



**BOTSWANA POWER CORPORATION**  
**TENDER REGULATIONS**  
(Rev 2 – APRIL 2010)



**PURPOSE:**

To formalise the Corporation's Policy and Procedures to be used for the selection of suppliers of goods or services and the approval of Purchase Orders and Contracts.

The Corporation's "Procurement Policy" is contained in Annexure 1, and is intended to be read in conjunction with these Regulations.

**VALIDITY:**

These Revised Botswana Power Corporation Tender Regulations were approved by the Corporation's Board Procurement and Tender Committee on the 7<sup>th</sup> of November-2008 and ratified by the Corporation Board on the 12<sup>TH</sup> February 2010.

Any deviation from these Regulations requires prior written authority by the EXCO Procurement and Tender Committee or Board Procurement and Tender Committee depending upon the level of deviation sought.

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# CHAPTER 1

## 100 DEFINITIONS

*Citation*            **101. These Regulations may be cited as the Botswana Power Corporation Tender Regulations.**

*Interpretation*    **102 In these Regulations unless the context otherwise requires----**

**“APPROVED CONTRACTOR”** means a Pre-qualified Contractor selected through the Formal Selective Tender Procedure to undertake the Corporation’s Contracts.

**“APPROVED VENDOR”** means a vendor selected through a formal process to carry out projects and provide services.

**“BOARD”** means the Members of the Board of Botswana Power Corporation.

**“BOARD PROCUREMENT AND TENDER COMMITTEE”** means a sub-committee appointed by the Board to approve tenders.

**“CONSULTANT”** means any outside firm, or individual engaged by the Corporation to give expert advice and to provide services.

**“CONTRACT”** means an agreement between the Corporation and a Contractor resulting from the application of the appropriate and approved procurement and disposal procedures and proceedings, and shall be concluded in pursuance of a bid award by the Board Procurement and Tender Committee or its Sub-Committees.

The following are types of applicable contracts:

i) **“Services Contract”** this is a contract for the procurement of knowledge-based expertise and services.

ii) **“Supplies Contract”** this is a contract for the provision of materials or commodities made available for purchase.

iii) **“Works Contract”** this is a contract for the provision of a combination of supplies and services, arranged for the development, extension, installation, repair, maintenance, renewal, removal, renovation, alteration, dismantling or demolition of structures including building and engineering infrastructure.

iv) **“Disposal Contract”** this is a contract that involves the divestiture of the Corporation’s assets, including intellectual property rights and goodwill and any other rights of the Corporation by any means, including sale, rental, lease, tenancies, franchises, auction or any combination thereof, however classified.

**“CONTRACTOR”** means a natural person or an incorporated body recognized by an appropriate authority to undertake works, services, supplies, or a combination thereof, however classified.

**“CORPORATION”** means Botswana Power Corporation.

**“DISTRIBUTION CONTRACTS COMMITTEE”** means a multi-disciplinary committee appointed by the Director Customer Services and Supply and chaired by a senior member of staff from the Customer Services and Supply Strategic Business Unit. The purpose of the committee shall be to assist in the pre-qualification and nomination of Contractors and Consultants for the execution of Distribution projects.

**“DISTRIBUTION SMALL WORKS CONTRACTS”** means contracts which are offered to pre-qualified contractors using agreed prices for the contract phase.

**“DISTRIBUTION WORKS”** means Capital projects carried out on the Distribution network (400V-66kV) part of the Corporation’s electrical infrastructure.

**“DUAL ENVELOPE METHOD”** means a one stage-two envelope, method of bid submission in which a bid is submitted in an outer sealed envelope, containing two separately sealed and labeled envelopes, marked and containing separate technical and financial proposals which are opened in separate bid openings.

**“EMERGENCY PURCHASES”** means purchases that are made to address situations that create a threat to public health, welfare, safety, or property, such as may arise by reason of floods, epidemics, riots, equipment failures, or such other reasons as may be proclaimed by the Chief Executive Officer.

**“EXCO PROCUREMENT AND TENDER COMMITTEE”** means a Sub Committee of the EXCO Main Committee, which has delegated authority to approve tenders, as contained in the Tender Regulations.

**“FORMAL TENDER”** means a tender where sealed tenders are opened at a specified time in the presence of the Corporation Officers and any interested parties wishing to attend.

**“GENERATION SMALL WORKS CONTRACTS”** means multiple unspecified Generation plant projects whose individual value does not exceed the approved limit.

**“INFORMAL TENDER”** means a tender that is seen as soon as submitted, normally hand-delivered or any acceptable electronic media and only applies to Selective Tenders.

**“LOCAL PURCHASES** means purchases made from within Botswana.

**“MAJOR DISTRIBUTION CONTRACTS”** means individual Distribution Network Projects above the upper limits set by the Board.

**“NEGOTIATED DISTRIBUTION CONTRACTS”** means individual Distribution network projects valued between limits set by the Board.

**“NEGOTIATED TENDERS”** means tenders which are based on rates approved by the Board Procurement and Tender Committee.

**“NOMINATED CONSULTANT”** means a consultant selected through the Formal Open Tender Procedure to provide engineering services on the Corporation's projects. The nomination shall be valid for a period determined by the Board Procurement and Tender Committee.

**“NEGOTIATED CONTRACTS”** means contracts offered to pre-qualified contractors using agreed prices for the contract phase. Contractors offer the Corporation discounts on prices.

**“OFFICIAL”** means any employee of the Corporation acting within his/her delegated authority.

**“OPEN TENDER”** means a tender that is open to the general public and advertised in the Media or in any other Print or Electronic Media.

**“PRE-QUALIFICATION OF CONTRACTORS”** means a screening process designed to ensure that Invitations To Tender are confined to capable individuals or firms.

**“PREQUALIFIED CONTRACTOR”** means a Contractor selected through a formal tender to carry out projects and or provide services.

**“PROCUREMENT”** means the acquisition in the Corporation's interest by any means including by purchase, rental, lease, hire purchase, licences, tenancies, franchises etc. of any types of goods and services, and shall include management, maintenance and commissioning.

**“PROJECT”** means a specifically defined endeavour undertaken by the Corporation to create a unique product or service.

**“PROJECT MANAGER”** means the person or firm responsible for the planning, coordination and controlling of a project from inception to completion, meeting the project's Terms of Reference.

**“SELECTIVE TENDER”** means a tender where only selected suppliers approved by the EXCO Procurement and Tender Committee are invited to tender.

**“SERVICE CONTRACT”** means legally binding agreements or orders for the supply of services to the Corporation by an outside organisation, body or company.

**“SINGLE ENVELOPE SUBMISSION METHOD”** means a one stage single envelope method in which a bid is submitted in one sealed envelope which is opened on the specified date and time in a single bid opening.

**“SRDS”** means Standard Requirements for Distribution Systems, which is the approved standard for materials, construction and maintenance of either of the Distribution networks.

**“SRGS”** means Standard Requirements for Generation Systems, which is the approved standard for design, operation and maintenance of Generation plant and equipment.

**“WRITTEN QUOTATION”** means an offer by a prospective supplier transmitted by letter, fax, or other electronic medium.

## CHAPTER 2

### 200 APPROVALS AND AUTHORITIES

#### 201 DELEGATED AUTHORITY:

- 201.1 Authority to approve tenders for the procurement of the Corporation's requirements for goods and services has been delegated by the Board of the Botswana Power Corporation to the Board Procurement and Tender Committee.
- 201.2 Authority to approve tenders for the procurement of the Corporation's requirements for goods and services up to a determined financial limit has been delegated by the Board of the Botswana Power Corporation to the Chief Executive Officer, who shall have the powers of further delegation to the EXCO Procurement and Tender Committee.
- 201.3 The authority to sign and issue Purchase Orders on behalf of the Corporation is delegated by the EXCO Procurement and Tender Committee to the Supply Chain Manager, for all procurement of the Corporation's requirements for goods and services (except that of Morupule Power Station), and to the Director Generation for procurement related to the operations of the Morupule Power Station- subject to the limitations and procedures contained within these Regulations.
- 201.4 The Supply Chain Manager is authorised by the EXCO Procurement and Tender Committee to approve and sign all Purchase Orders, up to the approval level value that has been delegated and reserved for the EXCO Procurement and Tender Committee. The Supply Chain Manager is further authorised to sign all Purchase Orders issued in accordance with approvals by the Board Procurement and Tender Committee.
- 201.5 The Director Generation is authorised by the EXCO Procurement and Tender Committee to approve and sign all Purchase Orders, relating to the procurement of goods, services and works for Morupule Power Station, up to the approval level value that has been delegated and reserved for the EXCO Procurement and Tender Committee. The Director Generation is further authorised to sign all Purchase Orders, relating to Morupule Power Station, following approvals by the Board Procurement and Tender Committee.

201.6 A special delegation is made to the Heads of Business Units to approve operationally urgent orders for repair and maintenance, where the value exceeds their level of delegated authority, up to the approved financial limit, or such value as may be amended, from time to time by the Chief Executive Officer.

201.7 The Principal Supplies Officer (Procurement/Generation) is authorised by the EXCO Procurement and Tender Committee to approve and sign Purchase Orders up to the approved limits, provided such purchase is supported by an authorised Purchase Requisition from the user Department and has been adjudicated and approved by the Head of the Business Unit or the EXCO Procurement and Tender Committee.

201.7 The Materials Controller (Procurement-Gaborone, Generation and Francistown) is authorised by the EXCO Procurement and Tender Committee to approve and sign all Purchase Orders up to the approved limits, provided such purchase is supported by an authorised Purchase Requisition from the user Department.

## **202 AUTHORITY TO PURCHASE GOODS, WORKS OR SERVICES**

202.1 No official of the Corporation is authorised to commit the Corporation in any way, or to place a Purchase Order with any supplier, unless he or she has been furnished with a Purchase Requisition duly authorised in terms of the Corporation's Financial Policies and Procedures, or unless these Tender Regulations have been complied with.

202.2 The authority of the Supply Chain Manager and the Director-Generation shall not be delegated. In the event of prolonged absence from duty of the two officials, written delegated authority from the Chief Financial Officer or Director-Generation (as applicable) shall be extended to their immediate subordinates. A copy of the written delegated authority shall be availed to the Internal Audit Manager. In the absence of written delegated authority from the Chief Financial Officer or the Director-Generation, then the Chief Financial Officer or the Chief Executive Officer shall be signatories to Purchase Orders.

## **203 ORDER SPLITTING**

The splitting of awards of orders or contracts into smaller divisions, or portions of work, to circumvent the approval levels outlined in these Tender Regulations is not permitted, and will be deemed to be a breach of these Tender Regulations, requiring institution of appropriate disciplinary action.

## **204 TOTAL VALUE TO BE APPROVED**

- 204.1 In certain instances approval will be sought from the EXCO Procurement and Tender Committee or Board Procurement and Tender Committee for preliminary work that precedes a major Project or Capital procurement, such as appointment of Consultants, project management and design work etc. In these instances, the level of approval to be sought shall be commensurate with the estimated final cost of the project or capital purchase.
- 204.2 This provision excludes Feasibility studies, and Consumer Financed Projects, where no commitment to a greater project has been entered into.

NOTES:  
 1. Above procedures are MINIMUM requirements, thus, at any time, a 'formal' procedure may be in place of an 'informal' procedure; or an 'open' procedure may be used in place of a 'selective' procedure.  
 2. All items to be presented to the RPTC must first be approved by the FPPTC.

	AUTHORITY				NOTES
	Principal & Materials Controller	Supply Chain Manager/Director-Generation	EPTC	BPTC	
	in accordance with approved limits	ORDER VALUE In accordance with approved limits	ORDER VALUE in accordance with approved limits	ORDER VALUE in accordance with approved limits	
<b>1. ENGINEERING ITEMS</b> for transmission, distribution, or generation	INFORMAL SELECTIVE plus user authorized requisition	INFORMAL SELECTIVE	FORMAL SELECTIVE	FORMAL OPEN	Selective tenders Are subject to EPTC approval. See chapter 3
<b>2. CONSUMABLE ITEMS</b>	INFORMAL SELECTIVE plus user authorized requisition	INFORMAL SELECTIVE	FORMAL SELECTIVE	FORMAL OPEN	For supplier approval procedure See section 13
<b>3. FIXED ASSETS (CAPEX)</b> Value above the approved limits	INFORMAL SELECTIVE plus user authorized requisition	INFORMAL SELECTIVE	FORMAL SELECTIVE	FORMAL OPEN	Capex approval is a Pre-requisite to placing order
<b>COMPUTER HARD/SOFT-WARE</b>	INFORMAL SELECTIVE plus ICTS authorized requisition	INFORMAL SELECTIVE plus ICTS authority	FORMAL OPEN plus ICTS authority	FORMAL OPEN plus ICTS authority	ICTS =Information Communication and Technology Systems
<b>REPAIRS</b>	INFORMAL SELECTIVE plus user authorized requisition	INFORMAL SELECTIVE plus user authority	FORMAL SELECTIVE plus user authority	FORMAL SELECTIVE plus user authority	SELECTIVE to ensure Ability to perform at acceptable level.
<b>SERVICES &amp; CONTRACTS MAINTENANCE, SERVICE, OR LEASING CONTRACTS, RENTALS</b>	INFORMAL SELECTIVE plus user authorized requisition	INFORMAL SELECTIVE	FORMAL OPEN	FORMAL OPEN	Maximum duration of any contract is three (3) years
<b>DISTRIBUTION WORKS CONTRACTORS (PRE-QUALIFIED)</b>	N/A	INFORMAL SELECTIVE Up to a maximum of the approved limits	FORMAL OPEN	FORMAL OPEN	For detailed procedure see section 5
<b>CONSULTANCY WORK SUPPLY CHAIN MANAGER GIVEN NO AUTHORITY FOR CONSULTANCIES</b>	N/A	INFORMAL SELECTIVE Up to a maximum of the approved limits	FORMAL SELECTIVE	FORMAL OPEN	Maximum duration of any consultancy appointment is three (3) years

## CHAPTER 3

### 300 METHODS OF PROCUREMENT

In the execution of procurement of goods and services for the continued operation of the Corporation, use will be made of the appropriate methods of Procurement from one of the following methods.

#### 301 REQUEST FOR QUOTATION.

This informal method of obtaining and adjudicating quotations is used for low value, everyday procurement of goods and services.

Requests for quotations are dealt with in one of two methods, depending upon the value of the enquiry.

##### 301.1 Purchases up to the Head of Business Unit approval limit.

The Procurement Officer duly authorised by an approved Purchase Requisition may request a minimum of three or more quotations, telephonically, for simple goods or services. Responses are transmitted directly to the Business Unit by fax, or other electronic media of which a hard copy shall be made, to be dealt with by purchasing in accordance with the Corporation's approval procedures.

##### 301.2 Purchases valued up to EXCO Procurement and Tender Committee approval limit

An Enquiry Schedule (Request for Quotation) shall be sent to registered suppliers detailing the specifications of required goods and services as well as the due submission date. Quotations shall be placed in a Tender Box situated within the Business Unit. The Quotations shall be opened by members of the Business Unit after the due date. The Business Unit shall immediately evaluate the bids and recommend to the Head of the Business Unit. The Head of the Business Unit will submit the recommendation to the EXCO Procurement and Tender Committee award to the successful Bidder. A detailed report shall be raised detailing the motivation for selecting the recommended Bidder.

### **301.3 Competitive Bidding**

- (i) In all cases use must be made of competitive bidding, and a minimum of three quotations are to be obtained. This applies to both direct and stock purchases. Where competitive quotations are, for whatever reason, not obtained or obtainable, a detailed motivation is to be filed with the order documents.
- (ii) Where a specific product or supplier is recommended, the user Department is to provide a detailed written motivation.
- (iii) The Enquiry Schedule (Request for Quotation) must accompany the Purchase Order when submitted for approval, and is filed with the order documentation as an audit trail.

### **302 THE USE OF THE ENQUIRY METHOD**

The use of the Enquiry method is subject to the following restrictions:

- 302.1 Enquiries of this nature are not to be restricted to a limited number of suppliers without good cause, irrespective of the value.
- 302.2 The "Three Competitive Quotations" requirement should be interpreted to mean three positive responses, not three suppliers being invited to submit a quotation.
- 302.3 The requirement to obtain three competitive quotations does not give a Buyer the latitude to omit other known manufacturers or suppliers. Where the number of known suppliers, however, is excessive, the numbers invited to quote may be limited.

### **303 INVITATION TO TENDER**

- 303.1 This formal method of procurement requires registration of Tender or Enquiry details and a closing date for submissions, whether there is a public tender opening or not.
- 303.2 Tenders are to be invited in accordance with these Regulations for all purchases, service agreements or contracts where the Order or Contract award is subject to EXCO Procurement and Tender Committee or Board Procurement and Tender Committee approval.

## 304 TYPES OF TENDER

304.1 The Corporation considers the types of tenders to be classified according to:

(i) **Open** or **Selective**.

(ii) **Formal** or **Informal**.

304.2 **Open Tenders** are advertised in the Media or any other Print or Electronic Media, and are open to all, subject to certain restrictions that may be placed upon categories of bidders.

304.3 **Selective Tenders** are restricted to specified or pre-qualified suppliers, contractors, consultants and service providers, subject to approval of the EXCO Procurement and Tender Committee

304.4 **Formal Tenders** are those which are accompanied by sealed tenders or bids, lodged in the Corporation's tender box, and opened in public immediately after the published closing date and time. The Formal Tender method is mandatory in respect of all awards that will be subject to the approval of the Board Procurement and Tender Committee.

304.5 Where a **Dual Envelope Method** is used for a Formal Tender and separate sealed envelopes are specified for the Technical tender and the Financial tender for each submission, there shall be a public opening immediately after the published closing date and time but, the financial tender shall remain sealed and bid prices received shall not be announced.

304.6 **Informal Tenders** are lodged by hand, facsimile, or electronic media with the Supply Chain Manager, or Project Manager, for evaluation and adjudicated after the specified date and time. There is no public opening, but there is control of the tenders until the closing date. This method is typically used for tenders that will require adjudication by the Business Unit Tender Evaluation Committee.

## **CHAPTER 4**

### **400 TENDER PROCEDURE**

#### **401 CHOICE OF PROCUREMENT METHODS**

The choice of procurement methods shall be on the basis of:

- (i) Estimated value of the requirements; or
- (ii) Circumstances pertaining to the requirement.

401.1 In principle, the Corporation's business shall be open to competent, qualified suppliers, contractors and service providers, and the Formal Open Tender method will be the normal method of procurement.

401.2 Selective Tendering is used only where there are known, limited numbers of manufacturers, or suppliers, nominated consultants, pre-qualified contractors or suppliers, or where it is prudent to exclude generally inexperienced and unqualified suppliers

#### **402 GENERAL CONDITIONS OF TENDERING**

Botswana Power Corporation's General Conditions of Tendering are to be applied to all tenders and are included as **Annexure 3** hereto.

#### **403 INVITATION TO TENDER**

Brief characteristics of the Tender Methods are:

##### **403.1 OPEN TENDER**

This type of tender is openly advertised in the Media or any other Print or Electronic Media.

##### **403.2 SELECTIVE TENDER**

This type of tender is restricted to a selected number of suppliers/service providers. A technically motivated submission has to be made to the EXCO Procurement and Tender Committee through the Secretary for approval of

selected bidders. Supplier selection is based upon consideration of:

- (i) Product conformance to predetermined specifications and standards, e.g. International Specifications as contained in the Standard Requirements for Distribution System (SRDS) as determined by the SRDS Committee on the basis of submitted specifications and product samples where applicable.
- (ii) Original equipment manufacturer- motivated by responsible Engineer.
- (iii) Pre-qualification of vendors or suppliers.
- (iv) Proven record of delivery, reliability, after sales service and product quality

#### **404 TENDER OPENING**

##### **404.1 Formal Tender**

The Formal Tender method shall be used in all cases where the level of approval is within the delegated authority of the EXCO Procurement and Tender Community.

##### **Characteristics of the Formal Tender are:**

- (i) Published tender opening date and time.
- (ii) Tender Documents are lodged in the designated Tender box and remain sealed until the specified pre-set date and time before opening.
- (iii) Sealed tenders are to be opened by a Supply Chain representative, in the presence of a representative of the initiating Department, a member of Internal Audit, suppliers and members of the public wishing to attend.
- (iv) In the case of a single envelope submission tender, names of Bidders and total tender prices shall be recorded and announced.

##### **404.2 Informal Tender up to the approval limit of the Head of the Business Unit**

- (i) Tenders/Quotations shall be delivered, faxed or transmitted to the Supply Chain Department or Project Manager.
- (ii) With the exception of the sole supplier situation, at least three (3) competitive quotations should be obtained. If this is not possible, adequate written motivation is required.

## **405 FORMAL OPEN TENDER METHOD**

### **Details of Tender Documents**

- (i) The Head of the Business Unit shall make an application addressed to the Supply Chain Manager, on the prescribed Purchase Requisition form, indicating the requirement for the particular supplies, services or the work to be performed. Preparation of all tender documents shall be the responsibility of the initiating Business Unit as appropriate assisted by the Supply Chain Department.
- (ii) Tenders shall be given a sequential number issued by the Supply Chain Manager, and this number shall be stated on all relevant documentation.
- (iii) The Supply Chain Manager shall maintain a register of all tender numbers issued, together with a brief description of the goods or services required as well as the issue and return dates.

## **406 TENDER ADVERTISEMENT, OPENING AND EVALUATION**

- 406.1 Notices calling for Tenders must be available to the general public and therefore should be placed in the Media or Botswana Press or both, as well as other foreign publications as deemed appropriate by the EXCO Procurement and Tender Committee, in accordance with the Corporation's procedure CORPROC-109.
- 406.2 Approval of The EXCO Procurement and Tender Committee must be obtained prior to advertisement of the tender. The notices must state details of required supplies, services or works, the title and location of the officer from whom the documents are available, the tender conditions and in particular the following:

- (i) Tender Number.

- (ii) Closing date and time.
- (iii) The Address to be used for Tender Submissions.
- (iv) Return address to be stated on back of envelope.
- (v) The appointed time and place of the public opening.
- (vi) The tender documentation fee.

406.3 The Supply Chain Manager shall maintain a register of all tender documents issued, together with names and contact details of prospective Bidders who drew documents.

**406.4 Extension of time for Tender Submission and Opening**

- (i) No extensions will be allowed, except in exceptional circumstances and unless approved by the initiating Head of the Business Unit through the Supply Chain Manager. This should only apply to bidders who have drawn the tender documents. Such extensions are to be reported to the EXCO Procurement and Tender Committee through the Supply Chain Manager.
- (ii) In the event of approval of extension of time, all prospective bidders are to be notified at least 48 working hours in advance by telephone or e-mail and by fax. Notification of the extension must also be posted on the Corporation Website.

**406.5 Opening of Tenders**

- (i) Tenders received will be placed, and shall remain, in the Tender Box until the appointed time of the tender opening. The Tenders will be opened by the Supply Chain Manager (or his/her representative) at the designated time in the presence of a member of the Internal Audit department, a representative of the initiating Business Unit, and those Bidders who may wish to attend.
- (ii) Total tendered prices (in the case of single envelope tenders), delivery or completion periods, and the names of the Bidders will be disclosed. In the event that both fixed and variable prices are offered, these are to be announced.
- (iii) In the case of Dual Envelope Tenders, only the technical tenders will be opened and the names of

the Bidders will be disclosed along with delivery or completion periods where applicable.

A Tender Summary Schedule will be compiled, signed and dated by those present on behalf of the Corporation and held by the Supply Chain Manager or the Projects Manager, as applicable, for safekeeping and record.

#### **406.6 Late Tenders**

- (i) Late tenders shall not be accepted under any circumstances. Any Tender received by the Corporation after the closing date and time shall be returned, unopened, to the Bidder with a covering letter stating when it was received. Where the return address is not stated on the envelope, the Supply Chain Manager shall, in the presence of the Internal Audit Representative, open the bid in order to obtain the contact address.

#### **406.7 Timescale for Evaluation of Tenders.**

- (i) Routine tenders for stock, materials and operational services shall be evaluated, and a report compiled in accordance with the procedures outlined in Paragraphs 406.8 to 406.11, within a period of 10 days after the closing date of the tender.
- (ii) Tenders for large scale projects, generally with an expected cost of more than the approval limit of the EXCO Procurement and Tender Committee, which entail a more detailed or complex evaluation process, shall be evaluated, and a report compiled in accordance with the procedures outlined in Paragraphs 406.8 to 406.11, within a period of 30 days after the closing date of the tender.

#### **406.8 Evaluation of Tenders by Committee**

- (i) A Business Unit Tender Evaluation Committee shall be convened, by the Head of Business Unit responsible for issuing the tender, to evaluate all tenders and quotations that will require the approval of the EXCO Procurement and Tender Committee or the Board Procurement and Tender Committee, in response to an invitation to tender issued by the Corporation.

- (ii) In the case of stock items, the Committee shall be convened by the Supply Chain Manager or Director-Generation as appropriate.

**406.9 Role and Composition of the Tender Evaluation Committee**

- (i) The Tender Evaluation Committee shall comprise of at least three officers from the initiating Business Unit, and a representative of the Supply Chain Department. A Chairman and Secretary shall be chosen from members of the Business Unit responsible for issuing the tender. The Secretary shall keep minutes and record decisions and recommendations of the Committee.
- (ii) The Tender Evaluation Committee shall be responsible for:
- Formulation of the Tender Evaluation criteria.
  - Ensuring that all tenders are in order, and contain no material errors.
  - Ensuring that all tenders are compliant with the tender specifications.
  - Evaluation of tenders in terms of the tender evaluation procedures of the Corporation.
  - Preparation of the Tender adjudication report.
  - Formulating recommendations for presentation to the Head of the Business Unit and the EXCO Procurement and Tender Committee.
  - In the case of projects managed by a Nominated Consultant, the committee evaluation need not apply. It will, however, still be responsible for formulating recommendations for presentation to the Head of the Business Unit.

**406.10 Examination of Tenders**

- i) The Tender Evaluation Committee shall ascertain whether material errors in computation have been made in the tenders, whether the documents have been properly signed and whether tenders are otherwise generally in order. Those tenders that do not conform to the specifications or conditions of the tender may be disqualified at this stage.

#### **406.11 Evaluation and Comparison of Single Envelope Tenders**

- (i) The purpose of the tender evaluation is to carry out an equitable comparison of tenders on a common base.
- (ii) The primary stage of evaluation is to verify the accuracy of Tender prices, and to identify those tenders which meet the technical requirements of the specification and conditions set forth in the tender document.
- (iii) The secondary stage of evaluation should place the remaining tenders in order of merit, in consideration of both technical and financial aspects, including, but not limited to:
  - (a) Competitiveness of price on a Net Present Value basis, including life cycle operating costs.
  - (b) The efficiency and compatibility of the equipment offered.
  - (c) Time of delivery or completion.
  - (d) Availability of after-sales service and spare parts.
  - (e) Reliability of construction methods proposed.
  - (f) The plant, equipment and resources available to the Bidder.
  - (g) Past performance of the Bidder in terms of quality, delivery and price adherence.
  - (h) Assessment of any qualifications that may be introduced by a Bidder i.e. Terms & Conditions specified by a Bidder.
- (iv) The factors should, to the extent practicable, be expressed in monetary terms, or given a relative weight in the evaluation process of the tender documents.

- (v) Relevant experience and technical expertise.
- (vi) For comparison of all tenders, the currency or currencies of tender prices for each tender should be converted to and valued in terms of Pula. Where not so specified in the documents the exchange rate to be used in such evaluation shall be the **selling rates** published by the Bank of Botswana on the tender opening date as follows:
- (a) Tenders submitted in foreign currency denominations shall be converted to Pula at the Bank of Botswana ruling selling price for that currency on the day of tender opening.
- (b) Tenders submitted in Pula but indexed to a foreign currency at a specific rate different to the quoted rate on the tender opening date shall be adjusted to correlate with the exchange rate applicable on the tender opening date.
- (c) Where the projected delivery dates specified in the tenders received differ and the tenders are either quoted in or indexed to a foreign currency or foreign currencies or indexed to commodity price indices, a provision should be made for variations in exchange rates or commodity prices. Such variation provisions should be calculated as follows:
- i) For each tender received the time from the tender opening date to the projected delivery date shall be ascertained.
- ii) The variation adjustment for each tender price quoted shall be calculated in terms of the following formula:

$$Ta = \frac{T \times V \times M}{12}$$

Where:

- T = The Pula tender price  
 Ta = Adjusted price  
 V = The current annual percentage variation of the published currency exchange rate or commodity price.

M = The number of complete months to date of delivery measured from the tender opening date.

- (d) Where this applies, an adjustment shall be calculated for both the currency exchange rate variation and the commodity price variation and added to the quoted tender price for each bidder before comparing the tendered prices for evaluation purposes.
- (e) Tenders shall normally be awarded to the lowest, technically acceptable tender, unless conditions prevailing justify otherwise.

#### 406.12 **Evaluation and Comparison of Two Envelope Tenders**

- (i) In the case of evaluating a Dual Envelope Tender the Primary and Secondary stages of the evaluation are more distinct.
- (ii) During the primary stage of evaluation the tenders are evaluated and scored against criteria to meet the technical requirements of the specification and conditions set forth in the tender document including but not limited to:
  - a) The efficiency and compatibility of the equipment offered.
  - b) Time of completion of construction or delivery.
  - c) Availability of after-sales service and spare parts.
  - d) Reliability of construction methods proposed.
  - e) The plant, equipment and resources available to the Bidder.
  - f) Past performance of the Bidder in terms of quality, delivery and price adherence.
  - g) Assessment of any qualifications that may be introduced by a Bidder i.e. Terms & Conditions specified by a Bidder.
- (iii) As part of the evaluation preparation a threshold technical score is agreed on by the Tender Evaluation Committee and any tenders that do not score sufficient points to meet this threshold are to be eliminated as being technically non-compliant.
- (iv) The Financial Proposals of those tenders deemed technically non-compliant must be returned unopened to the Bidders.

- (v) The secondary stage of evaluation is to verify the accuracy of Tender prices, and to complete an evaluation on the pricing of each tender, taking into account the Net Present Value of the full life cycle cost as well as the availability and cost of support and back up services where required. These remaining tenders are scored against the final evaluated price, normally against a formula agreed to by the Evaluation Committee prior to commencement of the evaluation process.
- (vi) The preferred Bidder will be that Bidder whose tender achieved the highest score of the combined technical and financial evaluations.

#### **406.13 Evaluation of Presentations by Bidders**

Under certain circumstances, usually for major contracts, it may be deemed necessary to call for presentations to be made by the top preferred bidders as part of the evaluation process. In such cases it is recommended that at least 20% of the total evaluation score should be allocated to the objective marking of the presentations with 20% allocated to the financial component of the evaluation and 60% to the technical scoring.

#### **406.14 Clarification During the Evaluation**

Should an issue arise that requires clarification from one or more of the bidders a letter of clarification may be drafted by the Tender Evaluation Committee for this purpose subject to:

- a) Such decision being approved by a majority of the members of the Tender Evaluation Committee and so minuted; and
- b) The letter being sent to all compliant bidders regardless as to whether or not clarification is required from some of the bidders.

#### **406.15 Report on Evaluation and Adjudication**

- (i) A concise report on evaluation, comparison and adjudication of tenders setting forth the recommendation(s) and specific reasons on which the decision for the award of the contract is based, should be prepared for consideration by the appropriate Approval Authority. The report shall include a cost benefit analysis or, at least, outline the business case for the recommendation.

- (ii) This report shall be compiled generally in accordance with the format set out in **Annexure 4** to this document.
- (iii) The Evaluation report is to disclose rates of exchange quoted and that which has been used to bring all tenders to a common Pula base of comparison.
- (iv) Additionally, Botswana registered and citizen owned companies and businesses are to be identified and local preference applied in accordance with the Corporation's Procurement Policy, **Annexure 1** hereto.

#### **406.16 Approval of Order /Contract award**

- (i) All Evaluation Reports in respect of tenders whose value is within the Head of Business Unit's limit shall be submitted to the Head of Business Unit for approval.
- (ii) All Evaluation Reports in respect of tenders valued at between the Head of Business Unit approval limit and the EXCO Procurement and Tender Committee approval limit, shall be submitted by the Supply Chain Manager to the EXCO Procurement and Tender Committee, which shall normally meet at least once per week.
- (iii) Should the Tender require the approval of the Board Procurement and Tender Committee the recommendations, accompanied by the relevant documentation, shall be subject to approval by the EXCO Procurement and Tender Committee, prior to being submitted for approval by the Board Procurement and Tender Committee.
- (iv) Following the decision by the EXCO Procurement and Tender Committee to accept and approve a tender, the Supply Chain Manager shall notify the relevant Business Unit Director and the successful Bidder.
- (v) Decisions of the Board Procurement and Tender Committee, which shall meet monthly, shall be communicated in writing by the Secretary of the Board Procurement and Tender Committee to the Supply Chain Manager, Project Manager and Business Unit Directors/General Managers within 2 (two) working days.
- (vi) The award of the contract shall be effected by the issue of a formal letter of award or contract to the successful Bidder,

issued by the Head of the Business Unit in the case of projects, contracts or appointment of Consultants, or a Purchase Order by the Supply Chain Manager/Director-Generation.

#### **406.17 Formal Selective Tender Method**

- (i) Permission to restrict the tender to Selected Bidders must be obtained from the EXCO Procurement and Tender Committee prior to the issue of the tender. This application will include reasons why an Open tender is not appropriate and the Company Profiles of Firms that are recommended for selective tendering.
- (ii) All other procedures relating to the Formal Selective Tender Method shall be the same as for the Formal Open Tender method, including the Evaluation and Comparison of Tenders, specified under Paragraph 406.11 and 406.12 above. Should it be considered necessary to deviate from these procedures, substantiated reasons shall be presented in the above application to the EXCO Procurement and Tender Committee as well as recommendations as to how the tenders will be evaluated.

#### **406.18 Informal Selective Tender Method**

- (i) Permission to restrict the tender to Selected Bidders must be obtained from the EXCO Procurement and Tender Committee prior to the issue of the tender.
- (ii) For Non-Stock Items the Heads of the Business Units or their authorised representatives, shall make an application addressed to the Supply Chain Manager/Materials Controller (Generation), on the prescribed Purchase Requisition Form, indicating the requirement for the particular supplies, services or work to be performed. For Stock items, an approved Re-order Requisition shall be raised by the Inventory Planning Section of the Supply Chain Department Headquarters/Generation Business Unit to the Procurement Section. The Re-order Requisition should reflect the quantity on hand, The average monthly usage for the item and the quantity required.
- (iii) The Procurement Section will then prepare a “Request for Proposal” (RFP) giving full details of the required supplies, goods or services.
- (iv) Each RFP will be registered and be allocated an enquiry number that is to be detailed on the enquiry.

- (v) The RFP will also indicate the closing date and time, period of validity and address for submission of quotations. The request for proposal will then be dispatched per facsimile, post or other electronic medium, to the selected suppliers (at least three) and a record kept of the RFP sent.
- (vi) Upon receipt of faxed or delivered responses, the Procurement Officer concerned will hand these to the Materials Controller (Procurement), who will hold these in a file until the closing date. After the closing date the Quotations shall be evaluated and awarded by three officers from within the Business Unit following the procedures outlined in Paragraph 406.11 and 406.12.
- (vii) Responses above the Head of Business Unit limit shall be deposited by Bidders in a tender box. Tenders will then be opened on the due date and evaluated by the Business Unit Tender Evaluation Committee and approved/awarded by the EXCO Procurement and Tender Committee.
- (viii) Where only one quotation is received, satisfaction must be provided to the Supply Chain Manager/Director Generation or the EXCO Procurement and Tender Committee (as appropriate) that other proposals were sought or that it is a sole source situation. In the event that competitive quotations could not be obtained, the reasons for this are to be ascertained and detailed in the adjudication report.

**406.19 Procurement and Tender Delegation Authority**

Approval authorities shall be as indicated in the Table below:

**1) GENERATION SBU**

ITEM	ACTIVITY	APPROVAL AUTHORITY
1	<b>Scheduled Plant Maintenance</b> a) 18 Months Statutory Outages- b) 5-7 Years General Overhaul- Boiler Turbine, Generator Works	

	Budget Approval.....	<b>Board</b>
	Prequalification of contractors.....	<b>BPTC</b>
	Prequalification of consultants.....	<b>BPTC</b>
	Allocation of work to consultants.....	<b>SBU</b>
	Award to contractors for small works.....	<b>SBU</b>
	Award to contractors for negotiated tenders....	<b>EPTC</b>
	Award to contractors for open tender projects	<b>BPTC</b>
	Outage & Project Management	<b>SBU</b>
<b>2</b>	<b>Bulk Chemical Purchases</b>	
	Budget Approval.....	<b>Board</b>
	Award to preferred supplier.....	<b>EPTC</b>
	Project management.....	<b>SBU</b>

## 2) TRANSMISSION SBU

ITEM	ACTIVITY	APPROVAL AUTHORITY
<b>1</b>	<b>Infrastructure Development Projects</b>	
	Budget Approval.....	<b>BOARD</b>
	Prequalification of Consultants.....	<b>BPTC</b>
	Allocation of work to Consultants.....	<b>SBU</b>
	Award to Contractors.....	<b>BPTC</b>
	Project Management.....	<b>SBU</b>
<b>2</b>	<b>Transmission Equipment and Tools Refurbishment/Procurement/Spares</b>	
	Budget Approval.....	<b>Board</b>
	Award to contractor.....	<b>EPTC</b>
	Project Management.....	<b>SBU</b>

## 3) CUSTOMER SERVICES AND SUPPLY SBU

ITEM	ACTIVITY	APPROVAL AUTHORITY
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<b>1</b>	<b>Customer Services and Supply Projects</b>	
	BPC funded projects budget approval.....	<b>Board</b>
	Consumer financed Projects (budget approved by Customer)	
	Prequalification of Consultants.....	<b>BPTC</b>
	Prequalification of Contractors.....	<b>BPTC</b>
	Allocation of work to Consultants.....	<b>SBU</b>
	Award to Contractors for small works.....	<b>SBU</b>
	Award to contractors for negotiated tenders.....	<b>EPTC</b>
Award to contractors for open tender.....	<b>BPTC</b>	
Project Management.....	<b>SBU</b>	
<b>2</b>	<b>DSWC Phase Rates</b>	
	Approval of rates for Consultants.....	<b>BPTC</b>
	Approval of rates for Contractors.....	<b>BPTC</b>
<b>3</b>	<b>Repairs and Maintenance</b>	
	Tools and equipment procurement approvals	
	Budget Approval.....	<b>Board</b>
	Award to preferred supplier.....	<b>EPTC</b>
Project management.....	<b>SBU</b>	

#### 4) RURAL SBU

ITEM	ACTIVITY	APPROVAL AUTHORITY
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<b>1</b>	<b>RURAL SBU Projects</b>	
	BPC funded projects budget approval	<b>Board</b>
	Consumer financed Projects (budget approved by Customer)	
	Prequalification of Consultants.....	<b>BPTC</b>
	Prequalification of Contractors.....	<b>BPTC</b>
	Allocation of work to Consultants.....	<b>SBU</b>
	Award to Contractors for small works.....	<b>SBU</b>
	Award to contractors for negotiated tenders	<b>EPTC</b>
Award to contractors for open tender.....	<b>BPTC</b>	
Project Management.....	<b>SBU</b>	
<b>2</b>	Repairs and Maintenance	
	Tools and equipment procurement approvals	
	Budget Approval.....	<b>Board</b>
	Award to preferred supplier.....	<b>EPTC</b>
	Project management.....	<b>SBU</b>

**5) CORPORATE SERVICES SBU**

<b>ITEM</b>	<b>ACTIVITY</b>	<b>APPROVAL AUTHORITY</b>
<b>1</b>	<b>CoS SBU Projects</b>	
	BPC funded projects budget approval	<b>Board</b>
	Prequalification of Consultants.....	<b>BPTC</b>
	Prequalification of Contractors.....	<b>BPTC</b>
	Appointment of Consultants.....	<b>SBU</b>
	Award to Contractors.....	<b>EPTC</b>
	Project Management.....	<b>SBU</b>

2	<b>CoS Preferred Suppliers/Services Providers (including sole supplier scenarios)</b>	
	Prequalification of Suppliers/Services Providers	<b>BPTC</b>
	Assignment to Suppliers/Services Providers	<b>SBU</b>
3	Specialized supplies, equipment and services (including sole supplier scenarios)	
	Prequalification of Suppliers/Services Providers	<b>BPTC</b>
	Assignment to Suppliers/Services Providers	<b>SBU</b>

#### 6) CORPORATE FINANCE CSU

ITEM	ACTIVITY	APPROVAL AUTHORITY
1	<b>STOCK REPLENISHMENT (Including Projects Materials)</b>	
	Budget Approval.....	<b>Board</b>
	Award for long term contracts (up to 3 years)....	<b>BPTC</b>
	Award for once off supply of materials and services.....	<b>EPTC</b>
	Project Management.....	<b>SBU</b>

## **CHAPTER 5**

### **500 PROJECT TENDER PROCEDURE**

- 501 The Tendering Procedure for Projects shall follow the Formal Open Tender Procedure unless otherwise dictated by Funding Organisations or other circumstances and approved by the Board Procurement and Tender Committee or EXCO Procurement and Tender Committee, as appropriate.
- 502 Where the Botswana Government or a Funding Agency is involved, compliance with the Tender Regulations, or modifications thereof, approved by both the Funding Agency and the Board Procurement and Tender Committee shall apply.
- 503 The Project Tenders shall be evaluated, either by the Corporation's Nominated Consultant or the appropriate Committee as outlined in Paragraph 406.8, and a concise Adjudication report containing recommendations for the award of the Project shall be submitted by the Business Unit Director to the EXCO Procurement and Tender Committee, prior to submission to the Board Procurement and Tender Committee.
- 504 The submission to the EXCO Procurement and Tender Committee or Board Procurement and Tender Committee shall generally comply with the format outlined in Annexure 4 and the prescriptions of Paragraph 406.8 above.

## **CHAPTER 6**

### **600 CONTRACTS FOR IMPLEMENTATION OF DISTRIBUTION, TRANSMISSION OR GENERATION WORKS**

#### **601 DISTRIBUTION, TRANSMISSION OR GENERATION CONSULTANTS**

##### **601.1 Nomination of Consultants for Distribution, Transmission or Generation Works**

- (i) As a general principle, the nomination of Consultants for the implementation of Distribution, Transmission or Generation Works shall be done in accordance with the Formal Open Tender Procedure as outlined in Paragraph 405 above.
- (ii) Consultants for Distribution, Transmission or Generation works will be nominated for the following periods:
  - (a) Distribution works 2 years
  - (b) Transmission/Generation works 3 years
- (iii) An invitation to tender for acceptance as nominated consultants shall be published in the local media.

##### **601.2 Categories of Consultants**

###### **601.2.1. Citizen Owned Consultants**

These will be wholly owned and controlled citizen consultants. This category of consultants recognizes the national imperatives embodied in Citizen Economic Empowerment.

###### **601.2.2 General Consultants**

These will be both citizen and non citizen controlled consultants. For the citizen consultants they would enter directly into this category.

### 601.3 **Evaluation & Adjudication of Tenders for Nomination**

- (i) The Distribution/ Transmission or Generation Contracts Committee (DCC/TCC/GCC) will evaluate and adjudicate tenders for nomination on behalf of the EXCO Procurement Tender Committee .The committee shall prepare, or cause to be prepared, an adjudication report for submission to the EXCO Procurement and Tender Committee and subsequently to the Board Procurement and Tender Committee.
- (ii) The primary stage of evaluation shall be to identify those tenders that meet the requirements and/or conditions set forth in the Invitation To Tender (ITT) document.
- (iii) The secondary stage of the evaluation shall be to place the remaining tenders in order of merit using the following criteria:
  - (a) The depth, adequacy and relevance of the qualifications, skills and experience of the Consultant’s key personnel.
  - (b) The experience of the company or firm in the execution or implementation of projects of similar scope and value.
  - (c) The stated and attestable record of the company or firm in the training of citizens and participation of citizens in key positions.
  - (d) The adequacy of relevant facilities as well as human, financial and material resources available to the Consultant.
  - (e) Known or attestable past performance of the Consultant in terms of quality, and delivery within set time and financial budgets.
  - (f) The acceptability of any terms and conditions specified by the Consultant.
  - (g) Any other criteria that may be deemed necessary to safeguard or promote the interests of the Corporation or the Nation.

#### **601.4 Basis for Selection as Nominated Consultants**

- (i) Only those Consultants achieving an above-average overall rating in the adjudication scores will be eligible for selection as Nominated Consultants for Distribution, Transmission or Generation Works and will be qualified to be issued work during the period of their nomination. Depending on their experience, capacity and competence, Consultants may be nominated to undertake work on only certain categories of Distribution, Transmission or Generation Works.
- (ii) Consultants will be selected by order from the consultant scoring the highest above average rating during the nomination process to the one scoring the lowest above-average rating, up to the required number of Consultants.
- (iii) The criteria used in Paragraph 601.3 above may, without compromising safety, quality or project delivery, be varied to facilitate the nomination of citizen-owned consulting companies. Such variation shall be subject to Board Procurement and Tender Committee approval.

#### **601.5 Basis of Allocation of Work to Nominated Consultants**

- (i) The allocation of work to Nominated Consultants shall be done, in the first instance, on the basis of monetary equity and then on the basis of the capacity and performance of the individual Consultant.

#### **601.6 Appointment of Consultants to Undertake Distribution and Generation Small Works Contracts (DSWC)**

- (i) For purposes of appointing Consultants, Distribution and Generation Small Works Contracts shall be regarded as a single project whose monetary value is equal to the limit approved by the EXCO Procurement and Tender Committee for the particular phase of the Small Works Contracts and shall be allocated as per Paragraph 601.5 above.
- (ii) Each Small Works Contracts phase shall be for a period of six (6) months with a provision to extend based on material price variation or such criteria as may be considered appropriate by the Distribution/Generation Contracts

Committee and approved by the EXCO Procurement and Tender Committee.

## 602 **DISTRIBUTION AND GENERATION CONTRACTORS**

### 602.1 **Pre-Qualification of Contractors for Distribution and Generation Works**

- (i) As a general principle, the pre-qualification of Contractors for the implementation of Distribution/Generation Works shall be done in accordance with the Formal Open Tender Procedure as outlined in Paragraph 401.
- (ii) Contractors shall be pre-qualified for a period defined at Paragraph 601.1 (ii). An invitation to tender for acceptance as pre-qualified contractors shall be published in the local media.

### 602.2 **Categories of Contractors**

- (i) In line with Paragraphs 601.2.1 and 601.2.2 there shall be two categories of contractors, i.e. citizen owned and main contractors. The citizen owned contractors will be under the Distribution/Generation Citizen Contractors Programme (DCCP/GCCP).

#### 602.2.1 **Citizen Owned Contractors**

- (i) These will be wholly owned and controlled citizen contractors. These contractors shall be prequalified as per Paragraph 601.2. Notwithstanding the provisions of Paragraph 601.2, once a contractor has been prequalified under this category it will automatically be appointed as an Approved Contractor, albeit any restrictions that the Corporation may deem appropriate; for example whether the contractor will undertake low voltage works only or including high voltage works.
- (ii) During the period of appointment, some of the contractors may be allowed to tender for either Negotiated Works and/or Major Distribution/Generation Distribution Works

under the supervision of one of the Citizen or Main Consultants as may be approved by the EXCO Procurement and Tender Committee. In such circumstances these contractors will compete, save for the provisions of the local preference programme, on the same basis with the Main Contractors.

- (iii) Contractors under this category will be expected to have built up their skills and capacity over a maximum of four years or such longer time as approved by the Board Procurement and Tender Committee. After the stipulated four years or earlier a citizen contractor will be released from the DCCP/GCCP to make room for new and deserving entrants.

#### 602.2.2 **Main Contractors**

These will be both citizen and non citizen controlled contractors. For the citizen contractors they would either enter directly onto this category or would have initially been appointed under the Distribution/Generation Distribution Citizen Contractors Programme. For the latter case, Paragraph 602.11 shall not be applicable for two consecutive Phases, both of which rates were derived by tendering. This period will be used by the contractor to learn how to derive rates for a Phase.

#### 602.3 **Evaluation and Adjudication of Tenders for Pre-Qualification**

- (i) The DCC or GCC shall evaluate and adjudicate tenders for pre-qualification on behalf of the EXCO Procurement and Tender Committee. The Committee shall prepare, or cause to be prepared, an adjudication and evaluation report for submission to the EXCO Procurement and Tender Committee and the Board Procurement and Tender Committee as applicable.
- (ii) The primary stage of the evaluation shall be to identify those tenders that meet the requirements and/or conditions set forth in the Invitation To Tender (ITT) document.

- (ii) The secondary stage of the evaluation shall be to place the remaining tenders in order of merit using, as criteria:
  - (a) The adequacy and relevance of the qualifications, skills and experience of the Contractor's key personnel.
  - (b) The experience of the company in the execution or implementation of projects of similar scope and value.
  - (c) The stated and attestable record of the company in the training of citizens and participation of citizens in key positions.
  - (d) The adequacy of relevant facilities and human, equipment and financial resources available to the Contractor.
  - (e) Known or attestable past performance of the Contractor in terms of quality, and delivery within time and financial budgets.
  - (f) The acceptability of any terms and conditions specified by the Contractor.
  - (g) Any other criteria that may be deemed necessary to safeguard or promote the interests of the Corporation or the Nation.

#### **602..4 Basis for Selection as Pre-Qualified Contractors**

- (i) Depending upon the anticipated volume of projects, referred to in Paragraph 602.1, selection of Contractors to be Pre-qualified for Distribution/Generation works, will be limited to those achieving an above-average overall rating in the adjudication scores. Depending on their experience, capacity and competence, contractors may be pre-qualified to undertake work on only certain categories of Distribution Works.
- (ii) The criteria used in 601.3 above may, without compromising safety, quality or project delivery, be varied to facilitate the pre-qualification of citizen-owned contracting companies. Such

variation shall be subject to Board Procurement and Tender Committee approval.

**602.5 Appointment of Approved Contractors to Undertake Distribution/Generation Small Works Contracts (DSWC/GSWC)**

- (i) The appointment of Approved Contractors to undertake Distribution/Generation Small Works Contracts shall be the responsibility of the EXCO Procurement and Tender Committee who may commission one of the Nominated Consultants to assist with the preparation and adjudication of the tender documents. The procedure used shall, in general, be conducted in accordance with the Formal Selective Tender Procedure as outlined in Paragraph 401 above. Appointment will be for a period of six (6) months with a provision to extend based on material price variation or such criteria as may be considered appropriate by the Distribution/Generation Contracts Committee and approved by the EXCO Procurement and Tender Committee.
- (ii) The aggregate monetary value of projects to be issued under any phase of the Distribution/Generation Small Works Contracts programme is to be approved by EXCO Procurement and Tender Committee.

**602.6 Procedure for Appointment as Approved Contractors**

Only Pre-qualified Contractors shall be invited to tender for selection as Approved Contractors. The tender method to be followed shall be the Formal Selective Tender method as set out in Chapter 3 above. The Tender Invitation shall indicate:

- (a) Tender Number
- (b) Closing Date and Time
- (c) Period of Validity of Tender
- (d) Address to be used for Tender Submission
- (e) Contact Officer

**602.7 Adjudication and Evaluation of Tenders for the Appointment of Approved Contractors.**

Adjudication and evaluation of tenders for the appointment of Approved Contractors, which may be undertaken by a

Nominated Consultant, shall be based on the lowest rates offered on the hypothetical project(s) designed to cover all aspects of typical Distribution/Generation projects.

**602.8 Review of the Adjudication and Evaluation of Tenders for the Appointment of Approved Contractors**

The review of the Nominated Consultant's adjudication of tenders for the appointment of Approved Contractors will be done by the DCC or GCC on behalf of the EXCO Procurement and Tender Committee and submitted for the approval of the Board Procurement and Tender Committee.

**602.9 Basis for the Appointment of Approved Contractors**

- (i) The number of Approved Contractors for any phase of the DSWC/GSWC shall be determined by the anticipated volume and/or value of projects during the particular phase.
- (ii) The Approved Contractors shall be selected by order from the contractor offering the lowest overall cost based on the hypothetical project(s) as described above to that offering the highest, up to the number of contractors determined in Paragraph 602.11 (i).
- (iii) All selected contractors must be offered, and should accept, to work at the rates derived from the submission of the Pre-Qualified Contractor offering the lowest overall cost. These shall be the applicable rates for the duration of the particular DSWC/GSWC phase.
- (iv) During any DSWC/GSWC phase, the number of Approved Contractors may be varied for all or any of the following reasons:
  - (a) Where the volume of work during the DSWC/GSWC period is found to be beyond the capacity of the existing Approved Contractors.
  - (b) Where one of the Approved Contractors is, for whatever reason, unable to meet the Corporation's standards and/or contractual performance levels.
  - (c) Variation in the number of **Approved Contractors** shall be conducted in line with (a) and (b) above

and shall be subject to Board Procurement and Tender Committee approval.

**602.10 Allocation of DSWC/GSWC Work to Approved Contractors**

- (i) The allocation of work to Approved Contractors shall be done, in the first instance, on the basis of monetary equity up to the assured monetary value for the particular phase and then on the basis of the capacity and previous performance of the individual Contractor.

**603 CLASSIFICATION OF DISTRIBUTION/GENERATION WORKS CONTRACTS**

**603.1 Distribution/Generation Small Works Contracts**

- (i) These will be multiple, unspecified projects where the value of each project does not exceed the approval limit of the EXCO Procurement and Tender Committee. These projects may be issued, without further approval (subject to the limit determined by the Board Procurement and Tender Committee for the period) to any of the Approved Contractors in accordance with the procedure prescribed in Paragraph 601.5 above.
- (ii) A full summary of such jobs issued shall be tabled before a full Board meeting on a quarterly basis.

**603.2 Negotiated Distribution/Generation Contracts**

- (i) These are individual projects whose value is between limits approved by the Board Procurement and Tender Committee from time to time. These projects will be awarded to Approved Contractors using the Informal Selective Tender Procedure. One of the Nominated Consultants may be asked to prepare and issue the tender documentation, as well as prepare an adjudication and evaluation report for review and approval by the Corporation.

- (ii) Tenders shall be awarded on the basis of the highest discount, or the lowest premium, offered on the prevailing Distribution/Generation Small Works Contracts rates and, where necessary, project delivery time.
- (iii) EXCO Procurement and Tender Committee approval is required for the award of these tenders.

### **603.3 Major Distribution/Generation Contracts**

- (i) These are individual projects whose value is above the upper limit of negotiated Distribution/Generation contracts as approved by the Board Procurement and Tender Committee from time to time. These projects shall be awarded to any of the Pre-Qualified Contractors using the Formal Selective Tender Procedure. One of the Nominated Consultants may be asked to prepare and issue the tender documentation, as well as prepare an adjudication and evaluation report for review and approval by the Corporation.
- (ii) Tenders shall be awarded on the basis of the least cost offered and, where deemed expedient, project delivery time.
- (iii) The EXCO Procurement and Tender Committee approval is required for the award of these tenders.

603.4 Nothing contained in the provisions of this Chapter shall preclude of Chapter 4- in particular.

## **CHAPTER 7**

## **700 EXTENSIONS, VARIATIONS & MODIFICATIONS TO ORDERS & CONTRACTS**

- 700.1 Authority to sign and approve project extensions and variations is vested in the appropriate Head of the Business Unit for amounts up to the level of approvals of the Head of the Business Unit, and in the EXCO Procurement and Tender Committee for amounts commensurate with the current EXCO Procurement and Tender Committee level of approval. However, the total of the order value and the amendment value must be within the limit of the delegated Authority.
- 700.2 Authority to sign and issue amendments, extensions and variations to Purchase Orders is vested in the Supply Chain Manager or Director Generation, as appropriate, for amounts up to the level of approval up to the EXCO Procurement and Tender Committee, and in the EXCO Procurement and Tender Committee for amounts commensurate with the current EXCO Procurement and Tender Committee level of approval.
- 700.3 Where a contract or order award was initially approved by a higher approval authority, such approval of extensions or variations are to be reported at the following meeting of the relevant higher approval authority for ratification.
- 700.4 Approval of variations and extensions for amounts above the current level of approval authority delegated to the EXCO Procurement and Tender Committee shall be vested in the Board Procurement and Tender Committee.
- 700.5 Amendments or variations described above shall be limited to a maximum of 10% of the original order or contract value provided that such amendments or variations do not exceed the delegated level of authority.
- 700.6 Where an order or contract has been approved at the level below that reserved for the EXCO Procurement and Tender Committee or Board Procurement and Tender Committee, and amendments, variations or modifications to purchase orders or contracts, will bring the total amount of the order or contract to the value set aside for approval by the EXCO Procurement and Tender Committee or Board Procurement and Tender Committee as applicable, approval shall be obtained for the amendment or variation from the appropriate approval authority prior to issuing the amendment or variation order.



## **CHAPTER 8**

### **800 NEGOTIATION**

#### **801 POST TENDER NEGOTIATIONS**

It may be necessary, under certain circumstances, to enter into post-tender negotiations with suppliers, consultants or contractors. Such negotiations are usually warranted only in exceptional circumstances, such as:

- (i) In the case of a new Tender being evaluated, where a comparison with previous prices paid, or market conditions prevailing, shows that the most technically acceptable tender (s) offered are priced higher than can be justified.
- (i) A necessity to reduce the scope of work, extent or specification of goods required in order to come within budget.
- (ii) In the case of existing orders or contracts, where a comparison with market conditions prevailing, shows that the current price(s) on an existing order are higher than can be justified.

#### **802 MANDATE TO NEGOTIATE**

- (i) In such circumstances, permission is to be obtained from the appropriate tender Approval Authority to enter into negotiations. Application shall be made in writing for a mandate to negotiate, and should contain a motivation as to why negotiations are to be entered into. Additionally the request for a mandate is to set out the desired outcome of the negotiations, with desired objectives to be achieved (aspiration base), and minimum acceptable result (real base).
- (ii) In the event that the negotiation fails to achieve at least the result envisaged by the real base, no contract or order is to be entered into. The approval authority shall decide whether to amend the mandate, or break off the negotiations.

### **803      NEGOTIATION TEAMS**

- (i) No official of BPC shall enter into negotiations unassisted. The request for a mandate should set out the names and composition of the negotiation team. Provided that the Approval Authority conveys such a mandate, a contract or order may be finalised and the results reported back to the approval authority.

## **CHAPTER 9**

### **900 CONFLICT OF INTEREST**

- 901 An employee of the Corporation, either in their personal capacity or as a Director of a Company, is prohibited from tendering for any Botswana Power Corporation construction, supply or service contract or order.
- 902 The Botswana Power Corporation Act Section 9. (4) states “Any member of the Corporation who has an interest, or whose spouse has an interest, in any company or undertaking with which the Corporation proposes to make a contract, or has an interest in any contract which the Corporation proposes to make, shall disclose the nature of his or her relative’s interest, and shall not vote or take part in the proceedings of the Corporation relating to such contract.”
- 903 For the purpose of these Tender Regulations, Paragraph 902 above shall be deemed to be applicable to all members of the Board, and include the immediate families of both Board Members and Corporation employees, including parents, brothers, sisters, children, aunts or uncles.
- 904 Where a member(s) of the Corporation find themselves in a situation as described above, they will make this fact known, in writing, in advance to the Secretary of either the EXCO Procurement and Tender Committee or Board Procurement and Tender Committee as appropriate, who will convey this to the relevant Committees.

## **CHAPTER 10**

### **1000 DISPOSAL OF REDUNDANT ASSETS**

#### **1001 APPROVAL FOR DISPOSAL OF ASSETS**

Approval of the disposal of redundant, surplus or obsolete assets of the Corporation shall be at similar levels as for Tenders, except that the level of approval shall be based upon the highest of original purchase price, or estimated sale or disposal value.

#### **1002 STOCK ITEMS**

- (i) The Supply Chain Manager/Director Generation shall identify stock items that are considered to be redundant, obsolete or scrap, and arrange for this identification to be agreed in writing by the appropriate Head of Business Unit .
- (ii) The estimated realizable value of such identified redundant, obsolete or scrap stock items will be established through independent third parties dealing in such items.
- (iii) The Supply Chain Manager/ Principal Supplies Officer Generation shall present the list of such redundant and obsolete items, including the book value and estimated residual value, to the EXCO Procurement and Tender Committee, or Board Procurement and Tender Committee as applicable. This should include a recommendation as to the best method of disposal of the items, which will normally be by public auction, organised by the Supply Chain Manager/Principal Supplies Officer -Generation, or by destruction.

#### **1003 OTHER ASSETS**

- (i) The Head of the Business Unit shall, from time to time, identify and make an inventory of assets that are considered to be redundant, surplus or obsolete.
- (ii) The estimated realizable value of such identified assets considered to be redundant, obsolete or surplus will be

established through independent third parties dealing in such items.

- (iii) Where the estimated realizable value is greater than the delegation of the EXCO Procurement and Tender Committee to the Head of the Business Unit, or the Board Procurement and Tender Committee to the EXCO Procurement and Tender Committee, for orders per the table under Chapter 2, the Head of the Business Unit shall obtain approval of the EXCO Procurement and Tender Committee, or Board Procurement and Tender Committee as is appropriate. Such submissions shall contain a recommendation as to the best method of disposal of the items.
- (iv) The relevant Head of Business Unit shall then forward this list to the Supply Chain Manager, stating therein the estimated book value, estimated realisable value and reserve price (if applicable). The sale of redundant and obsolete items will normally be by Public Auction unless otherwise approved by the EXCO Procurement and Tender Committee.
- (v) Each Public Auction for the disposal of the Corporation's non-Stock assets shall be advertised in the press and the nominated manager responsible for disposals shall arrange for advertising, organising and the holding of the auction.
- (vi) In terms of the Botswana Power Corporation Act, employees of the Corporation are prohibited from purchasing any assets of the Corporation.

## **CHAPTER 11**

### **1100 BOARD PROCUREMENT AND TENDER COMMITTEE**

The Board Procurement and Tender Committee is a sub-committee appointed by the Board whose purpose is to adjudicate and approve tenders.

#### **1101 COMPOSITION**

- (i) The Board Procurement and Tender Committee shall comprise of four members of the Corporation's Board, one of whom shall be nominated as Chairman. In addition, there shall be Four Co-opted Members of the Executive of the Corporation. These are:

- Chief Executive Officer
- Chairman, EXCO Procurement and Tender Committee
- Chief Financial Officer
- Corporation Secretary, who shall serve as Secretary to this Committee

#### **1102 QUORUM**

Three Board Members shall constitute a quorum.

#### **1103 POWER AND AUTHORITY**

- (i) Call for, approve and ensure compliance to the Tender Regulations of Formal Tenders for the Corporation's requirements for supplies, works and services based upon the recommendations of the EXCO Procurement and Tender Committee in accordance with Tender Regulations.
- (ii) To approve and authorise the appointment of consultants on projects in accordance with the Tender Regulations.
- (iii) To approve the sale or disposal of redundant assets based upon the recommendations of the EXCO Procurement and Tender Committee.

- (iv) Authorise the termination of Agreements/Contracts based on an earlier award by the EXCO Procurement and Tender Committee.

1104 **MINUTES**

- (i) The Secretary of this committee shall issue the minutes of the meetings within 10 working days of a meeting.

1105 **NOTIFICATION**

The Secretary shall produce a written advice on the decision of the Board Procurement and Tender Committee, and issue this note to all Heads of Business Units, the Supply Chain Manager within 2 (two) working days, copied to the Chief Executive Officer and the Board Procurement and Tender Committee Members.

## **CHAPTER 12**

### **1200 EXCO PROCUREMENT AND TENDER COMMITTEE**

#### **1201 COMPOSITION**

- (i) The EXCO Procurement and Tender Committee shall be comprised of Four members of the Executive (including the Chief Financial Officer) appointed by the Chief Executive Officer, one of whom (with the exception of the Chief Financial Officer) shall be the Chairman
- (ii) The Supply Chain Manager shall serve as Secretary to this Committee

In the absence of any substantive Member, then an alternate Member shall be appointed from within the absent Member's Business Unit.

#### **1202 QUORUM**

- (i) Three members (including the Chairman) shall be deemed to constitute a quorum.

#### **1203 POWER AND AUTHORITY**

- (i) To authorise acceptance or otherwise of Tenders for the Corporation's requirements of supplies, works or services in accordance with Tender Regulations, up to a value as delegated and amended from time to time by the Board,, after having satisfied itself that specific approval for expenditure to be incurred has been given in accordance with the Corporation's Financial Regulations.
- (ii) To review and recommend to the Board Procurement and Tender Committee all Tenders above the delegated authority of the Committee.
- (iii) To ensure the standardization and rationalization of procurement items in the interest of cost reduction, ease of maintenance and technological effectiveness.

- (iv) Advocate for the aggregation of procurement for items that are common to the Corporation's entities in order to benefit from economies of scale.
- (v) Authorise the termination from Agreements/Contracts based on an earlier award by both the Business Unit Directors or the EXCO Procurement and Tender Committee.
- (vi) Authorise in special cases:
  - Variations in the Formal Tender Procedure.
  - Waiver of Formal Tender Procedure.

#### 1204 **MINUTES**

- (i) The Secretary shall record minutes of all EXCO Procurement and Tender Committee Meetings and issue these to the Members of the EXCO Procurement and Tender Committee and Business Unit Director as applicable. These minutes shall be submitted to the next meeting of the EXCO Procurement and Tender Committee for approval.

#### 1205 **NOTIFICATION**

- (i) The Secretary shall notify the Corporation of the decisions of the EXCO Procurement and Tender Committee by inserting in the appropriate "Public Folder" details of all tenders approved. Such feedback shall be done within 48 hours.

## CHAPTER 13

### 1300 LIMITATIONS:

The authority vested by the Board in the Supply Chain Manager or the Director Generation (as appropriate) to sign and approve orders and contracts is limited. This delegation by the Board specifically excludes the items list in the table below. The delegated responsible persons are given in this same table.

Coal	Chief Executive Officer
Telephones and electronic communication media	Director, Corporate Services
Personnel Travel Foreign (Outside the Region)	Chief Executive Officer
Personnel Travel – Local and Regional	Head of the Business Unit
Corporate Insurance	Chief Financial Officer
Long Term Power Purchase Agreements	BPC Board
Medium Electricity Agreements: Up to 3 years	Chief Executive Officer
Short Term Power Purchase Agreements: Up to 12 months	Director Transmission
Internal Power Purchase agreements	Chief Executive Officer

## CHAPTER 14

### 1400 SUPPLIER APPROVAL

#### 1401 APPROVAL OF SUPPLIERS

- (i) In order to safeguard the Corporation from the unnecessary risk of dealing with unscrupulous or technically incompetent suppliers, suppliers must be approved before any business is placed with the company.
- (ii) In the case of suppliers who will be called upon to supply the Corporation with items that are essential for the technical operation of its business, a full supplier evaluation shall be carried out.
- (iii) A supplier of materials essential for the technical operation of the business shall be pre-approved before any business can be placed with him.
- (iv) Items which are essential for the technical operation of the business include the following:
  - (a) Items for the distribution network which are subject to Standard Requirements for Distribution Systems (SRDS) specification.
  - (b) Spare parts and equipment for the Power Station
  - (c) Technical equipment such as test equipment, communications equipment and electronics for use in the Corporation's network systems.
  - (d) Prospective suppliers who may be called upon to supply the Corporation with consumables and non essential services need not be subject to the same detailed evaluation and it will be sufficient to have such suppliers complete a vendor survey report.

## **1402 PRE-QUALIFICATION**

- (i) Contractors, including civil engineering and construction contractors, providing recurrent services to the Corporation, are required to pre-qualify before being issued with tender documents for such work.
- (ii) The Corporation may restrict the issuing of its tenders to contractors who are registered for a specified category of work with the Public Procurement and Asset Disposal Board.
- (iii) Supplier evaluation is a process intended to satisfy the Corporation that it would be doing business with reputable companies who are able to provide the requirements of the Corporation and should not be viewed as a method of restricting the number of suppliers to the Corporation.

## **1403 APPROVAL OF NEW PRODUCTS**

- (i) New products and products from new suppliers, for Distribution Equipment shall be submitted to the SRDS Committee for approval prior to any purchase order being placed for such items. These shall be submitted accompanied by the relevant technical specifications, drawings, and type tests as appropriate.
- (ii) The SRDS/SRGS Committee shall complete the evaluation report on any new product submitted to it for this purpose within 30 (thirty) days of the registered date of submission.
- (iii) A register of outstanding SRDS/SRGS submissions and progress report will be maintained by the DCC/GCC Committee and submitted on a weekly basis to the EXCO Procurement and Tender Committee for progress review or, where there are no new materials currently being evaluated, a note to this effect will be recorded at the weekly EXCO Procurement and Tender Committee meeting.

# **ANNEXURE 1**

## **BOTSWANA POWER CORPORATION**

### **PURCHASING POLICIES AND PROCEDURES**

#### **1. PROCUREMENT POLICY**

This Policy Statement is applicable to the procurement of all Goods, Works and Services made in the name of the Botswana Power Corporation.

#### **2 INTRODUCTION**

This policy is issued to provide direction to all departments and to provide uniformity in the sourcing of all materials, works and services required by the Corporation.

#### **3 SCOPE:**

This policy applies specifically to Procurement Activities and in no way nullifies the Tender Regulations of the Corporation. It should, therefore, be read in conjunction with the Tender Regulations.

#### **4 OBJECTIVE:**

The selection of the correct source of supply to ensure that the Corporation obtains maximum value for money, whilst ensuring continuity of the flow of materials and services.

## **5 RESPONSIBILITY:**

It is the responsibility of the Supply Chain Manager to ensure adherence to this policy. Any deviations should be reported to the EXCO Procurement and Tender Committee for ratification.

## **6 GENERAL POLICY**

- 6.1 The Botswana Power Corporation recognises the need to support and encourage Citizen owned and Botswana registered Companies in order to encourage economic growth and employment of citizens. To this end, the Corporation will apply a local preference to all tenders and quotations when adjudicating tenders.
- 6.2 Where manufacturing sources do not exist in Botswana, preference will be given within the S.A.D.C. region.
- 6.3 It is Corporation Policy to deal directly with manufacturers in the first instance. Preference will be given to Botswana based manufacturers, as detailed in Paragraph 6.4.below.
- 6.4 If it is not possible for the Corporation to deal directly with manufacturers, the Second Line of Supply will be authorised Distributors and appointed Agents of manufacturers. The Distributor must provide evidence from the source manufacturer company that the Distributor is authorised to carry their products and that all warrantees and guarantees will be honoured by the source manufacturer company.
- 6.5 Preference will be given to Botswana based and registered companies as detailed in Paragraph 7 below.
- 6.6 Botswana based wholesalers and distributors are expected to carry stocks applicable to the Corporation's needs, and provide both service and technical support, as this will guarantee supplies and help to reduce the Corporation's stock holdings.

## **7 LOCAL PREFERENCE FOR MANUFACTURERS, CONTRACTORS AND SERVICE PROVIDERS.**

- 7.1 The Corporation wishes to encourage local investment and employment wherever possible. Additionally it is recognised that Botswana-based Companies retain some portion of their earnings in the Country, and are also customers of the Corporation.
- 7.2 Promotion of locally owned businesses will lead to economic empowerment of Batswana. When adjudicating tenders and quotations, a local preference will therefore be allowed as follows:
- (i) Botswana registered and based manufacturers will be allowed a 5% local preference, which may be subtracted from the tendered prices for comparison purposes during the adjudication process, subject to a maximum preference amount of P 100 000 (Pula one hundred thousand).
  - (ii) Citizen Owned Building and Maintenance Contractors will be allowed a 5% local preference as at (i) above.
  - (iii) Locally registered distributors, wholesalers or agents will be allowed a 3% local preference, subject to a maximum preference amount of P 30 000 (Pula thirty thousand).
  - (iv) Locally based and registered Contractors and Service providers (Excluding Contractors referred to in 6.2 above) will be allowed a 3% local preference, subject to a maximum preference amount of P 15 000 (Pula fifteen thousand).
  - (v) Citizen owned service providers (Excluding Contractors referred to in 6.2 above) will be allowed a 5% Local preference, subject to a maximum preference amount of P15 000 (Pula fifteen thousand).

## **8 DISTRIBUTION, ICTS, TRANSMISSION AND GENERATION EQUIPMENT, COMPONENTS AND SPARES**

- 8.1 Any equipment spares, or products in this category must be approved by the responsible Engineering function, in accordance with the Standard Requirements for Customer Services and Supply Systems, Generation or Transmission Specifications, before any business can be allocated to suppliers or manufacturers of such items.
- 8.2 Where the Corporation is faced with a Sole Source situation, it is incumbent upon both Engineering and Supply Chain Management staff to make every effort to locate an alternate source of supply or an alternative product.

## **9 BULK FUELS LUBRICANTS AND CHEMICALS**

The criteria for placing this business will be optimisation of service and security of supply. This business will therefore be conducted in accordance with General Policy as outlined in Article 6.

## **10 CONTRACTING AND SERVICES**

Depending upon the scope of the work, BPC may require registration with the Public Procurement and Asset Disposal Board for a particular category of work, as a pre-requisite for submitting a tender.

## **11 PROCEDURE FOR SOURCING**

- 11.1 All Suppliers (current and potential) must complete a Vendor Survey Report which shall be evaluated and approved by the Supply Chain Manager before any business can be allocated to them.
- 11.2 The Business Units may recommend sources of supply. The final responsibility for selecting the source of supply, however, rests with the Supply Chain Department, where the value does not exceed the level of delegation to the Supply Chain Manager or Director Generation (provided the item meets with the specifications provided by the Business Units); and thereafter with the EXCO Procurement and Tender Committee or Board Procurement and Tender Committee, as appropriate.

- 11.3 Where the source is not that recommended by the Business Unit, it is incumbent upon the buyers to obtain engineering or end user approval prior to placing the order.
- 11.4 Notwithstanding the above guidelines, at least three competitive quotations must be obtained for all purchases wherever possible. Where preference is to be given to Botswana registered Companies at least one quotation shall be obtained from sources outside Botswana for comparative purposes.
- 11.5 When evaluating Tenders, consideration shall be given to factors including:
- i) Compliance to Tender Requirements
  - ii) Delivery period and ability to deliver on time.
  - iii) Technical Backup Services offered.
  - iv) Quality of the Product or Service
  - v) Warrantees and Guarantees where applicable.
  - vi) How long the bidder has been registered as a supplier of the materials or services.
  - vii) Reference provided by the bidder, which should be checked.
  - viii) The total present value life cycle cost where materials or equipment are tendered for and not just the initial cost of purchase.
  - ix) Supplier's Tax Clearance Certificate (Applicable to Local Suppliers Only).
- 11.6 When compiling tender adjudication reports all costs must be taken into account. Including:
- i) Transportation Costs
  - ii) Customs Clearing Costs
  - iii) Duties, Surcharge and Sales Tax
  - iv) Rates of exchange
  - v) Contract price adjustments
  - vi) Life Cycle Costing

vii) Value Added Tax

## Annexure 2

### BOTSWANA POWER CORPORATION

#### CODE OF PURCHASING ETHICS

##### 1. GUIDING PRINCIPLE

- 1.1. A basic principle of all purchasing activities of the Botswana Power Corporation is that they must be beyond reproach and publicly seen to be so. To this end, staff shall at all times strive to perform their duties and conduct themselves in a manner that ensures that they maintain a reputation of fair, unbiased dealing with all suppliers, potential suppliers, service providers, and Business Units . The Corporation believes in the dignity and worth of the services rendered by the Corporation and the social responsibilities assumed as a trusted public servant. The Corporation's purchasing is governed by the highest ideals of honour and integrity in all public and personal relationships, in order to merit the respect and inspire confidence in, and of, the Corporation.
- 1.2. In conducting its business activities, officials of the Corporation shall, at all times, place the interests of the Corporation at the forefront, conducting the business of the Corporation in accordance with the policies and procedures of the Corporation, and the highest ethical business standards.
- 1.3. Officials of the Corporation shall conduct the Corporation's business with impartiality and fairness giving equal consideration to suppliers and potential suppliers of goods and services.

##### 2. CODE OF ETHICS

- 2.1. **Maximum Value for Money.** The Corporation shall constantly strive to obtain the maximum value for every Pula that it spends.
- 2.2. **Personal Gain.** The Corporation believes that personal gain obtained through misuse of the Corporation's funds or its business

or personal relationships, is dishonest, and not to be tolerated. The Corporation declares any attempt by suppliers or potential suppliers of goods and services to unduly influence the purchasing or business to be inimical to the smooth running of the Corporation, hence unacceptable. Such a supplier shall be struck from the list of approved suppliers, or shall not be included on a list of approved suppliers (in respect of prospective suppliers). In a similar vein, any employee identified as conducting the Corporation's business in such manner shall be swiftly and firmly dealt with in terms of the Corporation's Conditions of Service, and the Employment Act of the Republic of Botswana.

- 2.3. Solicitation.** No member of the Board, or employee of the Corporation, shall solicit, accept, or receive, either directly or indirectly, from any person, firm, or company to whom any purchase order or contract may possibly be awarded, any rebate, gift, or otherwise, any money, loan, gratuity, favour, or anything of value, or any promise, obligation, or contract for future reward or compensation.
- 2.4. Confidentiality.** Members of the Board, and employees of the Corporation, shall respect the confidentiality of information they receive in the course of their work, and shall not use that information for personal gain. Information obtained by members of the Board or employees of the Corporation in the course of their work must be presented in an accurate and impartial way, and not be designed to mislead.
- 2.5. Disclosure of information.** The commercial confidentiality of information and pricing provided by tenderers shall be respected and shall not be disclosed to competitors or used to attempt to influence other tenderers.
- 2.6. Specification.** Tender specifications should be flexible enough to ensure that they achieve adequate market coverage, and that a sufficient number of local suppliers are given the opportunity to submit quotations. Except where a standardisation policy is followed, or in respect of proprietary spares or equipment, procurement shall not be limited by specification of brand names.
- 2.7. Business gifts.** Staff members shall not accept, or elicit gifts, gratuities or loans from suppliers or any other person with whom they have official dealings, either in respect of services rendered, or in exchange for services to be rendered. The only exception shall be small gifts of a promotional nature such as pens or diaries, and those

dealt with below. Any offer of gifts or other consideration, must be promptly reported to the employee's Head of Department.

From time, to time staff may be offered small gifts of a seasonal nature, where acceptance may result in a conflict between their personal interests and their duty to the Corporation; such gifts may only be accepted provided they are modest. Modest is deemed to be no more than P200 in value. All such gifts shall be registered with the Internal Audit Manager. Monetary gifts shall not be accepted, and in all cases the employee's Head of Department should be informed of such attempt, through a full written disclosure, which shall be copied to the Internal Audit Manager.

- 2.8. Hospitality.** Employees of the Corporation shall not accept hospitality from any person or company if such hospitality is likely to be perceived as being able to influence a business decision. When it is difficult to decide what is, or is not, an acceptable offer of a gift or hospitality, staff members should either decline the offer or seek the advice of their Head of Department. Hospitality involving travel is strictly forbidden.
- 2.9. Contact with Tenderers during the evaluation process.** To ensure that the integrity of tender evaluations is not prejudiced, any contact between tender evaluation personnel and tendering suppliers shall be on a strictly formal basis, and in the presence of another member of the evaluation panel. During such evaluation, hospitality of any nature shall be politely declined.
- 2.10. Courteous Reception.** Employees of the Corporation shall, in so far as operational conditions permit, afford a prompt and courteous reception to those who call on legitimate business.

**ANNEXURE 3**

**INSTRUCTIONS TO TENDERERS**

**For**

***[DESCRIPTION OF THE MATERIAL OR SERVICE  
REQUIREMENT]***

# ***[DESCRIPTION OF THE MATERIAL OR SERVICE REQUIREMENT]***

## **Instructions to Tenderers**

### **1. Invitation to Tender**

- 1.1. The Botswana Power Corporation (BPC) invites the lodgement of Tenders in accordance with this Request for Proposal for the ***[Description Of The Material Or Service Requirement]***.
- 1.2. The Scope of this Request for Proposal is more fully detailed in the **Terms of Reference** for this Request for Proposal.
- 1.3. All tenders must be prepared in accordance with the instructions specified in these Request for Proposal Documents.

### **2. Enquiries**

All enquiries relating to this Request for Proposal are to be in writing and directed to:

**Botswana Power  
Corporation Officer:  
Telephone:  
Facsimile:  
Email:**

+267 360 XXXX  
+267 397 3563

### **3. Timetable**

Relevant Dates for this Invitation to Tender are:

Invitation to Tender issued:	[Date]
Closing Date for Tenders:	[Date]
Closing Time for Tenders on Closing Date:	12:00 noon
Validity Date: Tenders are to remain valid until:	[Date]

## 4. General Requirements

- 4.1. Tenderers are required to submit both a Technical and a Financial Proposal, sealed in separate envelopes. ***[Delete if not required]***
- 4.2. Tenderers are required to provide profiles of their respective Company, Organisation or Firm along with trade references, which among other things, outline the following:
  - 4.2.1. Name of the Company, Organisation or Firm
  - 4.2.2. The Company, Organisation or Firm's history in the industry
  - 4.2.3. The key shareholders of the Company, Organisation or Firm
  - 4.2.4. A list of the Directors of the Company, Organisation or Firm
  - 4.2.5. The Company, Organisation or Firm's client portfolio and relevant experience.

***[Delete clauses 4.3 and 4.4 entirely if the tender is for materials or equipment]***

- 4.3. The Tenderer's Technical Proposal should demonstrate their knowledge of the BPC as well as the Assignment requirement and their understanding of the requisite tasks set forth in the Terms of Reference and the Scope of Work incorporated therein. Provision of the requested information, in full, must be set forth in the following sequence:
  - 4.3.1. General approach proposed by the Tenderer for provision of the services including such detailed information as is deemed relevant;
  - 4.3.2. Work programme including an organisation chart for the Assignment team and manning schedule. The manning schedule should indicate clearly the estimated duration (separately in the home office and in the field) and the probable timing of the assignment of each professional to be used (both foreign and domestic). The format to be used for the Manning Schedule is shown in Schedule 11.
  - 4.3.3. Name, age, nationality, background, employment records and detailed professional experience of each expert to be assigned for providing the proposed services, with particular reference to the kind of experience required for the project along with their proposed role in the project implementation. A copy of the Biodata format is attached as Schedule 12.
  - 4.3.4. Proposed association arrangement with other Consultants (if any).

- 4.3.5. Estimate of office space, vehicles, office and field equipment, local counterpart support, etc. required for provision of the required services.
- 4.3.6. Clarifications, if any, on the Terms of Reference.
- 4.4. Additionally, Tenderers should note that if they combine the Management Information and Technology Strategy Advisor Service with those of providing IT software or hardware provision or they are associated with, affiliated to, or owned by an IT software or hardware company or organisation, they should include in their reply relevant information of such relationships, along with a statement to the effect that they will limit their role to that of Management Information and Technology Strategy Advisor Service and disqualify themselves and their associates/affiliates from participating in any other capacity on this particular Project. Any contract with the successful Tenderer will contain an appropriate provision to this effect.
- 4.5. In order to allow proper evaluation of Tenders, all Schedules contained in this Invitation to Tender should be fully completed and signed where required. Tenders in which the detailed prices and/or particulars are not fully completed may not be considered.
- 4.6. All costs relating to the preparation and submission of the Tender are to be borne by the Tenderer. The Client will not be responsible for losses, or pay expenses which may be incurred by the Tenderer in the preparation of their Tender.

## **5. Requests for Information or Technical Clarification**

- 5.1. If the Tenderer has any doubt as to the meaning or intent of any of the provisions in this Invitation to Tender or if a Firm identifies any discrepancies or contradictions he must seek the Client's clarification as soon as possible, whose interpretation shall be final. Such request for advice or decision shall be referred via signed facsimile correspondence for the attention of the Chief Executive Officer to Fax No. + **(267) 397 3563** with e-mail correspondence as a back-up to supplychain@bpc.bw marked for the attention of the Chief Executive Officer.
- 5.2. All correspondence from the Tenderer, in this respect shall be forwarded, in sequential order, in the following format:

*Request for Information No.\_\_\_\_\_.*

***[Description of The Material or Service Requirement]***

- 5.3. It is important that any such request is made in sufficient time to enable any interpretation or amendment to the Invitation to Tender to be given without prejudice to the date for receipt of Tenders. Tenderers are therefore required to submit such Requests for Information at least 14 (fourteen) calendar days prior to the Tender return date. The Client will not entertain any extensions of time which arise from a circumstance that should have been clarified by the Tenderer in accordance with this requirement before submitting their Tender.
- 5.4. The Tenderer calling for any sub-tender(s) shall inform their sub-tenderer(s) that all queries shall be submitted not to the person designated in Paragraph 5.1 but to the Tenderer who, if not already in possession of the information, shall themselves obtain the necessary advice or decision in accordance with the above procedure.
- 5.5. All responses to requests for information will be posted on the Botswana Power Corporation website [www.bpc.bw](http://www.bpc.bw) and distributed by e-mail and by facsimile to those Tenderers who provided their addresses for that purpose.

## **6. Amendments to the Invitation to Tender**

- 6.1. The Client has the right at its sole discretion to issue amendments to the Invitation to Tender documentation at any time during the tender period. Such amendments will as far as possible take due consideration of the remaining tender period and will be posted on the Botswana Power Corporation website [www.bpc.bw](http://www.bpc.bw) and distributed by e-mail and by facsimile to those Tenderers who provided their addresses for that purpose
- 6.2. No alterations shall be made to the Invitation to Tender documentation unless amendments to the Invitation to Tender are issued by the Client during the tendering period which will be issued and numbered as "Amendments to the Invitation to Tender Documentation".
- 6.3. The Tenderer shall list these amendments in Schedule 1 and shall confirm that the provisions of each amendment have been taken into account in his Tender.

## 7. Minor Departures

The Tender shall fully comply with this Invitation to Tender. However, it is recognised that minor departures may be acceptable. Such departures from the Invitation to Tender shall be stated in Schedule 15.

## 8. Price and Payments

- 8.1. The Tenderer shall submit the Schedule of Prices and the Payment Chart in the form and to the extent stated in Schedules 2 and 3 respectively. The tendered Payment Chart should be based on a cash neutral basis and will be subject to evaluation by the Client. Please note that the Corporation prefers to make payments against well defined milestones.
- 8.2. Withholding tax, or any other taxes, will be for the account of the Tenderer except for VAT as per clause 9.4.

## 9. Pricing Of Tender

- 9.1. The Client expects fixed and firm prices to be submitted for the entire contract duration. Tenders containing provision for adjustment may be subject to disqualification.
- 9.2. Where the whole or a portion of a tender is subject to rate of exchange fluctuation it must be made clear what portion of the tendered value is subject to adjustment and what rate of exchange was utilised in making the submission.
- 9.3. In the case of contracts of longer than 12 months duration, where tenderers make provision for Contract Price Adjustment (CPA), details are to be provided of Indices to be used, as well as current base prices upon which the tender is based. Provision shall always be made for a fixed component of any price quoted subject to CPA.
- 9.4. Subject to clause 9.3 above, the tendered price may be submitted, exclusive of VAT, in Botswana Pula (BWP) South African Rand (ZAR), United States Dollars (USD), Japanese YEN or Euros ***[or any other currency considered relevant to the tender]***.

## 10. Claimables

- 10.1. The principal or basis for claiming all incidental, subsistence and travel related costs must be approved in advance by the Client. Such approved expenses will be reimbursed to the Consultant in Botswana Pula on production of valid receipts from the Consultant. Any foreign currency claims will be converted into Botswana Pula

at the Bank of Botswana ruling spot selling exchange rate at the time the expense was incurred.

- 10.2. Any such costs may include, but not necessarily be limited to; air tickets, air port taxes and duties, visas, accommodation, living expenses and car rentals. The Client, however, reserves the right to make all travel and accommodation arrangements on behalf of the Consultant and to make its own pool cars available to the Consultant for local travel purposes.
- 10.3. Should the Consultant prefer, they may use their own vehicles and/or provide their staff with per diem allowances but rates for vehicle usage and/or allowances must be provided and clearly stated in the tender.

## **11. Tenderer's Conditions of Tendering and Conditions of Contract**

The tender shall be submitted in accordance with the Conditions of Tendering and Conditions of Contract specified in this Request for Proposals. Any subsequent contracts will be drawn in accordance with the Laws of the Republic of Botswana and based on this documentation.

## **12. Tender preparation**

All tenders must be prepared in accordance with the instructions specified in these Request for Proposal documents.

## **13. Tender copies**

- 13.1. The Tenderer shall submit one completed copy of each of the Tender proposals, in separate sealed labelled envelopes which shall be marked "Original Technical Proposal" and "Original Financial Proposal" respectively, together with five additional copies of each marked "Technical Proposal Copy" and "Financial Proposal Copy" respectively and four sets of any covering letters or accompanying documentation. Each copy of the Financial and Technical proposals shall be submitted in separately seal envelopes as stated in clause 4.1 above and marked in accordance with this clause and clause 17 below.

***[Alternative wording if this is not a two packet tender]***

*[The Tenderer shall submit one completed copy of the Tender proposal, which shall be marked "Original Tender Proposal", together with five additional copies marked "Copy Tender Proposal" and four sets of any covering letters or accompanying documentation. Each copy of the proposal shall be submitted in*

*separately seal envelopes and marked in accordance with this clause and clause 17 below.]*

#### **14. Tender content**

14.1. Each copy of the Tender shall conform to the following conditions:

-

*14.1.1.* The presentation and format shall be the same as for this Invitation to Tender.

*14.1.2.* The Tender and supporting documentation shall be submitted in the English language.

14.2. Should there be any discrepancies between entries in the copy marked "Original" of either proposal and those marked "Copy" of that proposal the entries contained in the "Original" copy shall prevail.

14.3. Tenders and accompanying documents shall be completed as indicated together with the necessary copies and shall be enclosed in a sealed cover marked as follows:

#### **"Confidential**

For the attention of The Chief Executive Officer

Tender for ***[Description of The Material or Service Requirement]***

14.4. All tenders must comprise the following (in order):

Schedule 1	Tender Form
Schedule 2	Price Schedule
Schedule 3	Payment Chart
Schedule 4	Commercial Schedules
Schedule 5	Tenderer's Structure Schedule
Schedule 6	Conflict of Interest Schedule
Schedule 7	Tenderer's Experience Schedule
Schedule 8	Tenderer's Technical Capabilities Schedule
Schedule 9	Technical Schedules

Schedule 10	Manning Schedule
Schedule 11	Biodata Schedule
Schedule 12	Quality Assurance Schedule
Schedule 13	Specimen Performance Bond Compliance Statement Schedule
Schedule 14	
Schedule 15	Tax Clearance Certificate (Locally Registered Bidders)

## **15. Joint Ventures etc**

Tenders submitted by a joint venture of two or more companies as partners shall comply with the following requirements:

- 15.1. The Tender shall be signed so as to be legally binding on all partners,
- 15.2. One of the partners shall be authorised to act as Leader and this authorisation shall be evidenced by submitting a power of attorney signed by legally authorised signatories of all the partners,
- 15.3. By this power of attorney, the Leader shall be authorised to incur liabilities and receive instructions for and on behalf of any and all partners of the joint venture. The partners shall be considered bound by all things done by the Leader and the Client and/or his authorised representative need not deal with any other persons in this respect.
- 15.4. All partners of the joint venture shall be liable jointly and severally for the performance of the Contract in accordance with the Contract terms, and a statement to this effect shall be included in the authorisation mentioned under clause 21.3 above.
- 15.5. An original and three copies of the agreement entered into among the joint venture partners shall be submitted along with the Tender.

## **16. Tender Bond**

The Tender Bond shall be forfeited in case of any change in the original price or other conditions submitted after the closing date of the tender.

## 17 TAX CLEARANCE CERTIFICATE

In order to ensure compliance with Tax Law Tenderers are required to submit Tax Clearance Certificates issued by the Botswana Unified Revenue Service. Where the Bidder has submitted its Tax Returns and delays are experienced in issuing the certificate, then confirmation in writing by Tax Authorities that the Tenderer has submitted Tax Returns shall be considered as sufficient proof. The Certificate forms part of the condition for award of the Tender.

## 18. Tender Lodgment

- 18.1 Tenders, no matter how submitted MUST be RECEIVED by the Botswana Power Corporation before the Closing Time on the Closing Date shown in Clause 3. The Tenderer is advised that incomplete or late information will not be considered.
- 18.2 Should you decide not to submit a tender, after collecting and studying the tender documentation, please communicate your reasons for withdrawing as, in terms of our quality initiative, it would be helpful for us to know.

## 19 Delivery and packaging

- 19.1 Tenders must be clearly marked with the name of the tenderer appearing on each page of the tender.
- 19.2 Tenders and all supporting documents are to be submitted in plain sealed envelopes or packages bearing:
  - The name of the tenderer;
  - The Botswana Power Corporation Tender Number;
  - Either "Financial Submission" or "Technical Submission" as applicable; ***[Delete if this is not a two packet tender]***
  - The name or description of the goods or services being tendered for; and
  - The Closing Date for the Tender.
- 19.3 Tenderers should ensure that the name of the Company and a return address is provided on the reverse of the envelope.
- 19.4 **The sealed envelopes containing the Tender Documents, together with the necessary copies and marked as described in clause 17.1 and 17.2, shall be addressed as follows:**

**"Confidential"**

For the attention of The Chief Executive Officer

Tender - Tender No: *[XXXX/OX:]*

*[Description of the product or service being tendered for].*

## **20 Delivery of Tenders**

20.1 Tenders must be placed in the Tender Box situated in the foyer located at:

Botswana Power Corporation Head Office  
Ground Floor  
Motlakase House  
Plot 1222  
Macheng Way  
Gaborone  
BOTSWANA.

20.2 Tenders may be lodged in the tender box by courier, provided that they are marked as described in clause 17.1 and 17.2 above.

20.3 The Client does not assume any responsibility for ensuring that documents delivered are lodged in the tender box.

20.4 Tenders submitted by other means will not be considered by the Botswana Power Corporation.

## **21. Delivery by post**

Tenders delivered by courier post **MUST** be received in the Tender Box by the Closing Time on the Closing Date. The Botswana Power Corporation is not responsible for postal delays.

## **22. Public Opening**

Tenders will be opened immediately after the closing time, in the presence of those wishing to attend. Where the tender is not a two packet tender with separate Financial and Technical proposals, the TOTAL price tendered, where this can be determined, will be announced. All tenders will be date stamped by a representative from the Internal Audit Department.

## **23. Acceptance of Tenders**

- 23.1 The Client does not bind itself to accept the lowest, or any, Tender or assign any reasons for the acceptance or rejection of any tender.
- 23.2 The Client reserves the right to accept the whole or any part of the tender.
- 23.3 Unsuccessful Tenders will not be returned by the Client.

## **24 Assessment and evaluation**

Assessment and evaluation of Tenders will be based on the criteria set out in the Conditions of Tendering Document.

## **25 Performance Bond**

25.1 The Successful Tenderer/s shall submit a Performance Bond established through a commercial bank acceptable to the Botswana Power Corporation, for an amount equivalent to 10% (ten percent) of the Contract price.

25.2 The Performance Bond shall be used to guarantee satisfactory supply and delivery of the provision of services by the Successful Tenderer in accordance with the terms of the Contract.

25.3 If the selected Successful Tenderer fails to provide the Performance Bond within 15 days of notification of the acceptance of his offer, the Botswana Power Corporation shall claim the full amount of the Tender Bond, as compensation for such default.

25.4 A specimen Performance Bond is included in Schedule 13.

***[This paragraph may be amended or omitted depending on the type of contract]***

## **26. Tender Validity**

The Tender validity is up to and including the ***[Insert Date]***. In the event that the Client wishes to extend the validity period, the Client shall request such extension from the Tenderer in writing prior to the expiration of the original tender validity period.

## BOTSWANA POWER CORPORATION

### EXCO PROCUREMENT AND TENDER COMMITTEE

**TENDER NO: (Project works order numbers should not be used)**

#### *SHORT TITLE OF WHAT IS BEING PROCURED* **SCOPE OF TENDER**

This tender covers the supply, installation and commissioning / the purchase of...../ the appointment of Consultant.....

#### **VALUE**

The value of the project / materials to be purchased is **P 888 888, 88** . This should be presented in a Tabular Format eg.

	%		Comment
<b>VALUE OF PROJECT</b>			
<b>Provisions</b>			
<b>Contingencies</b>			
<b>ROE</b>			
<b>CPA</b>			
<b>Sub Total</b>			
<b>VAT</b>			
<b>TOTAL VALUE OF PROJECT</b>			
		<b>P</b>	

#### **BUDGETARY PROVISION**

Budgetary provision has been made under ..... Division/Department Budget code 88888

Or

This is a consumer-financed project. Works Order number 88888/8 refers.

This should be presented in a Tabulated Format reflecting:

- Budget Amount
- Amount already approved
- Available amount
- Amount of the current tender (Exclusive of VAT but inclusive of other Variables)
- Remainder/Shortfall

## METHOD OF TENDER

This was a selective tender restricted to suppliers approved at Management Tender Committee meeting dated...../ pre qualified consultant/ suppliers .....

Or

A Formal Open tender enquiry was advertised in the local / local regional and international press.

## BRIEF BACKGROUND

Give a short synopsis of the circumstances leading up to the purchase, or appointment of a consultant, or provision of service and reasons.

This paragraph should convey to the reader the necessity for the purchase and benefits to the Corporation arising from the procurement action. **Wherever applicable a cost benefit analysis is to be included.**

## TENDERS RECEIVED

Here should follow a summary of all tenders received. This may be stated in a few lines, under paragraph headings, or summarised in a table such as the example below. The choice of presentation lies with the author.

The choice of format will depend on that which is necessary to achieve clarity, and in order to create a neat presentation.

### Summary of Tendered Prices

<u>Contractor</u>	<u>Tendered Price (Pula)</u>	<u>Less Discount xx%</u>	<u>Less 3% or P30,000 LPP</u>	<u>Completion Time (Weeks)</u>
<b>Litze Afrika</b>	<b>965 206.60</b>	<b>N/A</b>	<b>935 206.60</b>	<b>10</b>
<b>Noddy Construction</b>	<b>981 869.00</b>	<b>932 775.55</b>	<b>N/A</b>	<b>10</b>
<b>Plod's Electrical</b>	<b>956 485.00</b>	<b>N/A</b>	<b>N/A</b>	<b>14</b>

*In this section the tenders should be brought to a common base in Pula, and the rates of exchange used are to be indicated. Rates used should those rates applicable at the tender close / opening date as quoted by the Bank of Botswana.*

*Where applicable a comparison should be made with previous price(s) paid and comment made on whether the prices/ price increases are considered fair and reasonable per the example below.*


**TENDER EVALUATION**

*A short synopsis of the adjudication of the quotations or tenders, including factors considered, price comparisons, service etc, and the reasons for the selection of the recommended supplier(s). This Should be presented in a Tabulated Format eg:*

**TENDER COMPARISON FORMAT  
STOCK**

UPPLIER	AMOUNT TENDERED GABORONE	AMOUNT TENDERED FRANCISTOWN	TOTAL AMOUNT	NET 3% LPP	DELIVERY PERIOD	SOURCE / MANUFACTURER	COMPLIANCE TO SPECIFICATION	TECHNICAL ACCEPTABLE	

OR

**SUMMARY OF EVALUATION**

<b>EVALUATION CRITERIA:</b> eg	<b>BIDDER 1</b>	<b>BIDDER 2</b>	<b>BIDDER 3</b>	<b>BIDDER 4</b>
Compliance – Completeness and or conformance to ITT/specification				
Commercial Viability assessment eg fixed or variable price, support and maintenance, etc				
Company profile- Regional, citizen ownership, CV's of project staff (where applicable), relevant experience (where applicable) etc.				
<b>Technical Evaluation</b> eg Equipment Manufacturer, Access to spares, Technical competence, skills and experience etc				
<b>Price Evaluation</b> Inclusive of tendered amount, Contingencies, CPA, ROE, VAT Adjustments				

***EVALUATION DETAILS***

*The detailed evaluation should reflect a balanced view and be consistent across all the bidders in line with the evaluation criteria. Relevant clarifications should be sort in at all times to enable a valid business case on the recommendation and should be sought in a transparent manner.*

*In this section the buyer should adjust tender prices where necessary to get them all on a common base. For example, if there are ten items and a supplier has quoted only for five, his total may be adjusted by including prices for the items not included, using another tenderer's rates.*

**RECOMMENDATION**

*For recommendations within the EXCO Procurement and Tender Committee'S approval limits, the recommendation will be similar to this:*

It is recommended that the EXCO Procurement and Tender Committee approves the award of a contract for the supply of .....to XYZ Company who submitted the lowest, technically acceptable tender, at a total cost of **P 888 888.00** with a delivery period of 8 weeks /days /months.

For recommendations that will have to be submitted to the Board Procurement and Tender Committee;

It is recommended that the EXCO Procurement and Tender Committee approves for submission to the Board Procurement and Tender Committee.....

*(Note that the Board is particular about including the delivery period)*

*It is sometimes necessary to request provisional sums, and these might include provision for rate of exchange adjustments. You should get a forward cover rate from our treasury for the contract period in question, and state how the amount was derived, e.g.*

Approval is sought for a provision of **P 88 888.88** which is 2,5% of the contract value, to cover rate of exchange valuations. This is based on the forward cover rate provided by -----Bank for a twelve month period.”

Other provisions might be similar to this:

It is further recommended that provision be made for the sum of **P 88 888,00** in respect of possible rate of estimated delivery charges/ spares etc.

Finally the total amount for which approval is sought is to be included, for example :

**The total amount for which approval is sought is P 888 888.88**

<b>APPROVED</b>	<b>SIGNATURE</b>	<b>DATE</b>
<b>Director-Customer Services and Supply</b>		
<b>Director-Rural</b>		
<b>Chief Financial Officer</b>		
<b>Director-Corporate Services</b>		

## ANNEXURE 5

### BOTSWANA POWER CORPORATION

## GENERAL CONDITIONS FOR SUPPLIES CONTRACT

**In these conditions, except where the context otherwise requires:**

Definitions and Interpretation

1

**“The Goods” means one or all of the following; articles, plant, equipment, materials, items and service which the Contractor is required under the Contract to supply.**

**“Board Procurement and Tender Committee” means a sub-committee appointed by the BPC Board to Approve and ensure compliance with Tender Regulations.**

**“Contract” means an agreement between the Employer and a Contractor resulting from the appropriate and approved procurement procedures and proceedings, and shall be concluded in pursuance of a bid award decision by the Board Procurement and Tender Committee or any of its Sub-Committees.**

**“Contract Price” means the price, exclusive of Value Added Tax (VAT), payable to the Contractor/Supplier by the Employer under the contract for the full and proper performance by the Contractor/Supplier of its part of the Contract.**

**“Contractor/Supplier” means a person or an incorporated body/company engaged by the Employer to undertake works, services, supplies or any combination thereof.**

**“Cost Insurance and Freight (CIF)” means a Shipment Contract where the destination point is named, and carriage paid by the Seller. The Seller also contracts for insurance and pays the insurance premium.**

**“Employer” means the Botswana Power Corporation.**

**“Order” means the Employer’s official Purchase Order to which these clauses are annexed, and which shall form an integral part of the Contract documentation.**

- 2 Any notice or other communication whatsoever which the Employer is required to give or make to the Contractor in terms of the Contract shall, without prejudice to any other method of giving or making it, be sufficiently given or made if it is sent by post in a letter addressed to the Contractor and if the letter is not returned through the post undelivered, such notice or communication shall be deemed for the purpose of the contract to have been given or made at the time at which the letter would in the ordinary course of post have been delivered.
- Governing Laws 3 The Contract shall be considered as a contract made in Botswana and subject to the Laws of Botswana.
- Transfer and assignment 4 The Contractor shall not give, bargain, sell, sublet or otherwise dispose of the Contract or any part thereof or the benefit or advantage of the Contract or any part thereof without the previous consent in writing of the employer.
- Purchases  
Any Purchase Order following a tender or quotation by a contractor or supplier, raised in writing by the Employer shall constitute an acceptance on the part of the Employer to purchase the goods subject to the conditions of the Contract.
- 5 The employer shall not be liable for any Order unless it is issued or confirmed on its official Purchase Order form and signed/authorised by a designated officer of the Employer.
- Variations of Conditions  
6 The goods shall be supplied in accordance with the Conditions of the Contract. Conditions which the Contractor/Supplier may seek to impose and which in any way may add to, vary or contradict these clauses shall be excluded and not form part of the Contract, unless each of such Conditions has been specifically agreed to in writing by the Employer.
- 7 Acceptance, or execution of an Order will be deemed to bind the Contractor/Supplier to these Conditions and no goods shall be supplied except in accordance herewith. The Contractor's/Suppliers Conditions of Sale will not form part of this Contract, unless specifically and explicitly agreed otherwise.
- Warranty 8 The Contractor warrants that all articles, materials, or services will be delivered free from defects of material or workmanship and this warranty shall survive any inspection, delivery, acceptance or payment by the Employer of the articles, materials or services.

Quality 9 The articles delivered shall be of the quality, standard or specification described in the Contract and where samples form part of the Contract shall in all respects conform to the specification.

10 All articles, materials, workmanship or services covered by this Contract shall, where applicable and feasible, be the subject of the Employer's inspection and testing times before, during or after manufacture. Where applicable, the Contractor shall furnish without additional charge all reasonable facilities and assistance for safe and convenient inspection or testing required by appointed inspectors. Such inspections may be carried out on the Contractor's premises or at such other place as deemed appropriate by the inspectors. The Employer shall have the right to reject or, at its discretion, to require the correction or replacement of articles, materials, workmanship or services which are defective or do not conform to the specified requirements of this Contract. All rejects shall be held at the Contractor's risk and expense, including all transportation and handling costs until returned to or collected by the Contractor. All rejects shall be replaced or rectified and made good should the employer so choose, at the Contractor's expense within the replacement period to the full satisfaction of the Employer, and in conformity with the standards, specifications or samples specified in this Contract.

Rejection for Inferior quality 12 Should the articles or any portion of them offered or delivered by the Contractor be reasonably rejected by the Employer, as not being equal to the quality, standard or specification contracted for, or as being of a quality inferior to that of the samples where samples formed part of the Contract, the Contractor shall forthwith at his/her own expense remove the rejected articles and shall within the replacement period, replace them with articles which meet the specified requirements.

13 In the event of the Contractor failing to remove such rejected articles within 7 days of notification of the rejection, the Employer shall be at liberty to return them at the Contractor's risk, the cost of carriage being recoverable from the Contractor.

14 In the event of a rejection of the articles and the Contractor remains aggrieved by such rejection, it may within 5 days of receipt of the notification of rejection and before such articles have been removed, give the Employer notice of objection. If the Contractor gives notice as aforesaid the Articles shall not be removed until the parties have attempted to settle the dispute and if the employer remains unsatisfied it may direct that the articles be removed forthwith.

Title to draw

Specifications 15 The Employer shall at all times have title to all drawings and specifications furnished by the Employer to the Contractor, and intended solely for use in connection with this Contract. The

Contractor shall use such drawings and specifications only in connection with the Contract and shall not disclose such drawings and specifications to any person, firm or company other than those authorised by the Employer or to the Contractor's employees, Sub-Contractors or Employer's Inspectors. The Contractor shall upon the Employer's request or on completion of the Contract promptly return all drawings and specifications to the Employer.

Damages for

Non-delivery

16

Should the Contractor fail to supply any of the articles on the date or dates or within the period or periods specified, or should he/she fail to replace any of the rejected articles as required by the Contract, the Contractor shall be liable to make good to the Employer all losses and damages occasioned by such failure, including any reasonable price (whether greater than the appropriate Contract price or not) paid by the Employer in purchasing the articles on which default was committed, from a source other than the Contractor. In such an event the Employer shall be at liberty to retain the amount of any such loss or damage from any money due to the Contractor but without prejudice to any other rights that the employer may have.

Recovery of

Sums due

17

Any sums of money recoverable from, or payable by the Contractor under the Contract may be deducted from any sums then, or which at any time thereafter may become due to the Contractor under the Contract or under any other Contract with the Employer.

Alteration of

Specification etc 18

The Employer where applicable, reserves the right to alter from time to time any specifications, patterns and drawings relating to the Contract and as from the date specified by it for any such alteration, the deliverables shall be in accordance with the specifications, patterns and drawings, as the case may be, and as per the alterations. In the event of such alteration involving an adjustment in the cost of, or in the period for production, a revision of the contract prices and of the time of delivery shall be made by the parties to this contract or agreement or in the event of disagreement by an arbitrator appointed by the parties in relation to the issues which are the subject of the alteration, but in all other respects the Contract shall remain unchanged.

Quantities	19	The items quantities that form the basis of this Contract are estimated requirements to be supplied in the period of ----- months from the date of award of the Contract, but the actual quantities ordered and supplied shall be at the sole discretion of the Employer.
Minimum Quantities	20	The price stated in the pricing data for an article shall be for the minimum quantity the Contractor is prepared to supply in one consignment. Should no minimum quantity price be stated in the pricing data, then such minimum quantity will be deemed to be one unit of the article described.
Packages	21	<p>Unless otherwise provided in the Contract:</p> <ul style="list-style-type: none"> <li>a. The articles are required to be properly packed for long term storage in containers suitable to protect the contents against damage through rough handling and for over-storage in transit or whilst in store.</li> <li>b. All containers (including packing cases, boxes, tins, drums and wrappings) supplied by the Contractor shall be considered as non-returnable, and their cost having been included in the Contract price.</li> </ul>
Marking	22	When so directed, the Contractor shall mark each article clearly and indelibly in accordance with the requirements shown in the Scope of Work. The marking shall include any serial number or mark allocated to the article, and if the article has a limited shelf life, the date of manufacture expressed as required in the Scope of Work or, in default of such a requirement, as month (letters) and year (2 figures). Where because of its size or nature it is not possible to mark the article with the required particulars, these shall be marked on the package or container in which the Article is packed.
Price	23	Unless otherwise stated in the Pricing Data the price shall be the price of the article packaged and delivered C.I.F . Inclusive of insurance to the consignee at Gaborone or where otherwise stated and at risk to the Contractor unless otherwise specified in the Scope of Work. Prices shall be net all cost and trade discounts which are being allowed for.
Price variation	24	In the event of the Contractor incurring increased expenditure in the execution of the Contract, by reason of any of the foregoing reasons:

- c. An increase in the rate of wages generally recognized by representative associations of employers or work people or by reason of any statute enactment or regulation having the force of law and applicable to the traders concerned and binding on or affecting the Contract and which could not have been foreseen at the date of tender;
- d. An increase in the price of materials or goods due to statute enactment or regulation affecting supplies to Botswana, and which could not have been foreseen at the date of tender;..
- e. An increase in transport rates as a result of legislation, which could not have been foreseen at the date of tender.

Pricing data 25

(i) The Contractor may be entitled to pricing adjustment as per clause 25 hereunder. The Contractor's claim shall be a sum not exceeding the actual net additional cost, calculated from the percentage breakdown of the unit price stated in the Pricing Data provided that he shall have given prompt notice to the Employer at the time of the increase, of his intention to make a claim. Provided where delay has occurred in the execution of the Contract no such claim shall be admissible on those articles affected by the delay, unless in the opinion of the Employer such delay was due to causes not within the Contractors control. Should a decrease occur in costs of labour, materials or transport due to any event described in clause 24 hereof, during the continuance of the Contract, a corresponding reduction shall be made in the Contract price. Any decision of the Employer under this clause shall be binding on the Contractor.

(ii) Notice required to be served on the Employer for purposes of this clause shall be deemed to have been served within a reasonable period if delivered within ..... weeks of the knowledge of the changes of variables that may affect the contract price.

Price variations 26

Where a Fixed Price Model is stated in the Contract, the Contractor/Supplier, shall, (in respect of goods that are subject to frequent metal, copper, steel and aluminium price increases), be required to hedge appropriate stocks of materials based on the Employer's forecast.

Currency revaluation  
And devaluation 27

Should any official change be made in the value of the Pula during the pendency of this Contract, which directly affects the price of any item mentioned in the said documents, the full percentage increase shall be added or deducted from the rate as quoted, on production of supporting documents.

Currency

Fluctuations 28

Normal currency fluctuations in the exchange rate between the Pula and the currencies quoted in the tender documents shall not affect the prices specified on the said documents. In this condition "substantial" means a currency fluctuation of 5% above or below that ruling at the time of submitting the tender documents. In the event of such an occurrence, and provided that there has been no breach or overt frustration of any condition of this Contract, the proportionate increase or decrease, calculated on the date of importation of the goods, may be added or deducted from the said price as originally quoted.

Delivery Notes/

Invoices 29

Except where otherwise directed, delivery of articles shall be accompanied or preceded by a delivery consignment or advice note addressed to the officer at the place where the articles are delivered. Immediately after dispatch of the articles a priced invoice shall be posted or delivered in accordance with the instructions set out in each order, and must bear the number in accordance with the Scope of Work.

Alternative

Supplier 30

Nothing contained in this Contract shall be held to restrain the Employer from Contracting with persons other than the Contractor for the supply of articles which are the subject of this Contract, if it shall in its discretion think fit to do so, but the Employer may not exercise this power so long as the Contractor satisfactorily carries out all the conditions of the Contract, except in cases of emergency or due to circumstances which could not be foreseen when the Contract was entered into.

Indemnity 31

The Contractor, where relevant shall not, in connection with the Contract use, manufacture, supply, or deliver any process, articles, matter or thing, the use, manufacture, supply or delivery of which would be an infringement of any patent rights or proprietary marks or descriptions and the Contractor shall indemnify the Employer from all proceedings, damages, costs, charges, expenses, loss and liability which the Employer may face, incur or be put to by reason or in consequence directly of any breach of this provision (whether willful or inadvertent) and against the payment of any royalties or other monies in which the Employer may have to make to any person or body entitled to exclusive rights in respect of any processes, articles, matter or thing used, manufactured, supplied or delivered by the Contractor in connection with the Contract.

Gratuities etc.32

The Contractor shall not offer, pay or cause to be offered, paid or given, directly or indirectly any fee, gratuity or reward in money or any other form to any person in the employ of the Employer.

Determination of Contract 33

In case the Contractor shall be in breach of any of the terms and conditions of this Agreement, or shall on any occasion fail in the due and punctual supply of any of the articles to be supplied under the Contract, or shall repeatedly offer any article of an inferior quality to that contracted for, or at any time fail to replace such articles when properly rejected, the Contractor shall be deemed to have failed in the due performance of the Contract, but without prejudice to the Employer's rights of retention and recovery in respect of any loss or damage sustained, the Employer may terminate this contract.

Domicilia 34

For all purposes of this agreement, the parties choose the addresses set out below at which all notices and communications must be delivered.

Any notice or communication required or permitted in terms of this agreement shall be valid and effective only if in writing but it shall be competent to give notice by telex or telefax.

Botswana Power Corporation

Motlakase House  
Macheng Way  
Industrial Sit, Lot 1222  
P.O. Box 48  
Gaborone  
Fax (267).....

Supplier

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.....  
.....

**SIGNED AT.....ON THE.....DAY OF.....2008**

**WITNESSES:**

- 1. ....
- 2. ....

**For and on behalf of  
Botswana Power Corporation  
.....  
Chief Financial Officer**

**For and on behalf of  
Supplier  
.....**

**Today.....**

**Tomorrow.....**

