferred for security reasons.

If the required goods are made in Rwanda, RAC may resort to single source in order to promote buy made in Rwanda programme when the required item is made by a sole manufacturer in Rwanda.

In case an open competitive bidding has been engaged in more than once and no response was received from prospective bidders or tender (s) has been legally cancelled, the nature of the emergency may lead to single source procurement.

In cases where it is established that, single sourcing direct from the manufacturer is more advantageous in terms of cost, time or quality.

#### **9.6.1: Approvals for single source:**

All tenders with a value above 1,000,000 Frw but less or equal to 400,000,000 Million shall be approved by RAC senior management upon justification note from user department.

From Frw 400,000,001 Frw and above approval shall be sought from RAC Board of Directors through appropriate easiest means.

The user department shall make a justification note for single source indicating why a given bidder should be selected for a particular tender and shall also provide technical reasons. The justification note shall be submitted to the Internal Tender Committee for determination.

RAC ITC shall meet to assess the justification note and make appropriate recommendations thereof. All justifications with procurement requisitions shall be approved in accordance with the provisions of this manual.

### **9.7: Selection Methods for Consultancy Services**

RAC shall, in order to select the Consultant, use one of the following procedures:

Quality and Cost Based Selection – QCBS (Method of Default). Other methods shall be used as an exception in situations where QCBS is impractical

#### **9.7.1 Expression of interest and Short listing**

RAC shall call for expressions of interest by publishing a notice in a national or international newspaper of wide circulation or professional journal in order to establish a short list of consultants from whom an RFP is issued.

However, consultancy services whose value does not exceed One Hundred Million (100,000,000 Frw) Rwandan Francs shall be awarded without calling for expression of interest.

#### **9.7.2: Selection Methods for Circumstances Pertaining Other Consultant Selection Methods.**

<b>METHOD</b>	<b>USED</b>
<b>Quality Based Selection (QBS)</b>	<ul style="list-style-type: none"> <li>▪ for complex or highly specialized assignments where precision of ToR is difficult</li> <li>▪ where the procuring entity expects consultants to demonstrate innovation in their proposals</li> <li>▪ Assignments that can be carried out in substantially different ways, such that proposals will not be comparable.</li> <li>▪ Assignment that have high downstream impact and in which the objective is to have the best expertise.</li> </ul>
<b>Least Cost Selection (LCS)</b>	Assignments of a standard or routine nature where there are well established practices exist e.g. audits, and other non-complex assignments where well established standards exist.
<b>Fixed Budget Selection (FBS)</b>	<ul style="list-style-type: none"> <li>▪ RAC shall use this method when assignment is simple and can be precisely defined</li> <li>▪ when budget is fixed</li> </ul>
<b>Consultants Qualification</b>	For small assignments for which the need for preparing and evaluating competitive proposals is not justified. This method shall apply to small assignments for which the cost of a full-

METHOD	USED
Selection (CQS)	<p>fledged selection process would not be justified. Under CQS, RAC shall first request for expressions of interest and qualified information relating to the experience and competence of the consultants relevant to the assignment. RAC shall evaluate the information, establishes a short list, and then select the firm with the best qualifications and references. The selected firm is sent the RFP (including the TOR), asked to submit technical and financial proposals, and invited to negotiate the contract if the technical proposal proves acceptable.</p> <p>The CQS method can substantially reduce the process cost for RAC and the consultants, as well as the time needed to hire a consultant. This selection method is particularly suitable when the past qualifications and experience of the consultant are crucial to the choice while the technical proposal itself is not likely to reveal much additional or decisive information on the suitability of the consultant for the proposed assignment.</p>
INDIVIDUAL CONSULTANT (IC)	<ul style="list-style-type: none"> <li>▪ when teams of personnel are not required</li> <li>▪ No additional outside professional support is required</li> <li>▪ when experience and qualifications of the individual are the paramount requirement</li> <li>▪ advertisement for seeking expression of interest is encouraged by the RAC, however RAC may collect CVs from resource persons but not less than three(3).</li> </ul>

The formula for determining the financial scores is the following:

$S_f = 100 \times F_m / F$ , in which  $S_f$  is the financial score,  $F_m$  is the lowest price and  $F$  the price of the proposal under consideration.

The weights given to the technical and Financial Proposals are:

T=\_\_\_\_\_ [Normally between 0.7 and 0.9], and P=\_\_\_\_\_ [Normally between 0.1 and 0.3]

## 9.7: Thresholds for Determining Procurement Methods to use

The selection of an appropriate procurement method shall be guided by the thresholds as provided below: However, there are other circumstances which determine the application of a particular method other than the thresholds in accordance to the provisions of this manual

Procurement Method	Situation under which the method shall be used	Threshold (RWF)
Open Competitive Bidding	<ul style="list-style-type: none"> <li>• For both national and international Competitive Bidding</li> </ul>	Above one million (1,000,000) Frw.

	<ul style="list-style-type: none"> <li>• Shall be the method of procurement by default/preferred method</li> </ul>	
Restricted Bidding	<ul style="list-style-type: none"> <li>• For procurement of items available only from a limited number of suppliers or service providers;</li> <li>• If the time and cost required to examine and evaluate a large number of bids would be disproportionate to the value of products;</li> <li>• If the goods/works/services are of highly complex or specialized nature.</li> <li>• If the tender involves security concerns, Airport security agents shall recommend more than one company and the tender committee will select one among the recommended companies to be awarded tender.</li> <li>• The rest refer to the conditions for using required method</li> </ul>	Value above one million (1,000,000) Frw
Request for Quotation or Proposal	<p>When goods, services or works readily available on the market and have standard specifications.</p> <p>When goods, works, or services required have not been captured in the existing annual framework contracts and yet are urgently required for smooth RAC operations.</p> <p>When there is an unexpected event or circumstance that has arisen in RAC and may require immediate intervention.</p> <p>When needed goods, service or works involve security concerns that require immediate</p>	From one million and one franc to five million (1,000,001) Frw to (50, 000,000 M) Frw



	<p>intervention and recourse to Open competitive method may take longer.</p> <p>When an open competitive method has been entered into and did not yield any results.</p> <p>When contract has been terminated and there is a need for continuity of service without taking longer.</p>	
Direct Purchasing	<ul style="list-style-type: none"> <li>• Goods/services/works of the small amount</li> <li>• Readily available on the Local Market</li> <li>• Urgent and unplanned need</li> </ul>	From 1 frw to 1,000,000 frw
Single sourcing	<ul style="list-style-type: none"> <li>• Refer to conditions of single source referred above in 9.6.</li> </ul>	Value above 1,000,000 M Frw
Community participation	Refer to conditions of community participation above in 9.4.	No threshold imposed

### 9.8: Time line for advertisement per procurement method

Procurement Method	No of Minimum days
Request for Expression of Interest – National	14
Request for Expression of Interest – International	21
Request for Proposals - National	14
Request for Proposals - International	21
International Competitive Bidding (ICB)	30
National Competitive Bidding (NCB)	20
Restricted Tendering (International)	14
Restricted Tendering (National)	7
Request for Quotation	3

#### 9.8.1. Preparing an Invitation to Bid Notice

All staff members shall comply with the following general principles:

There shall be transparency in the preparation of invitation to bid.

Invitation to bid (or pre-qualify) notices will be published mainly to attract the widest possible competition, which shall assist RAC in obtaining value for money.

### **9.8.2. Responsibility**

The procurement unit shall be responsible for the preparation of the invitation to bid or pre-qualify notice which shall be part of the bidding document

### **9.8.3. Procedures**

Complete all required information using the standard notice format in the standard bidding document and submit it to the Managing Director or any other authorized person with the mandate to approve the tender document for approval before publication.

The invitation to bid notice must include at least the following information:

The name and address (physical and postal) of RAC

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 purchase of the bidding documents and the currency and means of making payment

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 any,

Instructions on the location and deadline for submission of bids.

Instructions on the location and deadline for submission of applications to prequalify.

### **9.8.4. Price of Bidding Documents**

RAC 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. In determining whether to charge a fee and the fee to charge, RAC shall 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.

The minimum cost of the bidding document is one hundred (100 Rwf) per page. The cost may be increased considering factors mentioned above.

#### **9.8.5. Documents/Records Required:**

A copy of the published invitation to bid or pre-qualify notice, must be retained on the procurement file.

Proceed to draft a bidding document or request for proposals document.

#### **9.8.6. Drafting a Bidding Document or Request for Quotation**

The bidding document shall be in compliance with the standard bidding documents as provided by the RAC procurement user manual. RAC shall have its own customized standard bidding document

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

- The precise description of the goods, works or services required;

- The rules for the bidding process;

- The evaluation criteria and method which will be applied;

- Any qualification criteria which will be applied; and

- The type and conditions of the proposed contract.

#### **9.8.7. Responsibility**

The procurement unit is responsible for drafting the bidding document or request for proposals in consultation with the user department which raised the requisition. The internal tender committee shall give its advice on the tender document before its publication or approval by the MD or any other authorized person.

The procurement unit is responsible for obtaining approval from Managing Director or any other authorized person before publication of tender notice or issuance of the tender document to prospective bidders.

#### **9.8.8. Procedures**

The preparation of the bidding document shall be done by the procurement unit and seek for inputs from end-user department mainly regarding technical specifications, terms of reference or Bills of Quantities where necessary.

Complete the Bid Data Sheet with details of the bidding process e.g. the bid closing date, the address for submission, the evaluation criteria to be applied, any qualification criteria to be applied etc. The Bid Data Sheet modifies the Instructions to Bidders – the text of the Instructions to Bidders must NOT be modified;

Complete the Special Conditions of Contract with the conditions which will apply to the contract e.g. payment terms, delivery/completion period, warranty, liquidated damages.

The Special Conditions of Contract modify the General Conditions of Contract – the text of the General Conditions of Contract must NOT be modified.

The contract form shall be left blank for inclusion in the bidding document, as these details can only be completed when the successful bidder has been decided.

Submit the draft bidding document, and related documents, to the Managing Director or any other authorized personnel for approval.

The bidding documents shall be written in English only.

#### **9.8.9. Contents of the Bidding Document:**

The Bidding Document shall include sufficient details so as to ensure fair competition for all those wishing to submit their bids. It shall include among the following:

Goods, services and works to be subject to procurement and the delivery time limits;

The general and specific conditions governing the contract including the performance security which shall be submitted before the contract is signed.

The reference number assigned to the tender by RAC for the purpose of procurement procedures;

Statement of requirements

Instructions for the preparation and submission of tenders including the following:

The bid form;

The number of copies to be submitted with the original bid;

The bid security to be submitted, if any, and its nature as well as the amount of such a security.

The bid security shall be determined as follows:

- 2% for tenders whose value is estimated to be less than One Hundred Million (100,000,000 Frw)

- Between 1.5% and 2% for tenders whose value is estimated to be between One hundred Million and five hundred Million (500,000,000 Frw)
- Between 1% and 1.5% for tenders whose value is estimated to be between five hundred Million (500,000,000 Frw) and One Billion (1,000,000,000 Frw)
- Between 0.1% and 1% for tenders whose value is estimated to be above One Billion(1,000,000,000FRw)

For frame work contracts, RAC shall determine a lump sum amount for the bid security  
Qualification evidence provided by the bidder;

An explanation of where and when bids shall be submitted,

A statement that the opening session can be attended by those bidders wishing to attend,

A statement indicating the bid validity period;

A statement indicating the period for price steadiness;

A statement of the variability of stated indicative quantity;

The procedures and criteria for bids evaluation and comparison;

A statement that RAC may cancel the bid at any time before the signing of the contract without bearing any consequences thereof

Bidding documents must be drafted using the appropriate standard bidding document as provided by the procurement laws of Rwanda and customized to RAC business nature. A copy of the approved bidding document must be retained on the procurement file.

#### **9.8.10 Issuing Invitation Documents**

This guideline provides the procedure for the physical issue or sale of bidding documents to bidders and keeping records of the documents issued. The instruction applies equally to the issue of other invitation documents, such as Request for Proposals and Request for Quotations documents.

Bidding and other invitation documents shall be issued or sold promptly, to provide bidders with sufficient time to prepare and submit their bids. Delays in issuing bidding documents may result in reduced competition. Bidding document shall be readily available for issuance on the same day of the tender publication.

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

A record of all documents issued shall be kept for future reference in line with procurement purpose.

### **9.8.11. Procedures for issuance of invitations to bid**

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 issuance of documents. An invitation to bid by a request for quotation method, all invited bidders must not appear on the same invitation letter for transparency and enhancement of competition. Each bidder/company shall receive its own invitation letter.

Where an invitation to bid or pre-qualify notice is being published, bidders may request to preview the documents prior to purchase. Arrangements must be put in place to permit pre-views, at the address and time stated in the published notice. RAC Procurement staff in charge shall ensure that sufficient copies of the bidding document will be available by the date of publication of the first notice.

The bidding document for RAC shall be uploaded on its website for consultation by all prospective bidders. A statement that the bidding document is available on the website shall be inserted in the tender notice. All interested bidders shall download the bidding document from the website to prepare their bids. Alternatively, bidders may pick bidding documents from procurement office. Proof of payment of the tender document shall be one of the documents comprising the bidder's bid.

All requests from prospective bidders regarding accessibility or any other information of the tender document should be responded to by procurement office with copy to the ITC Members.

Where requests for clarifications are needed by bidders during the bidding process, responses shall be given in due time indicated in the bidding document and responsibility for response to all bidders is for the procurement office. Where necessary, procurement office shall correct any useful information from concerned office to enrich its response to the bidders.

Any clarification given to the bidder shall also be given to all bidders participating in the same bidding process in cases where such bidders are known before submission of their bids

### **Section 10: Pre-bid Meetings and Site Visits**

This guideline provides the procedure for managing pre-bid conferences (if required), where RAC 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 are to be performed.

Pre-bid meetings are facilitated by ITC in conjunction with the end-user where required

Pre-bid meetings 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 meeting or site visit may offer the following benefits:

RAC is able to provide additional information to bidders, ensuring that all bidders receive the same information;

bidders are assisted in preparing bids which shall be based on more detailed and accurate information, responsive to RAC's needs and less likely to include reservations, conditions or caveats;

RAC 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 RAC's requirements, is reduced.

### **10.1. Procedures**

Consider the need for a pre-bid meeting or site visit at the procurement planning stage and include details of the location, date and time in the bidding document and any invitation to bid notice. They shall 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 meeting and a site visit are to be held, they shall be arranged to coincide wherever possible, particularly where international bidders are likely.

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 meeting etc.

Procurement unit to brief all staff involved on the procedure for the pre-bid meeting and/or site visit, including the responsibilities of each staff member and anticipated questions and answers.

The management of any site visit will be determined by the nature and size of the site and the type of procurement envisaged. Bidders shall be given a tour of the site and allowed to view any facilities which are being provided by RAC for a particular tender.

Record full details of the pre-bid meeting and/or site visit.

Following completion of the pre-bid meeting 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 meeting. The record issued must include all questions raised and the formal clarifications issued.

Where necessary, issue a formal modification of the bidding document and/or extension to the bidding deadline.

Only bidders who participated in pre-bid meeting or the site visit shall be allowed to participate in the bidding process. Those who did not participate will be eliminated from evaluation stage.

#### **10.2. Documents/Records Required:**

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

The date, time and location of the pre-bid meeting and/or site visit;

A list of all persons who attended, including both RAC staff and bidders;

A list of all questions asked and the responses given;

Any other information provided to bidders.

#### **Section 11: Handling Bidder Clarifications, Modifications and Extensions**

This procedure establishes procedures for responding to bidder clarifications, issuing modifications to a bidding document and granting extensions of the bid deadline (s).

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

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

In principal, bidder clarifications, modifications and extensions to the bid deadline shall not be required. 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. deadlines for requests for clarifications from bidders shall be set in the bidding documents but in any case shall not be less than seven days before the deadline for bids submission.

All clarifications to bidders, modification to the tender document or deadline extensions shall be done by the procurement unit after obtaining all necessary information from the user office or any other relevant office.

### **11.1: Procedures**

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 RAC'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 bidding 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.

Agree on the appropriate response to the request for clarification, or agree any modification that RAC considers necessary. Consult with the user department, or technical specialist, where appropriate.

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 shall be given.

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.

Clarifications to bidders shall be done either through a formal letter or through an email depending on the mode the request was submitted. If it was through a formal letter, the response shall be through the formal letter and vis versa.

Issue the same clarification, modification or extension to all bidders at the same time, keeping a record of its issue. Where a pre-bid meeting is to be held, formal issuance of the clarification, modification or extension may be delayed until after the pre-bid meeting.

However, RAC must still prepare the clarification, modification or extension, as information will need to be provided at the pre-bid meeting and a formal clarification, modification or

extension must be issued after the meeting. Before the expiry of the submission deadline specified in the bidding document, RAC through the procurement unit may, for any reason, at its own initiative or upon request by the bidders, extend the period of the preparation of bids. If this extension has been given, ensure that arrangements for the receipt of bids and any public bid opening are revised. Such extension shall be notified to all bidders.

### **11.1.2. Receiving Bids**

This guideline provides a standard operating procedure for the receipt of bids, the time of the deadline and safe-keeping of bids until the time for bid opening.

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

It ensures that submitted bids are kept unopened until the time for the public bid opening, to promote fair competition;

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.

All bids shall be addressed to procurement unit. The statement that requires bidders of this requirement shall be inserted in the tender notice.

### **11.1.3: Responsibility**

The procurement unit will manage the receipt of bids, the closing of bid submission and shall be responsible for the safe-keeping of bids until they are delivered to the tender committee for opening.

### **11.1.4. Procedures**

Ensure that staff is available during normal working hours to receive and record the bids being submitted by the bidders.

Ensure that arrangements are in place for the receipt of other packages such as samples where required

Ensure that procurement staff has been nominated to manage the bid closing and that he/she knows the date and time of the closing. This staff must be at the location for bid receipt at least one hour before the time of bid closing.

Take the bids or other items which have been received to the location for the bid opening.

#### **11.1.5. Documents/Records Required:**

A record must be kept on the procurement file of all bids, or other items, which are received. Copies of all receipts issued to bidders must also be kept on the procurement file. At a minimum, receipts for bids submitted must include:

The name of the bidders;

The precise time and date of receipt of the bid;

The number of envelopes/packages received.

### **Section 12: Opening Bids**

Bids which have been received on time are opened publicly, in the presence of bidders, and summary details read out and recorded. Mainly, total bid price (where applicable), tax and Social security certificates and bid security shall be read out as well as proof of purchase of tender document.

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

Opening bids publicly helps to demonstrate that the bidding processes is transparent and increase bidders' confidence in the public procurement process;

Reading out prices shall avoid any disputes regarding price changes at a later date;

The formal procedure, which coincides with the bid closing, shall prevent late bids from being included in the evaluation.

#### **12.1. Responsibility**

The internal tender committee is in charge of bids opening. The procurement unit, or other staff, may be required to provide support to the tender committee at the opening.

#### **12.2. Procedures**

The bid opening committee shall be comprised of at least three (3) ITC members.

Bids shall be opened publicly in the presence bidders or their representatives who may attend at their own choice. Prior to the bid opening time, the procurement unit staff must ensure that appropriate resources, both physical and human, are available to manage the bid opening efficiently.

The person chairing the opening must ensure that all staff involved understand their respective roles in the procedure.

The chairperson shall welcome bidders to the opening and request them all to sign the record of attendance. He/she shall briefly explain the procedure which will be followed, which is normally opening of bids, reading out and recording of information by RAC, opportunity for bidders to ask questions, closing of meeting and removal of bids for safe-keeping and evaluation.

Bidders will choose amongst themselves their representative who will also initial on all pages of original bids and on minutes of bids opening. The reason for this representative is to counter verify and ascertain if what was read out is actually correct.

All bids shall be opened, one at a time, and the relevant details read out and recorded. Each original bid must always be initialed - page by page - by members of the bids opening committee immediately after the opening session and the representative of bidders.

Names and address for every bidder whose bid is opened, the amount of the bid as well as any other useful information shall be read out loud and recorded. Once this is completed, the chairperson shall allow bidders to ask questions if any

The chairperson shall close the bid opening meeting, reminding bidders that they must not seek to influence the evaluation and that the successful bid will be published in due course.

All bids shall be immediately taken to a place of safe keeping, until the evaluation team is ready to meet. Any bid securities must also be kept securely.

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.

### **12.3. 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, cello tape 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.

Sufficient procurement staff shall be on hand to ensure that the opening proceeds efficiently.

#### **12.4. Information to be Read Out:**

Information to be read out shall be as stated in the bidding document. This must include at least:

The name of each bidder;

The total price of each bid, stating the currency and amount where applicable.

Bid security amount and its currency

Revenue and social security certificates where requested

Proof of purchase of tender document.

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

#### **12.5. Questions from Bidders during bids opening session:**

Information given shall normally be restricted to that which is included in the bidding document. The tender committee officials shall seek to refer bidders back to the bidding document, rather than risk giving contradictory responses.

The officials managing the 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. Bidders can always be informed that the issues will be decided by the tender committee during evaluation.

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 shall reduce opportunities for bidders to seek to influence the evaluation.

#### **12.6. Documents/Records Required:**

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

The names of all bidders whose bids were opened;

The total prices of the bids read out; bid securities, Revenue and social security certificates

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;

Any withdrawals or modifications.

Copies of the report shall be distributed to bidders on request.

The Procurement unit shall ensure that all bids that were submitted before the closing time have been opened; and bids that arrived late are returned unopened to their respective bidders.

### **12.7. Opening proposals for consultancy services**

The outer envelope of bids which have been received on time are opened publicly, in the presence of bidders, to obtain the separate technical and financial proposals within. The technical proposals are also opened and summary details read out and recorded. Financial proposals are kept sealed until the technical evaluation has been completed. The financial proposal of bids proceeding to the financial evaluation is opened publicly at a separate bidding opening, at a date and time notified after the technical evaluation. Summary details, including technical scores and prices, are read out and recorded.

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

Opening bids publicly helps to demonstrate that the bidding processes is transparent and increase bidders' confidence in the RAC procurement process;

Reading out technical scores and prices at the financial opening shall avoid any disputes regarding changes of price or the evaluation results at a later date;

### **12.8. Procedures for Technical Proposal Opening:**

The bid opening committee shall be comprised of at least three (3) ITC members.

Bids shall be opened publicly wherein all bidders and prospective bidders shall be allowed to attend the opening session. Prior to the bid opening time, the procurement unit staff must ensure that appropriate resources, both physical and human are available to manage the bid opening efficiently.

The person chairing the opening must ensure that all staff involved understands their respective roles in the procedure.

The chairperson shall welcome bidders to the technical proposal opening and request them all to sign the record of attendance. He/she shall briefly explain the procedure which will be followed, which is normally opening of the opening of outer envelopes, opening of technical proposals, reading out and recording of information by RAC, opportunity for bidders to ask questions, closing of meeting and removal of proposals for safe-keeping and evaluation.

The outer envelopes of all proposals shall be opened, one at a time, the technical proposals within them opened and relevant details read out and recorded. With the exception of late proposals, the bid opening committee must not make any comments regarding the acceptance or rejection of any proposal. Any missing or incorrect documents shall be noted in the bid opening report, but not commented on. All original proposals shall be initialled on each page by the bids opening committee present as well as the nominated representative of bidders.

When all proposals received on time have been opened, read out and recorded, the chairperson shall allow bidders to ask questions.

The chairperson shall 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.

All technical proposals shall be immediately taken to a place of safe keeping, until the evaluation team is ready to meet. All financial proposals and any bid securities must also be kept securely.

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.

### **12.9. Procedure for Financial Proposal Opening:**

Ensure that all bidders whose proposals are proceeding to the financial opening have been notified of the time, date and location for the opening, at least three (3) working days prior to the opening.

Bids shall be opened publicly wherein all bidders and prospective bidders shall be allowed to attend the opening session. Prior to the bid opening time, the Procurement Unit staff must ensure that appropriate resources, both physical and human, are available to manage the bid opening efficiently

The person chairing the opening must ensure that all staff involved understand their respective roles in the procedure.

The chairperson shall welcome bidders to the financial opening and request them all to sign the record of attendance. He/she shall 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, opportunity for bidders to ask questions, closing of meeting and removal of financial proposals for safe-keeping and evaluation.

Read out the names of all bidders whose proposals are proceeding to the financial evaluation and their respective technical scores. The bid opening committee must not discuss these scores or the results of the technical evaluation in any way.

All original financial proposals shall be initialled on each page by the bids opening committee present.

Open the financial proposals, one at a time, and read out and record the relevant details. The bid opening committee must take note of any comments regarding the prices.

When all relevant financial proposals have been opened, read out and recorded, the chairperson shall allow bidders to ask questions.

The chairperson shall close the bid opening meeting, reminding bidders that they must not seek to influence the financial evaluation and that the successful proposal will be published in due course.

#### **12.9.1. Information to be Read Out at Technical Proposal Opening:**

Information to be read out shall be as stated in the Request for Proposals document. This must include at least:

The name of each bidder, including the names of all parties to a joint venture, consortium or association if any;

Any other details stated in the Request for Proposals document.



No additional information concerning any bid shall 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.

### **12.9.2. Information to be Read out at Financial Proposal 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 shall be read out; including discounts if any and taxes

### **12.9.3. Documents/Records Required:**

A bid opening report of both the technical and financial bids opening 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;

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;

The number of copies of the financial proposal received.

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

## **Section 13: Evaluation Procedures for Goods, Works and Services**

This guideline sets out general procedures for evaluating bid for goods, works and services. Evaluations will vary for goods, works, consultancy services and other services, but the evaluation method will always consist of three stages:

A preliminary examination, to eliminate bids which do not comply with the basic requirements of the bidding document and bidders who do not meet mandatory qualification requirements;

A detailed evaluation, to determine whether bids are substantially responsive to the technical and commercial requirements of the bidding document;

A financial evaluation to compare the costs of responsive bids and determine which is the successful bid and shall be recommended for award of contract.

The purpose of evaluation is to objectively assess and compare all bids received, using a pre-defined method and criteria in the tender document in order to determine the most successful bidder who shall be awarded a contract. A well conducted evaluation shall ensure that;

Competition is fair and that all bidders have an equal opportunity of winning the contract;

The goods, works or services under the contract are of appropriate quality and RAC get the best possible value for money.

### **13.1. Responsibility**

The tender committee has the overall responsibility for evaluation of bids; although this responsibility can be delegated to ad hoc evaluation team in cases where ITC Members cannot convene on justifiable reasons. The tender committee or otherwise delegated can obtain technical advice from the user department during the process of evaluation of offers. User department may also be part of the evaluation team in order to maximise on technical responsiveness of the bidder.

### **13.2. Procedures**

The evaluation team shall 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 team must apply the criteria as specified in the bidding document, and no new or varied criteria.

Conduct a preliminary examination and eliminate bids which do not pass the preliminary examination.

Conduct a detailed evaluation on the bids which passed the preliminary examination

Correct bids or seek clarification from bidders as required.

Conduct a financial evaluation on the bids which passed the detailed evaluation to determine the bidder with reasonable price.

Where required, conduct a post-qualification on the successful bidder. Post qualification criterion shall be indicated in the bidding document.

The evaluation of bids shall be conducted within the following time unless there are justifiable reasons to lead to delays. By all means, no evaluation shall go beyond forty-five (45) days from the date of bids opening. In case there are clear reasons to go beyond, RAC shall inform all bidders who participated in the tender of the reasons thereof with estimated more time to finish evaluation.

The evaluation and comparison of bids shall be conducted in a transparent manner and in respect of professional secrecy. The evaluation and comparison report shall bear signatures of all members of the evaluation team.

For the case of tenders funded by development partners and where specific provisions of agreement are applicable, the evaluation of bids shall be based on their rules, guidelines and regulations.

Procurement for government funded projects, RAC procurement manual guidelines shall be applicable.

### **13.3. Preliminary Examination**

The preliminary examination 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 examination can also be used to assess whether bidders meet the mandatory qualification requirements.

The preliminary examination 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 examination depend on the requirements and instructions of the bidding document, so the preliminary examination must always start with a review of the bidding document to list the requirements to be met. The preliminary examination might 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 bid;

Submission of all forms and documents required, including, in particular the bid submission form and any required price schedules;

Signature and authorization of the bid in accordance with the instructions in the bidding document, including any required power of attorney

Correct bid validity;

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 qualification requirements.

The evaluation team has the right to declare an evaluation criterion at the preliminary stage as a minor deviation and allow a bidder to proceed to the next stage provided that such determination leads to value for money and the missing document has no effect on the successful performance of the contract. Reasons for declaration of minor deviation shall be recorded in the evaluation report and agreed upon by the evaluation team.

#### **13.4. Technical Evaluation**

The detailed evaluation must only be conducted on bids which passed the preliminary examination. 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 other services.

#### **13.5. Determining Responsiveness**

In evaluating bids, the evaluation team is required to decide whether a bid is responsive (i.e. meets tender document requirements) or non-responsive (i.e. does not meet tender document requirements).

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 evaluators 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 other services in a substantial way; or

Would limit RAC’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 evaluators. 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 bidding procedures, depending on the particular requirements of each. However, decision on what constitute material and on material deviations must be applied consistently to all bids which are part of the same evaluation process.

In deciding whether deviations are material or not material, the evaluators shall consider the impact on key factors, such as cost, risk, time and quality of the procurement. At minimum, 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,

**13.6. Non-material deviations, reservations or omissions may include :**

Minor differences in delivery or completion schedules, where time is not critical;

The omission of minor terms of contract

Arithmetic errors;

Missing administrative documents which if the bidder is rejected may lead to a substantial financial loss to RAC and in the determination of evaluators such missing documents have no performance impact on the contract

Where a bid is determined to be substantially responsive, the evaluator may waive, clarify or correct the non-conformity, error or omission in the bid.

### **13.7. Bid Clarifications from Bidders and Corrections**

Where information contained in a bid is unclear, the evaluators may seek clarification of the information from the bidder before conclusion of the evaluation report. Clarifications cannot be used to amend the price of the bid (with the exception of the correction of arithmetical errors), to correct material deviations or to make other significant changes to any aspect of the bid. This implies that, clarification from the bidder does not have to change the content of the bid.

Requests for clarifications 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 the bid includes non-material deviations, errors or omissions, the evaluators may choose to accept or to correct them. In order to make the evaluation fair to all bidders, the non-conformity shall be quantified and expressed in monetary terms, wherever possible, this amount shall then be added to the bid price, for purposes of the financial evaluation only, to reflect the price or cost of the missing non-conforming item. Where a bid for goods does not include the price of a spare part or consumable item, the price of the missing item shall be added to the bid price, using the highest price for the same item from the other bids.

where a bid includes a slightly later delivery date than required by the bidding document and this delay is not acceptable to RAC, the late delivery could be quantified and expressed in monetary terms, using the monetary penalties for liquidated damages contained in the draft contract. The calculated cost shall be added to the bid value for the bidder whose bid included a late delivery for evaluation purposes only.

### **13.8. Financial Evaluation**

The financial evaluation must only be conducted on bids which were determined to be substantially responsive during technical evaluation and other commercial terms and conditions.

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 shall be commended 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:

Correct any arithmetic errors

Apply any non-conditional discounts offered by bidders.

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;

### **13.9. Arithmetic Errors**

In conducting a financial evaluation, arithmetic errors shall be corrected by the evaluators. The procedure for correcting arithmetic errors is normally stated in the tender document.

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

If there is 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 evaluators there is an obvious misplacement of the decimal point in 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 shall be notified in writing of any arithmetic corrections made and requested to agree to the corrections in writing.

#### **13.9.1. 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 shall be taken into account in the evaluated price of the bids.

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

### **13.9.2. Time lines for bid evaluation.**

The evaluation of bids shall be conducted within the following time lines after the bids are opened unless there are justifiable reasons to lead to delays:

A period not exceeding 45 days for open international tenders;

A period not exceeding 45 days for open national competitive bidding

A period not exceeding 21 days for restricted international tenders.

A period not exceeding 21 days for restricted national tenders

A period not exceeding 7 days for request for quotations

A period not exceeding 7 days for single source

### **13.9.3. Requesting Extensions to Bid Validity.**

The bid validity period requested in the bidding document shall normally be sufficient to enable RAC to undertake the evaluation, obtain MD's approval and place a contract. Therefore, extensions to the validity of bids shall not normally be required.

Where an extension to the validity of bids is required, all bidders shall be requested in writing to extend the validity of their bids for an additional specified period of time. This request shall be issued in 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.

### **13.9.4. Documents/Records Required**

The approved evaluation report, and all supporting documents used in conducting the evaluation, shall be kept on the procurement file.



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

The evaluation report shall 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 evaluations;

The price of each bid read out at the bid opening;

The evaluated price of each bid, following any correction of 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;

Results of any post-qualifications where applicable.

#### **Section 14. General Evaluation Procedures for Consultancy Services**

This guideline sets out general procedures for evaluating proposals for consultancy services. It must be read in conjunction with the relevant procedures for the particular evaluation method to be used, which will be either: Quality and cost based selection (QCBS); Quality based selection (QBS); or Least cost selection (LCS), fixed budget or selection based on consultant's qualifications.

Precise evaluation procedures vary between the different methodologies, but all consist of three stages:

A preliminary examination, to eliminate proposals which do not comply with the basic requirements of the request for proposals document and bidders who do not meet mandatory qualification requirements;

A detailed evaluation, to determine whether proposals are responsive to the terms of reference in the request for proposals document, to assess the relative quality of the

proposals, using a scoring system and to determine which proposals shall proceed to the financial opening and evaluation;

A financial evaluation to examine the prices of the proposal or proposals and determine which is the successful proposal and shall be recommended for award of contract.

The purpose of evaluations for consultancy services is to assess and compare all proposals received, in an objective manner, using a pre-defined method and criteria, in order to determine the most successful bidder, who shall be awarded a contract. A well conducted evaluation for consultancy services shall ensure that:

Competition is fair and that all bidders have an equal opportunity of winning public funded contracts;

The consultant selected has appropriate staff and experience to successfully perform the services; and

The consultancy services to be undertaken shall offer RAC with an appropriate balance of quality and cost, depending on the objectives and circumstances of the procurement requirement.

#### **14.1. Responsibility**

The tender committee (or otherwise delegated to the evaluation team) has the overall responsibility for evaluations, but may invite another staff to assist in awarding scores to each proposal. These will be staff with technical knowledge of the services and who are able to represent the user department of the services. In circumstance where there is no availability of technical skills within RAC to objectively evaluate a particular tender considering its complexity and impact on RAC, external skills may be sourced for assistance.

#### **14.2. Procedures**

Review the provisions specified in the request for proposals document and ensure that it is understood. Review and list the requirements, instructions, terms of reference and evaluation criteria specified in the request for proposals document, and the maximum number of points allocated to each criterion and ensure that these are clearly understood. Seek clarification from the person responsible for writing the request for proposals document, where necessary. The evaluation must apply the criteria and scores specified in the request for proposals document, and no new or varied criteria;

Conduct a preliminary examination and eliminate proposals which do not pass the preliminary examination;

Conduct a review of the terms of reference, the criteria and the maximum number of points for each specified in the request for proposals document and ensure that they are fully understood by all evaluators;

Conduct a detailed technical evaluation on the proposals which passed the preliminary examination, using the scoring system.

Conduct interviews if required.

Determine which proposal or proposals shall proceed to the financial opening and evaluation, according to the selection method;

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 financial proposals are to be opened of the date, time and location for the financial bid opening and conduct the bid opening.

Start the financial evaluation by determining the evaluated price of each proposal.

Complete the financial evaluation or combined financial and technical evaluation and determine the successful proposal.

Prepare an evaluation report for submission to MD for approval

Request bidders to extend the validity of their proposals at any point during this process if required.

### **14.3. Preliminary Examination**

The preliminary examination 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 time and effort spent in conducting a detailed evaluation. The preliminary examination can also be used to assess whether bidders meet the mandatory qualification requirements.

The preliminary examination 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 examination depend on the requirements and instructions of the request for proposals document, and therefore, the preliminary examination must always start with a review of the

request for proposals document to list the requirements to be met. As guidance only, the preliminary examination 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 authorization 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.

#### **14.4. Technical Evaluation using the Scoring System**

Technical evaluation must only be conducted on proposals which were determined to be substantially responsive during the preliminary examination.

The 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 scoring systems is as follows:

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

Each evaluator shall 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.

The secretary to the tender Committee 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;

The Tender Committee 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 shall be identified and evaluators may be called upon to explain their scores, at a meeting of all evaluators.

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 secretary to the tender Committee will collect and compile scores again and recalculate the average score for each proposal. The average score sheet shall be verified and signed by all evaluators.

The proposals which pass the technical evaluation and proceed to the financial evaluation are determined by the individual evaluation method.

#### **14.5. Recruitment of individual consultants**

Individual consultants shall be employed on assignments for which (a) a team of experts is 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.

Advertisement for seeking expressions of interest (EOI) is encouraged, particularly when the RAC does not have knowledge of experienced and qualified individuals or of their availability, or the services are complex, or there is potential benefits from wider advertising. It may not, however, be required in all cases and should not take place for small value contracts whose amount does not exceed ten million Rwandan francs (10,000,000 Rwf) for the entire contract.

All invitations for EOIs should specify selection criteria that are solely based on experience and qualifications. When firms are invited to propose individual consultants, EOIs shall clarify that only the experience and qualifications of individuals shall be used in the selection process, and that their corporate experience shall not be taken into account, and specify whether the contract would be signed with the firm or the proposed individuals.

Individual consultants are selected on the basis of their relevant experience, qualifications, and capability to carry out the assignment. They do not need to submit proposals and shall be considered if they meet minimum relevant requirements which shall be determined by RAC on the basis of the nature and complexity of the assignment. The selection shall be carried out through the comparison of the relevant overall capacity of at least three qualified candidates among those who have, directly or through a firm, expressed interest in the assignment or have been approached directly by RAC. Individuals selected to be employed by RAC shall be the most experienced and best qualified, and shall be fully capable of carrying out the assignment. RAC shall negotiate a contract with the selected individual consultant, or the firm as the case may be, after reaching an agreement on satisfactory terms and conditions of the contract, including reasonable fees and other expenses.

#### **14.6. Cost Estimate (Budget) for consultancy services**

Preparation of a well-thought-through cost estimate is essential if realistic budgetary resources are to be earmarked. The cost estimate shall be based on the RAC's assessment of the resources needed to carry out the assignment: experts' time, logistical support, and physical inputs (for example, vehicles, accommodation, equipment etc). Costs shall be divided into two broad categories: (a) fee or remuneration, and (b) reimbursable expenses, and further divided into foreign and local costs. The cost of experts' time inputs shall be estimated based on a realistic assessment of required international and national expertise. The RFP shall indicate the estimated level of experts' time inputs or the estimated total cost of the contract. Reimbursable expenses to be considered are those relevant to the assignment.

#### **14.7. Financial Evaluation**

The proposal or proposals proceeding to the financial evaluation will be determined by the relevant method 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 shall 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 method 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 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.

#### **14.8. Arithmetic Errors**

In conducting a financial evaluation, arithmetic errors shall be corrected by the evaluators. The procedure for correcting arithmetic errors is normally stated in the RFP and the procedure stated must be used.

Where no specific procedure is stated in the request for proposals document, the following procedure shall 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 evaluators 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.

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

#### **14.9. Requesting Extensions to Proposal Validity**

The proposal validity period requested in the request for proposals document shall normally be sufficient to enable RAC to undertake both the technical and financial evaluations. Therefore, extensions to the validity of proposals shall not normally be required.

Where an extension to the validity of proposals is required, all bidders shall be requested, in writing, to extend the validity of their proposals for an additional specified period of time. This request shall be issued in reasonable period 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.

#### **14.9.1. 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, must be kept on the file.

#### **14.9.2. Evaluating Proposal for Consultancy Services using QCBS**

This guideline provides the standard operating procedure for the evaluation of proposals for consultancy services, using the QCBS method.

The evaluation method for QCBS consists of three stages:

A preliminary examination, to eliminate proposals which do not comply with the basic requirements of the RFP document and bidders who do not meet mandatory qualification requirements;

A detailed technical evaluation to assess the quality of proposals, using a scoring system and to eliminate proposals which do not meet the specified minimum score;

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.

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

#### **14.9.3. Procedure**

Review the basic requirements of the RFP document and conduct a preliminary examination. Eliminate proposals which are not substantially responsive;

Conduct a review of the terms of reference, the criteria and the maximum number of points for each specified in the request for proposals document and ensure that they are fully understood by all evaluators. Seek clarification from the person responsible for writing the request for proposals document or drafting the terms of reference, where necessary;



Conduct a detailed technical evaluation, assessing whether the proposals are responsive to the terms of reference and awarding scores, to determine the (average) technical score of each proposal.

Compare the technical score of each proposal against the minimum qualifying technical score 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;

Prepare a technical evaluation report and seek the tender committee's approval for the report;

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 proposals reached the threshold of the date, time and location for the financial bid opening and conduct the bid opening.

Start the financial evaluation by determining the evaluated price of each proposal;

Award financial scores to each proposal, based on their evaluated price;

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.

Rank the proposals according to their total scores. Identify the proposal with the highest total score, which will be the successful proposal;

#### **14.9.4. 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

$$S_f = 100 \times F_m/F, \text{ in which}$$

$S_f$  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.

#### **14.9.5. 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.

#### **14.9.6. 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 shall include the following information:

- The results of the preliminary examination;

- 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;

- Which proposals reached the minimum qualifying technical score and a recommendation to open the financial proposals of these bidders; and

- A recommendation to reject all other proposals.

The financial evaluation report shall 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 method 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 negotiations shall be held with the successful bidder.

## **Section 15. Evaluating Proposal for Consultancy Services using QBS**

This guideline provides the standard operating procedure for the evaluation of proposals for consultancy services, using the QBS method.

The evaluation method for QBS consists of three stages:

A preliminary examination, to eliminate proposals which do not comply with the basic requirements of the RFP document and bidders who do not meet mandatory qualification requirements;

A detailed technical evaluation to assess the quality of proposals, using a scoring system and to determine the highest quality proposal;

A financial evaluation to examine the financial proposal of the bidder with the highest technical score only and prepare for any negotiations.

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

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

### **15.1. Procedure**

Review the basic requirements of the RFP document and conduct a preliminary examination.

Eliminate proposals which are not substantially responsive;

Conduct a review of the terms of reference, the criteria and the maximum number of points for each specified in the request for proposals document and ensure that they are fully understood by all evaluators. Seek clarification from the person responsible for writing the request for proposals document or drafting the terms of reference, where necessary;

Conduct a detailed technical evaluation, assessing whether the proposals are responsive to the terms of reference and awarding scores, to determine the (average) technical score of each proposal.

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 negotiations. Eliminate all other proposals;

Prepare a technical evaluation report and seek the tender committee's approval for the report;

Notify bidders whose proposals did not obtain the highest technical score that their proposals are not proceeding to the financial evaluation and that their financial proposals will be returned unopened after completion of the evaluation process. The letter shall not reject the proposals at this stage, but shall state that they may be considered for financial evaluation and negotiations, if negotiations with the highest ranked bidder fail;

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;

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 RAC, decide whether negotiations are required and prepare for negotiations;

Prepare a financial evaluation report and seek the tender committee's approval for the report.

### **15.2. 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 shall include the following information:

The results of the preliminary examination;

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;

Which proposal obtained the highest technical score and a recommendation to open the financial proposal of this bidder only;

A recommendation to reject all other proposals, following conclusion of a contract with the successful bidder.

The financial evaluation report shall 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 negotiations;

Recommendations regarding any required negotiations with the bidder.

## **Section 16. Evaluating Proposal for Consultancy Services using Least cost selection method**

This guideline provides the standard operating procedure for the evaluation of proposals for consultancy services, using the LCS method.

The evaluation method for LCS consists of three stages:

A preliminary examination, to eliminate proposals which do not comply with the basic requirements of the RFP document and bidders who do not meet mandatory qualification requirements;

A detailed technical evaluation to assess the quality of proposals, using a scoring system and to eliminate proposals which do not meet the specified minimum score;

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.

The purpose of the LCS evaluation method is to determine the lowest priced proposal, which meets the minimum quality standard set by RAC in the RFP document. This ensures that RAC purchases consultancy services of the required standard, but does not pay any more than necessary for those services.

### **16.1. Procedures**

Review the basic requirements of the RFP document and conduct a preliminary examination. Eliminate proposals which are not substantially responsive;

Conduct a review of the terms of reference, the criteria and the maximum number of points for each specified in the request for proposals document and ensure that they are fully understood by all evaluators. Seek clarification from the person responsible for writing the request for proposals document or drafting the terms of reference, where necessary;

Conduct a detailed technical evaluation, assessing whether the proposals are responsive to the terms of reference and awarding scores, to determine the (average) technical score of each proposal;

Compare the technical score of each proposal against the minimum qualifying technical score 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;

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 proposals reached the threshold of the date, time and location for the financial bid opening and conduct the bid opening;

Start the financial evaluation by determining the evaluated price of each proposal;

Rank the proposals according to their evaluated price. Identify the proposal with the lowest price, which will be the successful proposal;

### **16.2. 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 shall include the following information:

The results of the preliminary examination;

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;

A recommendation to reject all other proposals, following conclusion of a contract with the successful bidder.

The financial evaluation report shall 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 scored above the minimum qualifying mark and had the lowest evaluated price and is therefore the successful proposal, subject to satisfactory negotiations;

Recommendations regarding any required negotiations with the bidder.

**Next Steps:**

Conduct contract negotiations

Proceed to Issue a provisional notification of contract award under the Open Bidding, Restricted Bidding method and Request for Proposals.

Prepare final notification of contract award;

Prepare the contract document and avail it for signature RAC authorized signatory.

## **Section 17. Conducting a Post - Qualification**

This guideline explains the procedure for conducting a post qualification (due diligence) on the successful bidder, to establish whether the bidder is qualified to perform the proposed contract satisfactorily specifying at least the previous performance track record by the main company or affiliated companies elsewhere, ownership, background information, technical and financial capabilities, members of the board and etc. It also provides procedures for verifying pre-qualification information, following the evaluation process.

Post-qualification is conducted to check whether a successful bidder has the resources, experience and qualifications required to satisfactorily perform a contract as well as authenticity of administrative documents in the bid. As post-qualification is conducted before a contract is awarded, and the contract denied if the bidder is not qualified as per the information it provided as it shall reduce the likelihood of defaulting or poor performance under a contract.

Post-qualification is not mandatory on all tenders. The necessity for post-qualification exercise shall be determined during preparation of the tender document depending on the nature and complexity of the tender.

Nevertheless, ITC members may decide to carry out due diligence exercise to ascertain authenticity of submitted document in the bid.

### **17.1. Responsibility**

Post-qualification will be conducted by the member of the evaluation team which is responsible for the evaluation or by any other person formally delegated/appointed by the MD. Where required, technical advice will be sought, from the member of staff who provided technical inputs to the evaluation.

### **17.2. Procedures for Post-Qualification:**

Identify the successful bidder through the evaluation process;

Review the bidding document for details of the post-qualification criteria set

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 as well as authenticity of submitted documents to support its bid



Where the best evaluated bid is qualified, include this information in the evaluation report and proceed to submit the completed report, with the recommendation for award of contract.

Where the best evaluated bid is not qualified, conduct a post-qualification check on the bidder with the next lowest evaluated price and repeat this process as required until a qualified bidder is identified. Include the results of all post-qualification checks in the evaluation report.

## **Section 18. Conducting Negotiations**

This procedure provides guidance on what areas may be subject to negotiations and the procedure for holding negotiations with a bidder.

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

Negotiations shall cover but is not limited to the specifications, Terms of reference, Bills of quantities, quantities of items, key deliverables, methodology, work schedule plan, key staff, financial offers (for example discounts, price reductions etc.) and reports.

### **18.1. Responsibility**

The internal tender committee has the overall responsibility for negotiations, but may require technical input from the user department, or other technical specialists.

### **18.2. Procedure**

Negotiations shall cover but is not limited to the specifications, Terms of reference, Bills of quantities, quantities of items, key deliverables, methodology, work schedule plan, key staff, financial offers (for example discounts, price reductions etc.) and reports.

### **18.1. Responsibility**

The internal tender committee has the overall responsibility for negotiations, but may require technical input from the user department, or other technical specialists.

## **18.2. Procedure**

The procurement unit shall assist the tender committee in preparation of negotiation session by putting all required facilities in place like all required documents and place for negotiation prior to negotiation time.

Invite the successful bidder for negotiations, proposing the time, date and location for negotiations. 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. The letter must not make any reference to the bid being accepted or a contract being awarded;

The negotiators can begin by reviewing the bidding document, the bid from the successful bidder and the evaluation report;

Identify areas where negotiations are required. For each area, identify the objectives which RAC wishes to achieve. Where possible, quantify these objectives and set maximum and minimum negotiating parameters;

Hold the negotiations with the successful bidder.

Prepare a record of the negotiations and make recommendations on how to proceed.

Where the recommendation is for further negotiations with the successful bidder or negotiations with the next bidder, repeat this process.

Negotiations shall take place at any stage of procurement process before signing the contract regardless of issuance of the final notification.

## **18.3. Selecting Staff to Conduct Negotiations**

The tender committee (or otherwise delegated) has the overall responsibility for conducting negotiations and making recommendations. 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 user department.

The procurement unit shall assist the tender committee in selecting the most appropriate members of staff to conduct negotiations where required in addition to ITC Members. Where it offers benefits of continuity or significantly reduces the amount of preparation work required, staff who contributed to the evaluation shall be used, as they will already be familiar with the requirements of RAC, 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 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 user department.

#### **18.4. Areas which may be subject to Negotiations**

Negotiations may relate to the price of bids or proposals, but not the substance of the tender. negotiations may normally relate to the following areas:

Minor alterations to technical details, such as the terms of reference, the specifications 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 RAC;

The proposed method or staffing;

Inputs required from RAC;

Clarifying details that were not apparent or could not be finalised at the time of bidding;

The bidder's tax liability.

In the case of consultancy services, the bidder shall not be allowed to substitute key staff, unless RAC and the bidder agree that delays in the procurement process, changes in the ToR or other unavoidable circumstances make it necessary.

Negotiations are not compulsory on all tenders. For tenders that are deemed urgent and of which proposed prices by the bidder are deemed reasonable, for the interest of time, ITC has the discretion to waive negotiation step.

## **18.5. Recommendations following Negotiations**

Following negotiations, the recommendations 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 had flaws, the need has changed or the budget is insufficient for the requirement.

## **18.6. Records Required:**

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

The name of the bidder with whom negotiations were held and the names of the bidder's representatives;

The names of all staff involved in the negotiations;

The date and location of the negotiations;

The areas subject to negotiation and the main points or requests made on each side;

The final agreement reached on each area of negotiation;

Any point where agreement was not reached or further discussion is required.

The record of the negotiations must be signed by all negotiators.

## **Section 19. Cancelling Procurement Proceedings**

Where there is a need to cancel a requirement before contract award, the procedure for terminating a procurement process will apply.

The cancellation of procurement proceedings shall be avoided, wherever possible, as it means a waste of time and resources for both RAC and the bidders. Where it is in the interest of RAC or public interest to do so, procurement proceedings may be cancelled at any stage prior to the award of a contract. Tender cancellation at any stage before contract signature does not bear any legal liability from bidders or any other party.

This guideline establishes a procedure to ensure that any unavoidable cancellations are handled properly and in a manner which is fair to all bidders.

### **19.1. Responsibility**

The cancellation of procurement proceedings will be conducted by the ITC Members, although the need to cancel may be identified by other staff with written justifications thereof. Recommendations for cancellation from non-ITC member should be evaluated by ITC members for an appropriate recommendation.

### **19.2. Procedures**

Identify the need to cancel procurement proceedings. Discuss and agree the need with all relevant parties, including the Procurement Unit, the user department and any staff providing any relevant information;

Where no invitation document or notice has been issued, ensure that all relevant staff are notified of the cancellation of the procurement process;

Where an invitation document or notice has been issued, seek the MD's approval through the tender committee 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. The request for MD's approval to cancel must state in full the reasons for cancellation;

Prepare a notice cancelling the procurement proceedings, which must be identical for all bidders or potential bidders. This notice shall normally state the grounds for cancellation, to avoid enquiries from numerous bidders. However, the notice does not have to justify the grounds for cancellation;

Where the cancellation is prior to the bidding deadline, send the notice for cancellation through the media in which the advert was done.

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 Request for Proposals method) and any bid securities.

### **19.2. Grounds for Cancellation**

The cancellation of procurement proceedings shall be avoided wherever possible, but is permitted where it is in the RAC's interest. Where cancellation is required, it shall be done

as early in the procurement process as possible. In particular, RAC shall try to avoid cancelling procurement proceedings where bids have already been opened.

The grounds for cancelling procurement proceedings must be approved by the MD, at minimum the ground for cancellation, the 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;

The procurement requirement can be met by a substantially less expensive item

There is evidence of collusion among bidders;

Adequate funding is no longer available for the requirement;

All bids are non-responsive.

A record of the cancellation notice sent to all bidders, along with MD'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.

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

## **Section 20. Issuing a Notification of Contract Award**

This guideline sets out the procedure for issuing a notification of contract or bid award 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 not binding notice, till a contract has been signed.

It is important to note that this guideline 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 guideline.

Sending a notice of contract award 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 on an earlier date, meaning that delivery or mobilization periods start sooner and overall contract completion shall 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.

### **20.1. Responsibility**

Notices of contract award will be sent by the Procurement Unit, once approval from the tender has been obtained.

### **20.2. Procedures**

Ensure that the tender committee's approval of the decision to award the contract has been received in writing;

If any other approvals are necessary, including financial approval for commitment of the required funds, then this must also be obtained;

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;

Prepare the notice of contract/bid award. Ensure that the notice is signed the Managing Director or any other authorized signatory.

Dispatch the notice to the successful and the unsuccessful bidders of the provisional outcome of the bids evaluation, keeping evidence of dispatch, such as proof of posting, fax confirmation slip.

Ensure that confirmation of receipt of the notice of contract award is received from the bidder.

After the provisional notification, the bidders shall have five (5) days in which to lodge a protest if any, before a contract is signed with the successful bidder. If no complaints have been made or received by RAC within this specified period, the final notification shall be given to the successful bidder.

A copy of the notice of contract award must be kept on the procurement file. Evidence of dispatch of the notice must also be kept on the procurement file. At a minimum, the notice of contract award must include:

The name and address of RAC, 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;

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 request that the supplier confirms receipt of the notice of acceptance and confirms that he is proceeding with contract performance where applicable

Instructions on any immediate actions required from the supplier e.g. provision of a performance security, advance payment guarantee (if required);

The signature of the authorized signatories of RAC.

## **Section 21. Preparing and Issuing a Contract Document**

### **21.1. Contract and Performance Security**

For tenders estimated to cost above Twenty Million Rwandese Francs (20,000,000 Rwf) or its equivalency in foreign currency shall require a formal contract signed and binding to both parties. This contract shall have to conform to the format provided in the tender document where applicable.

The contract signature shall be preceded by the issuance of performance security from the successful bidder for every contract award whose value is more than Twenty Million Rwandan Francs (20,000,000 Rwf) or its equivalency in foreign currency shall require a performance security issued by a bank or any other financial institution. This is also



applicable to framework contracts whose purchase order is equal or above Twenty Million Rwanda Francs (20,000,000 Frw) or its equivalency in foreign currency.

The performance securities under framework contracts shall be submitted in consideration of the total amount of Purchase Order issued.

The percentage and format of Performance security shall be determined by the Bidding Document and shall be between 5 and 10 per cent of total contract amount or Purchase Order amount.

In case of additional works for lump-sum contracts, the performance security shall also be revised to include the amount of additional works. Performance security shall be renewed if a contract is renewed or extended.

In circumstances where a bidder is not in position to issue the performance security or the period of processing the performance security may compromise RAC operations, RAC Management shall determine the course of action. This is also applicable to advance payment guarantee.

Before signing the contract by the successful bidder, there shall be no binding commitment on the side of RAC irrespective of the issuance of the final notification and submission of performance security.

## **21.2. Contents of Contract Document**

The contents of the contract document will depend on the model contract included in the bidding document. The contents of a contract and the order of precedence are normally listed in the contract.

Form or special conditions of contract as guidance only, contract documents normally shall consist of but not limited to the following:

- The subject matter, names and addresses, telephone numbers of parties to the contract;

- The contract form or agreement;

- The special conditions of contract;

- The general conditions of contract;

- The final contract award notice;

- The supplier's bid and any modifications to that bid;

The description of the goods, works or services, comprising specifications, terms of reference, drawings, bill of quantities, activity schedule and/or any other similar document.

After signature of the contract with the successful bidder, there shall be no any other notification to un-successful bidders but rather the contract management process shall commence. The original copy of the signed contract document is kept on the procurement file for reference. A copy shall be sent to the user department and the Project manager.

In circumstances where a bidder does not consent to RAC terms of contract either in terms of format or its substance and imposes his/her terms and conditions including dispute resolution clauses as well as payment terms for which RAC has no alternative supplier, RAC Management shall determine the course of action.

### **21.3. Administering a Contract**

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

Contract administration 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 guideline 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.

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

The supplier performs the contract in accordance with the terms and conditions specified in the contract;

RAC fulfills its obligations and duties under the contract; and

Swift remedial or preventive action is taken when problems arise or are foreseen.

### **21.4. Responsibility**

The procurement unit has the overall responsibility for contract administration, but will draw on other resources, such as technical expertise, payment services and legal services. Where such other services and systems are used, the procurement unit 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 user department or technical expert.

## **21.5. Procedures**

Ensure that a signed copy of the contract or confirmation of the purchase order is received from the supplier. Advance payment not exceeding twenty percent (20%) of the contract Value shall be allowed where necessary. Where an advance payment is allowed, it shall be subject to submission by the successful bidder/consultant to RAC of an advance payment security equivalent to the amount to be advanced. Such security shall be issued by a recognized Bank or an insurance company. Other details regarding Advance Payments and Advance Payment Security (Guarantee) shall be specified in the bidding document. Advance Payment Security (Guarantee) shall conform to the forms/templates in the bidding Documents.

In cases where the selected supplier/ consultant requires advance payment beyond 20% of the contract amount and RAC has no other possible alternative, the procurement unit shall seek approval from RAC management.

Ensure that RAC meets any obligations, such as payment of an advance payment, opening of a letter of credit where necessary or assistance with obtaining visas for the supplier's foreign staff where required

Prepare a contract implementation plan, showing key milestones, such as dates for mobilization, deliveries or completion of certain deliverables or sections of work, and RAC's obligations, such as providing access to a works site, payment or approval of reports;

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.

Unless otherwise stated in the tender document or purchase order, Delivery shall be made to the RAC stores where a Goods Received Note (GRN) will always be issued. This will follow the issuance of the Delivery note issued by the supplier.

Unless it results from reasons provided for by this procedure manual, the successful bidder shall incur a penalty equivalent to one thousandth (1/1000) of the total of the contract for each day of delay. Such penalty shall not exceed three per cent (3%) of the value of the

contract. If the penalty reaches three per cent (3%) of the total value of the tender, the contract may be subjected to termination.

If 3% is reached and in the assessment of RAC, contract termination is not the best option, penalties will continue to accrue until delivery is done.

Termination of the contract as result of failure or delays in execution shall be recommended by the ITC.

Ensure that all deliveries, targets or deliverables are completed by the supplier;

Check all payment documentation and authorize payments, using RAC's normal disbursement systems.

### **21.6. Letter of credit**

The letter of credit shall be discouraged as much as possible. However, where necessary depending on prevailing circumstances, an LC shall be used as a mode of payment. Details of applicability shall vary depending on particular requirements of a contract.

### **21.7. Amending a Contract**

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

Ideally, a contract which has been placed shall 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.

### **21.8. Responsibility**

The procurement unit is responsible for preparing all contract amendments and obtaining the ITC approval, although the request for the amendment will normally come from the contract administrator, who may be outside of the procurement unit.

### **21.9. Procedures**

Identify the need for a contract amendment – this will normally be done by the contract administrator. A contract amendment is required where RAC 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 purchased, the price etc;

Provide full details on the amendment required to the procurement unit with an approval from the ITC

Prepare the contract amendment

Obtain tender committee's approval;

Obtain any other necessary approvals, including financial approval for commitment of any additional funds;

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 RAC;

The MD (or otherwise delegated) shall sign all copies of the contract amendment;

Send all copies of the contract amendment to the supplier, with a covering letter or through an email instructing the supplier to counter-sign all copies, retain one for his records and return all other signed copies to RAC. Either party to the contract can sign the contract before the other so as long as the content of the contract has been agreed upon by both parties.

#### **21.9.1. 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";

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

A statement that all other terms and conditions of the initial contract remain unchanged.

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

### **21.9.2. Price adjustment and conditions for price adjustment**

For contracts to be executed for a period exceeding 9 months, price adjustment is acceptable on condition that the party proposing it demonstrates acceptable grounds.

Price adjustment shall not be done before nine (9) months from the date of commencement of the execution of the contract;

Price adjustment shall be allowed only if there is a prior contract modification whereby both parties agree for that purpose;

No price adjustment shall be allowed beyond the original delivery dates unless specifically stated in the extension letter. As a rule, no price adjustment shall be allowed for periods of delay for which the supplier is entirely responsible.

### **21.9.3. Prices and price adjustment for framework agreements**

The framework agreement shall be signed for a period not exceeding three (3) years prior to a new competition. Such agreement shall be implemented by signing one (1) year renewable annually as long as there has been satisfactory performance by the contractor.

However, contractor's /service providers with proven patent rights, Manufacturers of the existing systems, exclusive legal representatives, the framework contract shall be signed for a period not exceeding five (5) years renewable once after which there shall be an open competition.

Contracts under this category shall be implemented by signing one (1) year renewable annually upon satisfactory performance up to the maximum period of ten (10) years.

In cases where a supplier insists having a contract with an initial period of more than 1 year, while RAC has no alternative supplier or such a contract presents an advantage to RAC like maintaining constant prices for such a period, ITC shall make a recommendation thereof to MD for approval before signing the contract.

For the first year, in case there are factual changes in the costs of components of the tender, the contract price may be adjusted for all contracts which are to be executed within a period exceeding nine (9) months.

### **21.9.3: Rental and Concession framework agreements**

The rental and concession framework agreement shall be conducted for a period not exceeding three (3) years prior to a new competition. Such agreement shall be implemented by signing 1year contract renewable annually as long as there has been satisfactory performance by the contractor. After 3 years, RAC shall have all rights to increase fees for both concession and rental after mutual agreement with the tenant. Failure to reach on consensus agreement, RAC may open new competition with other bidders.

RAC shall use open competition for awarding concession and rental contract if the available space exceeds 30Sqm in total. If the space available does not exceed 30Sqm, RAC shall advertise invitation to bid on website for at least 7days and thereafter, ITC shall asses the responsive bidders for contract award.

If RAC invite bidders for more than twice without any response, RAC may proceed to solicit quotation directly from one interest bidder provided that, such bidder compliance with the requirement thereof.

For requisition of additional space by established tenant, shall not require any competition, however, the desired space must be nearer/closer to the existing space and in terms and condition of the initial space.

### **Section 22. Terminating a Contract**

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

Where a procurement requirement needs to be cancelled prior to contract award, procedure in “Cancelling procurement proceedings” above will apply.

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

To avoid or minimize further loss to RAC 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.

#### **22.1. Responsibility**

The procurement unit is responsible for terminating contracts based on the request from the user department and subject to Tender Committee and MD’s approval of the termination. The

initiation to terminate a contract can also come from Procurement office, contract manager or ITC Members.

## **22.2. Procedures**

Identify the need to terminate the contract;

Check the contract or purchase order document, to confirm the conditions of contract relating to termination

Identify which of the grounds for termination will be used and ensure that RAC has sufficient justification for using the selected grounds. Seek legal advice prior to proceeding;

Estimate the amount of money, if any, which will be due to the supplier following termination;

Obtain the Tender committee's approval of the termination

Prepare a formal notice, terminating the contract and stating the grounds for termination;

Obtain MD's approval of the notice and the justification for terminating. Ensure that the MD is informed of the consequences of terminating the contract if any.

Issue the termination notice and ensure that it is received by the supplier;

Take any follow-up action required, including making any payments due to the supplier under the contract.

## **22.3. Grounds for Termination**

The grounds for termination of a contract will depend on the terms and conditions of the individual contract.

The following notes provide guidance on grounds for termination of a contract, but it is essential that RAC is guided by the contract document itself:

**Termination for convenience:** All contracts shall include a condition which enables RAC to terminate the contract for its own convenience, without there being any default by the supplier. Where RAC 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:** All contracts shall include a condition which enables the RAC 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 RAC must formally notify the supplier of the default and give them time to correct the default, before actually terminating the contract.

**Termination for corrupt practices:** Contracts shall include a condition which enables RAC 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, RAC shall procure the goods, works or services from another source and charge the original supplier for any additional costs incurred.

**Termination for insolvency:** Contracts should include a condition which would enable RAC to terminate the contract, where the supplier has become bankrupt or insolvent with tangible legal proof thereof.

**Termination for force majeure:** Contracts shall include a condition which enables RAC to terminate a contract, where the supplier has been unable to perform the contract for a

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

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**Charles HABONIMANA**  
**Managing Director**

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**Zephanie NIYONKURU**  
**Chairman Board of Directors**